

# Lesson 1: Basics of Accounting

## Lesson Objectives

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

- ❑ Principles and concepts of Accounting
- ❑ Double Entry System of Accounting
- ❑ Financial Statements

## 1.1 Introduction

Accounting is a process of identifying, recording, summarising and reporting economic information to decision makers in the form of financial statements. Financial statements will be useful to the following parties:

- ❑ Suppliers
- ❑ Customers
- ❑ Employees
- ❑ Banks
- ❑ Suppliers of equipments, buildings and other assets
- ❑ Lenders
- ❑ Owners

### 1.1.1 Types of Accounts

There are basically three types of Accounts maintained for transactions :

- ❑ Real Accounts
- ❑ Personal Accounts
- ❑ Nominal Accounts

### Real Accounts

Real Accounts are Accounts relating to properties and assets, which are owned by the business concern. Real accounts include tangible and intangible accounts. For example,

- Land
- Building
- Goodwill
- Purchases
- Cash

### Personal Accounts

Personal Accounts are Accounts which relate to persons. Personal Accounts include the following.

- Suppliers
- Customers
- Lenders

### Nominal accounts

Nominal Accounts are Accounts which relate to incomes and expenses and gains and losses of a business concern. For example,

- Salary Account
- Dividend Account
- Sales

Accounts can be broadly classified under the following four groups.

- Assets
- Liabilities
- Income
- Expenses

The above classification is the basis for generating various financial statements viz., Balance Sheet, Profit & Loss A/c and other MIS reports. The Assets and liabilities are taken to Balance sheet and the Income and Expenses accounts are posted to Profit and Loss Account.

### 1.1.2 Golden Rules of Accounting

|        | Real Accounts | Personal Accounts | Nominal Accounts    |
|--------|---------------|-------------------|---------------------|
| Debit  | What Comes in | The Receiver      | Expenses and Losses |
| Credit | What Goes out | The Giver         | Incomes and Gains   |

### 1.1.3 Accounting Principles, Concepts and Conventions

The Accounting Principles, concepts and conventions form the basis for how business transactions are recorded. A number of principles, concepts and conventions are developed to ensure that accounting information is presented accurately and consistently. Some of these concepts are briefly described in the following sections.

#### Revenue Realisation

According to Revenue Realisation concept, revenue is considered as the income earned on the date, when it is realised. As per this concept, unearned or unrealised revenue is not taken into account. This concept is vital for determining income pertaining to an accounting period. It reduces the possibilities of inflating incomes and profits.

#### Matching Concept

As per this concept, Matching of the revenues earned during an accounting period with the cost associated with the respective period to ascertain the result of the business concern is carried out. This concept serves as the basis for finding accurate profit for a period which can be distributed to the owners.

#### Accrual

Under Accrual method of accounting, the transactions are recorded when earned or incurred rather than when collected or paid i.e., transactions are recorded on the basis of income earned or expense incurred irrespective of actual receipt or payment. For example, a seller bills the buyer at the time of sale and treats the bill amount as revenue, even though the payment may be received later.



*The cash basis of accounting is a method wherein revenue is recognised when it is actually received, rather than when it is earned. Expenses are booked when they are actually paid, rather than when incurred. This method is usually not considered to be in conformity with accounting principles and is, therefore, used only in select situations such as for very small businesses.*

#### Going Concern

As per this assumption, the business will exist for a long period and transactions are recorded from this point of view.

### **Accounting Period**

The users of financial statements required periodical reports to ascertain the operational and the financial position of the business concern. Thus, it is essential to close the accounts at regular intervals. viz., 365 days or 52 weeks or 1 year is considered as the accounting period.

### **Accounting Entity**

According to this assumption, a business is considered as a unit or entity apart from its owners, creditors and others. For example, in case of a Sole Proprietor concern, the proprietor is treated to be separate and distinct from the business, which he controls. The proprietor is treated as a creditor to the extent of his capital and all the business transactions are recorded in the books of accounts from the business stand point.

### **Money Measurement**

In accounting, only business transactions and events of financial nature are recorded. Only transactions that can be expressed in terms of money are recorded.

#### **1.1.4 Double Entry System of Book Keeping**

As per Double Entry System of book-keeping, all the business transactions recorded in accounts have two aspects - Debit aspect (receiving) and Credit aspect (giving). For example, when a business acquires an asset (receiving) and pays cash (giving) for it. This accounting technique records each transaction as debit and credit, where every debit has a corresponding credit and vice versa.

#### **Features of Double Entry System of Book Keeping**

The Double entry system of book keeping comprises of the following features :

- ❑ Every business transaction affects two accounts
- ❑ Each transaction has two aspects, i.e., debit and credit
- ❑ Maintains a complete record of all business transactions
- ❑ Helps to check the accuracy of the accounting transactions, by preparation of trial balance
- ❑ Helps ascertaining profit earned or loss occurred during a period, by preparation of Profit & Loss Account
- ❑ Helps ascertaining financial position of the concern at the end of each period, by preparation of Balance Sheet
- ❑ Helps timely decision making based on sufficient information
- ❑ Minimises the possibilities of fraud due to its systematic and scientific recording of business transactions



The following chart explains the way in which accounting transactions are recorded in the Double Entry system and financial statements are prepared.

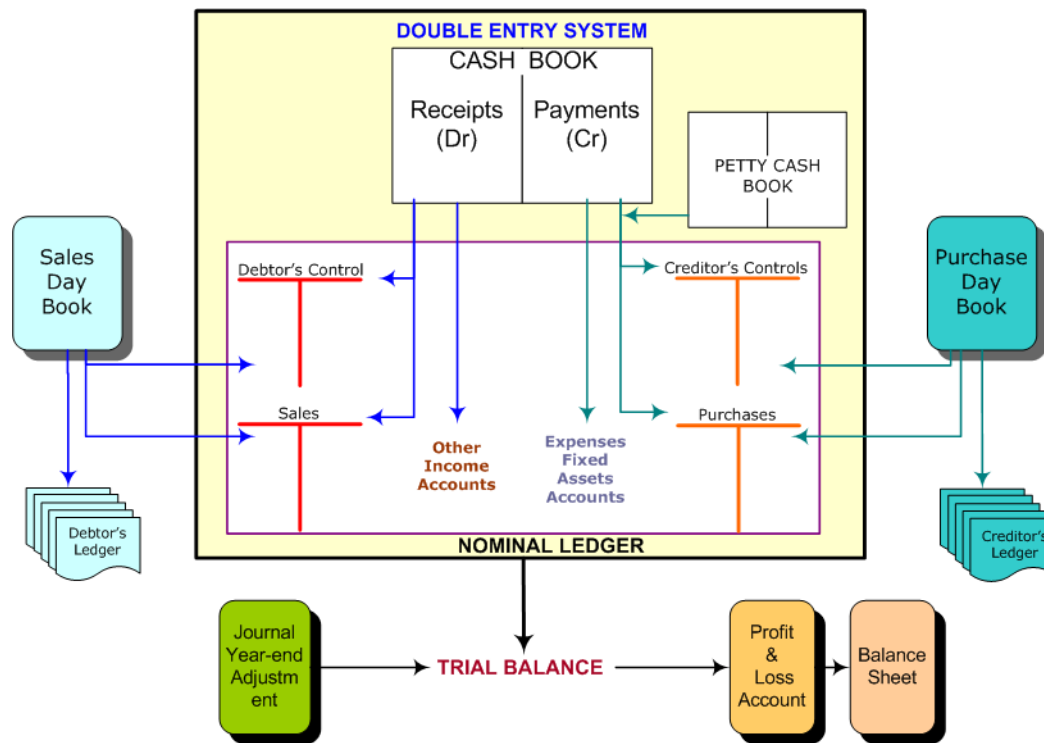


Figure 1.1 Double Entry System

### 1.1.5 Mode of Accounting

Accounting process begins with identifying and recording the transactions in the books of accounts i.e., the first step in the Accounting Process is recording of transactions in the books of accounts. Accounting identifies only those transactions and events which involves money and is sorted based on various source documents.

The following are the most common source documents.

- ❑ Cash Memo
- ❑ Invoice or Bill
- ❑ Vouchers
- ❑ Receipt
- ❑ Debit Note
- ❑ Credit Note

**Voucher**

A voucher is a document in support of a business transaction, containing the details of such transaction.

**Receipt**

When a trader receives cash from a customer against goods sold by him, issues a receipt containing the name of such customer, details of amount received with date.

**Invoice or Bill**

When a trader sells goods to a buyer, he prepares a sales invoice containing the details of name and address of buyer, name of goods, amount and terms of payments and so on. Similarly, when the trader purchases goods on credit receives a Invoice/bill from the supplier of such goods.

**Journals and Ledgers**

A **journal** is a record in which all business transactions are entered in a chronological order. A record of a single business transaction is called a **journal entry**. Every journal entry is supported by a voucher, evidencing the related transaction.

**Account**

An **account** is a statement of transactions affecting any particular asset, liability, expense or income.

**Ledger**

A **Ledger** is a book which contains all the accounts whether personal, real or nominal, which are entered in journal or subsidiary books.

**Chart of Accounts**

A **chart of accounts** is a list of all accounts used by an organisation. The chart of accounts also displays the categorisation and grouping of its accounts.

**Posting**

**Posting** is the process of transferring the entries recorded in the journal or subsidiary books to the respective accounts opened in the ledger i.e., grouping of all the transactions relating to a particular account to a single place.

**Accounting Period**

Generally, the financial statements are generated for a regular period such as a quarter or a year, for timely and accurate ascertainment of operating and financial position of the organisation.

**Trial Balance**

**Trial balance** is a statement which shows debit balances and credit balances of all Ledger accounts. As per the rules of double entry system, every debit should have a corresponding

credit, the total of the debit balances and credit balances should agree. A detailed trial balance has columns for

- Account name
- Debit balance
- Credit balance

### 1.1.6 Financial Statements

**Financial statements** are final result of accounting work done during the accounting period. Financial statement serves a significant purpose to users of accounting information in knowing about the profitability and financial position of the organisation. Financial statements normally include

- Trading
- Profit and Loss Account
- Balance Sheet

#### Trading Account

Trading refers to buying and selling of goods. The trading account displays the transactions pertaining to buying and selling of goods.

The difference between the two sides of the Trading Account indicates either Gross Profit or Gross Loss. If the credit side total is in excess of the debit side total, the difference represents Gross Profit. On the other hand, if the total of the debit side is in excess of the credit side total, the difference represents Gross Loss. Such Gross Profit / Gross Loss is transferred to Profit & Loss Account. The **Gross Profit** is expressed as :

$$\text{Gross Profit} = \text{Net Sales} - \text{Cost of Sales}$$

#### Profit and Loss Account

The profit and loss account helps to ascertain the net profit earned or net loss suffered during a particular period. after considering all other incomes and expenses incurred over a period. This helps the company to monitor and control the costs incurred and improve its efficiency. In other words, the profit and loss statement shows the performance of the company in terms of profits or losses over a specified period.

The **Net Profit** is expressed as :

$$\text{Net Profit} = (\text{Gross Profit} + \text{Other Income}) - (\text{Selling and Administrative Expenses} + \text{Depreciation} + \text{Interest} + \text{Taxes} + \text{Other Expenses})$$

A key element of the Profit and Loss Account, and one that distinguishes it from a balance sheet, is that the amounts shown on the statement represent transactions over a period of time, while the items represented on the balance sheet show information as on a specific date.

All revenue and expense accounts are closed once the profit and loss account is prepared. The Revenue and Expenses accounts will not have an opening balance for the next accounting period.

### Balance Sheet

The **balance sheet** is a statement that summarises the assets and liabilities of a business. The excess of assets over liabilities is the net worth of a business. The balance sheet provides information that helps in assessing

- ❑ A company's Long-term financial strength
- ❑ A company's Efficient day-to-day working capital management
- ❑ A company's Asset portfolio
- ❑ A company's Sustainable long-term performance

The balances of all the real, personal and nominal (capital in nature) accounts are transferred from trial balance to balance sheet and grouped under the major heads of assets and liabilities. The balance sheet is complete when the net profit/ loss is transferred from the Profit and Loss account.

### 1.1.7 Transactions

A **transaction** is a financial event that takes place in the course or furtherance of business and effects the financial position of the company. For example, when you deposit cash in the bank, your cash balance reduces and bank balance increases or when you sell goods for cash, your cash balance increases and your stock reduces.

Transactions can be classified as follows :

- ❑ Receipts – cash or bank
- ❑ Payments – cash or bank
- ❑ Purchases
- ❑ Sales

### 1.1.8 Recording Transactions

The important aspect of accounting is to record transactions promptly and correctly to ascertain the financial status of a company as on a particular date.

Generally, the business transactions may be of the following nature :

- ❑ Purchase of goods either as raw materials for processing or as finished goods for resale
- ❑ Payment of expenses incurred towards business
- ❑ Sale of goods or services
- ❑ Receipts (in Cash or by Cheques)
- ❑ Payments (in Cash or Cheques)

The Accounting information is useful to various interested parties, both internal and external viz.,

- ❑ Suppliers, who supply goods and services for cash or on credit
- ❑ Customers, who buy goods or services for cash or on credit
- ❑ Employees, who provide services in exchange of salaries and wages.
- ❑ Banks, with whom accounts are maintained
- ❑ Suppliers of equipment, buildings and other assets needed to carry on the business.
- ❑ Lenders from whom, you borrow money to finance your business
- ❑ Owners, who hold a share in the capital of your business

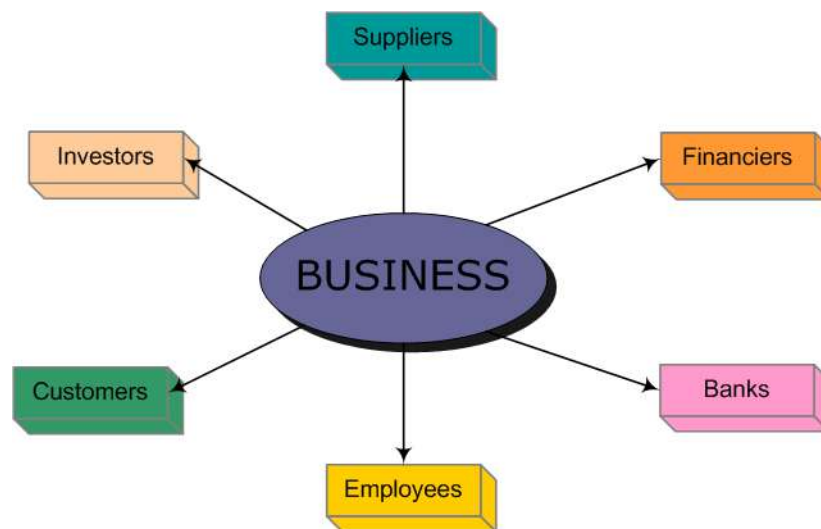


Figure 1.2 Parties dealt with in a business process

### Points to Remember

- ❑ Accounting is a comprehensive system to collect, analyse and communicate financial information.
- ❑ Double Entry accounting is a system of recording transactions in a way that maintains the equality of the accounting equation.
- ❑ The three types of accounts maintained for transactions are real accounts, personal accounts and nominal accounts.
- ❑ Entity is the organisational unit for which accounting records are maintained.
- ❑ Journal entry is a record of a single business transaction.
- ❑ Voucher is a document evidencing the details of a financial transaction.
- ❑ Ledger is a book in which accounts are maintained.
- ❑ Trial balance is a list of the balances of all the ledger accounts.
- ❑ Profit and loss statement shows the performance of the company in terms of profits or losses made by it over a specified period.
- ❑ Balance sheet gives an overview of the financial position of a company as on a specific date.

## Lesson 2: Fundamentals of Tally.ERP 9

### Lesson Objectives

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

- ❑ Salient Features of Tally.ERP 9
- ❑ Key Components of Tally.ERP 9
- ❑ How to start and exit Tally.ERP 9
- ❑ Setting up a company in Tally.ERP 9
- ❑ Working with companies in Tally.ERP 9

### 2.1 Introduction

Tally.ERP 9 is the world's fastest and most powerful concurrent Multi-lingual business Accounting and Inventory Management software. Tally.ERP 9, designed exclusively to meet the needs of small and medium businesses, is a fully integrated, affordable and highly reliable software. Tally.ERP 9 is easy to buy, quick to install, and easy to learn and use. Tally.ERP 9 is designed to automate and integrate all your business operations, such as sales, finance, purchasing, inventory, and manufacturing. With Tally.ERP 9, accurate, up-to-date business information is literally at your fingertips anywhere. The powerful new features and blazing speed and power of Tally.ERP 9 combined with enhanced MIS, Multi-lingual, Data Synchronization and Remote capabilities help you simplify all your business processes easily and cost-effectively.

#### 2.1.1 Salient Features of Tally.ERP 9

- ❑ **A leading accounting package:** The first version of Tally was released in 1988 and, through continuous development, is now recognised as one of the leading accounting packages across the world, with over a quarter million customers. Tally's market share is more than 90%.
- ❑ **No accounting codes:** Unlike other computerised accounting packages which require numeric codes, Tally.ERP 9 pioneered the 'no accounting codes' concept. Tally.ERP 9 users have the freedom to allocate meaningful names in plain English to their data items in the system.

- ❑ **Complete business solution:** Tally.ERP 9 provides a comprehensive solution to the accounting and inventory needs of a business. The package comprises financial accounting, book-keeping and inventory accounting. It also has various tools to extract, interpret and present data.
- ❑ **Integrated/ Non-integrated accounting and inventory:** With Tally.ERP 9, the user is able to choose between accounting and accounting with inventory. If accounting with inventory is opted for, the user can choose whether it should be integrated or not.
- ❑ **Flexible and easy to use:** Tally.ERP 9 is very flexible. It mimics the human thought process, which means that Tally.ERP 9 can adapt to any business need. Tally.ERP 9 users need not change the way their business is run to adapt to the package.
- ❑ **Speed :** Tally.ERP 9 provides the capability to generate instant and accurate reports, which assists the management to take timely and correct decisions for the overall productivity and growth of the company.
- ❑ **Power :** Tally.ERP 9 allows the user to maintain multiple companies and with unlimited levels of classification & grouping capabilities. It also allows drill down facility from report level to transaction level.
- ❑ **Flexibility :** Tally.ERP 9 provides flexibility to generate instant reports for any given period (month/year) or at any point of time besides providing the facility to toggle between Accounting & Inventory reports of the same company or between companies.
- ❑ **Concurrent multi-lingual capability :** Tally.ERP 9 offers you the exclusive capability of maintaining your accounts in any Indian language, viewing them in another language and printing them in yet another Indian language.
- ❑ **Real time processing :** Immediate posting & updation of books of accounts as soon as the transactions are entered, thereby facilitating instant statements & Reports. It also facilitates real-time multi-user environment.
- ❑ **Versatility:** Tally.ERP 9 is suitable for a range of organisations, from small grocery stores to large corporations with international locations and operations.
- ❑ **Multi-platform availability:** Tally.ERP 9 is available on Windows 95, 98, ME, 2000 and NT. It runs on a single PC or on a network. On a network, it supports access via any combination of platforms.
- ❑ **Online Help :** The Tally.ERP 9 Online Help (Alt+H) provides instant assistance on basic and advanced features or any other relevant topics of Tally.ERP 9.
- ❑ **Tally.NET :** is an enabling framework which establishes a connection through which the remote user can access the Client's data without copying / transferring the data.
- ❑ **Remote Access :** Tally.ERP 9 provides remote capabilities to access the data from anywhere and anytime.
- ❑ **Control Centre :** works as an interface between the user and Tally.ERP 9 installed at different sites and enables the user to centrally configure and administer Site/User belonging to an account.
- ❑ **Support Centre :** allows a user to directly post his support queries on the functional and technical aspects of the Product.



- **Auditor's Edition** : Tally.ERP 9 offers a special Auditors' Edition of Tally.ERP 9, which provides auditing and compliance capabilities exclusively for Chartered Accountants.

### 2.1.2 Functional Features of Tally.ERP 9

| BASIC ACCOUNTING                            | BASIC INVENTORY                                                                         |
|---------------------------------------------|-----------------------------------------------------------------------------------------|
| Complete book-keeping                       | Stock categories                                                                        |
| Books, registers and statements of accounts | Stock query by stock group, or stock category                                           |
| General ledgers                             | Multiple godowns                                                                        |
| Accounts receivable and accounts payable    | Stock transfers to godowns and branches                                                 |
| Flexible voucher numbering                  | Multiple stock valuation methods                                                        |
| Flexible classification of account heads    | Batch-wise/ Lot-wise, including expiry date handling                                    |
| Panoramic view                              | Alternate units of measure and tail units.                                              |
| Drill-down display                          | Tracking through receipt notes/ delivery notes/ rejections inwards/ rejections outwards |
| Database reporting                          | Additional costs incurred on purchase                                                   |
| Voucher and cheque printing                 | Movement/ Profitability analysis Party-wise/ Item-wise/ Stock Group-wise                |
| Columnar reports                            | Customisable sales invoices using price lists with multiple prices                      |
| Bank reconciliation                         | Sales and purchase order processing                                                     |

| ADVANCED ACCOUNTING                                | ADVANCED INVENTORY                                                       |
|----------------------------------------------------|--------------------------------------------------------------------------|
| Multiple companies                                 | Stock items classified as raw materials, work-in-process, finished goods |
| Multi-currency                                     | Bill of Material with auto-adjustment of stocks                          |
| Multiple financial years                           | Job-working concepts, including sub-contracting                          |
| Comparison of data using multi-columnar reporting. | Additional cost of manufacturing with notional value and percentage      |
| Memo vouchers                                      | CENVAT support                                                           |
| Post-dated vouchers                                | Reorder levels                                                           |
| User-defined voucher types                         | Stock ageing analysis                                                    |
| Sales and purchase extracts                        | Batch related stock reports                                              |
| Cash flow statement                                | Point of Sale (POS)                                                      |

|                                                              |                                                                                                                |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Daily balances and transaction values/ Interest calculations | Excise/ VAT/ Central Sales Tax (CST)/ Tax Collected at Source (TCS) related Inventory transactions and reports |
| Percentage-based reporting                                   |                                                                                                                |
| Ratio analysis                                               |                                                                                                                |
| Value Added Tax (VAT)                                        |                                                                                                                |
| Service Tax (ST)                                             |                                                                                                                |
| Fringe Benefit Tax (FBT)                                     |                                                                                                                |
| Tax Deducted at Source (TDS)                                 |                                                                                                                |
| Tax Collected at Source (TCS)                                |                                                                                                                |
| Excise                                                       |                                                                                                                |
| Payroll                                                      |                                                                                                                |

### 2.1.3 Technology Advantages

- ❑ **Simple and rapid installation:** Tally.ERP 9 has a simple, menu-driven installation procedure. The user can install the program files on any drive if the hard disk has partitions. The user can also specify the name and directory location of the program files. Tally.ERP 9 uses minimum hard disk space in the local drive. Its installation on the local disk takes just a few seconds.
- ❑ **Unlimited multi-user support:** A multi-user version of Tally.ERP 9 can be installed on a network, having any number of computers with different operating systems such as Win 95, 98, NT, 2000, XP and Linux.
- ❑ **Internal backup/ restore:** Tally.ERP 9 has an in-built, user-friendly 'backup and restore' option. It helps the user to take a backup of one or more companies or all companies, in a single directory, in the local hard disk, or in any external media.
- ❑ **Data reliability:** Tally.ERP 9 offers reliable data. It uses a flexi-field, flexi-length, self-indexed, weighted file structure for an extremely compact and fast database. Tally.ERP 9 is robust and even if there is a power failure or the computer is incorrectly shut down, data is not lost. Tally.ERP 9 uses signalling quality data integrity checks, at regular levels, to ensure the complete reliability of data.
- ❑ **User-defined security levels:** Tally.ERP 9 offers high levels of security. Users can define multiple levels of security according to their requirements. Every authorised user in the company can have an individual password, with rights to use specific features only. The user with the administrator level password will have full access and can set controls for other users.
- ❑ **Data security:** Tally.ERP 9's data integrity checks ensure that there are no external changes to the data. Tally.ERP 9 also uses a binary encoding format of storage to prevent devious grouping of information.
- ❑ **Tally audit:** The Tally.ERP 9 audit feature provides the user with administrator rights and the capability to check the entries made by the authorised users and alter these entries, if necessary. Once the entries are audited, Tally.ERP 9 displays the altered entries, if any,

along with the name of the user, who has altered the entry, and the date and time of the alteration.

- ❑ **TallyVault:** Tally.ERP 9 offers a data encryption option called TallyVault. Without the valid TallyVault password, the data cannot be accessed. Tally.ERP 9 follows the DES (Data Encryption Standard) encryption method to safeguard the data.
- ❑ **Removal of data into a separate company:** Tally.ERP 9 allows users to maintain a company for any number of financial years. Once the books of accounts have been completed for the earlier financial years, the user can split the company data into multiple companies as per financial periods required. Tally.ERP 9 also has a feature to split company data. The user can specify the date from which the company has to be split and Tally.ERP 9 will split the company to form two companies as per periods specified. Once the data has been split, the closing balance of the first period (first company) becomes the opening balance for the next period (second company).
- ❑ **Multi-directory for company management:** The user can create multiple directories to store data. The data stored in these directories can be accessed directly in Tally.ERP 9, by specifying the path.
- ❑ **Import/ Export of data:** Any transaction can be exported and imported to other software after suitably altering the current structures to accept the Tally.ERP 9 data structure. Data can also be imported to Tally.ERP 9 by writing a TDL program. The data which is to be exported from Tally.ERP 9 can be in XML, HTML or ASCII format.
- ❑ **Tally.ERP 9 Synchronization:** Synchronization is the process of exchanging Tally.ERP 9 data between two or more locations. This process enables a branch office to send its data to the head office, over the Internet or a private network.
- ❑ **Graphical analysis of data:** Tally.ERP 9 provides graphical analysis of data which helps the user to perform deeper analysis. The user can generate graphical analysis reports such as Sales register, Purchase register, Ledgers, Funds flow, Cash flow, Stock Item registers and so on. This helps the management to quickly judge performance and be better prepared for difficult times.
- ❑ **ODBC (Open Database Connectivity) compliance:** It allows other programs to use data from Tally.ERP 9, directly. Thus, any program such as MS-Excel or Oracle, which is ODBC compliant, can use data from Tally.ERP 9. Data connectivity is dynamic, which means that any update in Tally.ERP 9 is reflected in real time in other ODBC compliant software. The user can also extract data from Tally.ERP 9 and design his/ her own report formats in other ODBC compliant software.
- ❑ **Protocol support:** Tally.ERP 9 provides protocol support for HTTP, HTTPS, FTP, SMTP, ODBC and raw sockets with data interchange formats such as XML, HTML with XML islands, SOAP and related formats. Protocol refers to a mechanism by which information (data) can be put into or taken from Tally.ERP 9. Formats refer to the standard for information to be generated from Tally.ERP 9 or from other applications which can exchange data with Tally.ERP 9.
- ❑ **Direct web browser access:** While working on Tally.ERP 9, the user can directly log on to the Tally website, provided he/ she has access to the Internet. The website lists details of all the facilities offered by Tally.ERP 9. The user can also download the latest release of

Tally.ERP 9 as and when it is available. The Tally website also offers Tally Chat, by which a user can communicate with a Tally representative and get required information.

- ❑ **Ability to preview and publish reports and documents on the Internet:** Companies which want to publish reports and price lists on their website can do so directly from Tally.ERP 9.
- ❑ **E-mail Facility:** Tally.ERP 9 facilitates the mailing of any Tally.ERP 9 report or document.
- ❑ **Multilingual capability:** Tally is the world's first accounting and inventory software with multilingual capability. Currently, Tally.ERP 9's multilingual capability extends to 12 languages which include nine Indian languages (Hindi, Gujarati, Punjabi, Tamil, Telugu, Marathi, Kannada, Malayalam and Bengali), Bahasa Melayu and Bahasa Indonesia. Tally.ERP 9 enables you to enter data in one language and have it transliterated into different languages. You can generate invoices, purchase orders or delivery notes in the language of your choice after entering data for the same in any of the nine specified languages. Also, the phonetic keyboard allows you to spell the term phonetically based on how it sounds and Tally.ERP 9 displays the data in the language selected after transliteration.
- ❑ **Point of Sale (POS) :** POS is an acronym for Point of sale. Point of Sale can be a retail outlet, a check out counter in a shop, or any other location where a sales transaction takes place. It is a computerised cash register which adds up the sales totals, calculates the balance to be returned to buyer and automatically adjusts the inventory level to reflect the quantity sold. The equipment required for POS to work effectively are cash registers, card readers, bar-code scanners and so on.

## 2.1.4 Payroll

Tally.ERP 9 Payroll is integrated with Accounting and benefits the user by simplifying Payroll processing and accounting. Tally.ERP 9 Payroll enables users to set up and implement salary structures, ranging from simple to complex, as per the organisation's requirements. The user can also align and automate payroll processes and directly integrate them with main stream accounting applications. Tally.ERP 9 Payroll also supports configurable formats for payslip printing; flexible salary/wage, attendance, leave and overtime registers; gratuity and expat reports.

## 2.1.5 Data Migration Capability

Tally.ERP 9 has the ideal solution for those who have their data in Tally 7.2 and now want to use Tally.ERP 9. Tally.ERP 9 provides a migration tool which helps the user to migrate the data easily to the latest version and continue with day-to-day transactions. Tally 6.3 users can also use the migration tool which will rewrite the version to Tally 7.2 and then migrate the data to Tally.ERP 9. Tally 8.1 users and Tally 9 Release 2.14 users can rewrite the version of their data to Tally.ERP 9.

### 2.1.6 Features pertaining to Duties and Taxes

- ❑ The all-new package provides statutory reporting capability for VAT (Value Added Tax), Composite VAT, CST (Central Sales Tax), TDS (Tax Deducted at Source), ST (Service tax), TCS (Tax Collected at Source), FBT (Fringe Benefit Tax).
- ❑ State-specific statutory VAT returns and Annexures
- ❑ Various CST related reports
- ❑ Returns and challans for Service Tax
- ❑ TCS enabled with e-TCS capability, with facility for printing certificates/ challans
- ❑ Composition Monthly VAT Return
- ❑ Quarterly Return – Form II, in the case of Excise Dealer
- ❑ Periodic FBT Challans and Returns

## 2.2 Getting Functional with Tally.ERP 9

### 2.2.1 Tally.ERP 9 Start-up

Tally.ERP 9 can be started in any of the following ways :

- ❑ Click on **Start > Programs > Tally.ERP 9 > Tally.ERP 9** or double click on the **Tally.ERP 9** icon on your desktop

The welcome screen **Tally.ERP 9 – Power of Simplicity** appears while the software loads. You will be ready to explore Tally.ERP 9, the moment the Tally.ERP 9 start up screen appears.

The **Tally.ERP 9 Start-up** Screen appears as shown below:

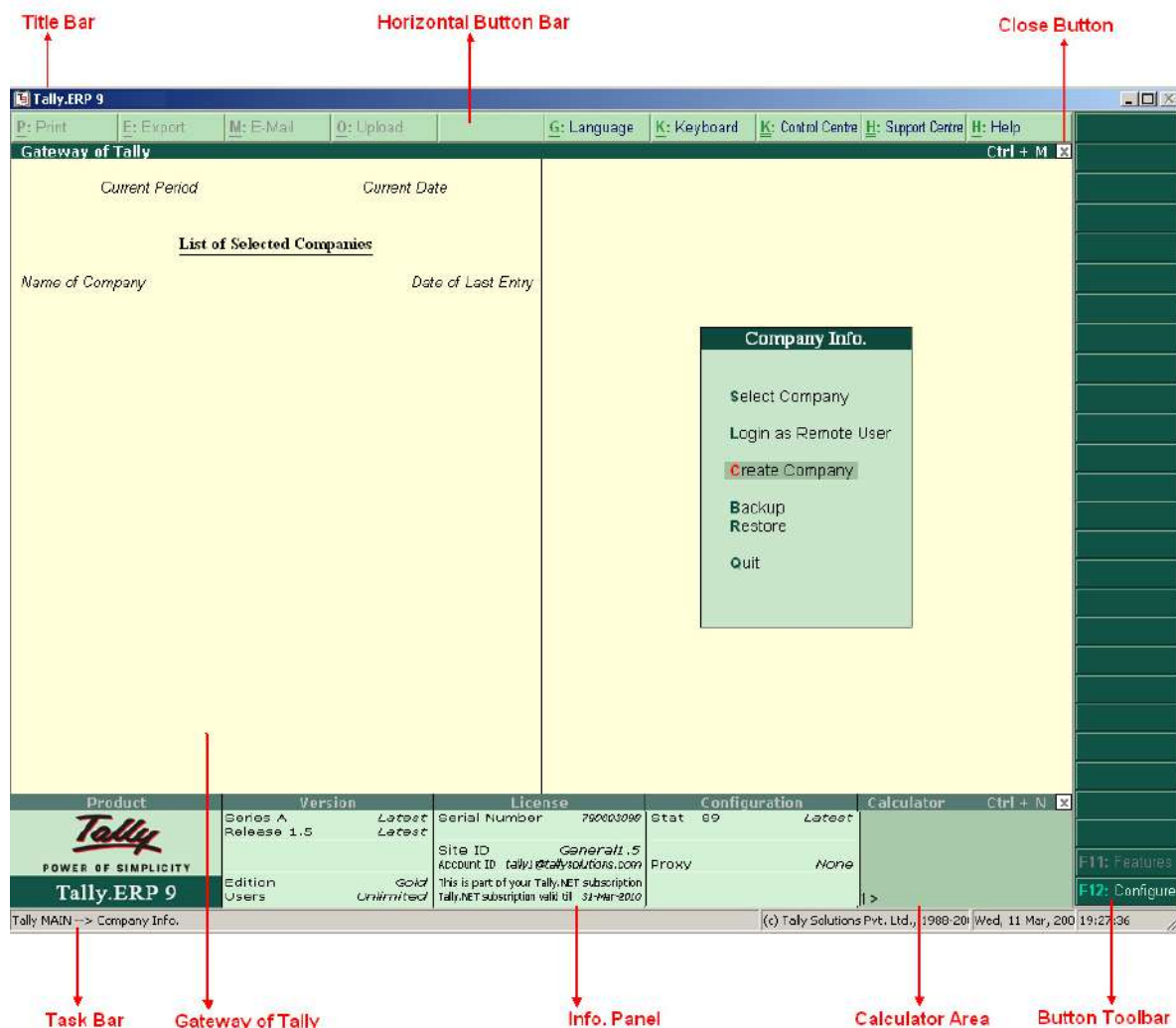


Figure 2.1 Tally.ERP 9 Start - up screen

## 2.2.2 Tally.ERP 9 Screen Components

- ❑ **Title bar:** Displays the Tally.ERP 9 version number.
- ❑ **Horizontal button bar:** Selection of Language key, Keyboard Language and Tally.ERP 9 Help.
- ❑ **Close button:** Performs the standard Windows Operating Systems function (Windows 95 onwards), allowing you to minimise Tally.ERP 9 and work on other applications. To restore Tally.ERP 9, click the Tally.ERP 9 icon on the taskbar.

- ❑ **Gateway of Tally:** Displays menus, screens, reports and accepts the choices and options which you select to view data as required.
- ❑ **Buttons toolbar:** Displays buttons which provide quick interaction with Tally.ERP 9. Only buttons relevant to the current task are visible.
- ❑ **Calculator Area:** Used for Calculator functions.
- ❑ **Info Panel:** Displays Version number, License details, Configuration details.

### 2.2.3 Mouse/ Keyboard Conventions

While working with Tally.ERP 9, use the following conventions.

| MOUSE/ KEYBOARD CONVENTIONS |                                                                                               |
|-----------------------------|-----------------------------------------------------------------------------------------------|
| Action                      | Particulars                                                                                   |
| <b>Click</b>                | Press the left mouse button.                                                                  |
| <b>Double-click</b>         | Press and release the left mouse button twice, without moving the mouse pointer off the item. |
| <b>Choose</b>               | Position the mouse pointer on the item and click the left mouse button.                       |
| <b>Select</b>               | Position the mouse pointer on the item and double-click the left mouse button.                |
| <b>Press</b>                | Use the keys on the keyboard in the combination shown.                                        |
| <b>Fn</b>                   | Press the function key.                                                                       |
| <b>Fn</b>                   | Press <b>ALT + function key</b> .                                                             |
| <b>Fn</b>                   | Press <b>CTRL + function key</b> .                                                            |

### 2.2.4 Switching between Screen Areas

When Tally.ERP 9 first loads, the **Gateway of Tally screen** displays. To toggle between this screen and the Calculator/ ODBC server area at the bottom of the screen, press **Ctrl+N** or **Ctrl+M** as indicated on the screen. A green bar highlights the active area of the screen.

### 2.2.5 Quitting Tally.ERP 9

You can exit the program from any Tally.ERP 9 screen, but Tally.ERP 9 requires all screens to be closed before it shuts down.

To quit working on Tally.ERP 9,

- ❑ Press **Esc** until you see the message **Quit? Yes or No ?** Press **Enter** or **Y**, or click **Yes** to quit Tally.ERP 9.
- ❑ Alternatively, to exit without confirmation, press **Ctrl+Q** from **Gateway of Tally**.
- ❑ You can also press **Enter** while the option **Quit** is selected from **Gateway of Tally**.

## 2.3 Creation/ Setting up of Company in Tally.ERP 9

The first step towards understanding Tally.ERP 9 is to create a company in Tally.ERP 9. Create a company using the **Company Creation** screen.

### 2.3.1 Creation of a Company

Go to **Gateway of Tally > Company Info. > Create Company**

The **Company Creation** screen displays as shown.

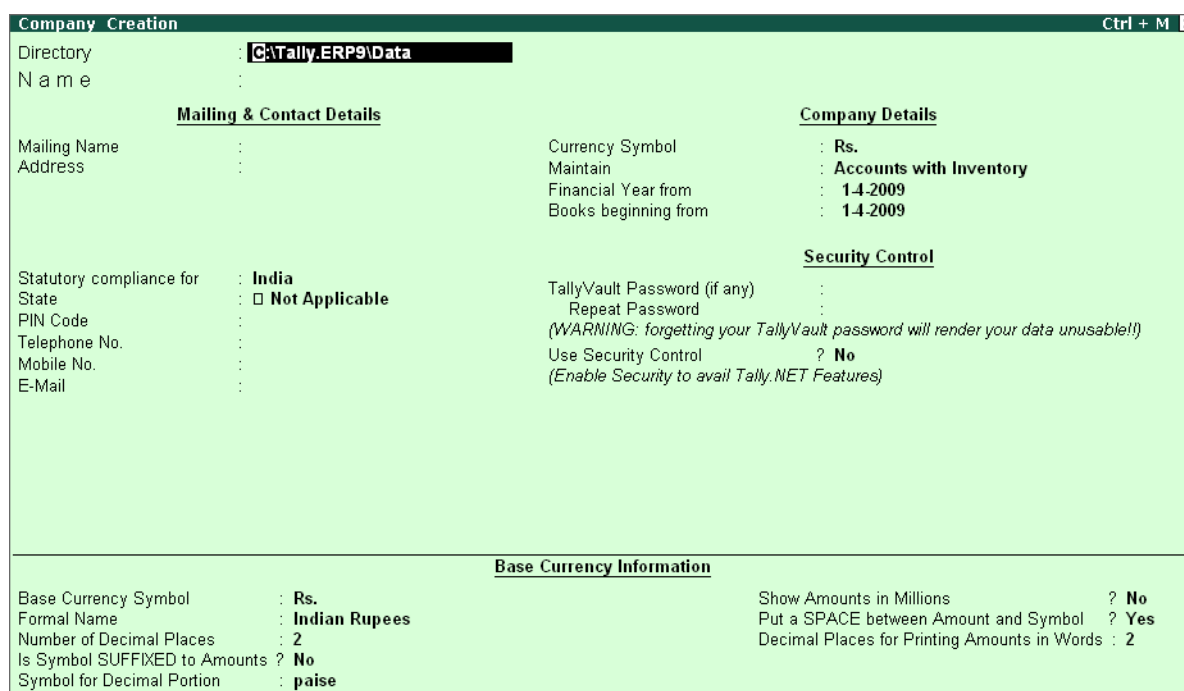


Figure 2.2 Company Creation screen

Each field in the Company Creation screen is explained below. To navigate between the fields, use the enter key or the tab key or arrow keys or the mouse.

| Fields    | Description                                                                                                                                                                                                                                                                                                                              |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Directory | Tally.ERP 9 assumes that the company is to be created in the data path given in the <b>Tally.INI</b> file, which is displayed by default. This field is skipped by default. However, you can change this path, if you want to, by using the backspace key, so that Tally.ERP 9 saves the data to a different directory specified by you. |



|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name                     | This specifies the name of the company as it appears in Tally.ERP 9. If you have several companies to create with similar names, you will have to distinguish between them to provide a unique name for Tally.ERP 9.                                                                                                                                                                                                                                                               |
| Mailing Name             | The company name given in the Name field automatically appears in this field. This can be changed according to your requirements. The correct name of the company for mailing purposes should be entered.                                                                                                                                                                                                                                                                          |
| Address                  | The address of the company (The mailing name and address details are picked from here for any report such as balance sheet and statement of accounts).                                                                                                                                                                                                                                                                                                                             |
| Statutory Compliance for | Select <b>India</b> from the list of countries.                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| State                    | Select the appropriate State from the list of States.                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Pin Code                 | Enter the PIN code of the specified address.                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Telephone No.            | Enter the telephone number of the company.                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| E- Mail                  | E-mail address will be used to e-mail documents, reports and data from Tally.ERP 9.                                                                                                                                                                                                                                                                                                                                                                                                |
| Mobile No.               | Enter the mobile number of the company.                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Currency Symbol          | This refers to the currency symbol Tally.ERP 9 will use for monetary values. By default, Tally.ERP 9 displays <b>Rs.</b>                                                                                                                                                                                                                                                                                                                                                           |
| Maintain                 | Select the nature of the company i.e, <b>Accounts only</b> or <b>Accounts with Inventory</b> .                                                                                                                                                                                                                                                                                                                                                                                     |
| Financial Year From      | Specify the Financial Year (FY) for the company. Tally.ERP 9 considers 12 months from the date you give here as the Financial Year. For example, if you give 1 <sup>st</sup> April 2009, your FY will be April to March - in this case, ending with 31 <sup>st</sup> March 2010.                                                                                                                                                                                                   |
| Books Beginning From     | The date given for 'Financial Year From' is automatically displayed. However, we can specify the actual date on which the books of accounts start. In case our accounts are opened mid-way during the financial year specified, we can enter the required date and start the books of accounts accordingly.                                                                                                                                                                        |
| TallyVault Password      | TallyVault is an enhanced security feature utilised to protect company data in an encrypted form by means of a Password. The TallyVault password entered ensures that the data is maintained permanently in an encrypted form without retaining information of the password used. Data is not accessible without the TallyVault password. Remember to keep this password private and known only to those who need to know. If the password is lost, your data cannot be recovered. |
| Use Security Control     | Tally.ERP 9 has a range of security controls, which can define the authority of various users to access the information and to enter/ alter/delete the vouchers.                                                                                                                                                                                                                                                                                                                   |



- Tally.ERP 9 will automatically adjust the spacing between the characters and lines entered to ensure that the details fit the space available.
- **Accounts Only:** Financial Accounts of the company only
- **Accounts-with-Inventory:** Both Financial Accounts and Inventory of the company.
- Tally.ERP 9 recognises a wide range of date formats, e.g. 1-4-09, 01/04/09, 1 Apr 2009, and will convert what you enter, to a standard format.

### 2.3.2 Base Currency Information

Tally.ERP 9 needs to know the default currency for the company and how the amounts should be shown on the screen and in the reports.

| BASE CURRENCY INFORMATION                           |                                                                                                                                                                                         |
|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fields                                              | Description                                                                                                                                                                             |
| <b>Base currency symbol</b>                         | Pre-set as a default currency — <b>Rs.</b> (as specified earlier).                                                                                                                      |
| <b>Formal name</b>                                  | Complete name for the currency symbol. By default, this is set to <b>Indian Rupees</b> .                                                                                                |
| <b>Number of decimal places</b>                     | By default, this is set to 2.                                                                                                                                                           |
| <b>Is symbol suffixed to amounts?</b>               | By default, this is set to <b>No</b> . For example, in India, we place the <b>Rs</b> symbol in front of amounts.                                                                        |
| <b>Symbol for Decimal Portion</b>                   | Enter the decimal portion for the <b>currency</b> mentioned. Enter <b>Paise</b> .                                                                                                       |
| <b>Show amounts in millions?</b>                    | Tally.ERP 9 caters to currencies where the different parts of large amounts are called by special names. By default, this is set to <b>No</b> .                                         |
| <b>Put a space between amounts and symbol?</b>      | By default, this is set to <b>Yes</b> .                                                                                                                                                 |
| <b>Decimal Places for Printing Amounts in words</b> | You can specify the number of decimal places to print the amount in words. This number should be equal to or lesser than the number specified in <b>Number of Decimal places</b> field. |



*Base Currency Information is set to the default values as given in the Table. However, if the Multi-currency feature of Tally.ERP 9 is activated - then Tally.ERP 9 allows the user to alter the Base Currency Information as required.*

Let us create a company in Tally.ERP 9 taking the example of National Traders who purchases computer equipments, components and softwares and sells it to other companies and to the direct customers. Create a Company as per information provided below :

Go to the **Gateway of Tally > Company Info. > Create Company**

Enter the following information to create a company:

| Field                        | Data to be entered                                     |
|------------------------------|--------------------------------------------------------|
| Directory                    | Accept what is displayed on the screen                 |
| Name                         | National Traders                                       |
| Mailing Name                 | National Traders                                       |
| Address                      | No 24, Phase 1,<br>Peenya Industrial Area<br>Bangalore |
| Statutory Compliance for     | India                                                  |
| State                        | Karnataka                                              |
| Pin Code                     | 560089                                                 |
| Telephone No                 | 080 - 41237890                                         |
| Mobile No.                   | 9845293752                                             |
| E-mail                       | sales@national.com                                     |
| Currency Symbol              | Rs.                                                    |
| Maintain                     | Accounts with Inventory                                |
| Financial year from          | 1 April 2009                                           |
| Books beginning from         | 1 April 2009                                           |
| TallyVault Password (if any) | Skip the Field – don't enter any details.              |
| Use security control         | No                                                     |
| Formal name                  | Indian Rupees                                          |
| Number of decimal places     | 2                                                      |

|                                         |     |
|-----------------------------------------|-----|
| Show amounts in millions?               | No  |
| Is symbol suffixed to amounts?          | No  |
| Put a space between amounts and symbol? | Yes |

The completed company creation screen is displayed as shown below:



**Company Creation** Ctrl + M

Directory : C:\Tally.ERP9\Data  
Name : **National Traders**

**Mailing & Contact Details**

Mailing Name : **National Traders**  
Address : No 24, Phase 1,  
Peenya Industrial Area  
Bangalore

Statutory compliance for : **India**  
State : **Karnataka**  
PIN Code : **560089**  
Telephone No. : **080-41237890**  
Mobile No. : **9845293752**  
E-Mail : **sales@national.com**

**Company Details**

Currency Symbol : **Rs.**  
Maintain : **Accounts with Inventory**  
Financial Year from : **1-4-2009**  
Books beginning from : **1-4-2009**

**Security Control**

TallyVault Password (if any) :  
Repeat Password :  
(WARNING: forgetting your TallyVault password will render your data unusable!)

Use Security Control ? **No**  
(Enable Security to avail Tally.NET Features)

**Base Currency Information**

Base Currency Symbol : **Rs.**  
Formal Name : **Indian Rupees**  
Number of Decimal Places : **2**  
Is Symbol SUFFIXED to Amounts ? **No**  
Symbol for Decimal Portion : **paise**

Show Amounts in Millions ? **No**  
Put a SPACE between Amount and Symbol ? **Yes**  
Decimal Places for Printing Amounts in Voucher ? **Yes**

**Accept ?**  
Yes or No

Figure 2.3 Completed Company Creation screen — National Traders

- Press **Y** or **Enter** to accept the screen.

The **Gateway of Tally** screen will appear as shown below:

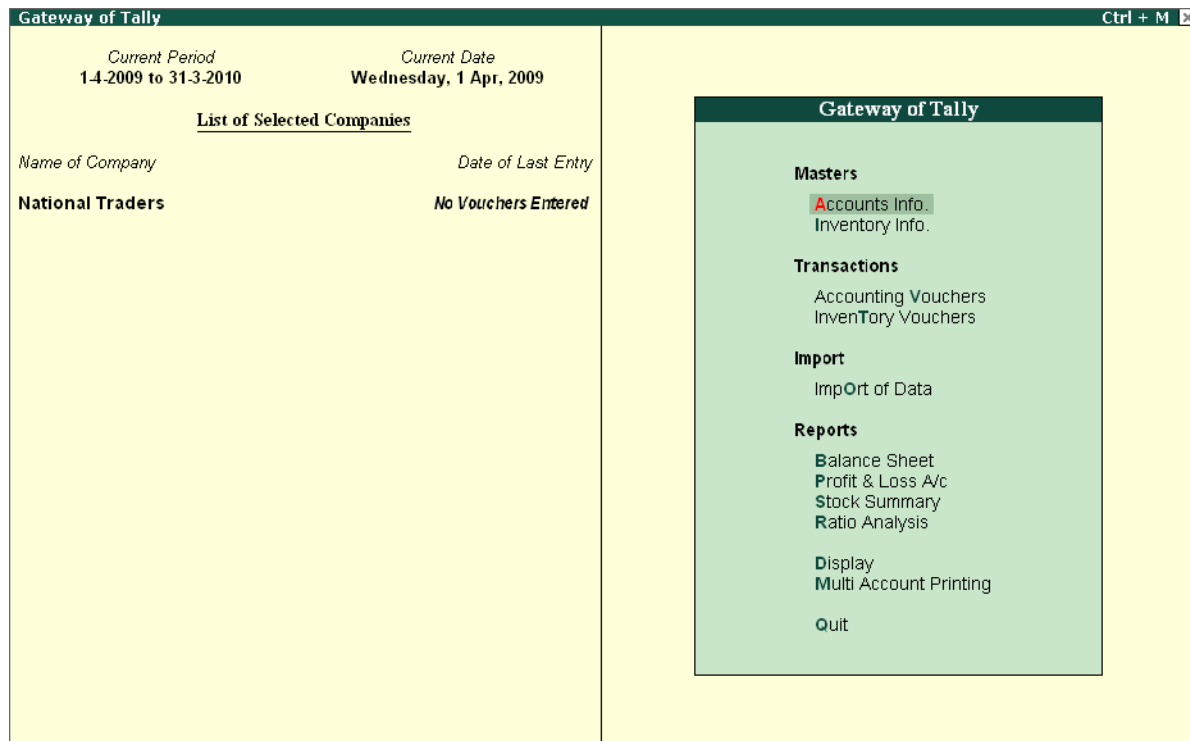


Figure 2.4 Gateway of Tally

### 2.3.3 Working with Multiple Companies

For a group of companies, you can maintain the details of each company separately. You can select the company to work with and close the company when it is not required. However, you can also open many companies at the same time and switch between companies without closing the application.

### 2.3.4 Exercise to Create another Company

Before looking at how to view and amend company details, let us create another company to experiment with. Name your company as **Indus Enterprises**, Financial Year as **1 April 2009** & Book beginning from **1 April 2009** and you may enter the company details as you like,

To create **Indus Enterprises** follow this procedure:

1. From the buttons bar select **Alt + F3: Create Cmp** or simply press **Alt + F3** to bring up the **Company Info.** Menu.
2. Select **Create Company** from the menu to bring up the **Company Creation** screen.
3. Enter **Indus Enterprises** in the **Name** field and experiment with entering other data of your choice (for example, the address details).
4. When you have finished, Press **Y** or **Enter** to accept the screen

The **Gateway of Tally** screen will now appear as shown below:

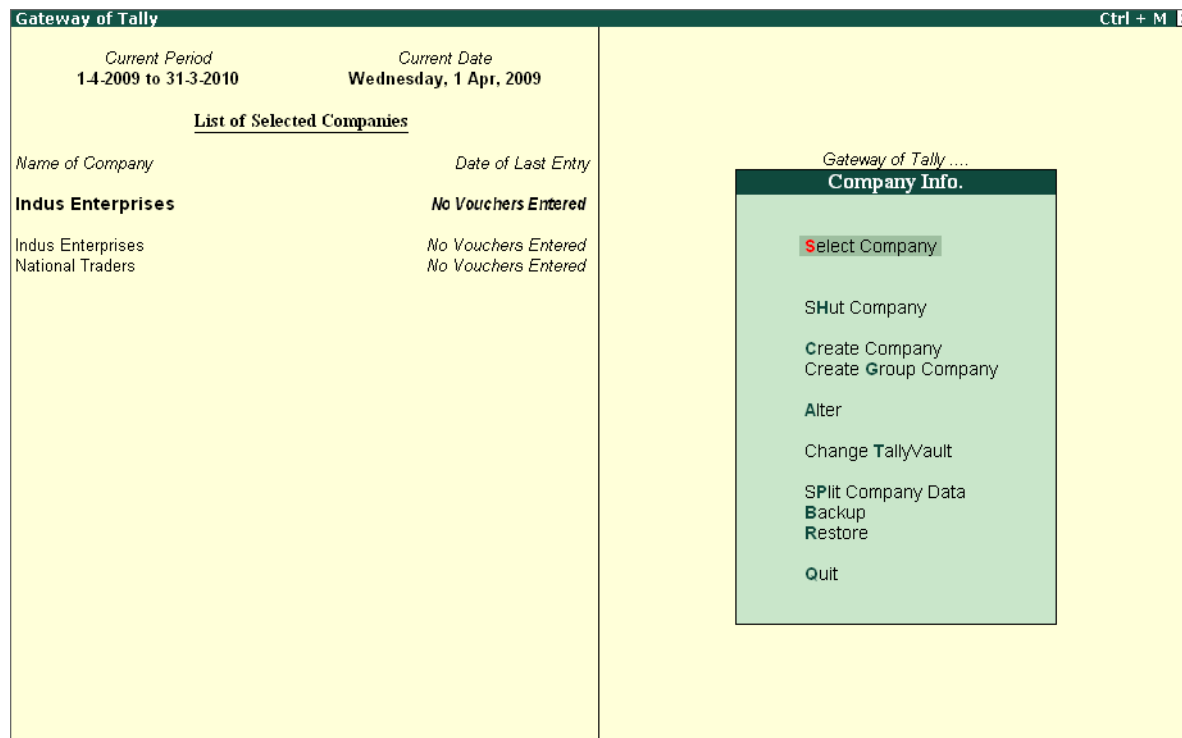


Figure 2.5 Gateway of Tally with the New Company — Indus Enterprises

Notice that **Indus Enterprises** is highlighted. This indicates that it is the currently selected company from the list of open companies.

You can now practice selecting, closing and altering company information.



*While working with Tally.ERP 9, you can press **Esc** to exit from any screen before the changes you have made take effect.*

### Practice Exercise

1. Select a Company
2. Shut a Company
3. Alter a Company

### To Select a Company

1. Go to the **Gateway of Tally > Alt + F3 > Company Info. > Select Company OR Press F1**. Tally.ERP 9 displays the **List of Companies** screen. All the companies created are displayed in an alphabetical order. Select the company name from the list given.
2. In case two or more companies are loaded (like National Traders and Indus Enterprises), click on the company which you need to work on so that the selected company will be highlighted and will appear on top of the list.

### To Shut a Company

Go to the **Gateway of Tally > Alt + F3 > Company Info. > Shut Company**. Select the Company which you need to shut from the **List of Companies**. You can also use **Alt + F1** to shut a Company from the Gateway of Tally screen.

### To Alter Company Details

Go to the **Gateway of Tally > Alt + F3 > Company Info. > Alter**. Select the company which you need to alter from the **List of Companies** and press **Enter** to view the **Company Alteration** screen. Alter the company details as required and accept the screen.



*You can also access these functions, by selecting the appropriate button from the button bar.*

### Points to Remember

- ❑ Tally.ERP 9 pioneered the 'no accounting codes' concept.
- ❑ Tally.ERP 9 mimics the human thought process.
- ❑ Tally.ERP 9 is multi-platform compatible and supports multi-user accessibility.
- ❑ Tally.ERP 9 has multilingual capability and new features such as Payroll and Point of Sale.
- ❑ Tally.ERP 9 is ODBC compliant.



## Lesson 3: Creating Accounting Masters in Tally.ERP 9

### Lesson Objectives

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

- ❑ The basic functions of Tally.ERP 9
- ❑ F11: Features & F12: Configurations
- ❑ Creating and Maintaining Chart of Accounts
- ❑ Entering the opening balances for Ledgers

After creating a Company with the required information, you can now enable/ modify Accounting & Inventory features and configurations.

### 3.1 F11:Features

The **F11: Features** are Company-specific and the F12: Configurations are applicable to all the companies in a data directory. The **F11: Features** is divided into the following major categories:

- ❑ Accounting Features
- ❑ Inventory Features
- ❑ Statutory & Taxation
- ❑ Tally.NET Features

You can press **F11** (functional key) from any screen of Tally.ERP 9 or you may also click on the **F11: Features** button available in the button bar, to enable the required features. The **F11: Features** are specific only to the company currently in use (for which the said feature is enabled), thereby allowing flexibility of independently enabling different features for each of the company.

Go to **Gateway of Tally** > press **F11: Features**

The **Company Features** screen is displayed as shown.

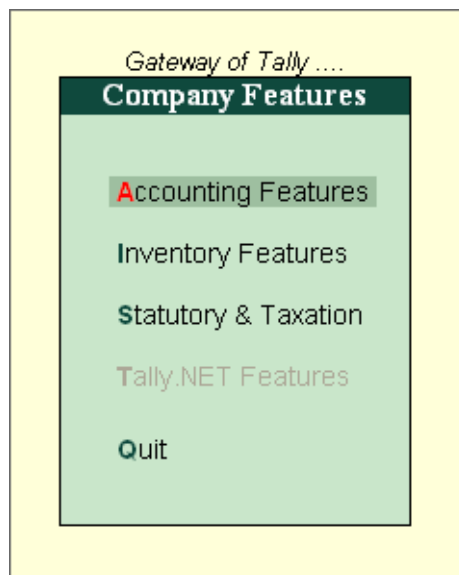


Figure 3.1 F11: Features Menu

There are various settings available under Accounting Features, Inventory Features and Statutory & Taxation Features, which facilitates the additional information to be entered during voucher entry.

### **F1: Accounting Features**

The Accounting Features consists of configurations/ functionalities, which generally affects Accounting transactions and reports. The Accounting features is further sub-divided into six sections, namely :

- General
- Outstandings Management
- Cost/ Profit Centres Management
- Invoicing
- Budgets/ Scenario Management
- Other Features

Go to **Gateway of Tally > F11: Features > Accounting Features** or click on **F1: Accounts**

The **Accounting Feature** screen is displayed as shown.

**Company Operations Alteration** Ctrl + M

Current Period: 1 Current Date:

Company: **National Traders**

**Accounting Features**

|                                                         |              |                                            |              |
|---------------------------------------------------------|--------------|--------------------------------------------|--------------|
| <b>General</b>                                          |              | <b>Invoicing</b>                           |              |
| Integrate Accounts and Inventory                        | ? <b>Yes</b> | Allow Invoicing                            | ? <b>Yes</b> |
| Income/Expense Statement instead of P & L               | ? <b>No</b>  | Enter Purchases in Invoice Format          | ? <b>Yes</b> |
| Allow Multi-Currency                                    | ? <b>No</b>  | Use Debit/Credit Notes                     | ? <b>No</b>  |
|                                                         |              | Use Invoice mode for Credit Notes          | ? <b>No</b>  |
|                                                         |              | Use Invoice mode for Debit Notes           | ? <b>No</b>  |
| <b>Outstandings Management</b>                          |              | <b>Budgets &amp; Scenario Management</b>   |              |
| Maintain Bill-wise Details (for Non-Trading A/c's also) | ? <b>Yes</b> | Maintain Budgets and Controls              | ? <b>No</b>  |
| Activate Interest Calculation (use advanced parameters) | ? <b>No</b>  | Use Reversing Journals & Optional Vouchers | ? <b>No</b>  |
|                                                         | ? <b>No</b>  |                                            |              |
| <b>Cost/Profit Centres Management</b>                   |              | <b>Other Features</b>                      |              |
| Maintain Payroll                                        | ? <b>No</b>  | Enable Cheque Printing                     | ? <b>No</b>  |
| Maintain Cost Centres                                   | ? <b>No</b>  | Set/Alter Cheque Printing Configuration    | ? <b>No</b>  |
| Use Cost Centre for Job Costing                         | ? <b>No</b>  | Allow Zero valued entries                  | ? <b>No</b>  |
| More than ONE Payroll / Cost Category                   | ? <b>No</b>  |                                            |              |
| Use Pre-defined Cost Centre Allocations during Entry    | ? <b>No</b>  |                                            |              |
| Show Opening Balance for Revenue Items in Reports       | ? <b>No</b>  |                                            |              |

F1: Accounts    F2: Inventory    F3: Statutory

Figure 3.2 F11: Accounting Features Screen

- ❑ Enable the required features
- ❑ Press **Enter** to accept

## F2: Inventory Features

The Inventory features comprises of configurations/ functionalities pertaining to Inventory transactions and reports. The Inventory features is further sub-divided into seven sections, namely :

- ❑ General
- ❑ Storage & Classification
- ❑ Order Processing
- ❑ Invoicing
- ❑ Purchase Management
- ❑ Sales Management
- ❑ Additional Inventory Vouchers

Go to **Gateway of Tally > F11: Features > Inventory Features** or click on **F2 : Inventory**

The **Inventory Feature** screen is displayed as shown.



| Company: <u>National Traders</u>                              |              |
|---------------------------------------------------------------|--------------|
| <u>Inventory Features</u>                                     |              |
| <b>General</b>                                                |              |
| Integrate Accounts and Inventory                              | ? <b>Yes</b> |
| Allow Zero valued entries                                     | ? No         |
| <b>Storage &amp; Classification</b>                           |              |
| Maintain Multiple Godowns                                     | ? No         |
| Maintain Stock Categories                                     | ? No         |
| Maintain Batch-wise Details<br>(set Expiry Dates for Batches) | ? No         |
| Use different Actual & Billed Qty                             | ? No         |
| <b>Order Processing</b>                                       |              |
| Allow Purchase Order Processing                               | ? No         |
| Allow Sales Order Processing                                  | ? No         |
| <b>Invoicing</b>                                              |              |
| Allow Invoicing                                               | ? Yes        |
| Enter Purchases in Invoice Format                             | ? Yes        |
| Use Debit/Credit Notes                                        | ? No         |
| Use Invoice mode for Credit Notes                             | ? No         |
| Use Invoice mode for Debit Notes                              | ? No         |
| Separate Discount column on Invoices                          | ? No         |
| <b>Purchase Management</b>                                    |              |
| Track additional costs of Purchase                            | ? No         |
| <b>Sales Management</b>                                       |              |
| Use Multiple Price Levels                                     | ? No         |
| <b>Additional Inventory Vouchers</b>                          |              |
| Use Tracking Numbers (Delivery/Receipt Notes)                 | ? No         |
| Use Rejection Inward/Outward Notes                            | ? No         |

F1: Accounts    F2: Inventory    F3: Statutory

Figure 3.3 F11: Inventory Features Screen

- ❑ Enable the required features
- ❑ Press **Enter** to accept

### F3 : Statutory & Taxation

The Statutory & Taxation features comprises of configurations/ functionalities pertaining to statutory compliances available in Tally.ERP 9. The Statutory features are country specific and strictly depends upon the Country selected in the Company Creation screen. The following features are available, when India is selected in the **Statutory Compliance for** field in the Company Creation screen.

- ❑ Excise
- ❑ Value Added Tax
- ❑ Service Tax
- ❑ Tax Deducted at Source
- ❑ Tax Collected at Source
- ❑ Fringe Benefits Tax

□ Payroll

Go to **Gateway of Tally > F11: Features > Statutory & Taxation** or click on **F3 : Statutory**

The **Statutory & Taxation** screen is displayed as shown.

**Company Operations Alteration** Ctrl + M

Current Period:      Current Date:

Company: **National Traders**

**Statutory & Taxation**

|                                                                       |             |                                      |             |
|-----------------------------------------------------------------------|-------------|--------------------------------------|-------------|
| Enable Excise                                                         | ? <b>No</b> | Enable Tax Deducted at Source (TDS)  | ? <b>No</b> |
| Set/Alter Excise Details                                              | ? <b>No</b> | Set/Alter TDS Details                | ? <b>No</b> |
| (Note : 'Enable Maintain Multiple Godowns' for Multiple Excise Units) |             | Enable Tax Collected at Source (TCS) | ? <b>No</b> |
| Follow Excise rules for Invoicing                                     | ? <b>No</b> | Set/Alter TCS Details                | ? <b>No</b> |
| Enable Value Added Tax (VAT)                                          | ? <b>No</b> | Enable Fringe Benefit Tax (FBT)      | ? <b>No</b> |
| Set/Alter VAT Details                                                 | ? <b>No</b> | Set/Alter FBT Details                | ? <b>No</b> |
| Enable Service Tax                                                    | ? <b>No</b> |                                      |             |
| Set/Alter Service Tax Details                                         | ? <b>No</b> |                                      |             |

**Tax Information**

Local Sales Tax Number :  
Inter-state Sales Tax Number :  
PAN / Income - Tax No. :

F1: Accounts      F2: Inventory      F3: Statutory

Figure 3.4 F11: Statutory & Taxation Features Screen

- Enable the required features
- Press **Enter** to accept

#### F4: Tally.NET Features

The **Tally.NET Features** screen comprises of **Registration** and **Remote Access** of company data on Tally.NET. The Tally.NET features will be available only when, **Use Security Control** is set to **Yes** in Company master.

Go to **Gateway of Tally > F11: Features > Tally.NET Features** or click on **F4 : Tally.NET**

## 3.2 F12 : Configurations

In Tally.ERP 9, the **F12: Configurations** are provided for Accounting, Inventory & printing options and are user-definable as per your requirements.

The **F12: Configurations** are applicable to all the companies residing in that Tally.ERP 9 Data Directory. The **F12: Configuration** options vary depending upon the menu display. i.e., if you press **F12: configure** from Voucher entry screen, the respective **F12: Configurations** screen is displayed.

Go to **Gateway of Tally > press F12: Configure**

The **Configuration** screen is displayed as shown.

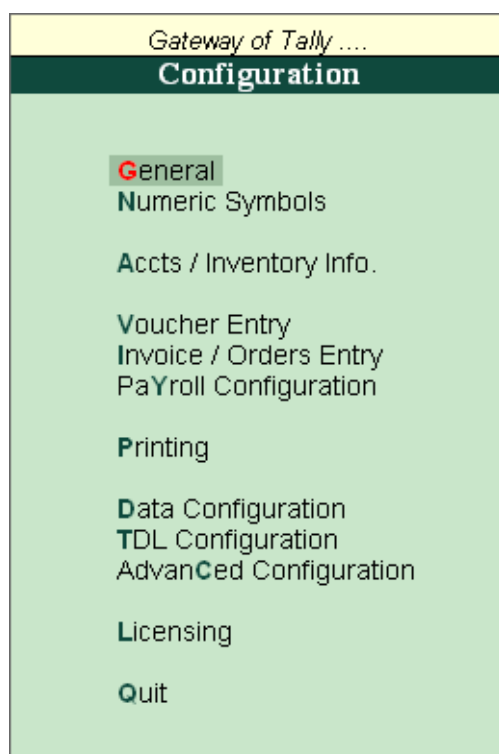


Figure 3.5 F12: Configuration Menu

There are numerous settings available under various menus in the F12: Configurations screen, which may be configured for any additional information required to be entered during master creations, voucher entry and printing.

### 3.2.1 General

You can configure Country Details, Style of Names, Dates and Numbers in the General configuration screen.

| System Configuration                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  | National Traders                    |  | Ctrl + M |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------|--|----------|
| Current Period<br>1-4-2009 to 31-3-2010                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  | Current Date<br>Friday, 1 May, 2009 |  |          |
| List of Selected Companies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |                                     |  |          |
| Name of Company<br>National Traders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                                     |  |          |
| <div> <div> <p><b>Country Details</b></p> <p>Use Accounting terminology of : <b>India / SAARC</b></p> <p>(SAARC countries include India, Pakistan, Sri Lanka, Bangladesh, Nepal, Bhutan and Maldives.)</p> <p><b>Style of Names</b></p> <p>Default appearance of Names in Reports : <b>Name Only</b></p> <p>Default appearance of Stock Item Names in Reports : <b>Name Only</b></p> <p><b>Style of Dates</b></p> <p>Style of Short Date : <b>dd-mm-yy</b></p> <p>Separator used in Short Date : <b>-</b></p> <p><b>Configuration of Numbers</b></p> <p>Decimal Character to use : <b>.</b></p> <p>Thousands Separator to use : <b>,</b></p> <p>Put Sign before Currency/Unit Symbols ? <b>No</b></p> <p>Show numbers in Millions (and not Lakhs) ? <b>No</b></p> <p><b>Other Options</b></p> <p>Show Monthly reports with Graphs ? <b>Yes</b></p> <p>Use separate Menu for Final A/c Statements ? <b>No</b></p> <p>Ignore errors &amp; continue during data import ? <b>No</b></p> <p>(Applicable for importing vouchers in XML format)</p> <p>Export Base Currency Symbol along with Amount ? <b>No</b></p> <p>Show tables with Masters only in Current Language ? <b>No</b></p> <p>Tally alert using beeps ? <b>Yes</b></p> </div> <div> <p><b>List of Countries</b></p> <p><b>India / SAARC</b></p> <p>International</p> </div> </div> |  |                                     |  |          |

Figure 3.6 General Configuration screen

### 3.2.2 Numeric Symbols

You can configure Number Styles and Symbols used to represent Positive Numbers, Negative Numbers, Debit Amounts and Credit Amounts by using Numeric Symbols. This is displayed on the Number Styles configuration screen.

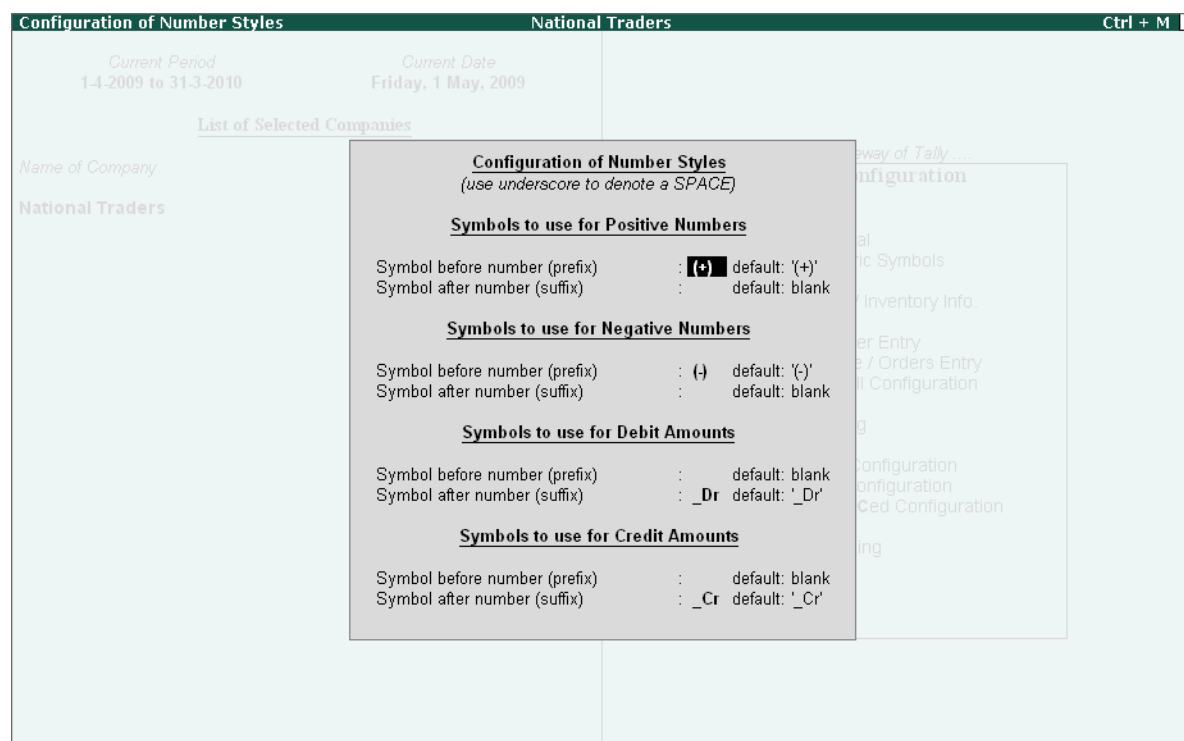


Figure 3.7 Number Styles Configuration screen

### 3.2.3 Accts / Inventory Info.

The fields pertaining to both Accounting and Inventory Info. can be configured from this menu.



The screenshot displays the 'Master Configuration' dialog box within the 'National Traders' window. The dialog box is divided into two main sections: 'Accounts' and 'Inventory'. The 'Accounts' section is currently selected and shows the following settings:

| Option                                  | Value |
|-----------------------------------------|-------|
| Allow ADVANCED entries in Masters       | ? Yes |
| Use ADDRESSES for Ledger Accounts       | ? Yes |
| Use CONTACT DETAILS for Ledger Accounts | ? Yes |
| Add NOTES for Ledger Accounts           | ? No  |

The 'Inventory' section shows the following settings:

| Option                                           | Value |
|--------------------------------------------------|-------|
| Allow ADVANCED entries in Masters                | ? Yes |
| Use PART NUMBERS for Stock Items                 | ? No  |
| Use Description for Stock Items                  | ? No  |
| Use REMARKS for Stock Items                      | ? No  |
| Use ALTERNATE UNITS for Stock Items              | ? No  |
| Allow Std. Rates for Stock Items                 | ? Yes |
| Specify Default Ledger Allocation for Invoicing  | ? No  |
| Allow Component list details (Bill of Materials) | ? No  |
| Use ADDRESSES for Godowns                        | ? No  |

Figure 3.8 Accts / Inventory Info. screen

## Master Configuration

Additional information can be configured by setting the options to **Yes** which will accordingly appear in the masters.

- ❑ **Allow ALIASES along with names:** This configuration helps in identifying an account by another name.
- ❑ **Allow Language ALIASES along with names:** This configuration helps the user to give an alias in any local language.

## Accounts Masters

- ❑ **Allow ADVANCED entries in Masters:** This configuration displays the additional fields in the Accounting Masters such as:
  - **Group behaves like a Sub-Ledger ?**  
Set to **Yes**, the group behaves like a Control Account for the ledgers it contains, wherein only the group balance is displayed. This is useful while working on groups like the *Sundry Debtors* and *Sundry Creditors* (pre-set to **Yes**), where the ledger items are numerous.
  - **Nett Debit/Credit Balances for Reporting?**  
Set to **Yes**, this configuration displays the amount as a net figure instead of separate debit and credit balances as shown in the reports.

- ❑ **Use ADDRESSES for Ledger Accounts:** This Field can be used for giving the address and Income Tax Number of the ledger accounts.
- ❑ **Use CONTACT DETAILS for Ledger Accounts:** This Configuration gives the user an opportunity to fill details like Contact person, Telephone, Fax, E-Mail etc.
- ❑ **Add NOTES for Ledger accounts:** This field helps the user to add the additional notes for ledger accounts.

## Inventory Masters

- ❑ **Allow ADVANCED entries in Masters:** This Configuration will display additional field in Inventory masters.
- ❑ **Use PART NUMBERS for Stock Items:** You can enter the Part Number of the item being created for easy identification. (In certain industries, such as automobiles, their part numbers identifies various parts). You can alternatively use this field for the Bin Card Number, Code Number etc.
- ❑ **Use Description for Stock Items:** You can enter the description of the Stock Item that would appear in your invoices.
- ❑ **Use REMARKS for Stock Items:** This helps to identify the product and its applications. You can give some particulars of the Stock Item created. This will help you later when you post a query for the stock of this item, while you decide whether the item is suitable for a particular requirement or not.
- ❑ **Use ALTERNATE UNITS for Stock Items:** This is another unit, apart from the main unit, which you can use instead of the Stock Item. This is particularly useful when you need to handle different units at different times. For example, you buy *Data Cables* in pieces but sell them in packets of 5 pieces each. For alternate units, you are asked to give a conversion factor (e.g. 5) so that a link is maintained between the two. What you give here is simply a conversion factor that comes up as default during a voucher entry. You may specify a different factor during voucher entry.
- ❑ **Allow Std. Rates for Stock Items:** Standard rates enable the valuation of an inventory at standard purchase or standard sales prices. Moreover, these prices come up by default during voucher entry (you may choose to override them if required). The standards are effective from the specified dates and they continue to be used at these rates until the next date, where the standard rate changes.
- ❑ **Specify Default Ledger Allocation for Invoicing:** This configuration allows the user to allocate the ledgers to be used for Purchase and Sales Invoice.
- ❑ **Allow component list details (Bill of Materials):** The Bill of Materials contains a list of items that are required to make up another item. In other words, it is a list of constituent items.
- ❑ **Use ADDRESSES for Godowns:** This configuration enables the user to give the address for locations.

### 3.2.4 Voucher Entry

Both the Accounting and Inventory Vouchers can be configured from this menu for additional information.

| Voucher Entry Configuration                                  |                                                  |
|--------------------------------------------------------------|--------------------------------------------------|
| Accounts                                                     | Inventory                                        |
| Skip Date field in Create Mode (faster entry!) ? <b>Yes</b>  | Use Ref. Number in Stock Journal ? <b>No</b>     |
| Use Single Entry mode for Pymt/Rcpt/Contra ? <b>No</b>       | Warn on Negative Stock Balance ? <b>No</b>       |
| Use Payment/Receipt as Contra ? <b>No</b>                    | Honor Expiry Dates usage for Batches ? <b>No</b> |
| Use Cr/Dr instead of To/By during entry ? <b>Yes</b>         | Show Balances as on Voucher Date ? <b>No</b>     |
| Warn on Negative Cash Balance ? <b>Yes</b>                   | Show Godown-wise Details ? <b>No</b>             |
| Pre-Allocate Bills for Payment/Receipt ? <b>No</b>           | Show Batch-wise Details ? <b>No</b>              |
| Allow Cash Accounts in Journals ? <b>Yes</b>                 |                                                  |
| Allow Expenses/Fixed Assets in Purchase Vouchers ? <b>No</b> |                                                  |
| Allow Income Accounts in Sales Vouchers ? <b>No</b>          |                                                  |
| Show Inventory Details ? <b>Yes</b>                          |                                                  |
| Show Table of Bill Details for Selection ? <b>Yes</b>        |                                                  |
| Show Bill-wise Details ? <b>Yes</b>                          |                                                  |
| Expand into multiple lines ? <b>Yes</b>                      |                                                  |
| Show Ledger Current Balances ? <b>Yes</b>                    |                                                  |
| Show Balances as on Voucher Date ? <b>Yes</b>                |                                                  |

Figure 3.9 Voucher Configuration screen

### Accounting Vouchers

- ❑ **Skip Date field in Create Mode (faster entry!)**: Set to **Yes**, the Tally.ERP 9 cursor goes directly to the Dr or Cr field depending on the voucher type. However, if set to **No**, the Tally.ERP 9 cursor goes to the Date field. It is advantageous to set this option to **Yes** for a faster entry if there are many entries to be made on the same date.
- ❑ **Use Single Entry mode for Pymt/ Rcpt/Contra**: This configuration helps in selecting multiple debits or credits depending on the type of entry.
- ❑ **Use Payment/Receipt as Contra**: To indicate the transfer of funds from bank to cash, bank to bank and cash to bank, Tally.ERP 9 provides a voucher type called 'Contra'. This configuration is activated while using payment and receipt vouchers for a 'Contra' transaction.
- ❑ **Use Cr/Dr instead of To/By during Entry**: This configuration gives the flexibility to use Cr/ Dr or To/By in Vouchers as per the requirement or the understanding of the user.
- ❑ **Warn on Negative Cash Balance**: This option in Tally.ERP 9 displays a warning if the cash balance is NIL.

- ❑ **Pre-Allocate Bills for Payment/Receipt:** This Configuration enables the user to select the bills first before the total amount can be updated in the amount field. This option is extremely useful while Cheque Printing.
- ❑ **Allow Cash Accounts In Journals:** Journals are adjustment entries. However, in many cases companies require journals to account for day-to-day transactions involving cash or bank accounts.
- ❑ **Allow Expenses/Fixed Assets in Purchase Vouchers:** This configuration helps the user to enter the details of purchase of fixed assets in the Purchase Voucher.
- ❑ **Allow Income Accounts in Sales Vouchers:** This configuration helps the user to allocate the income accounts in the sales voucher.
- ❑ **Show Inventory Details:** This configuration when set to **Yes** shows the name of the stock item, quantity, rate and value details.
- ❑ **Show Table of Bills Details for Selection:** This configuration displays a table which lists out the references of the pending bills
- ❑ **Show Bill-wise Details:** This configuration enables the user to view the bill-wise details in the voucher.
- ❑ **Expand into multiple lines:** This configuration displays the due date of repayment based on the credit days given.
- ❑ **Show Ledger Current Balances:** This configuration displays the current balance of the ledger selected while an entry is made. This is a convenient feature to use since it helps to get the information without referring to the report.
- ❑ **Show Balances as on Voucher Date:** Set to **Yes**, a voucher that is viewed in the *alteration* mode displays the ledger balances on the voucher screen based on the voucher date.

### Inventory Vouchers

- ❑ **Use Ref. Number in Stock Journal:** This configuration provides an additional field called **Ref.** in the Stock journal, where the user can enter the reference number.
- ❑ **Warn on Negative Stock Balance:** This configuration warns the user in cases where the item selected reaches a negative balance in the Invoice mode.
- ❑ **Honor Expiry Dates usage for Batches:** This configuration hides the batch details that are redundant and have expired.
- ❑ **Show Balances as on Voucher Date:** This configuration enables the user to view the inventory balances according to the voucher date
- ❑ **Show Godownwise Details :** This configuration enables the user to view Godown details.
- ❑ **Show Batchwise Details :** This configuration enables the user to view Batch details.

### 3.2.5 Invoice / Orders Entry

The Invoice entry and Order entry screens can be configured for additional information such as export details, shipping details, etc.

### **3.2.6 Printing**

This configuration helps the user to configure the printing screens for the reports and transactions.

### **3.2.7 Data Configuration**

This configuration helps the user to define location of Language Files, Tally Configuration File, Export Files, Data Files and details of the companies to be loaded on startup.

### **3.2.8 TDL Configuration**

This screen provides details regarding TDL Configuration viz., Local TDLs, Account TDLs & Remote TDLs enabled for the product.

### **3.2.9 Advanced Configuration**

This configuration helps the user to specify Client/Server Configuration, Connection configuration and Proxy configuration for ODBC connectivity and Synchronisation of Data.

### **3.2.10 Licensing**

This configuration helps the user to update, surrender, reset license and also configure existing License.

## **3.3 Setting up Account Heads**

Tally.ERP 9 allows you to create Account heads and groups as per your requirements. The flexibility and ease of creating user-defined Account Heads and groups (Chart of Accounts) as per nature of business or business practice makes Tally.ERP 9 suitable for businesses across industries, verticals and geographies, without changing the way they do their business.

### **3.3.1 Chart of Accounts**

Tally.ERP 9 follows the Double Entry system of Accounting. It records accounting information by debiting and crediting different Ledger Accounts using different voucher types depending upon the nature of transaction. It automatically collates the debit and credit amounts and arrives at the closing balance of each ledger / group / report.

### **3.3.2 Pre-defined Groups of Accounts**

There are 28 predefined groups in Tally.ERP 9, which are widely used in the Chart of Accounts of many trading organizations. Out of these, 15 groups are Primary Groups and the remaining 13 are Sub-Groups.

Among the 15 predefined groups, 9 Groups are Balance Sheet items and the remaining 6 groups are Profit & Loss A/c items. However, you may also alter the nomenclature of these predefined 28 Groups

The **List of Accounts** screen is displayed as shown

**1. Capital Account**

Reserves & Surplus [Retained Earnings]

**2. Current Assets**

Bank Accounts

Cash-in-hand

Deposits (Asset)

Loans & Advances (Asset)

Stock-in-hand

Sundry Debtors

**3. Current Liabilities**

Duties & Taxes

Provisions

Sundry Creditors

**4. Fixed Assets**

**5. Investments**

**6. Loans (Liability)**

Bank OD A/c [Bank OCC A/c]

Secured Loans

Unsecured Loans

**7. Suspense A/c**

**8. Misc. Expenses (Asset)**

**9. Branch/Divisions**

Out of the **15 pre-defined primary groups**, the following are the six pre-defined groups that appear in the Profit & Loss Account.

1. Sales Accounts
2. Purchase Accounts
3. Direct Incomes [Income (Direct)]
4. Indirect Incomes [Income (Indirect)]
5. Direct Expenses [Expenses (Direct)]
6. Indirect Expenses [Expenses (Indirect)]



*The Items in square brackets are aliases for the Group Names. This is another powerful feature of Tally.ERP 9, which allows you to refer to the same item under several different names.*

### 3.3.3 Groups and Ledgers

Group is a collection of Ledgers of the same nature. In a business, expenditures like telephone expenses, electricity charges, conveyance etc., are commonly incurred. Ledgers based on these expenditures are created to be used while accounting vouchers are entered. To know the total of such expenses for any period (a week or a month), similar natured expense ledgers are grouped.



*Make sure all the options in the **F12: Configure** (Master configuration) are set to **No**. The function of each option will be explained as and when the topic is covered.*

Ledger account heads are the actual account heads with which we identify the transactions. All voucher entries have to be passed using ledgers. To Understand the concept of Groups and Ledgers, let us create **Ledgers** and **Groups** in **Indus Enterprises**.

1. **Proprietor's Capital Account** – under **Capital Account** with an opening balance of Rs.25000.
2. **Land & Building** – under **Fixed Assets** with an opening balance of Rs.60000.
3. **Milton & Co** – under **Sundry Debtors** because we have sold some goods to them – with an opening balance of Rs.15000.
4. **Kaltronic Ltd** – under **Sundry Creditors** – because we have purchased some goods from them with opening balance of Rs. 85000.
5. **Local Sales** – under **Sales Account** with no opening balance.
6. **Local Purchases** – under **Purchase Account** with no opening balance.
7. **State Bank of India** – under **Bank Accounts** with an opening balance of Rs. 35000.
8. **Conveyance** – under **Indirect Expenses** with no opening balance.
9. **Bank Interest** – under **Indirect Income** with no opening balance.

Notice that we have mentioned ledger names under groups i.e., under Capital Account, under Sundry Debtor, etc. which are referred to as **GROUP** names.

Ledgers are created in the following manner:

Go to the **Gateway of Tally > Accounts Info. > Ledgers > Create**.

The **Ledger Creation** screen appears as shown below:

Figure 3.10 Ledger Creation screen

Two of the nine ledger accounts will be created by us. As a practice exercise you will be creating the remaining seven ledgers.

1. **Proprietor's Capital Account under Capital Account with an opening balance of Rs. 25000.**
  - Enter **Name** as **Proprietor's Capital Account**.
  - Select **Capital Account** from the **List of Groups**.
  - Enter **25000** in the **Opening Balance (on 1-Apr-2009)** field.



| Ledger Creation                               |                | Indus Enterprises |
|-----------------------------------------------|----------------|-------------------|
| Name : Proprietor's Capital Account           | Total Op. Bal. |                   |
|                                               | 25,000.00 Cr   |                   |
|                                               | Difference     |                   |
|                                               | 25,000.00 Cr   |                   |
| Under : Capital Account                       |                |                   |
|                                               |                |                   |
| Opening Balance ( on 1-Apr-2009 ) : 25,000.00 |                | Accept ?          |
|                                               |                | Yes or No         |

Figure 3.11 Ledger Creation screen — Proprietor's Capital Account

- Press **Y** or **Enter** to accept the screen.

Notice that Tally.ERP 9 automatically capitalises the first letter for you.

## 2. Land & Building under Fixed Assets with an opening balance of Rs.60000.

- Enter **Name** as **Land & Building**.
- Select **Fixed Assets** from the **List of Groups**.
- Enter **60,000** in the **Opening Balance (on 1-Apr-2009)** field.

| Ledger Creation                                                                                    |                | Indus Enterprises |
|----------------------------------------------------------------------------------------------------|----------------|-------------------|
| Name : Land & Building                                                                             | Total Op. Bal. |                   |
|                                                                                                    | 60,000.00 Dr   |                   |
|                                                                                                    | 25,000.00 Cr   |                   |
|                                                                                                    | Difference     |                   |
|                                                                                                    | 35,000.00 Dr   |                   |
| Under : Fixed Assets                                                                               |                |                   |
| <div>Accept ?</div> <div>Opening Balance ( on 1-Apr-2009) : 60,000.00 <span>Yes or No</span></div> |                |                   |

Figure 3.12 Ledger Creation — Land & Building

- Press **Y** or **Enter** to accept the screen.

Tally.ERP 9 displays the total debit and credit opening balances while the ledgers are being created in the Ledger Creation screen. This is to avoid differences in the opening balance.

So far, we have used the default groups provided in Tally.ERP 9, but Tally.ERP 9 does allow us to create our own groups. To know how to do so, let us explore the options available under the creation of Groups using Tally.ERP 9's pre-defined groups.

Groups can be created in the following manner:

Go to the **Gateway of Tally > Accounts Info. > Groups**.

The Groups menu appears as shown below:

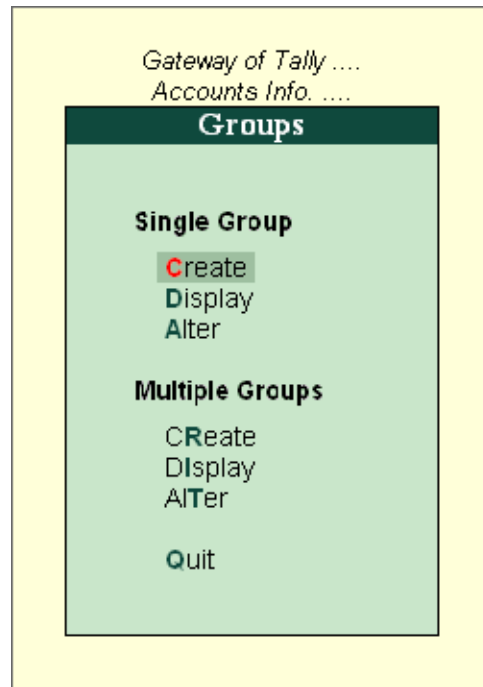


Figure 3.13 Groups Menu



*You can create one group at a time by pressing **Enter** on **Create** under **Single Group** menu. In case, you want to create multiple groups simultaneously, you can create them by pressing **Enter** on **Create** under **Multiple Groups**.*

Create the following Sundry Debtors Ledger accounts :

- ❑ **Groups - North Delhi Debtors** and **Bhopal Debtors** under **North India Debtors**.
- ❑ **Mysore Debtors** and **Secundrabad Debtors** under **South India Debtors**.
- ❑ **Renison & Co** and **Milton & Co** grouped under **North Delhi Debtors**.

### Solution

The solution is to first create two sub-groups **North India Debtors** and **South India Debtors** under Sundry Debtors.

Go to the **Gateway of Tally > Accounts Info. > Groups > Create**.

- ❑ Enter **Name** as **North India Debtors**
- ❑ Against the field **Under** select **Sundry Debtors** from the **List of Groups**

The **Group Creation** screen appears as shown below :

| Group Creation                                    |                     | Indus Enterprises | Ctrl + M                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------|---------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name : <b>North India Debtors</b>                 | Date : May, 2009    |                   | <b>List of Groups</b><br>Bank Accounts<br>Bank OCC A/c<br>Bank OD A/c<br>Branch / Divisions<br>Capital Account<br>Cash-in-hand<br>Current Assets<br>Current Liabilities<br>Deposits (Asset)<br>Direct Expenses<br>Direct Incomes<br>Duties & Taxes<br>Expenses (Direct)<br>Expenses (Indirect)<br>Fixed Assets<br>Income (Direct)<br>Income (Indirect)<br>Indirect Expenses<br>Indirect Incomes<br>Investments<br>Loans & Advances (Asset)<br>Loans (Liability)<br>Misc. Expenses (ASSET)<br>Provisions<br>Purchase Accounts<br>Reserves & Surplus<br>Retained Earnings<br>Sales Accounts<br>Secured Loans<br>Stock-in-hand<br>Sundry Creditors<br><b>Sundry Debtors</b><br>Suspense A/c<br>Unsecured Loans |
| Under : <b>Sundry Debtors</b><br>(Current Assets) |                     |                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Name of Company                                   | Date of Last Entry  |                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Indus Enterprises                                 | No Vouchers Entered |                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

Figure 3.14 Group Creation — North India Debtors

- Press **Y** or **Enter** to accept the screen.

Similarly create the following Groups:

- **South India Debtors** under **Sundry Debtors**.
- **Mysore Debtors** and **Secundrabad Debtors** under **South India Debtors**.
- **North Delhi Debtors** and **Bhopal Debtors** under **North India Debtors**.

Tally.ERP 9 allows you to create any number of groups under all the default groups. We have now created two sub-groups under Sundry Debtors viz. North India Debtors and South India Debtors. Additionally, we have created two sub-groups each under North India Debtors and South India Debtors as per the requirements.

Let us now create the ledgers for **Renison & Co** and **Milton & Co** under **North Delhi Debtors**. Go to the **Gateway of Tally > Accounts Info. > Ledgers > Create (Multiple Ledgers)**.

Create **Renison & Co** and **Milton & Co** under **North Delhi Debtors**.

- Select **North Delhi Debtors** from **List of Groups**.
- Enter **Renison & Co** in the **Name of Ledger** field.

- Enter **Milton & Co** in the **Name of Ledger** field.

| Multi Ledger Creation             |                | Indus Enterprises   | Ctrl + M                                 |
|-----------------------------------|----------------|---------------------|------------------------------------------|
| Under Group : North Delhi Debtors |                | For 1-Apr-2009      |                                          |
| S.No.                             | Name of Ledger | Under               | Opening Balance Dr/Cr                    |
| 1.                                | Renison & Co   | North Delhi Debtors |                                          |
| 2.                                | Milton & Co    | North Delhi Debtors |                                          |
|                                   |                |                     | <div>Accept ?</div> <div>Yes or No</div> |

Figure 3.15 Multi-Ledger Creation

- **North Delhi Debtors** is automatically prefilled in the **Under** field, press **Enter** to accept
- Press **Enter** to accept the screen.

We have learnt to create ledgers in both the single and multiple mode under Tally.ERP 9's default pre-defined groups. We have also created our own sub-groups under Tally.ERP 9's predefined groups.

- Return to the **Gateway of Tally** and shut **Indus Enterprises** and select **National Traders**.

Given below is the **Trial Balance** of **National Traders** extracted from the Books of Accounts at the close of business on March 31, 2009.

| Trial Balance                     |       |               |               |
|-----------------------------------|-------|---------------|---------------|
| Particulars                       |       | Debit         | Credit        |
| Bank account                      |       | 35000         |               |
| Deposit Account                   |       | 40000         |               |
| Petty Cash                        |       | 500           |               |
| Opening Stock                     |       | 286150        |               |
| Sundry Debtors ( <b>Total</b> )   |       | 57300         |               |
| Compu Care Systems                | 5400  |               |               |
| Data Link Technologies            | 26000 |               |               |
| Spectrum Computers                | 12400 |               |               |
| Supreme Computers                 | 13500 |               |               |
| Buildings                         |       | 75000         |               |
| Buildings Accum Deprn             |       |               | 8000          |
| Office Equipment                  |       | 25000         |               |
| Office Equip Accum Deprn          |       |               | 4500          |
| Tax Deducted at Source            |       |               | 4780          |
| Sales tax                         |       |               | 13600         |
| Sundry Creditors ( <b>Total</b> ) |       |               | 156000        |
| Challenger Systems                | 65650 |               |               |
| Horizon Enterprises               | 44750 |               |               |
| Silverplus Computers              | 45600 |               |               |
| Mutual Trust Loan                 |       |               | 50000         |
| Equity Capital                    |       |               | 250000        |
| Profit & Loss A/c                 |       |               | 32070         |
| <b>Total</b>                      |       | <b>518950</b> | <b>518950</b> |

The Chart of Accounts to be prepared is based on the above Trial Balance of National Traders. This is to assist you in understanding the classification of ledgers. To help you, each account has been marked as :

- ❑ **P** - Pre-defined Tally.ERP 9 Group (no action)
- ❑ **L** - Ledger account required
- ❑ **NG** - New Group required
- ❑ **NPG** - New Primary Group required

### 3.3.4 Chart of Accounts of National Traders

#### 1. Capital Accounts as appearing in the Balance Sheet:

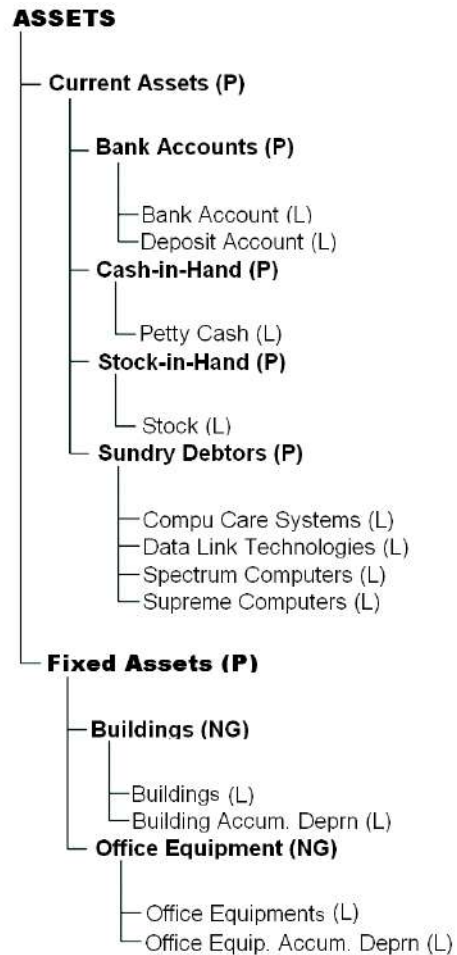


Figure 3.16 Chart of Accounts in Balance Sheet — Assets

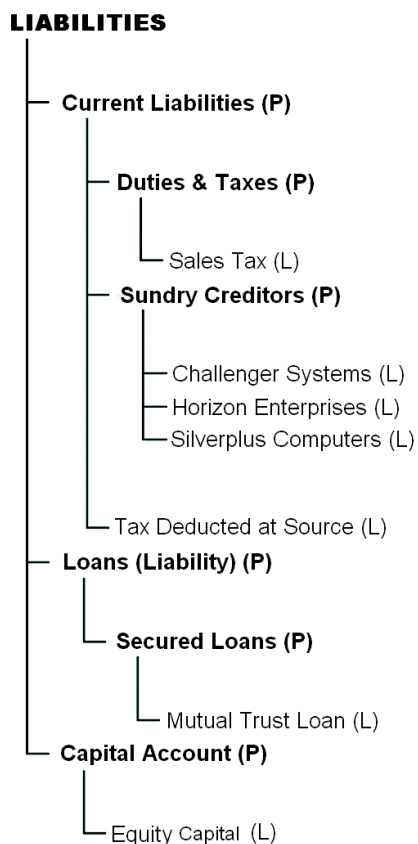


Figure 3.17 Chart of Accounts in Balance Sheet — Liabilities

## 2. Revenue Accounts appearing in the Profit & Loss Account

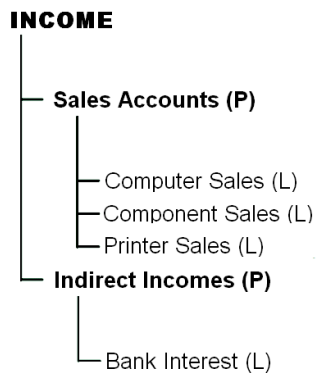


Figure 3.18 Chart of Accounts in Profit & Loss account — Incomes



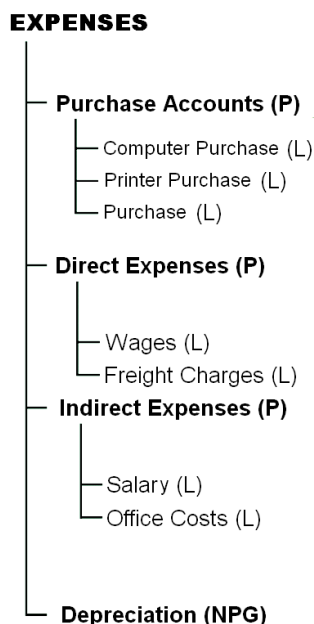


Figure 3.19 Chart of Accounts in Profit & Loss account — Expenses

### Tally.ERP 9 Walk-through to Create Group Names for National Traders.

Check the following:

1. Check whether the Current Date is **April 1, 2009**. To change the Current Date, click **F2: Date** on the button bar. Note that Tally.ERP 9 increments the date assuming that you want to change to the next day. You can accept it or change it. Type **1-4-2009** and press **Enter** to accept.
2. Press **Esc**, if you do not have the **Gateway of Tally** menu displayed.

Let us now get familiar with Tally.ERP 9's Display functions.

### Displaying groups in Single Group and Multiple Group in the chart of accounts

Go to the **Gateway of Tally > Accounts Info. > Groups > Display (Single Group) > Select Bank Accounts**.

| Group Display |   | National       |
|---------------|---|----------------|
| Name          | : | Bank Accounts  |
| Under         | : | Current Assets |
|               |   |                |

Figure 3.20 Group Display — Bank Account

You can now use the **Page Up** and **Page Down** keys to view different groups.



- *The Groups in Tally.ERP 9, serve to both classify and identify account heads (ledger accounts) according to their nature. This enables a presentation of summarised information.*
- *The Groups have a hierarchical organisation. At the top of the hierarchy are **Primary Groups** where accounts are classified into capital or revenue, more specifically into assets, liabilities, income and expenditure to determine the entire accounting and their presentation, i.e., whether a ledger affects Profit & Loss Account (as a revenue item) or goes into the Balance Sheet.*
- *Tally.ERP 9 provides a set of **reserved groups**, based on mercantile accounting principles, and allows you to modify their names or create **sub-groups** and **primary groups**.*

Let us now view the List of Groups in the **Multiple Display Mode**.

Go to the **Gateway of Tally > Accounts Info. > Groups > Display (Multiple Groups) > Select All Items**

| Multi Group Display |                          | National Traders                     | Ctrl + M |
|---------------------|--------------------------|--------------------------------------|----------|
| Under Group         |                          | : <input type="checkbox"/> All Items |          |
| S.No.               | Name of Group            | Under                                |          |
| 1.                  | Capital Account          | <input type="checkbox"/> Primary     |          |
| 2.                  | Loans (Liability)        | <input type="checkbox"/> Primary     |          |
| 3.                  | Current Liabilities      | <input type="checkbox"/> Primary     |          |
| 4.                  | Fixed Assets             | <input type="checkbox"/> Primary     |          |
| 5.                  | Investments              | <input type="checkbox"/> Primary     |          |
| 6.                  | Current Assets           | <input type="checkbox"/> Primary     |          |
| 7.                  | Branch / Divisions       | <input type="checkbox"/> Primary     |          |
| 8.                  | Misc. Expenses (ASSET)   | <input type="checkbox"/> Primary     |          |
| 9.                  | Suspense A/c             | <input type="checkbox"/> Primary     |          |
| 10.                 | Sales Accounts           | <input type="checkbox"/> Primary     |          |
| 11.                 | Purchase Accounts        | <input type="checkbox"/> Primary     |          |
| 12.                 | Direct Incomes           | <input type="checkbox"/> Primary     |          |
| 13.                 | Direct Expenses          | <input type="checkbox"/> Primary     |          |
| 14.                 | Indirect Incomes         | <input type="checkbox"/> Primary     |          |
| 15.                 | Indirect Expenses        | <input type="checkbox"/> Primary     |          |
| 16.                 | Reserves & Surplus       | Capital Account                      |          |
| 17.                 | Bank OD A/c              | Loans (Liability)                    |          |
| 18.                 | Secured Loans            | Loans (Liability)                    |          |
| 19.                 | Unsecured Loans          | Loans (Liability)                    |          |
| 20.                 | Duties & Taxes           | Current Liabilities                  |          |
| 21.                 | Provisions               | Current Liabilities                  |          |
| 22.                 | Sundry Creditors         | Current Liabilities                  |          |
| 23.                 | Stock-in-hand            | Current Assets                       |          |
| 24.                 | Deposits (Asset)         | Current Assets                       |          |
| 25.                 | Loans & Advances (Asset) | Current Assets                       |          |
| 26.                 | Sundry Debtors           | Current Assets                       |          |
| 27.                 | Cash-in-hand             | Current Assets                       |          |
| 28.                 | Bank Accounts            | Current Assets                       |          |

Figure 3.21 Multi-Group Display screen

### Adding groups to the chart of accounts

- ☐ **Depreciation** under **Primary Group**
- ☐ **Buildings** and **Office Equipment** under **Fixed Assets**



- ☐ Use **Multiple Groups Creation** to create **Buildings and Office Equipment**.
- ☐ Use **Single Group Creation** to create **Depreciation**.



*In the **F12: Group Configuration**, Allow **ADVANCED** entries in **Masters** when set to **Yes**, displays **Primary** as an option in addition to the other pre-defined Groups.*

We can access all the configuration options for the Masters from the **Gateway of Tally > F12: Configure > Accts / Inventory Info.**

Go to the **Gateway of Tally > Accounts Info. > Groups > Create** (Single Group).

Click on **F12: Configure** button and set **Yes** to:

- ❑ **Allow ALIASES along with Names**
- ❑ **Allow Language ALIASES along with Names.**
- ❑ **Allow ADVANCED entries in Masters.**

Accept the configuration screen and Tally.ERP 9 displays the Group Creation Screen in which you will notice additional information like:

1. **Alias** – This is a simple mechanism of identifying an account by another name.
2. **Group behaves like a Sub-Ledger** – The group behaves like a Control Account for the ledgers it contains when set to **Yes**. Only the group balance will be displayed, not the individual ledger balances. It is useful for groups such as *Sundry Debtors* and *Sundry Creditors* (which are pre-set to **Yes**) where there can be numerous ledger items.
3. **Nett Debit/Credit Balances for Reporting** – By setting this to **Yes**, amounts will be displayed as a net figure instead of separate debit and credit balances in reports.

### Create Group

1. **Name: Depreciation**
2. **(alias):** Type **Deprn** and press **Enter**. This allows you to refer to the group by either name. You will notice that there is a field to enter a second alias if required. If you enter a name here, another alias field will be displayed, and so on. Tally uses the main name on all displays and reports, but this multiple alias facility is extremely useful for data entry.
3. **Under:** Select **Primary** from the list of Groups
4. **Nature of Group:** Select **Expenses**



- ❑ ***Nature of Group** is displayed when the new Group is created under a **Primary Group**. It helps to distinguish whether the group is a part of assets, liabilities, income or expenses, to identify the correct group for the Balance Sheet or Profit & Loss A/c.*

### 5. Does it affect Gross Profits?: No

Since these are **Expenses** (and the same is true for **Income**) which affect the Profit & Loss A/c, Tally.ERP 9 needs to know if the group affects the gross profit. This field will not appear if you are adding a group to an existing group.



- For Primary Income and Expenses Groups, the field **Does it affect Gross Profit?** tells Tally.ERP 9 whether the item is above or below the line in the Profit & Loss A/c in terms of its effect on the gross or net profit. Direct items are pre-set to **Yes** and indirect items to **No**.

6. **Group behaves like a Sub-Ledger: No**
7. **Nett Debit/Credit Balances for Reporting: No.**
8. **Used for Calculation (eg. Taxes, Discounts): No**
9. **Method to Allocate when used in Purchase Invoice: Not Applicable**

The Group Creation Screen appears as shown below :

| Group Creation                                                           |                                             | National Traders                           |
|--------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------|
| Name                                                                     | : <b>Depreciation</b>                       |                                            |
| (alias)                                                                  | : Depn                                      |                                            |
| Under                                                                    | : <input type="checkbox"/> <b>Primary</b>   |                                            |
| Nature of Group                                                          | ? <b>Expenses</b>                           |                                            |
| Does it affect Gross Profits                                             | ? <b>No</b>                                 |                                            |
| Group behaves like a Sub-Ledger                                          | ? <b>No</b>                                 |                                            |
| Nett Debit/Credit Balances for Reporting                                 | ? <b>No</b>                                 |                                            |
| Used for Calculation (eg. Taxes, Discounts)<br>(for Sales Invoice Entry) | ? <b>No</b>                                 |                                            |
| Method to Allocate when used in Purchase Invoice                         | ? <input type="checkbox"/> <b>Not Appli</b> | <b>Accept ?</b><br><b>Yes</b> or <b>No</b> |

Figure 3.22 Group Creation — Depreciation

10. Press **Y** or **Enter** to accept the screen.

### Altering Groups

Once created, groups can be altered by selecting the **Alter** option for single or multiple groups. The procedure is the same as used earlier to display groups, except that, here the data can be altered.

## Deleting Groups

You can delete a group via the **Group Alteration** (Single Mode) screen by pressing **Alt+D**. However, you cannot delete Tally.ERP 9's pre-defined groups, or groups with sub-groups or groups containing ledgers. **The lowest level must be deleted first.**

**Tally.ERP 9 walkthrough to create National Traders ledgers with opening balances.**

Go to the **Gateway of Tally > Accounts Info. > Ledgers > Create.**

## Adding Single Ledgers

1. **Name:** Mutual Trust Loan
2. **Alias:** Skip this field
3. **Under:** Secured Loans
4. **Inventory values are affected ?:** No
5. **Opening Balance (on 1-April-2009):** 50000 Cr

| Ledger Creation                                |                                        | National Traders |
|------------------------------------------------|----------------------------------------|------------------|
| Name                                           | : Mutual Trust Loan                    | Total Op. Bal.   |
| (alias)                                        | :                                      |                  |
|                                                |                                        | 2,86,150.00 Dr   |
|                                                |                                        | 50,000.00 Cr     |
|                                                |                                        | Difference       |
|                                                |                                        | 2,36,150.00 Dr   |
| Under                                          | : Secured Loans<br>(Loans (Liability)) |                  |
| Inventory values are affected                  | ? No                                   |                  |
| Opening Balance (on 1-Apr-2009) : 50,000.00 Cr |                                        |                  |

Figure 3.23 Ledger Creation — Mutual Trust Loan



- *Tally.ERP 9 automatically assumes this to be a credit balance (Cr) however, you can change it to debit (Dr) if required. Also note that Tally.ERP 9 currently displays a running total of the difference in the Opening Balance. This difference should be zero when all the balances have been entered.*

6. Press **Y** or **Enter** to accept the screen.

### **Adding Multiple Ledgers**

- **Under Group: Sundry Debtor**
- **Name of Ledger: Data Link Technologies**
- **Opening Balance: 26000 Dr**
- **Name of Ledger: Spectrum Computers**
- **Opening Balance: 12400 Dr**
- **Name of Ledger: Supreme Computers**
- **Opening Balance: 13500 Dr**
- Press **Y** or **Enter** to accept the screen.

### **Altering and Displaying Ledgers**

The procedures for altering and displaying ledgers are similar to those of groups. Now try this out on National Traders by altering the Tally.ERP 9 pre-defined ledger for Cash to Petty Cash and entering the opening balance:

- Select **Alter** from the **Single Ledger** option.
- Select **Cash** from the List of Ledgers.
- Change the **Name** from **Cash** to **Petty Cash**.
- Enter the **Opening Balance** of 500 Dr.
- Press **Y** or **Enter** to accept the screen.

If you use **Display** in **Single Ledger** now, you will see that the **List of Ledgers** shows Petty Cash instead of Cash.

### **Deleting Ledgers**

- You can delete a ledger, by pressing **Alt+D** in the Ledger Alteration screen.

You will not be able to delete a ledger, once the financial transactions (vouchers) have been entered (excluding the Opening Balance). If there is a need to delete a ledger with any financial transactions the lowest level must be deleted first by pressing **Alt+D**.

### Create other Ledgers given in the Trial Balance

1. Remember, you have already input the ledger details for the two Sundry Debtors, the Mutual Trust Loan and Petty Cash.
2. Work from the Trial Balance, referring to the Chart of Accounts for the group to select, and create the ledgers using the single or multiple options, depending on the number of ledgers you create.
3. For the ledgers under **Sales Accounts** and **Purchase Accounts**, set **Inventory values are affected?** to **No**. Reset it to **Yes** when you start Inventory Vouchers.
4. Please enter on the ledger names as per the Trial Balance.
5. Sundry Creditors should be set up using the multiple options in the same way as the Sundry Debtors, except that the opening balances will be credits.
6. Watch the debits and credits on the two accumulated depreciation ledgers as, Tally.ERP 9 assumes it to be a debit balance (Dr). You need to change this to Cr.
7. Create a ledger for Bank Interest even though its balance is zero.

### Verify the Ledgers and Opening Balances

In practical situations, that is all you have, the Chart of Accounts and the Trial Balance.

You need to match the Trial Balance ledger accounts with the Chart of Accounts. You might put the opening balance figures in the chart of accounts itself. Tally.ERP 9 needs to know the Group under which each account falls at the time you are creating the ledger account.

To ease your walk-through, the following **Multi Ledger Alteration** screen is taken from Tally.ERP 9 after entering the data. You can use them to verify your ledger accounts:

Go to the **Gateway of Tally > Accounts Info. > Ledgers > Multiple Alteration > Select All Items**.



| Multi Ledger Alteration                          |                          | National Traders                 |                 | Ctrl + M |    |
|--------------------------------------------------|--------------------------|----------------------------------|-----------------|----------|----|
| Under Group : <input type="checkbox"/> All Items |                          | For 1-Apr-2009                   |                 |          |    |
| S.No.                                            | Name of Ledger           | Under                            | Opening Balance | Dr       | Cr |
| 1.                                               | Bank Account             | Bank Accounts                    | 35,000.00       | Dr       |    |
| 2.                                               | Building Accum Deprn     | Buildings                        | 8,000.00        | Cr       |    |
| 3.                                               | Buildings                | Fixed Assets                     | 75,000.00       | Dr       |    |
| 4.                                               | Challenger Systems       | Sundry Creditors                 | 65,650.00       | Cr       |    |
| 5.                                               | Compu Care Systems       | Sundry Debtors                   | 5,400.00        | Dr       |    |
| 6.                                               | Data Link Technologies   | Sundry Debtors                   | 26,000.00       | Dr       |    |
| 7.                                               | Deposit Account          | Bank Accounts                    | 40,000.00       | Dr       |    |
| 8.                                               | Equity Capital           | Capital Account                  | 2,50,000.00     | Cr       |    |
| 9.                                               | Horizon Enterprises      | Sundry Creditors                 | 44,750.00       | Cr       |    |
| 10.                                              | Mutual Trust Loan        | Secured Loans                    | 50,000.00       | Cr       |    |
| 11.                                              | Office Equip Accum Deprn | Office Equipment                 | 4,500.00        | Cr       |    |
| 12.                                              | Office Equipment         | Fixed Assets                     | 25,000.00       | Dr       |    |
| 13.                                              | Petty Cash               | Cash-in-Hand                     | 500.00          | Dr       |    |
| 14.                                              | Profit & Loss A/c        | <input type="checkbox"/> Primary | 32,070.00       | Cr       |    |
| 15.                                              | Sales Tax                | Duties & Taxes                   | 13,600.00       | Cr       |    |
| 16.                                              | Silverplus Computers     | Sundry Creditors                 | 45,600.00       | Cr       |    |
| 17.                                              | Spectrum Computers       | Sundry Debtors                   | 12,400.00       | Dr       |    |
| 18.                                              | Supreme Computers        | Sundry Debtors                   | 13,500.00       | Dr       |    |
| 19.                                              | Tax Deducted at Source   | Current Liabilities              | 4,780.00        | Cr       |    |

**Accept ?**  
 Yes or No

Figure 3.24 Multi-Ledger Alteration screen

- Press **Y** or **Enter** to accept the screen.

## Points to Remember

- ❑ F11: Features are company-specific. You are allowed to specify options that are specific to the selected company only.
- ❑ The Accounting Features helps the user to create Budgets & Scenarios, Currencies, Cost Centres, Cost Categories etc. in addition to Groups and Ledgers.
- ❑ The Inventory Features helps the user to create Stock categories, Multiple Godowns, Use Tracking Numbers, Order Processing, Price levels etc. in addition to Stock Groups, Stock Items and Units of Measure.
- ❑ The Statutory & Taxation Features helps the user to enable Value Added Tax (VAT), Excise, Service Tax, Tax deducted at Source(TDS), Tax Collected at Source (TCS), Excise Duty along with Tax information such as Local Sales Tax Number, Inter-state Sales Tax Number, PAN/Income - Tax Number.
- ❑ F12: Configuration options are applicable to all the companies in the same data directory.
- ❑ All financial entries are performed using ledgers or account heads.
- ❑ Group is a collection of Ledgers of the same nature.
- ❑ You can delete a ledger by pressing Alt+D in the Ledger Alteration screen.

## Lesson 4: Creating Inventory Masters in Tally.ERP 9

### Lesson Objectives

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

- ❑ The basic functions of the Tally.ERP 9 Inventory System
- ❑ Creating and maintaining Inventory Masters
- ❑ Creating and maintaining stock details
- ❑ Creating stock items and entering opening balances

Inventory accounting includes recording of stock details like the purchase of stock, the sale of stock, stock movement between storage locations or godowns and providing information on stock availability. Tally.ERP 9 makes it possible to integrate the inventory and accounting systems so that the financial statements reflect the closing stock value from the Inventory system.

The inventory system operates in much the same way as the accounting system.

- ❑ First you set up the inventory details, which is a similar operation to creating the chart of accounts although, in this case, there are **no pre-defined set of stock groups**.
- ❑ Second, you create the individual stock items, which is similar to setting up the ledgers.

In a newly created company the Inventory Info. menu comprises of four types of Masters, viz. Stock Groups, Stock Items, Units of Measure and Voucher Types.

Go to the **Gateway of Tally > Inventory Info.**

The Inventory info. menu is displayed as shown:

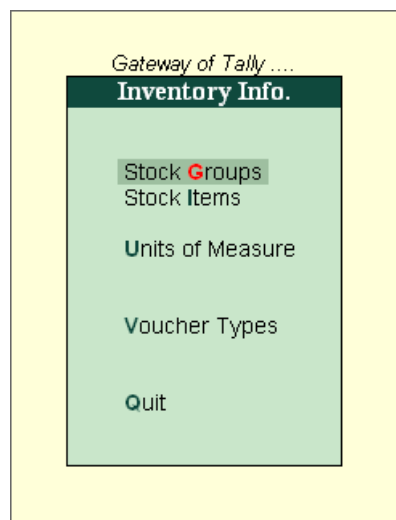


Figure 4.1 Inventory Info. Menu

The above Inventory Masters types are explained in detailed in the following sections.

□ Units of Measure

Let us take the example of **Indus Enterprises** that sells **Televisions** and **Music Systems**.

Given below is the structure of items being sold.

| Group A – Televisions |                             |
|-----------------------|-----------------------------|
| A1 – Sony             | A1a – Sony 29 inches TV     |
|                       | A1b – Sony 25 inches TV     |
| A2 – Philips          | A2a – Philips 29 inches TV  |
|                       | A2b – Philips 25 inches TV  |
| A3 – Videocon         | A3a – Videocon 29 inches TV |
|                       | A3b – Videocon 25 inches TV |

| Group B – Music Systems |                              |
|-------------------------|------------------------------|
| B1 – Sony               | B1a – Sony Tape-Recorder     |
|                         | B1b – Sony CD Player         |
| B2 – Videocon           | B2a – Videocon Tape-Recorder |
|                         | B2b – Videocon CD Player     |

The televisions are sold in numbers. Hence, the **Unit of Measure** will be **Nos.**

Indus Enterprises has **two Godowns**, the **Bangalore Godown** and the **Mumbai Godown**.

The grouping structure in Tally.ERP 9 is as follows:

### Stock Group

1. **Televisions** (main stock group)
  - Sony TV – stock group under Televisions
  - Philips TV – stock group under Televisions
  - Videocon TV – stock group under Televisions
2. **Music Systems** (main stock group)
  - Sony Music Systems – Stock Group under Music Systems
  - Videocon Music Systems – Stock Group under Music Systems

Under the stock group Televisions, let us create stock groups based on the different brands being sold viz. Sony, Philips and Videocon. This helps to find the total sales of a particular brand of televisions at any given point of time. In order to compare the total sales of the 29 and 25 inches televisions respectively, Tally.ERP 9's feature of Stock Categories for parallel classification can be used.

Experiment Creation of **Inventory Masters** in **Indus Enterprises**.

## 4.1 Stock Groups

Stock Groups are provided to help in the classification of stock items. Classification is done based on some common behaviour. Grouping stock items makes it easy to identify and report them in the statements. For example, items of a particular brand can be grouped together so that you can get the inventory details of all the items of that brand.

### 4.1.1 Creating Stock Group

#### i. Create the Stock Group – Television under Primary.

Go to the **Gateway of Tally > Inventory Info. > Stock Groups > Create** (under the Single Stock Group).

Ensure that the screen appears as shown below:

| Stock Group Creation             |                                           |
|----------------------------------|-------------------------------------------|
| Name                             | : <b>Television</b>                       |
| Under                            | : <input type="checkbox"/> <b>Primary</b> |
| Can Quantities of items be ADDED | ? <b>Yes</b>                              |

Figure 4.2 Stock Group Creation — Television

- Press **Y** or **Enter** to accept the screen.

Similarly, create **Music Systems** under **Primary**.

## ii. Create Sony TV under Televisions.

The screen is displayed as shown below:

| Stock Group Creation             |                     |
|----------------------------------|---------------------|
| Name                             | : <b>Sony TV</b>    |
| Under                            | : <b>Television</b> |
| Can Quantities of items be ADDED | ? <b>Yes</b>        |

Figure 4.3 Stock Group Creation — Sony TV

- Press **Y** or **Enter** to accept the screen.

## Practice Exercise

Create the following **Stock Groups** in the similar manner

| Name                   | Under         | Can Quantities of items be ADDED |
|------------------------|---------------|----------------------------------|
| Philips TV             | Televisions   | Yes                              |
| Videocon TV            | Televisions   | Yes                              |
| Sony Music Systems     | Music Systems | Yes                              |
| Videocon Music Systems | Music Systems | Yes                              |

## 4.2 Stock Categories

This is a feature, which offers a parallel classification of stock items. Like Stock Groups, Stock categories are also classified based on some similar behaviour. The advantage of using Tally.ERP 9 lies in categorising Stock items together, (based on functionality) across different stock groups. This enables you to obtain reports for alternatives or substitutes of a stock item.

- Set **Yes** to **Maintain Stock Categories** in **F11: Features (F2: Inventory Features)** to get an additional option **Stock Categories** under **Inventory Info**.

### 4.2.1 Creating Stock Category

Go to the **Gateway of Tally > Inventory Info. > Stock Categories > Create.**

#### i. Create Stock Category 29 inches TV Under Primary

| Stock Category Creation                  |                       |
|------------------------------------------|-----------------------|
| Name : 29 inches TV                      | Accept ?<br>Yes or No |
| Under : <input type="checkbox"/> Primary |                       |

Figure 4.4 Stock Category Creation — 29 inches TV

- Press **Y** or **Enter** to accept the screen.

Similarly , create Stock Category **25 inches TV** under **Primary**.

## 4.3 Godowns / Locations

A place where stock items are stored is referred to as Godowns. You can specify where the stock items are kept. For example: A warehouse, shelf or rack etc, and obtain stock reports for each Godown and account for the movement of stock between locations/Godowns.

- Set **Yes** to **Maintain Multiple Godowns** in **F11: Features (F2: Inventory Features)** to get additional option like **Stock Categories** under **Inventory Info.**

### 4.3.1 Creating a Godown

Go to the **Gateway of Tally > Inventory Info. > Godowns > Create.**

#### i. Create a Godown – Bangalore under Primary.

Ensure that the screen is displayed as shown below:

| Godown Creation                          |                       |
|------------------------------------------|-----------------------|
| Name : Bangalore                         | Accept ?<br>Yes or No |
| Under : <input type="checkbox"/> Primary |                       |
| Allow Storage of materials               |                       |

Figure 4.5 Godown Creation — Bangalore

- Press **Y** or **Enter** to accept the screen.



- *Godowns have a main location, by default because of which the options **Display** and **Alter** are functional even before you create a godown.*

Similarly create the godown – **Mumbai** under **Primary**.

## 4.4 Units of Measure

Stock Items are mainly purchased and sold on the basis of quantity. The quantity inturn is measured by units. In such cases, it is necessary to create the Unit of Measure. The Units of Measure can either be simple or compound. Examples of simple units are: nos., metres, kilograms, pieces etc. Examples for compound units are: a box of 10 pieces etc. Create the Units of Measure before creating the Stock Items.

### 4.4.1 Creating Units of Measure

Go to the **Gateway of Tally > Inventory Info. > Units of Measure > Create**.

The **Unit Creation** Screen appears as shown below:

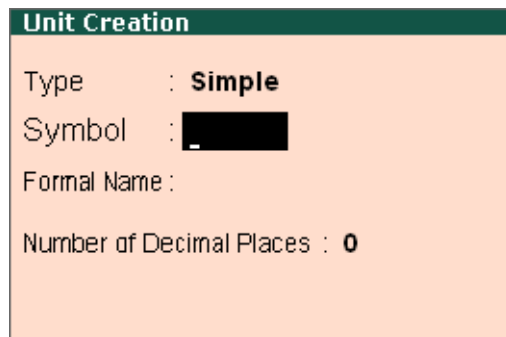
A screenshot of the 'Unit Creation' screen in Tally.ERP 9. The screen has a green header bar with the text 'Unit Creation'. Below the header, there are four fields: 'Type' with a value of 'Simple', 'Symbol' with a value of '\_', 'Formal Name' which is empty, and 'Number of Decimal Places' with a value of '0'.

Figure 4.6 Units of Measure Creation screen

#### Type

Tally.ERP 9 has the option to create simple units as well as compound units. Examples: box, nos, pcs, etc. A Compound Unit is a combination of two simple units of measure. Example: A **box of 10 pcs** is a compound unit of measure.

#### Symbol

It is the abbreviated form by which a stock item is identified. For example, the abbreviation pcs indicates – pieces.



### Formal Name

This represents the complete or formal name of a symbol used while creating a unit. Different companies use different symbols to represent the same units. Formal names help you to match the symbols with their respective units. For example, the symbol for numbers (formal name) can be nos or num.

### Number of Decimal Places

A unit can be expressed as fractions. For example, a 3.15 Kg refers to 3Kg and 150 grams. The number of digits expressed in grams after the decimal places are three. Likewise, fractions up to four decimal places can be expressed in the same manner. For expressing numbers, without a decimal place, specify 0 in this option.

Let us create the unit **Nos**.

1. **Type: Simple**
2. **Symbol: Nos**
3. **Formal Name: Numbers**
4. **Number of Decimal Places: 0**

The **Unit Creation** screen is displayed as shown below:

| Unit Creation                       |                 |
|-------------------------------------|-----------------|
| Type                                | : <b>Simple</b> |
| Symbol                              | : <b>Nos</b>    |
| Formal Name                         | : Numbers       |
| Number of Decimal Places            |                 |
| <b>Accept ?</b><br><b>Yes or No</b> |                 |

Figure 4.7 Units of Measure Creation — Nos

5. Press **Y** or **Enter** to accept the screen.

## 4.5 Stock Items

Stock items are goods that you manufacture or trade (sell and purchase). It is the primary inventory entity. Stock Items in the Inventory transactions are similar to ledgers being used in accounting transactions. Therefore, Stock Items are important in an inventory just as ledgers are important in accounting.

### 4.5.1 Creating a Stock Item

Go to **Gateway of Tally > Inventory Info. > Stock Items > Create**.

The Stock Item Creation Screen appears as shown below:

| Stock Item Creation                                                                                                                                                    |  | Indus Enterprises                                                                                                                |                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Name : <span style="background-color: black; color: black;">XXXXXXXXXX</span>                                                                                          |  |                                                                                                                                  |                       |
| Under : <input type="checkbox"/> <b>Primary</b><br>Category : <input type="checkbox"/> <b>Not Applicable</b><br>Units : <input type="checkbox"/> <b>Not Applicable</b> |  | <u><b>Tax Information</b></u><br>Tariff Classification : <input type="checkbox"/> <b>Not Applicable</b><br>Rate of Duty (eg 5) : |                       |
| Opening Balance :                                                                                                                                                      |  | <b>Quantity</b>                                                                                                                  | <b>Rate per Value</b> |

Figure 4.8 Stock Item Creation screen

Enter the following details:

**Name:** The name of the stock item.

**Under:** The stock group under which you want to classify the stock item.

**Category:** The stock category you want to classify the stock item for parallel classification.

**Units:** The unit of measure for the stock item being created.

**Rate of Duty:** Enter the rate of duty charged on the item.

**Opening Balance:** The opening balance of a stock item, refers to the stock available with us. Godowns that have already been created, must have the opening balance quantity and the location specified.

**i. Create a Stock Item Sony 29 inches TV, under the Group Sony TV.**

Ensure that the details appear as shown below:

| Stock Item Creation      |                                                                                                                      | Indus Enterprises |                         |
|--------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------|
| Name : Sony 29 inches TV |                                                                                                                      |                   |                         |
| Under : Sony TV          | <b>Tax Information</b><br>Tariff Classification : <input type="checkbox"/> Not Applicable<br>Rate of Duty (eg 5) : 0 |                   |                         |
| Category : 29 inches TV  |                                                                                                                      |                   |                         |
| Units : Nos              |                                                                                                                      |                   |                         |
| Opening Balance :        | Quantity                                                                                                             | Rate per          | V Accept ?<br>Yes or No |

Figure 4.9 Stock Item Creation — Sony 29 inches TV

- Press **Y** or **Enter** to accept the screen.

**Practice Exercise**

Similarly, create the following Stock Items under **Televisions**

| Name                  | Under       | Category     | Units |
|-----------------------|-------------|--------------|-------|
| Sony 25 inches TV     | Sony TV     | 25 inches TV | Nos   |
| Philips 29 inches TV  | Philips TV  | 29 inches TV | Nos   |
| Philips 25 inches TV  | Philips TV  | 25 inches TV | Nos   |
| Videocon 29 inches TV | Videocon TV | 29 inches TV | Nos   |
| Videocon 25 inches TV | Videocon TV | 25 inches TV | Nos   |

Similarly, create the following Stock Items under **Music Systems**.

| Name                     | Under                  | Category       | Units |
|--------------------------|------------------------|----------------|-------|
| Sony Tape - Recorder     | Sony Music Systems     | Not Applicable | Nos   |
| Sony CD - Player         | Sony Music Systems     | Not Applicable | Nos   |
| Videocon Tape - Recorder | Videocon Music Systems | Not Applicable | Nos   |
| Videocon CD - Player     | Videocon Music Systems | Not Applicable | Nos   |

## 4.6 Creating Inventory Masters for National Traders

Before you start to create the inventory data for National Traders, there are some important functions of housekeeping that are to be taken care of.

- ❑ Make sure your screen displays the main menu of the **Gateway of Tally** and ensure that only National Traders is loaded.
- ❑ Set Tally.ERP 9's *Current Date* to **April 1, 2009** – select **F2: Date** at the **Gateway of Tally**.
- ❑ You also need to check whether the following features in Tally.ERP 9 are enabled for this module

i. In the **F11: Features (F2: Inventory Features)** set **Yes** to:

- ❑ Maintain Stock Categories
- ❑ Maintain Multiple Godowns

ii. In the **F12: Configure > Accts/Inventory Info.** set **Yes** to:

- ❑ Allow ALIASES along with Names
- ❑ Allow Language ALIASES along with Names
- ❑ Allow ADVANCED entries in Masters (Accounts)
- ❑ Use ADDRESSES for Ledger Accounts
- ❑ Use CONTACT DETAILS for Ledger Accounts
- ❑ Allow ADVANCED entries in Masters (Inventory)
- ❑ Allow Std. Rates for Stock Items

Let us now use Tally.ERP 9 to set up the basic inventory details for **National Traders** that sells computers, Printers and Peripherals. Create the stock groups and sub-groups as shown:

| Stock Group | Under       |
|-------------|-------------|
| Computers   | Primary     |
| Printers    | Primary     |
| Peripherals | Primary     |
| Accessories | Peripherals |
| Components  | Peripherals |

### 4.6.1 Create Stock Groups

You will now set up the stock groups using both the single and multiple create options.

#### i. Creating single stock groups

Go to the **Gateway of Tally > Inventory Info. > Stock Groups > Create.**

Create a **Stock Group - Computers**

1. **Name:** Computers
2. **Aliases:** Skip the field
3. **Under:** Primary
4. **Can quantities of items be ADDED?:** Yes

| Stock Group Creation             |                                           |
|----------------------------------|-------------------------------------------|
| Name                             | : <b>Computers</b>                        |
| Under                            | : <input type="checkbox"/> <b>Primary</b> |
| Can Quantities of items be ADDED | ? <b>Yes</b>                              |

Figure 4.10 Stock Group Creation — Systems



- *The field **Can quantities of items be added?** in the stock group creation screen pertains to information on measuring the units of the Stock Items that have been categorised under the Stock Group. The Stock Items categorised under the group should have similar units for them to be added up. You cannot add quantities in Kgs to quantities in Pcs.*

5. Press **Y** or **Enter** to accept the screen.

Similarly, create the following **Stock Groups**

| Name        | Under   | Can Quantities of items be ADDED |
|-------------|---------|----------------------------------|
| Peripherals | Primary | Yes                              |
| Printers    | Primary | No                               |

#### ii. Creating Multiple Stock Groups

Go to the **Gateway of Tally > Inventory Info. > Stock Groups > Create.**

### Create Accessories and Components under Peripherals.

Ensure that the **Multi Stock Group Creation** screen is displayed as shown below:

| Multi Stock Group Creation |                     |             |                         |
|----------------------------|---------------------|-------------|-------------------------|
| National Traders           |                     |             |                         |
| Ctrl + M                   |                     |             |                         |
| Under Group : Peripherals  |                     |             |                         |
| S.No.                      | Name of Stock Group | Under       | Items are Addable (Y/N) |
| 1.                         | Accessories         | Peripherals | Yes                     |
| 2.                         | Components          | Peripherals | Yes                     |
|                            |                     |             | Accept ?                |
|                            |                     |             | Yes or No               |

Figure 4.11 Multiple Stock Group Creation

- Press **Y** or **Enter** to accept the screen.

### 4.6.2 Displaying and Altering Stock Groups

Once created, stock groups can be displayed and altered in both the single and multiple mode. You can delete a stock group by using the option **Alter** under the **Single Stock Group** by pressing **Alt+D**. However, you cannot delete a stock group with sub-groups or stock items. The lower levels must be deleted first.

### 4.6.3 Creating Single Stock Categories

Go to the **Gateway of Tally > Inventory Info. > Stock Categories > Create**.

| Name     | Under   |
|----------|---------|
| National | Primary |

#### 4.6.4 Creating Multiple Stock Categories

Go to the **Gateway of Tally > Inventory Info. > Stock Categories > Create.**

| Under Category | Name of Category |
|----------------|------------------|
| Primary        | HCL              |
| Primary        | IBM              |
| Primary        | HP               |
| Primary        | Samsung          |

#### 4.6.5 Displaying and Altering Stock Categories

Once created, stock categories can be displayed and altered in single and multiple mode. You can delete a stock category via **Single Stock Category > Alter** by pressing **Alt+D**. However, you cannot delete a stock category with sub-categories. The lower levels must be deleted first.

#### 4.6.6 Creating Units of Measure

Go to the **Gateway of Tally > Inventory Info. > Units of Measure > Create.**

| Type   | Symbol | Formal Name | Number of Decimal Places |
|--------|--------|-------------|--------------------------|
| Simple | Nos    | Number Of   | 0                        |
| Simple | Box    | Boxes       | 0                        |

#### 4.6.7 Creating Compound Units of Measure

Go to the **Gateway of Tally > Inventory Info. > Units of Measure > Create.**

1. **Type:** Compound (press Backspace)
2. **First Unit:** Select **Box**
3. **Conversion:** Type **100**
4. **Second Unit:** Select **Nos**

Unit Creation

Type : **Compound**  
**Units with Multiplier Factors**  
*(example: Kgs of 1000 gms)*  
First Unit Conversion  
**Box** of **100**

Accept ?  
Yes or No

Figure 4.12 Compound Units of Measure Creation

5. Press **Y** or **Enter** to accept the screen.

#### 4.6.8 Displaying and Altering Units of Measure

Once created, the units of measure can be displayed and altered. You can delete a unit of measure in the alteration screen by pressing **Alt+D**. However, you cannot delete a unit of measure that is part of a compound measure. The compound measure must be deleted first.

#### 4.6.9 Creating Godowns

Ensure that **Maintain Multiple Godowns** is set to **Yes** in the **F11: Features (F2: Inventory Features)**.

The concept of **Godowns** is essentially to store the inventory and can be used as a location, warehouse, department, sub-contractor locations etc. Tally.ERP 9 permits any number of godowns that can be grouped and sub-grouped to match the structure you need.

To Create a Godown, go to the **Gateway of Tally > Inventory Info. > Godowns > Create**.

1. **Name: Warehouse**
2. **alias: Skip the field**
3. **Under: Primary**
4. **Allow Storage of materials: Yes**

Similarly, create **On-Site** as **Godown** under **Primary**.

1. **Name: On - Site**
2. **alias: Skip the field**
3. **Under: Primary**
4. **Allow Storage of materials: Yes**

#### 4.6.10 Displaying and Altering Stock Godowns

Once created stock Godowns can be displayed and altered in single and multiple mode.

Go to the **Gateway of Tally > Inventory Info. > Godowns > Alter**.

You can delete a stock Godown via **Single Godown > Alter** by pressing **Alt+D**. However, you cannot delete a stock Godown with sub-godowns. The lower levels must be deleted first.

#### 4.6.11 Create Stock Items

Go to the **Gateway of Tally > Inventory Info. > Stock items > Create**.



Create the stock items as on 1-4-2009, with the information provided below:

| Stock                   | Cost   | Ware-house | On - Site | Total Qty | Total Value     | Retail Price |
|-------------------------|--------|------------|-----------|-----------|-----------------|--------------|
| <b>COMPUTERS</b>        |        |            |           |           |                 |              |
| HCL PIV                 | 17,500 | 1          | 4         | 5 Nos     | 87,500          | 21,500       |
| IBM PIV                 | 17,100 | 0          | 4         | 4 Nos     | 68,400          | 24,785       |
| <b>PERIPHERALS</b>      |        |            |           |           |                 |              |
| <b>Accessories</b>      |        |            |           |           |                 |              |
| CD ROM Disks 100s       | 450    | 0          | 5         | 5 Box     | 2,250           | 500          |
| Dust Covers             | 35     | 2          | 8         | 10 Nos    | 350             | 40           |
| USB Pen Drives 64MB     | 1,250  | 0          | 10        | 10 Nos    | 12,500          | 1,600        |
| Wireless Keyboard       | 490    | 10         | 15        | 25 Nos    | 12,250          | 700          |
| Wireless Mouse          | 250    | 10         | 10        | 20 Nos    | 5,000           | 430          |
| <b>Printers</b>         |        |            |           |           |                 |              |
| HP Laserjet 1010 Series | 8,200  | 0          | 7         | 7 Nos     | 57,400          | 9,500        |
| Samsung Laserjet 1500   | 8,100  | 0          | 5         | 5 Nos     | 40,500          | 9,850        |
| <b>Total</b>            |        |            |           |           | <b>2,86,150</b> |              |

Ensure that **Allow ADVANCED entries in Masters** is set to **Yes** in the **F12: Stock Item Configuration**.

Create the stock item **HCL PIV** with the following details:

1. **Name:** HCL PIV
2. **alias:** Skip this field
3. **Under:** Computers
4. **Category:** HCL
5. **Units:** Nos
6. **Alter Standard Rates?:** Yes
7. Enter the details in the **Standard Rate screen** as shown below:

| Stock Item: <b>HCL PIV</b> |           |     |                        |           |     |
|----------------------------|-----------|-----|------------------------|-----------|-----|
| Standard Cost              |           |     | Standard Selling Price |           |     |
| Applicable From            | Rate      | per | Applicable From        | Rate      | per |
| 1-Apr-2009                 | 17,500.00 | Nos | 1-Apr-2009             | 21,500.00 | Nos |

Figure 4.13 Standard Rate screen for Stock Item — HCL PIV

8. Enter other details as given in the table:

|                                       |                 |
|---------------------------------------|-----------------|
| Rate Of Duty                          | 0               |
| Cost Method                           | Avg Cost        |
| Market Valuation Method               | Last Sale Price |
| Ignore Diff due to Physical Counting? | No              |
| Ignore Negative Balances?             | No              |
| Treat all Sales as New Manufacture?   | No              |
| Treat all Purchases as consumed?      | No              |
| Treat all Rejection Inward as scrap?  | No              |
| Opening Balance: Quantity             | 5 Nos           |
| Opening Balance: Rate                 | 17,500          |

9. Allocate the items as shown below:

Figure 4.14 Allocation of: HCL PIV

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| Stock Item Creation      |                                                                 | National Traders |                                            | Ctrl + M          |
|--------------------------|-----------------------------------------------------------------|------------------|--------------------------------------------|-------------------|
| Name : HCL PIV           |                                                                 |                  |                                            |                   |
| Under : Computers        | <b>Tax Information</b>                                          |                  | <b>Behaviour</b>                           |                   |
| Category : HCL           | Tariff Classification : <input type="checkbox"/> Not Applicable |                  | Costing Method : Avg. Cost                 |                   |
| Units : Nos              | Rate of Duty (eg 5) : 0                                         |                  | Market Valuation Method : Last Sale Price  |                   |
| Set Standard Rates ? Yes |                                                                 |                  | Ignore Diff. due to Physical Counting ? No |                   |
|                          |                                                                 |                  | Ignore Negative Balances ? No              |                   |
|                          |                                                                 |                  | Treat all Sales as New Manufacture ? No    |                   |
|                          |                                                                 |                  | Treat all Purchases as Consumed ? No       |                   |
|                          |                                                                 |                  | Treat all Rejections inward as Scrap ? No  |                   |
| Opening Balance          |                                                                 | Quantity : 5 Nos | Rate per : 17,500.00 Nos                   | Value : 87,500.00 |
|                          |                                                                 |                  |                                            | Accept ?          |
|                          |                                                                 |                  |                                            | Yes or No         |

Figure 4.15 Completed Item Creation screen

11. Press **Y** or **Enter** to accept.

### Explanation for Behaviour

- ❑ **Costing Method:** This is the method by which stocks are valued. The value arrived at will be the stock value in the books. This method considers **Purchase costs** only.
- ❑ **Market Valuation Method:** This method considers the **Sale price** only for the valuation of stocks. The method selected, is not however, used for standard reporting.
- ❑ **Ignore Diff. due to Physical Counting?:** This requires you to enter information on whether Tally.ERP 9 should automatically account for stock difference by passing an appropriate entry or not.
- ❑ **Ignore Negative Balances?:** This requires you to enter information on whether Tally.ERP 9 should warn you if there is a negative balance. This however does not prevent you from entering vouchers.
- ❑ **Treat all Sales as New Manufacture?:** This requires you to enter information on whether on entering a sale voucher, the item will automatically be manufactured and brought in stock.
- ❑ **Treat all Purchases as Consumed?:** This requires you to enter information on whether on entering a purchase, the item is automatically issued from stock.
- ❑ **Treat all Rejections inward as Scrap?:** This requires you to enter information on whether the goods rejected and taken into stock should be shown as issued and hence valued nil.

Similarly, Create other Stock Items.

Once you have entered all the stock items, return to the main **Gateway of Tally** menu and select the **Stock Summary**. This should show a grand total of **2,86,150**, the break-up of which is, **Computers - Rs. 1,55,900, Peripherals - Rs. 32,350, Printers - 97,900 = Rs. 2,86,150**.

Ensure that the Stock Summary appears as shown :

| Stock Summary          |  | National Traders                   |                  | Ctrl + M           |
|------------------------|--|------------------------------------|------------------|--------------------|
| Particulars            |  | National Traders<br>For 1-Apr-2009 |                  |                    |
|                        |  | Closing Balance                    |                  |                    |
|                        |  | Quantity                           | Rate             | Value              |
| <b>Computers</b>       |  | <b>9 Nos</b>                       | <b>17,322.22</b> | <b>1,55,900.00</b> |
| HCL PIV                |  | 5 Nos                              | 17,500.00        | 87,500.00          |
| IBM PIV                |  | 4 Nos                              | 17,100.00        | 68,400.00          |
| <b>Peripherals</b>     |  |                                    |                  | <b>32,350.00</b>   |
| Accessories            |  |                                    |                  | 2,600.00           |
| CD ROM Disks 100s      |  | 5 Box                              | 450.00           | 2,250.00           |
| On-Site                |  | 5 Box                              | 450.00           | 2,250.00           |
| Warehouse              |  |                                    |                  |                    |
| Dust Covers            |  | 10 Nos                             | 35.00            | 350.00             |
| On-Site                |  | 8 Nos                              | 35.00            | 280.00             |
| Warehouse              |  | 2 Nos                              | 35.00            | 70.00              |
| Components             |  | 55 Nos                             | 540.91           | 29,750.00          |
| USB Pen Drives 64MB    |  | 10 Nos                             | 1,250.00         | 12,500.00          |
| On-Site                |  | 10 Nos                             | 1,250.00         | 12,500.00          |
| Wireless KeyBoard      |  | 25 Nos                             | 490.00           | 12,250.00          |
| On-Site                |  | 15 Nos                             | 490.00           | 7,350.00           |
| Warehouse              |  | 10 Nos                             | 490.00           | 4,900.00           |
| Wireless Mouse         |  | 20 Nos                             | 250.00           | 5,000.00           |
| On-Site                |  | 10 Nos                             | 250.00           | 2,500.00           |
| Warehouse              |  | 10 Nos                             | 250.00           | 2,500.00           |
| <b>Printers</b>        |  |                                    |                  | <b>97,900.00</b>   |
| HP Laserjet1010 Series |  | 7 Nos                              | 8,200.00         | 57,400.00          |
| On-Site                |  | 7 Nos                              | 8,200.00         | 57,400.00          |
| Samsung Laserjet 1500  |  | 5 Nos                              | 8,100.00         | 40,500.00          |
| On-Site                |  | 5 Nos                              | 8,100.00         | 40,500.00          |
| <b>Grand Total</b>     |  | <b>9 Nos</b>                       |                  | <b>2,86,150.00</b> |

Figure 4.16 Stock Summary from April 1, 2009 to May 1, 2009

### Points to Remember

- ❑ Inventory accounting includes recording stock details like the purchase of stock, the sale of stock, stock movement between storage locations or godowns and providing information on stock availability.
- ❑ Stock Groups are provided for the purpose of classification of stock items.
- ❑ Stock Items refers to goods that you manufacture or trade.
- ❑ Godowns/Location are places where stock items are stored.

## Lesson 5: Voucher Entry in Tally.ERP 9

### Lesson Objectives

On completion of this lesson, you will be able to

- ❑ Describe the purpose of the Tally.ERP 9 Accounting Vouchers
- ❑ Create and alter Accounting Vouchers
- ❑ Use vouchers to enter Accounting transactions
- ❑ Describe the use of Non-Accounting Vouchers
- ❑ Describe the purpose of the Tally.ERP 9 Inventory vouchers
- ❑ Create and alter Inventory Vouchers
- ❑ Using vouchers to enter Inventory transactions

In accounting terms, a voucher is a document containing the details of a financial transaction. For example, a purchase invoice, a sales receipt, a petty cash docket, a bank interest statement, and so on. For every such transaction made, a voucher is used to enter the details into the ledgers to update the financial position of the company. This feature of Tally.ERP 9 will be used most often.

Tally.ERP 9 follows the Golden Rule of Accounting :

|        | <b>Real Accounts</b> | <b>Personal Accounts</b> | <b>Nominal Accounts</b> |
|--------|----------------------|--------------------------|-------------------------|
| Debit  | What Comes in        | The Receiver             | Expenses and Losses     |
| Credit | What Goes out        | The Giver                | Incomes and Gains       |

### 5.1 Accounting Vouchers

Tally.ERP 9 is pre-programmed with a variety of accounting vouchers, each designed to perform a different job. The standard Accounting Vouchers are:

- ❑ Contra Voucher (F4)
- ❑ Payment Voucher (F5)

- ❑ Receipt Voucher (F6)
- ❑ Journal Voucher (F7)
- ❑ Sales Voucher /Invoice (F8)
- ❑ Credit Note Voucher (CTRL+ F8)
- ❑ Purchase Voucher (F9)
- ❑ Debit Note Voucher (CTRL+ F9)
- ❑ Reversing Journals (F10)
- ❑ Memo voucher (CTRL+ F10)



- ❑ **Optional Voucher:** All the available vouchers in Tally.ERP 9 (except non-accounting vouchers) can be marked optional, if required.
- ❑ **Post-dated voucher:** All the available vouchers in Tally.ERP 9 can be marked post-dated, if required.

You can alter these vouchers to suit your company, and also create new ones. Read ahead to understand the function of each voucher type. The following exercises are sample entries for understanding Voucher entry in Tally.ERP 9, do not make these entries.

### 5.1.1 Contra Voucher (F4)

For example: withdrawing money from the bank for petty cash.

| Contra Voucher       |                                                       |               |               |
|----------------------|-------------------------------------------------------|---------------|---------------|
| <b>Description</b>   | Records funds transfer between cash and bank accounts |               |               |
| <b>Voucher Entry</b> | <b>Account</b>                                        | <b>Amount</b> | <b>Amount</b> |
|                      | State Bank of India<br>(Bank Accounts)                |               | Credit        |
|                      | Petty Cash<br>(Cash-in-hand)                          | Debit         |               |

**Use a Contra Voucher to record the entry.**

**Setup :**

In **Voucher entry mode**, press **F12: Contra Configuration** and set the following to **Yes**:

- ❑ Skip the Date field in Create Mode (faster entry!)
- ❑ Use Cr/Dr instead of To/By during entry
- ❑ Warn on Negative Cash Balance
- ❑ Show Ledger Current Balances
- ❑ Show Balances as on Voucher Date



Go to the **Gateway of Tally > Accounting Vouchers > F4: Contra.**

| Accounting Voucher Creation                                                            |          | Indus Enterprises       | Ctrl + M |
|----------------------------------------------------------------------------------------|----------|-------------------------|----------|
| <b>Contra</b> No. 1                                                                    |          | 1-Apr-2009<br>Wednesday |          |
| Particulars                                                                            | Debit    | Credit                  |          |
| Cr <b>State Bank of India</b><br>Cur Bal: 30,000.00 Dr                                 |          | 5,000.00                |          |
| Dr <b>Petty Cash</b><br>Cur Bal: 5,000.00 Dr                                           | 5,000.00 |                         |          |
| Narration:<br>Ch. No. :235648 Cash Transferred from State Bank of India to Petty Cash. |          | 5,000.00                | 5,000.00 |
|                                                                                        |          | Accept ?<br>Yes or No   |          |

Figure 5.1 Contra Voucher

- Press **Y** or **Enter** to accept the screen.

### 5.1.2 Payment Voucher (F5)

For example, a company settles a creditor's bill by cheque.

| Payment Voucher      |                                                               |               |               |
|----------------------|---------------------------------------------------------------|---------------|---------------|
| <b>Description</b>   | Records all bank and cash payments                            |               |               |
| <b>Voucher Entry</b> | <b>Account</b>                                                | <b>Amount</b> | <b>Amount</b> |
|                      | Ledger account paid<br>Kaltronic Ltd.<br>(Sundry Creditors)   | Debit         |               |
|                      | Bank or cash account<br>State Bank of India<br>(Bank Account) |               | Credit        |

**Use a Payment Voucher to record the entry.**

Go to the **Gateway of Tally > Accounting Vouchers > F5: Payment.**

| Accounting Voucher Creation   |  | Indus Enterprises |                       | Ctrl + M                |  |
|-------------------------------|--|-------------------|-----------------------|-------------------------|--|
| <b>Payment</b> No. 1          |  |                   |                       | 1-Apr-2009<br>Wednesday |  |
| Particulars                   |  | Debit             | Credit                |                         |  |
| Dr <b>Kaltronic Ltd</b>       |  | 500.00            |                       |                         |  |
| Cur Bal: 500.00 Dr            |  |                   |                       |                         |  |
| On Account                    |  | 500.00 Dr         |                       |                         |  |
| Cr <b>State Bank of India</b> |  |                   | 500.00                |                         |  |
| Cur Bal: 29,500.00 Dr         |  |                   |                       |                         |  |
| Narration:                    |  | 500.00            | 500.00                |                         |  |
| Ch. No. :                     |  |                   |                       |                         |  |
|                               |  |                   | Accept ?<br>Yes or No |                         |  |

Figure 5.2 Payment Voucher

- Press **Y** or **Enter** to accept the screen.

### Payment in Single Entry Mode

In **Voucher entry mode**, use **F12: Payment Configuration** and set **Use Single Entry mode for Pymt/Rcpt/Contra** to **Yes**.

| Payment Voucher |                                                                     |        |        |
|-----------------|---------------------------------------------------------------------|--------|--------|
| Description     | Records all bank and cash payments                                  |        |        |
| Voucher Entry   | Account                                                             | Amount | Amount |
|                 | Ledger account paid<br>Conveyance<br>Postage<br>(Indirect Expenses) | Debit  |        |
|                 | Bank or cash account<br>Petty Cash<br>(Bank Account)                |        | Credit |

The entry made in the single entry mode appears as shown below:

| Accounting Voucher Creation                        |       | Indus Enterprises | Ctrl + M                |
|----------------------------------------------------|-------|-------------------|-------------------------|
| <b>Payment</b>                                     | No. 2 |                   | 1-Apr-2009<br>Wednesday |
| Account: <b>Petty Cash</b><br>Cur Bal: 5,300.00 Dr |       |                   |                         |
| Particulars                                        |       |                   | Amount                  |
| <b>Conveyance</b>                                  |       |                   | 300.00                  |
| Cur Bal: 300.00 Dr                                 |       |                   |                         |
| <b>Postage</b>                                     |       |                   | 800.00                  |
| Cur Bal: 800.00 Dr                                 |       |                   |                         |
| Narration:                                         |       |                   | 1,100.00                |
|                                                    |       |                   | Accept ?<br>Yes or No   |

Figure 5.3 Payment Voucher with Single Entry Mode

- Press **Y** or **Enter** to accept the screen.

The advantage of a single entry mode is that you can select multiple debits or credits depending on the type of entry. Similarly the transactions can be recorded in single entry mode even in Receipt and Contra vouchers.

### Warn on Negative Cash Balance

Tally.ERP 9 displays a warning if the cash balance is NIL when **Warn on Negative Cash Balance** is set to **Yes** in the **F12: Payment Configuration**. For example, a cash ledger account has no balance. A payment of Rs. 4,500 towards Telephone expenses is to be made. In the process of making the payment, Tally.ERP 9 displays a warning at the time of accepting the entry.

The entry made appears as shown below:

| Accounting Voucher Creation                          |          | Indus Enterprises       |  | Ctrl + M |
|------------------------------------------------------|----------|-------------------------|--|----------|
| <b>Payment</b> No. 3                                 |          | 1-Apr-2009<br>Wednesday |  |          |
| Particulars                                          | Debit    | Credit                  |  |          |
| Dr Telephone Expenses<br><i>Cur Bal: 4,500.00 Dr</i> | 4,500.00 |                         |  |          |
| Cr Cash<br><i>Cur Bal: 4,500.00 Cr</i>               |          | 4,500.00                |  |          |
| Narration:                                           |          |                         |  |          |
| Warning !                                            |          |                         |  |          |
| Negative Cash!                                       |          |                         |  |          |
| Rs. (-)4,500.00                                      |          |                         |  |          |
| (press any key)                                      |          |                         |  |          |

Figure 5.4 Payment Voucher with Warning on Negative Cash

In addition to the warning, Tally.ERP 9 also displays the negative balance amount in Red.

### 5.1.3 Receipt Voucher (F6)

For example, the company receives a bank advice that the interest has been credited to its deposit account.

| Receipt Voucher |                                                              |        |        |
|-----------------|--------------------------------------------------------------|--------|--------|
| Description     | Records all receipts into bank or cash accounts              |        |        |
| Voucher Entry   | Account                                                      | Amount | Amount |
|                 | Ledger account receiving Bank Interest<br>(Indirect Incomes) |        | Credit |
|                 | Bank or cash account<br>Deposit Account                      | Debit  |        |

**Use a Receipt Voucher to record the entry.**

Ensure in **F12: Payment Configuration**, **Use Single Entry mode for Pymt/Rcpt/Contra** is set to **No**.

Go to the **Gateway of Tally > Accounting Vouchers > F6: Receipt**.

The entry made appears as shown below:

| Accounting Voucher Creation                       |          | Indus Enterprises     | Ctrl + M                |
|---------------------------------------------------|----------|-----------------------|-------------------------|
| <b>Receipt</b>                                    | No. 1    |                       | 1-Apr-2009<br>Wednesday |
| Particulars                                       | Debit    | Credit                |                         |
| Cr <b>Bank Interest</b><br>Cur Bal: 1,000.00 Cr   |          | 1,000.00              |                         |
| Dr <b>Deposit Account</b><br>Cur Bal: 1,000.00 Dr | 1,000.00 |                       |                         |
| Narration:                                        |          | 1,000.00              | 1,000.00                |
| Ch. No. :                                         |          | Accept ?<br>Yes or No |                         |

Figure 5.5 Receipt Voucher

- Press **Y** or **Enter** to accept the screen.

#### 5.1.4 Journal Voucher (F7)

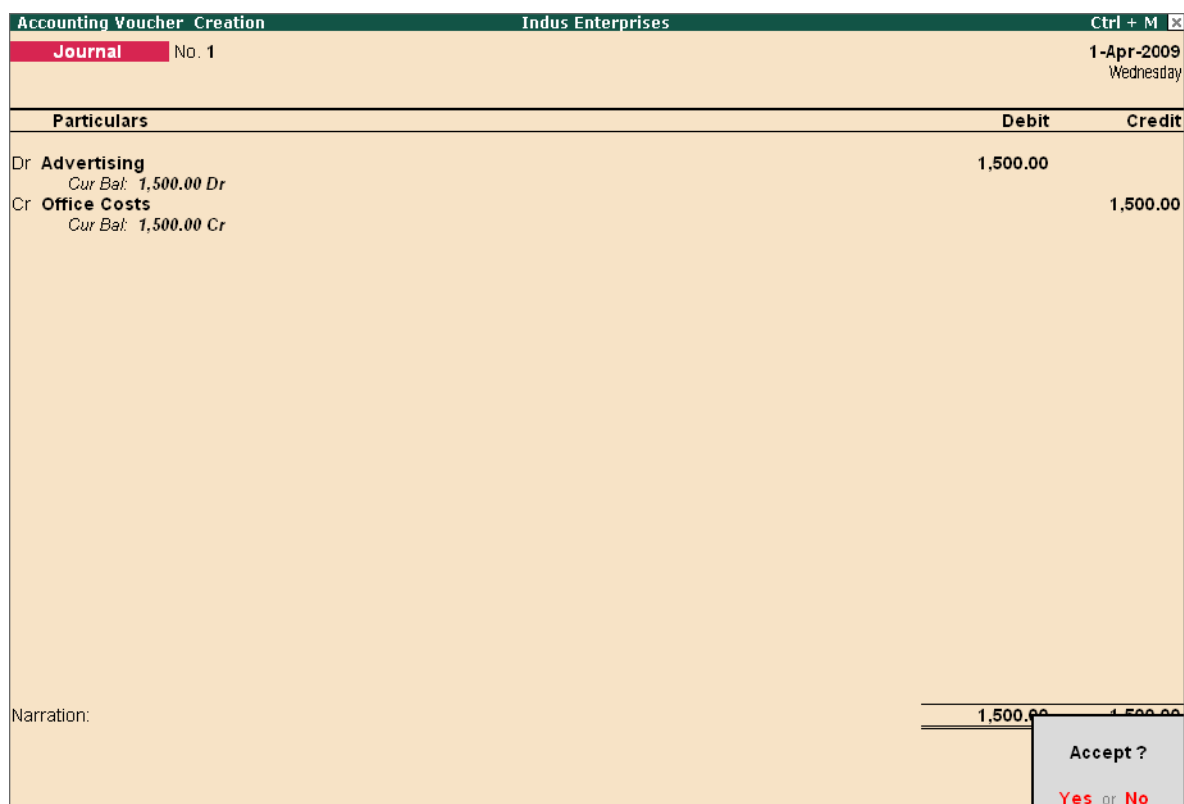
For example, the company has entered some expenditure on advertising as general office costs, rather than recording the transaction in the separate ledger for advertising.

| Journal Voucher      |                                             |               |               |
|----------------------|---------------------------------------------|---------------|---------------|
| <b>Description</b>   | Records adjustments between ledger accounts |               |               |
| <b>Voucher Entry</b> | <b>Account</b>                              | <b>Amount</b> | <b>Amount</b> |
|                      | Advertising<br>(Indirect Expenses)          | Debit         |               |
|                      | Office Costs<br>(Indirect Expenses)         |               | Credit        |

**Use the Journal Voucher to adjust the two accounts.**

Go to the **Gateway of Tally > Accounting Vouchers > F7: Journal**.

The entry made appears as shown below:



| Particulars                                    | Debit    | Credit   |
|------------------------------------------------|----------|----------|
| Dr Advertising<br><i>Cur Bal: 1,500.00 Dr</i>  | 1,500.00 |          |
| Cr Office Costs<br><i>Cur Bal: 1,500.00 Cr</i> |          | 1,500.00 |
|                                                | 1,500.00 | 1,500.00 |

Figure 5.6 Journal Voucher

- Press **Y** or **Enter** to accept the screen.

### 5.1.5 Sales Voucher (F8)

For example, a company sells software on credit.

| Sales Voucher        |                                                            |               |               |
|----------------------|------------------------------------------------------------|---------------|---------------|
| <b>Description</b>   | Records all sales                                          |               |               |
| <b>Voucher Entry</b> | <b>Account</b>                                             | <b>Amount</b> | <b>Amount</b> |
|                      | Buyer's ledger account<br>Milton & Co.<br>(Sundry Debtors) | Debit         |               |
|                      | Sales Accounts<br>(Local Sales)                            |               | Credit        |

**Use a Sales Voucher for making this entry.**

Go to the **Gateway of Tally > Accounting Vouchers > F8: Sales**.

The entry made appears as shown below:

| Accounting Voucher Creation                       |          | Indus Enterprises       | Ctrl + M |
|---------------------------------------------------|----------|-------------------------|----------|
| <b>Sales</b> No. 1                                |          | 1-Apr-2009<br>Wednesday |          |
| Ref. :                                            |          |                         |          |
| Particulars                                       | Debit    | Credit                  |          |
| Dr <b>Milton &amp; Co</b><br>Cur Bal: 5,000.00 Dr | 5,000.00 |                         |          |
| Cr <b>Local Sales</b><br>Cur Bal: 5,000.00 Cr     |          | 5,000.00                |          |
| Narration:                                        |          | 5,000.00                | 5,000.00 |
|                                                   |          | Accept ?<br>Yes or No   |          |

Figure 5.7 Sales Voucher

- Press **Y** or **Enter** to accept the screen.

### 5.1.6 Credit Note Voucher (Ctrl + F8)

This voucher type is made available when the option **Use Debit/Credit Note** is set to **Yes** in the **F11: Features (F1: Accounting features)**.

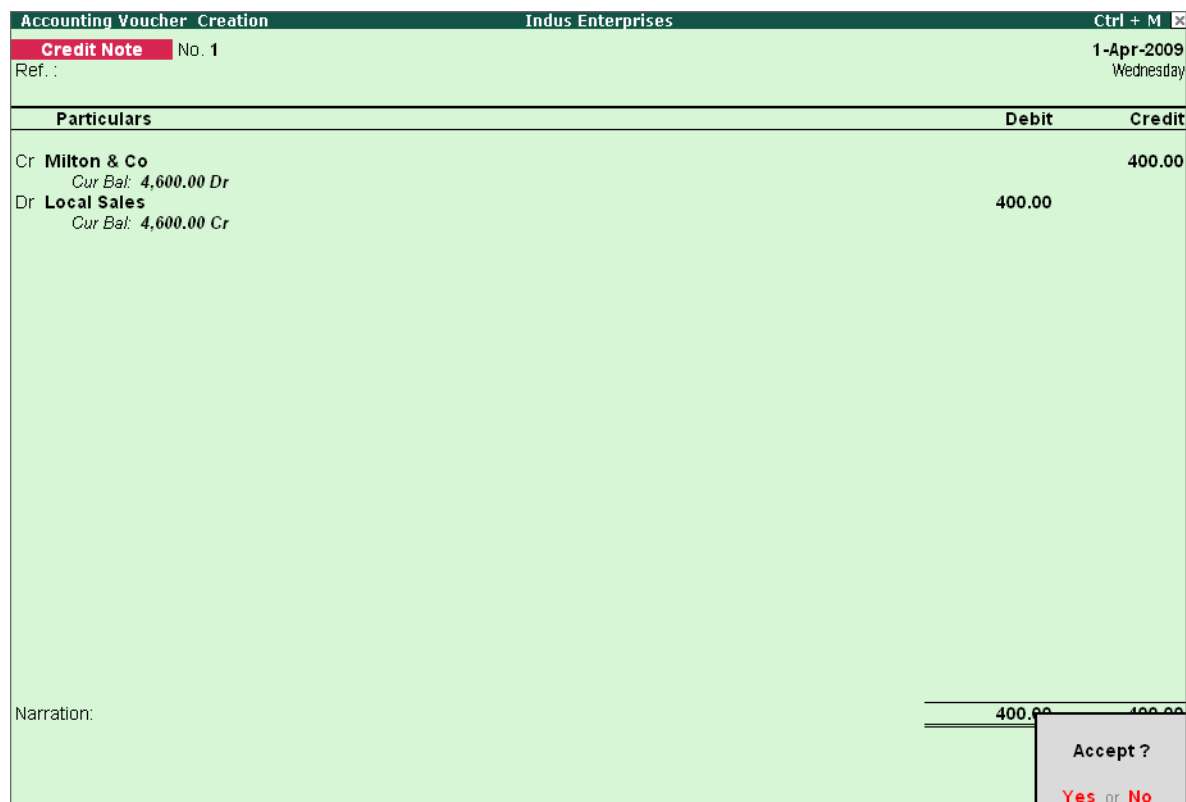
For example: A customer returns stock that was incorrectly supplied.

| Credit Note Voucher  |                                                                       |               |               |
|----------------------|-----------------------------------------------------------------------|---------------|---------------|
| <b>Description</b>   | Records credit note entry for sales returns or Customer over-charging |               |               |
| <b>Voucher entry</b> | <b>Account</b>                                                        | <b>Amount</b> | <b>Amount</b> |
|                      | Buyer's ledger account<br>Milton & Co<br>(Sundry Debtors)             |               | Credit        |
|                      | Sales Accounts<br>Local Sales                                         | Debit         |               |

**Use a Credit note to record this entry.**

Go to the **Gateway of Tally > Accounting Vouchers > F8: Credit Note.**

The entry made appears as shown below:



| Accounting Voucher Creation                       |        | Indus Enterprises |        | Ctrl + M                |
|---------------------------------------------------|--------|-------------------|--------|-------------------------|
| <b>Credit Note</b> No. 1                          |        |                   |        | 1-Apr-2009<br>Wednesday |
| Ref. :                                            |        |                   |        |                         |
| Particulars                                       | Debit  | Credit            |        |                         |
| Cr <b>Milton &amp; Co</b><br>Cur Bal: 4,600.00 Dr |        | 400.00            |        |                         |
| Dr <b>Local Sales</b><br>Cur Bal: 4,600.00 Cr     | 400.00 |                   |        |                         |
| Narration:                                        |        | 400.00            | 400.00 |                         |

Figure 5.8 Credit Note Voucher

- Press **Y** or **Enter** to accept the screen.

### 5.1.7 Purchase Voucher (F9)

A company buys computer parts on credit.

| Purchase Voucher |                                                               |        |        |
|------------------|---------------------------------------------------------------|--------|--------|
| Description      | Records all purchases                                         |        |        |
| Voucher Entry    | Account                                                       | Amount | Amount |
|                  | Supplier's ledger account<br>Beltron Ltd<br>(Sundry Creditor) |        | Credit |
|                  | Purchase Accounts<br>(Local Purchases)                        | Debit  |        |



**Use a Purchase Voucher to record this entry.**

Go to the **Gateway of Tally > Accounting Vouchers > F9: Purchase.**

The entry made appears as shown below:

| Accounting Voucher Creation |          | Indus Enterprises     | Ctrl + M                |
|-----------------------------|----------|-----------------------|-------------------------|
| <b>Purchase</b> No. 1       |          | Date :                | 1-Apr-2009<br>Wednesday |
| Supplier Invoice No. :      |          |                       |                         |
| Particulars                 | Debit    | Credit                |                         |
| Cr <b>Beltron Ltd</b>       |          | 3,000.00              |                         |
| <i>Cur Bal: 3,000.00 Cr</i> |          |                       |                         |
| Dr <b>Local Purchases</b>   | 3,000.00 |                       |                         |
| <i>Cur Bal: 3,000.00 Dr</i> |          |                       |                         |
| Narration:                  |          | 3,000.00              | 3,000.00                |
|                             |          | Accept ?<br>Yes or No |                         |

Figure 5.9 Purchase Voucher

- Press **Y** or **Enter** to accept the screen.

### 5.1.8 Debit Note Voucher (Ctrl + F9)

This voucher type is made available when the option **Use Debit/Credit Notes** is set to **Yes** in the **F11: Features (F1: Accounting Features)**.

For example, a company returns damaged goods to a supplier.

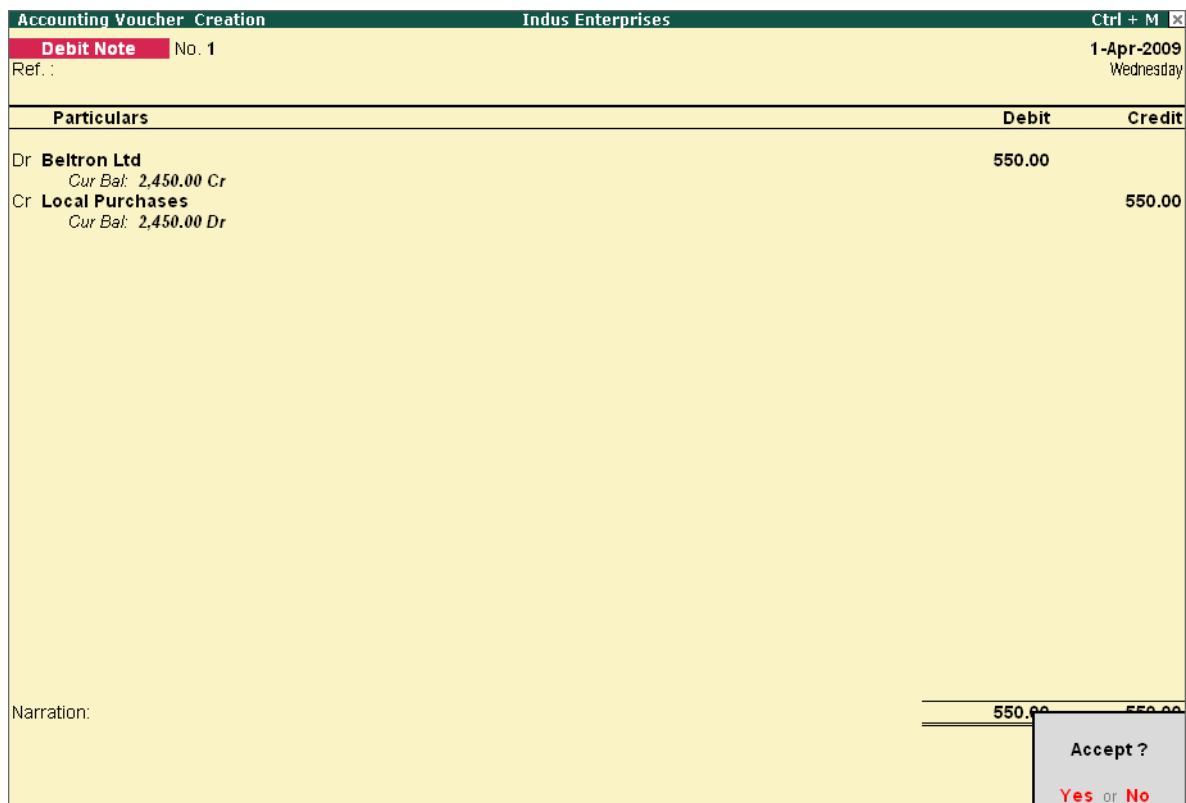
| Debit Note Voucher |                                                                              |
|--------------------|------------------------------------------------------------------------------|
| <b>Description</b> | Records debit note entry for purchase returns or over-charging by a supplier |

| Voucher Entry | Account                                                    | Amount | Amount |
|---------------|------------------------------------------------------------|--------|--------|
|               | Supplier's ledger account<br>Beltron Ltd (Sundry Creditor) | Debit  |        |
|               | Purchase Accounts<br>(Local Purchases)                     |        | Credit |

**Use a Debit Note to record this entry.**

Go to the **Gateway of Tally > Accounting Vouchers > F9: Debit Note**.

The entry made appears as shown below:



Accounting Voucher: Creation      Indus Enterprises      Ctrl + M

**Debit Note** No. 1      1-Apr-2009  
Ref.:      Wednesday

| Particulars                                       | Debit  | Credit |
|---------------------------------------------------|--------|--------|
| Dr <b>Beltron Ltd</b><br>Cur Bal: 2,450.00 Cr     | 550.00 |        |
| Cr <b>Local Purchases</b><br>Cur Bal: 2,450.00 Dr |        | 550.00 |
|                                                   | 550.00 | 550.00 |

Narration:

Accept ?  
Yes or No

Figure 5.10 Debit Note Voucher

- Press **Y** or **Enter** to accept the screen.

### 5.1.9 Reversing Journal Voucher (F10)

Reversing Journals are special journals that are automatically reversed after the date of the journal. They exist only for a day and are effective on the date of the reversing journal. This voucher type is available only if the feature **Use Reversing Journals & Optional Vouchers** is set to **Yes** in the **F11: Features (F1: Accounting Features)**.

The entry made for this, is as follows:

| Reversing Journal Voucher |                                                                                                                             |               |               |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>Description</b>        | Records the voucher entries in a Reversing Journal Register, without affecting the ledger accounts and financial statements |               |               |
| <b>Voucher entry</b>      | <b>Account</b>                                                                                                              | <b>Amount</b> | <b>Amount</b> |
|                           | Ledger account                                                                                                              | Debit         |               |
|                           | Ledger account                                                                                                              |               | Credit        |

Go to the **Gateway of Tally > Accounting Vouchers > F10: Reversing Journal**.



*Reversing Journals are useful in Scenario Management.*

#### 5.1.10 Memo Voucher (Ctrl + F10)

Memo Voucher is a non-accounting voucher and the entries made using it will not affect your accounts. In other words, Tally.ERP 9 does not post these entries to ledgers but stores them in a separate **Memo Register**. You can alter and convert a Memo voucher into a regular voucher when you decide to bring the entry into your books.

**Memo vouchers are used for the following purposes :**

##### 1. Making suspense payments

For example, the company gives an employee cash to buy office supplies, the exact nature and cost of which are unknown. You could have entered a voucher stating petty cash advance, a voucher to record the actual expenditure details when they are known, and another voucher to record the return of surplus cash. However, a simpler way is to enter a Memo voucher when the cash is advanced, and then turn it into a Payment voucher for the actual amount spent, when known.

##### 2. Vouchers not verified at the time of entry

Sometimes it so happens that you do not understand the details of a voucher you are entering. In such cases, enter it as a Memo voucher and amend it when you get the details.

##### 3. Items given on approval

Usually, entries are made into the books only after a sales transaction is completed. Items given **on approval**, can be tracked by using a Memo voucher. It can either be converted into a proper Sales voucher or be deleted depending on the outcome.

| Memo Voucher         |                                                                                                                |               |               |
|----------------------|----------------------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>Description</b>   | Records the voucher entries in a memo register, without affecting the ledger accounts and financial statements |               |               |
| <b>Voucher Entry</b> | <b>Account</b>                                                                                                 | <b>Amount</b> | <b>Amount</b> |
|                      | Ledger account                                                                                                 | Debit         |               |
|                      | Ledger account                                                                                                 |               | Credit        |

### 5.1.11 Optional Voucher

This is another **non-accounting** voucher which is available only if the feature **Use Reversing Journals & Optional Vouchers** is set to **Yes** in the **F11: Features (F1: Accounting Features)**. It differs from the Memo voucher in two respects:

- ❑ It is not a voucher type, since all the other voucher types can be marked as Optional during a voucher entry.
- ❑ You have the option to bring this voucher into your accounts **temporarily** and see its effect on financial reports. Any voucher type (except non-accounting voucher) can be designated as an Optional voucher.

| Optional Voucher     |                                                                                                             |               |               |
|----------------------|-------------------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>Description</b>   | Records voucher entries temporarily, to help visualise the effect on reports, without affecting the ledgers |               |               |
| <b>Voucher Entry</b> | <b>Account</b>                                                                                              | <b>Amount</b> | <b>Amount</b> |
|                      | Ledger account                                                                                              | Debit         |               |
|                      | Ledger account                                                                                              |               | Credit        |

### 5.1.12 Post-dated Vouchers

Post-dated Vouchers are ignored by Tally.ERP 9 until the date in question. This is useful for entering transactions that take place on a regular basis. For example, if you pay for something by instalments, you can set-up the payments in advance, and Tally.ERP 9 will only enter them in the ledgers as and when they fall due. A voucher is marked as Post-dated while creating or altering it.

### 5.1.13 Creating a New Voucher Type

**National Traders** wants to record bank and petty cash payments differently and needs two new voucher types to replace the pre-defined Payment voucher. In order to do this:

Create a **Bank Payment** voucher

Go to the **Gateway of Tally > Accounts Info. > Voucher Types > Create.**

1. **Name: Bank Payment**
2. **Type of Voucher: Payment** (Specify the default Tally.ERP 9 voucher, whose functions the new voucher should copy).
3. **Abbr.: Bank Pymt** (Specify the abbreviation to denote this new voucher in reports)
4. **Method of Voucher Numbering: Automatic**

You can choose one of the following methods for numbering from the pop-up:

| Method of Numbering | Purpose                                                            |
|---------------------|--------------------------------------------------------------------|
| <b>Automatic</b>    | For Tally.ERP 9 to do it for you.                                  |
| <b>Manual</b>       | You do it. You can also specify if you wish to prevent duplicates. |
| <b>None</b>         | To disable numbering for this voucher type.                        |

5. **Use Advance Configuration: No**
6. **Use EFFECTIVE Dates for Vouchers: No**
7. **Make 'Optional' as default: No** (This is to set the voucher type as an Optional voucher, by default)
8. **Use Common Narration: Yes**
9. **Narrations for each entry: No**
10. **Print after saving Voucher: No**
11. **Name of Class: Skip.**



- *The voucher date is taken from the current date mentioned at the Gateway of Tally.ERP 9. However, the **effective date** for the voucher may be different. For example, entering a post-dated cheque.*
- *Tally.ERP 9 displays the narration field which applies to the whole voucher. By setting **Use Common Narration** option to **No**, we can have separate narration fields for each line on the voucher. Reversing Journals are used for Scenario Management.*
- *The **Name of Class** field enables creation of Voucher Classes for the respective voucher types. (The Voucher class is a template to customise voucher data entry).*

A **Bank Payment Voucher Type** Creation screen appears as shown below:

Figure 5.11 Voucher Type Creation Screen — Bank Payment

### 5.1.14 Displaying and Altering a Voucher Type

## Practice Exercise

Ensure that the details in the Voucher Type Creation screen are as shown below:

Figure 5.12 Voucher Type Creation — Petty Cash

- 

### 5.1.15 Recording Accounting Transactions

Let us record the following business transactions of National Traders for the month of April 2009 :

99

The basic steps to be followed while entering each voucher are:

- ❑ Check if the date is correct and use **F2: Date** to change it if necessary.
- ❑ Select the voucher type from the button bar and make a further selection from the supplementary list that Tally.ERP 9 displays, if necessary.
- ❑ Enter the appropriate reference for the **Purchase** and **Sales** vouchers.
- ❑ Select the ledgers and enter the amounts.
- ❑ Type the narration and check whether all the data is correct before accepting.

Create the following **Accounting Vouchers** in the books of National Traders :

| Date   | Voucher Type                       | Ledgers to be Selected                              | Debit     | Credit    |
|--------|------------------------------------|-----------------------------------------------------|-----------|-----------|
| 1-4-09 | <b>F5: Payment</b><br>Bank Payment | Dr - Challenger Systems<br>Cr - Bank Account        | 500.00    | 500.00    |
| 1-4-09 | <b>F5: Payment</b><br>Petty Cash   | Dr - Office Costs<br>Cr - Petty Cash                | 150.00    | 150.00    |
| 2-4-09 | <b>F5: Payment</b><br>Bank Payment | Dr - Wages<br>Cr - Bank Account                     | 600.00    | 600.00    |
| 5-4-09 | <b>F6: Receipt</b>                 | Cr - Data Link Technologies<br>Dr - Bank Account    | 5000.00   | 5000.00   |
| 6-4-09 | <b>F8: Sales</b>                   | Dr - Spectrum Computers<br>Cr - Computer Sales      | 24,785.00 | 24,785.00 |
| 6-4-09 | <b>F4: Contra</b>                  | Cr - Bank Account<br>Dr - Petty Cash                | 200.00    | 200.00    |
| 7-4-09 | <b>F9: Purchase</b>                | Cr - Silverplus Computers<br>Dr - Printer Purchases | 8,100.00  | 8,100.00  |



*In the **Purchase/Sales Ledger Masters**, set **Inventory Values** are affected to **No** and proceed with the above transactions. Enable the option to **Yes** in the **Inventory Transactions** section.*





A **Voucher Entry screen** comprises of the following :

#### **Type of voucher**

It is essential to check if you are using the right voucher for the transaction. You can change the voucher type by selecting a new type from the button bar, if required. For example on the selection of a payment voucher, Tally.ERP 9 automatically displays the **List of Voucher** types you have created. You can select the voucher type required.

#### **Voucher number**

Tally.ERP 9 automatically sets the voucher number for you. You can change the voucher number manually, if required.

#### **Reference**

You can enter a reference of your choice. A Purchase order number or an Invoice Number can be entered as a reference.

#### **Date of voucher**

The date of the voucher you enter is displayed at the top-right of the Voucher Creation screen. The date is taken initially from the Gateway of Tally - Current Date and you may need to change it frequently to ensure that the vouchers are dated as you want.

#### **Effective date**

A voucher type can be configured to allow for an **Effective date**. The line below the **Date of voucher** displays the date when the voucher will be effective.

#### **Particulars**

This is where you enter the ledger names and the debit and credit amounts. Each line displays a prompt of **Dr** or **By** for debit entries and **Cr** or **To** for credit entries.

Depending on the voucher type, Tally.ERP 9 selects either 'Dr' or 'Cr' for the first prompt, which you cannot change. Thereafter, you can change the prompt (if necessary) by typing over it with a **D** or a **C**. To select a ledger, type the first letter of its name. Tally.ERP 9 then displays a **List of Ledger Accounts** beginning with the letter highlighted. Only ledgers suitable for the voucher type are displayed. As you continue typing, the highlights reduce until a match is found. The current balance is displayed when you select the ledger, (if this option has been configured). The revised current balance is shown after the amount is entered. On selecting the next ledger, Tally.ERP 9 suggests the balancing amount as the value to be entered, which may be accepted or typed over. The voucher entry cannot be completed until the debits equal the credits.



### Narration

Here you type whatever appropriately describes the transaction. Remember, you can have a separate narration for each line of particulars, if you configure the voucher type in that way.

For Payment Vouchers, where a bank account has been credited, Tally.ERP 9 pre-sets the narration to **Ch.No.** expecting a cheque number to be entered. This can be over written if required.

- Once the narration is complete, press **Enter** to bring up the Accept? box.
- Once you accept the data, Tally.ERP 9 presents another data entry screen.

## 5.1.16 Trial Balance for April 2009

Go to the **Gateway of Tally > Display > Trial Balance**.

After making the above entries, the Trial Balance of National Traders will appear as shown :

| Trial Balance         |                          | National Traders |  | Ctrl + M |
|-----------------------|--------------------------|------------------|--|----------|
| P a r t i c u l a r s | National Traders         |                  |  |          |
|                       | 1-Apr-2009 to 7-Apr-2009 |                  |  |          |
|                       | Closing Balance          |                  |  |          |
|                       | Debit                    | Credit           |  |          |
|                       |                          |                  |  |          |
| Capital Account       |                          | 2,50,000.00      |  |          |
| Loans (Liability)     |                          | 50,000.00        |  |          |
| Current Liabilities   |                          | 1,81,980.00      |  |          |
| Fixed Assets          | 1,00,000.00              | 12,500.00        |  |          |
| Current Assets        | 4,42,485.00              |                  |  |          |
| Sales Accounts        |                          | 24,785.00        |  |          |
| Purchase Accounts     | 8,100.00                 |                  |  |          |
| Direct Expenses       | 600.00                   |                  |  |          |
| Indirect Expenses     | 150.00                   |                  |  |          |
| Profit & Loss A/c     |                          | 32,070.00        |  |          |
|                       |                          |                  |  |          |
| Grand Total           | 5,51,335.00              | 5,51,335.00      |  |          |

Figure 5.13 Trial Balance From April 1, 2009 to April 7, 2009

**Enter further transactions for National Traders.**

Business Transactions for the months of May and June 2009 are as follows:

| National Traders Business Transactions |                                                                                                                |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Date                                   | Transaction Details                                                                                            |
| 10-5-09                                | Bank Advice received for bank interest of Rs.500 credited to the deposit account.                              |
| 11-5-09                                | Electricity bill (Office costs) for Rs.400 received from Horizon Enterprises.<br>(Note: Use a Journal Voucher) |
| 13-5-09                                | Sold 1 HP Laserjet 1010 Series for Rs 9,500 to a cash customer, retaining the money as Petty Cash.             |
| 19-5-09                                | Salaries of Rs 2,500. Amount paid through Bank Account.                                                        |
| 24-5-09                                | Sold 1 HCL Pentium IV for Rs. 21,500 to Supreme Computers.                                                     |
| 30-5-09                                | Purchased 5 USB Pen Drives 64MB @ Rs. 1,250 each from Challenger Systems on credit.                            |
| 01-6-09                                | Paid freight charges of Rs 200 from petty Cash                                                                 |
| 01-6-09                                | Paid Challenger Systems Rs. 11,500 by cheque                                                                   |
| 09-6-09                                | Transferred Rs 6,000 from Bank Account to Deposit Account.                                                     |
| 15-6-09                                | Cheque for Rs 15,000 received from Spectrum Computers                                                          |
| 22-6-09                                | Purchased 4 IBM Pentium IVs for Rs. 17,100 each from a new supplier and paid by cheque                         |
| 22-6-09                                | Sold 2 IBM Pentium IVs for Rs. 24,785 to a customer who paid by cheque                                         |



*In the **Purchase/Sales Ledger Masters**, set **Inventory Values** are affected to **No** and proceed with the above transactions. Enable the option to **Yes** in the **Inventory Transactions** section.*

### 5.1.17 Trial Balance for June 2009

Go to the **Gateway of Tally > Display > Trial Balance**

| Trial Balance                |  | National Traders   |                    | Ctrl + M                  |  |
|------------------------------|--|--------------------|--------------------|---------------------------|--|
| Particulars                  |  | National Traders   |                    | 1-Apr-2009 to 30-Jun-2009 |  |
|                              |  | Closing Balance    |                    |                           |  |
|                              |  | Debit              | Credit             |                           |  |
| <b>Capital Account</b>       |  |                    |                    | <b>2,50,000.00</b>        |  |
| <b>Loans (Liability)</b>     |  |                    |                    | <b>50,000.00</b>          |  |
| <b>Current Liabilities</b>   |  |                    |                    | <b>1,88,630.00</b>        |  |
| <b>Fixed Assets</b>          |  | <b>1,00,000.00</b> |                    | <b>12,500.00</b>          |  |
| <b>Current Assets</b>        |  | <b>4,52,455.00</b> |                    |                           |  |
| <b>Sales Accounts</b>        |  |                    |                    | <b>1,05,355.00</b>        |  |
| <b>Purchase Accounts</b>     |  | <b>82,750.00</b>   |                    |                           |  |
| <b>Direct Expenses</b>       |  | <b>800.00</b>      |                    |                           |  |
| <b>Indirect Incomes</b>      |  |                    |                    | <b>500.00</b>             |  |
| <b>Indirect Expenses</b>     |  | <b>3,050.00</b>    |                    |                           |  |
| <b>Profit &amp; Loss A/c</b> |  |                    |                    | <b>32,070.00</b>          |  |
| <b>Grand Total</b>           |  | <b>6,39,055.00</b> | <b>6,39,055.00</b> |                           |  |

Figure 5.14 Trial Balance From April 1, 2009 to June 30, 2009

## 5.2 Inventory Vouchers

Tally.ERP 9 inventory vouchers perform the same function in the inventory system as accounting vouchers do. They are the means by which you enter transactions relating to the Inventory. The vouchers record transactions relating to the issue and receipt of stock, the transfer of stock between godowns, and physical stock adjustments. The following inventory vouchers are available in Tally.ERP 9 :

- ❑ Purchase Order (Alt+F4)
- ❑ Sales Order (Alt+F5)
- ❑ Rejections Out (Alt+F6)
- ❑ Rejections In (Ctrl+ F6)
- ❑ Stock Journal (Alt+F7)
- ❑ Delivery Note (Alt+F8)
- ❑ Receipt Note (Alt+F9)
- ❑ Physical Stock (Alt+F10)

### 5.2.1 Purchase Order

A Purchase order entry has to be made in the books of the company to assist them in checking whether the goods have been received or not. The Purchase Order number can be used as a reference. For example, the company wishes to place an order with the supplier for some goods.

| Purchase Order          |                                                                                                                                            |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Description</b>      | Records placing an order for stock items to suppliers.                                                                                     |
| <b>Details recorded</b> | Supplier's Ledger account, Name and address, Order details, name of stock item, <b>Due on</b> , Godown, Quantity, Rate, Amount, Narration. |

### 5.2.2 Sales Order

A Sales Order entry has to be made to record this. The Sales Order number can be used as a reference. For example, a customer places an order with the company for purchasing some goods.

| Sales Order             |                                                                                                                                            |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Description</b>      | Records order details for stock items received from customers.                                                                             |
| <b>Details recorded</b> | Customer's Ledger account, Name and address, Order details, name of stock item, <b>Due on</b> , Godown, Quantity, Rate, Amount, Narration. |

### 5.2.3 Rejections Out

A Rejections Out entry is passed to record the rejected goods. This is a pure inventory voucher. For example: We have purchased some goods and have rejected a part of it.

| Rejections Out (Purchase Returns) |                                                                                                                                     |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| <b>Description</b>                | Records rejected stock details returned to suppliers.                                                                               |
| <b>Details recorded</b>           | Ledger Account, Suppliers name and address, stock item, Tracking details, Order details, Godown, Quantity, Rate, Amount, Narration. |

### 5.2.4 Rejections In

A Rejections In entry is passed to record the rejected goods. The Rejections In entry is a pure inventory voucher. For example a customer has rejected goods that was sold earlier.

| Rejections In (Sales Returns) |                                                                                                                                      |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| <b>Description</b>            | Records rejected stock details received from customers                                                                               |
| <b>Details recorded</b>       | Ledger account, Customer's name and address, stock item, tracking details, order details, Godown, Quantity, Rate, Amount, Narration. |

### 5.2.5 Stock Journal

To record the consumption of goods there is no need for entries on both sides of the voucher. Such entries can be entered in a stock journal voucher. For example: the company transfers items of stock from the warehouse to the shop.

| Stock Journal           |                                                                                      |
|-------------------------|--------------------------------------------------------------------------------------|
| <b>Description</b>      | Essentially records the transfer of stock from one Godown to another.                |
| <b>Details recorded</b> | Names of from and to godowns, name of stock item, quantity, rate, amount, narration. |

### 5.2.6 Delivery Note

Goods that are being delivered to a customer are recorded in a Delivery Note voucher.

| Delivery Note           |                                                                                                                                                                                                                                                                                           |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Description</b>      | Records delivery of new stock to customers                                                                                                                                                                                                                                                |
| <b>Details recorded</b> | Reference, ledger account, supplier's (if supplementary details are set to yes in F12: Delivery Note Configuration) then, name and address, Order & dispatch details, name of stock item, Tracking details, Order details, Godown, Quantity, Rate(optional), Amount(optional), narration. |

### 5.2.7 Receipt Note

Goods that are received from the supplier are recorded in a Receipt Note (Goods Receipt Note – GRN) voucher.

| Receipt Note            |                                                                                                                                                                                                                                                                                 |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Description</b>      | Records receipt of new stock from suppliers                                                                                                                                                                                                                                     |
| <b>Details recorded</b> | Reference, ledger account, (If supplementary details are set to yes in F12: Receipt Note Configuration) then, Order details, Supplier's name and address, name of stock item, Tracking details, Order details, Godown, Quantity, Rate (optional), Amount (optional), narration. |

### 5.2.8 Physical Stock Voucher

Tally.ERP 9 considers the stock available based on the entry made in a physical stock voucher. For example, on conducting a stock-check, the company finds a discrepancy between the actual stock and the recorded stock figure.

| Physical Stock Voucher  |                                                           |
|-------------------------|-----------------------------------------------------------|
| <b>Description</b>      | Records the physical stock count as the new stock balance |
| <b>Details recorded</b> | Name of stock item, Godown, Physical stock quantity.      |

### 5.2.9 Pure Inventory Transactions

Pure inventory Transactions (vouchers) are those that do not affect financial records. They affect only the stocks. There will be a rise or fall in the stock when such vouchers are entered.

The different pure inventory vouchers are:

- ❑ Rejections Out (Alt+F6)
- ❑ Rejections In (Ctrl+F6)
- ❑ Stock Journal (Alt+F7)
- ❑ Delivery Note (Alt+F8)
- ❑ Receipt Note (Alt+F9)
- ❑ Physical Stock (Alt+F10)

#### Setup :

- ❑ To enable **Delivery Note** and **Receipt Note**, set **Yes** to **Use Tracking Numbers** and **Use Rejection Notes** in **F11: Features (F2: Inventory Features)**.
- ❑ Go to the **Gateway of Tally > F12: Configuration > Invoice/Orders Entry** – Set **Complete Accounting Allocations in Order/Delivery Note** to **Yes**.
- ❑ Make sure that **Inventory Values are affected?** is set to **Yes** in all ledger accounts under the groups Sales Accounts and Purchase Accounts.

An entry made in a purchase voucher can update the stocks. It is not necessary to make a separate entry in a Goods Receipt Note. This holds true for the goods delivered and recorded in the Sales Voucher itself.

We shall now learn how to enter pure inventory vouchers.

### 5.2.10 Recording Inventory Transactions

The inventory transactions of National Traders for April 2009 are:

| National Traders Inventory Transactions |                                                                                                         |
|-----------------------------------------|---------------------------------------------------------------------------------------------------------|
| Date                                    | Transaction Details                                                                                     |
| 6-4-09                                  | Delivered 1 HCL PIV from On-Site to Spectrum Computers.                                                 |
| 7-4-09                                  | Received delivery of 2 HP Laserjet 1010 Series from Silver Plus Computers and stored in On-Site Godown. |
| 9-4-09                                  | Transferred 2 HCL PIV from On Site to Warehouse.                                                        |
| 13-4-09                                 | Returned 1 HP Laserjet 1010 Series (Faulty) to Silver Plus Computers.                                   |
| 15-4-09                                 | Supreme Computers returned 1 HCL Pentium IV which was ordered incorrectly                               |
| 16-4-09                                 | Stock check reveals physical stock of 3 Boxes of CD ROM Disks 100s in On-Site Godown.                   |



- ❑ In the **Purchase/Sales Ledger Masters**, set **Inventory Values are affected to Yes** and proceed with the above transactions.
- ❑ **Tracking numbers** must be activated and disabled after the exercise is completed. (Tracking numbers will be discussed later.)

Go to the **Gateway of Tally > Inventory Vouchers**.

The basic steps to enter the vouchers are:

- ❑ Change the date if necessary.
- ❑ Select the voucher type from the button bar menu.
- ❑ Type the details and check whether they are correct before accepting.
- ❑ Accept the default rates of items that appear according to the standard cost and standard selling price given in the workbook.

### Practice Exercise

Create the following transactions in the books of **National Traders**.

| Field                        | Details to be entered         |
|------------------------------|-------------------------------|
| <b>Voucher 1</b>             |                               |
| Voucher type                 | Alt +F8: <b>Delivery Note</b> |
| Current date                 | 6-4-2009                      |
| Ref:                         | ABC/DN/00654                  |
| Ledger account               | Spectrum Computers            |
| Order details                | Accept the default            |
| Name of item                 | HCL PIV                       |
| Tracking Number              | Not Applicable                |
| Godown                       | On-Site                       |
| Quantity                     | 1                             |
| Rate                         | 21,500 / Nos                  |
| Amount                       | 21,500                        |
| In Accounting Details Screen | Computer Sales                |
| Narration                    | Computer delivery             |
| Accept? Yes or No            | Yes                           |



| <b>Voucher 2</b>                |                               |
|---------------------------------|-------------------------------|
| Voucher type                    | <b>Alt +F9: Receipt Note</b>  |
| Current date                    | 7-4-2009                      |
| Ref:                            | USC/12089/Del                 |
| Ledger Account                  | Silver Plus Computers         |
| Order Details                   | Accept the default            |
| Name of item                    | HP Laserjet 1010 Series       |
| Tracking Number                 | Not Applicable                |
| Godown                          | On-site                       |
| Quantity                        | 2                             |
| Rate                            | 8,200 / Nos                   |
| Amount                          | 16,400                        |
| In Accounting Details Screen    | Printer Purchase              |
| Narration                       | Printer received              |
| Accept? Yes or No               | Yes                           |
| <b>Voucher 3</b>                |                               |
| Voucher type                    | <b>Alt +F7: Stock Journal</b> |
| Current date                    | 9-4-2009                      |
| <b>Source (Consumption)</b>     |                               |
| Name of item                    | HCL PIV                       |
| Godown                          | On-site                       |
| Quantity                        | 2                             |
| Rate                            | 17,500 / Nos                  |
| Amount                          | 35,000                        |
| <b>Destination (Production)</b> |                               |
| Name of item                    | HCL PIV                       |
| Godown                          | Warehouse                     |
| Quantity                        | 2                             |
| Rate                            | 17,500 / Nos                  |
| Amount                          | 35,000                        |
| Narration                       | Transfer of stock             |
| Accept? Yes or No               | Yes                           |
| <b>Voucher 4</b>                |                               |
| Voucher type                    | <b>Alt +F6: Rejection Out</b> |
| Current date                    | 13-4-2009                     |

|                             |                                 |
|-----------------------------|---------------------------------|
| Supplier's Name and Address | Silver Plus Computers           |
| Name of item                | HP Laserjet 1010 Series         |
| Tracking Number             | Not Applicable                  |
| Godown                      | On-site                         |
| Quantity                    | 1                               |
| Rate                        | 8,200 / Nos                     |
| Amount                      | 8,200                           |
| Narration                   | Rejected goods out              |
| Accept? Yes or No           | Yes                             |
| <b>Voucher 5</b>            |                                 |
| Voucher type                | <b>Ctrl+F6: Rejection In</b>    |
| Current date                | 15-4-2009                       |
| Ledger account              | Supreme Computers               |
| Customer's Name and Address | Supreme Computers               |
| Name of item                | HCL PIV                         |
| Tracking Number             | Not Applicable                  |
| Godown                      | On-site                         |
| Quantity                    | 1 Nos                           |
| Rate                        | 21,500 / Nos                    |
| Amount                      | 21,500                          |
| Narration                   | Rejected goods in               |
| Accept? Yes or No           | Yes                             |
| <b>Voucher 6</b>            |                                 |
| Current date                | 16-4-2009                       |
| Voucher type                | <b>Alt +F10: Physical stock</b> |
| Name of item                | CD ROM Disks 100s               |
| Godown                      | On-site                         |
| Quantity                    | 3 Box                           |
| Narration                   | Stock check adjustment          |
| Accept? Yes or No           | Yes                             |

### 5.2.11 Stock Summary for April 2009

Go to the **Gateway of Tally > Stock Summary**.

| Stock Summary |  | National Traders                              |           | Ctrl + M    |
|---------------|--|-----------------------------------------------|-----------|-------------|
| Particulars   |  | National Traders<br>1-Apr-2009 to 30-Apr-2009 |           |             |
|               |  | Closing Balance                               |           |             |
|               |  | Quantity                                      | Rate      | Value       |
| Computers     |  | 8 Nos                                         | 17,350.00 | 1,38,800.00 |
| Peripherals   |  |                                               |           | 31,450.00   |
| Printers      |  |                                               |           | 1,14,200.00 |
| Grand Total   |  | 8 Nos                                         |           | 2,84,450.00 |

Figure 5.15 Stock Summary from April 1, 2009 to April 30, 2009

### Enter further inventory transactions for National Traders.

The sample inventory transactions of the company for the months of May and June 2009 are as follows:

| National Traders Inventory Transactions |    |                                                                                                                              |
|-----------------------------------------|----|------------------------------------------------------------------------------------------------------------------------------|
| Date                                    | No | Transaction Details                                                                                                          |
| 9-5-09                                  | 1  | Delivered 2 Nos of HCL PIV from warehouse to Spectrum Computers<br>(Ref: ABC/DN/00654<br><i>Hint: Select Computer Sales.</i> |
| 17-5-09                                 | 2  | Received 5 Boxes of CDROM Disks 100s from Silver Plus Computers<br>(Ref: USC/13049/Del).                                     |
| 18-5-09                                 | 3  | Returned 1 Box of CDROM Disks 100s (damaged) to Silver Plus Computers.                                                       |

|         |   |                                                                                                                            |
|---------|---|----------------------------------------------------------------------------------------------------------------------------|
| 1-6-09  | 4 | Received 5 Nos of Wireless Keyboards from Silver Plus Comptuers (Ref:USC/13420/Del).                                       |
| 15-6-09 | 5 | Delivered 2 Nos IBM pentium IV from On-site to Supreme Computers (Ref: ABC/DN/00721)<br><i>Hint: Select Computer Sales</i> |
| 24-6-09 | 6 | Stock check reveals physical stock HP Laserjet 1010 Series as 5 Nos.                                                       |
| 29-6-09 | 7 | Spectrum Computers returned 1 Nos HCL PIV.                                                                                 |
| 30-6-09 | 8 | Transferred 2 Nos of IBM PIV from warehouse to onsite.                                                                     |



- Accept the default rates that appear for each item, as specified in the **Standard Cost** and **Standard Selling Price** of the Stock Item.
- If the godown has not been specified in the table above, select **On - Site**.

### 5.2.12 Stock Summary for June 2009

Go to the **Gateway of Tally > Stock Summary**.

| Stock Summary      |  | National Traders                              |                  | Ctrl + M           |
|--------------------|--|-----------------------------------------------|------------------|--------------------|
| Particulars        |  | National Traders<br>1-Apr-2009 to 30-Jun-2009 |                  |                    |
|                    |  | Closing Balance                               |                  |                    |
|                    |  | Quantity                                      | Rate             | Value              |
| <b>Computers</b>   |  | <b>6 Nos</b>                                  | <b>17,300.00</b> | <b>1,03,800.00</b> |
| Peripherals        |  |                                               |                  | 41,950.00          |
| Printers           |  |                                               |                  | 89,600.00          |
| <b>Grand Total</b> |  | <b>6 Nos</b>                                  |                  | <b>2,35,350.00</b> |

Figure 5.16 Stock Summary from April 1, 2009 to June 30, 2009

The **Total Stock value** should be **2,35,350** made up of **Computers - 1,03,800**, **Peripherals - 41,950** and **Printers - 89,600**.

### 5.2.13 Entering Inventory Details in Accounting Vouchers

Assume that the inventories have to be updated at the same time as entering the accounting vouchers. This is particularly useful for organisations that send and receive goods with a bill or invoice only. In other words, they do not want to update stocks with only a delivery note neither do they want to with a Goods Receipt Note. Tally.ERP 9 permits stock movement along with invoice. Therefore, you need to select the stock items that come in or move out at the time of purchase or sales voucher entry.

Apart from the Sales and Purchase Vouchers that record the inventory movements, the following vouchers are used to record the stock movements.

- Debit Note for Goods rejected and returned to supplier.
- Credit Note for Goods rejected and returned by customer.

Debit Notes and Credit Notes are used to record the return of goods and the corresponding reversal of sales and purchases.

Given below are examples of Purchase, Sales, Debit Note and Credit Note vouchers with inventory details :

#### Purchase voucher

For example: the company receives new stock from a supplier.

| Purchase Voucher        |                                                                                                                                                                      |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Description</b>      | Records receipt of new stock with invoice from suppliers.                                                                                                            |
| <b>Details recorded</b> | Reference, ledger account, supplier's name and address, name of stock item, godown, quantity, rate, amount, purchase ledger, other ledgers (if required), narration. |

#### Sales voucher

For example: the company delivers goods from its stock to a customer.

| Sales Voucher           |                                                                                                                                                                      |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Description</b>      | Records the delivery of goods and invoice to customers.                                                                                                              |
| <b>Details recorded</b> | Reference, ledger account, customer's name and address, name of stock item, godown, quantity, rate, amount, sales ledger, sales tax ledger (if required), narration. |

### Debit Note

For example: the company rejects and returns goods to the supplier.

| Debit Note              |                                                                                                                                                                      |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Description</b>      | Records the delivery of goods and debit note to supplier.                                                                                                            |
| <b>Details recorded</b> | Reference, ledger account, supplier's name and address, name of stock item, godown, quantity, rate, amount, purchase ledger, other ledgers (if required), narration. |

### Credit Note

For example: the company receives rejected goods from a customer.

| Credit Note             |                                                                                                                                                                      |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Description</b>      | Records receipt of rejected goods with advice from customer. Company issues credit note.                                                                             |
| <b>Details recorded</b> | Reference, ledger account, customer's name and address, name of stock item, godown, quantity, rate, amount, sales ledger, sales tax ledger (if required), narration. |

Tally.ERP 9 permits the entries of these vouchers in Voucher Mode as well as in invoice mode. In this section, you will learn how to enter them in Voucher Mode.

### Set up :

- ❑ Set **Yes** to **Use Debit/Credit Notes** in **F11: Features (F1: Accounting Features)**. Do not activate the invoice mode.
- ❑ Make sure that **Inventory Values are affected?** is set to **Yes** in all ledger accounts under the groups Sales Accounts and Purchase Accounts.
- ❑ Set **Use Tracking Numbers** to **No** in **F11: Features (F2: Inventory Features)**.

Go to the **Gateway of Tally > Accounting Vouchers**.

- ❑ Ensure that in **F11: Features (F1: Accounting Features)** **Allow Invoicing** is set to **No**.

Create the following **Accounting Vouchers** with **Inventory details**.

**i. Sales voucher**

- Select **F8: Sales** from the button bar and enter.

| Field                | Details                                                                                                 |
|----------------------|---------------------------------------------------------------------------------------------------------|
| Date                 | 1-7-2009                                                                                                |
| Ref:                 | Blank                                                                                                   |
| Dr                   | Supreme Computers                                                                                       |
| Debit Amount         | 21,500                                                                                                  |
| Cr                   | Computer Sales                                                                                          |
| Inventory Allocation | Name of Item - <b>HCL PIV</b><br>Godown - <b>On-site</b><br>Quantity - <b>1</b><br>Rate - <b>21,500</b> |
| Credit Amount        | 21500                                                                                                   |
| Narration            | Sales made                                                                                              |
| Accept? Yes or No    | Yes                                                                                                     |

**ii. Purchase voucher**

- Select **F9: Purchase** from the button bar and enter:

| Fields               | Details                                                                                                     |
|----------------------|-------------------------------------------------------------------------------------------------------------|
| Date                 | 1-7-2009                                                                                                    |
| Ref:                 | Blank                                                                                                       |
| Cr                   | Silver Plus Computers                                                                                       |
| Credit Amount        | 1,500                                                                                                       |
| Dr                   | Purchases                                                                                                   |
| Inventory Allocation | Name of Item - <b>Wireless Mouse</b><br>Godown - <b>On-site</b><br>Quantity - <b>6</b><br>Rate - <b>250</b> |
| Debit Amount         | 1,500                                                                                                       |
| Narration            | Purchases made                                                                                              |
| Accept? Yes or No    | Yes                                                                                                         |

### iii. Payment voucher

- Select **F5: Payment** from the button bar, **Petty Cash**, and enter:

| Fields            | Details          |
|-------------------|------------------|
| Date              | 1-7-2009         |
| Dr                | Office Costs     |
| Debit Amount      | 85               |
| Cr                | Petty Cash       |
| Credit Amount     | 85               |
| Narration         | Office cost paid |
| Accept? Yes or No | Yes              |



*Ensure that in the **F12: Payment Configuration**, **Use Single Entry mode** for **Pymt/Rcpt/Contra** is set to **No**.*

## 5.3 Invoicing

Tally.ERP 9 has an in-built system to create and print sales invoices. You will now record sales and purchase invoice details, adjust accounting and inventory balances.

To enable the option of invoicing, set **Yes** to **Allow Invoicing**, **Enter Purchases in Invoice Format** and **Separate Discount Column in invoices** in **F11: Features (Accounting Features/ Inventory Features)**.

- Ensure that the **Inventory values are affected?** is set to **Yes** in Purchases Ledger.
- Ensure that the **Inventory values are affected?** is set to **Yes** in Parts Sales, Software Sales and Computer Sales.

**Make the following entry of Sales in Voucher Mode.**

Go to the **Gateway of Tally > Accounting Vouchers > F8: Sales**.

- Ensure the button above the **Post-Dated** option reads **As Invoice**. This button enables you to toggle between the voucher and invoice format for data entry. The button visible is the format **NOT** in use.



- Enter the following data as on **1-7-2009** to record the sale of 2 Nos of USB Pen Drives 64 MB to Supreme Computers. (at the standard price) and update the accounting and stock records:

| Field             | Details              |
|-------------------|----------------------|
| Ref:              |                      |
| Dr                | Supreme Computers.   |
| Debit Amount      | 3,200                |
| Cr                | Component Sales      |
| Name of item      | USB Pen Drives 64 MB |
| Godown            | On-site              |
| Quantity          | 2 Nos                |
| Rate              | 1,600 (accept)       |
| Per               | Nos (accept)         |
| Amount            | 3,200.00             |
| Narration         | —                    |
| Accept? Yes or No | Yes                  |

**Make the following entry of Sales in Invoice Mode:**

1. **Date: 2-7-2009.**
2. **Voucher Type: Sales**
3. Click on the Toggle Button **As Invoice** (so it reads **As Voucher**)
4. Click on the Toggle Button **Item invoice** (so it reads **Acct Invoice**)
5. Enter the following to record the sale of two nos of USB Pen Drives 64 MB to Supreme Computers. (at the standard price) and update the accounting and stock records:

| Fields                                              | Details              |
|-----------------------------------------------------|----------------------|
| Ref:                                                |                      |
| Party's A/c Name                                    | Supreme Computers.   |
| Despatch Details                                    | Accept the default   |
| Address                                             | Ctrl+A to accept all |
| Name of item                                        | USB Pen Drives 64 MB |
| In Item Allocation for: USB Pen Drives 64 MB Screen |                      |
| Godown                                              | On-site              |
| Quantity                                            | 2 Nos                |
| Rate                                                | 1,600 (accept)       |
| Per                                                 | Nos (accept)         |
| Discount                                            | 10%                  |

|                                              |                                                                                                 |
|----------------------------------------------|-------------------------------------------------------------------------------------------------|
| Amount                                       | 2,880.00 (accept – then keep pressing <b>Enter</b> until the accounting details screen appears) |
| Particulars (Accounting allocation sub-form) | Component Sales                                                                                 |
| Amount                                       | 2,880.00 (accept)                                                                               |
| Narration                                    | —                                                                                               |
| Accept? Yes or No                            | Yes                                                                                             |

### 5.3.1 Item Invoice and Account Invoice

Tally.ERP 9 gives you an option called **Account Invoice** where you can select the ledgers instead of the stock items. An **Item Invoice** on the other hand, allows you to select stock items instead of ledgers.

Businesses that require an invoice raised with the item details, can select the Item Invoice option. Businesses that want to raise invoices for services rendered, can do so by selecting the Account Invoice.

At this point, it is understood that you already know how to enter an Item Invoice, by selecting items and entering their quantity, rate, discount, etc.

### 5.3.2 Walk-through to create an Item Invoice

1. Ensure that you are at the **Gateway of Tally of Indus Enterprises**.
2. Ensure **Allow Invoicing** option in **F11: Features (F1: Accounting Features)** is set to **Yes**.
3. Go to the **Gateway of Tally > Accounting Vouchers > F8: Sales**.
4. The invoice screen must display the columns - **Name of Item, Quantity, Rate, per, Amount**, etc.
5. **Party's A/c Name: Customer One** (create one, if it is not displayed in the list of ledgers).
6. Press **Enter** till you reach the 'Name of Item' field and press the spacebar to view the List of Stock Items.
7. The different stock items with their balances are displayed as follows:.

| Accounting Voucher Creation     |       | Indus Enterprises | Ctrl + M                             |
|---------------------------------|-------|-------------------|--------------------------------------|
| <b>Sales</b>                    | No. 2 |                   | List of Items                        |
| Ref. :                          |       |                   |                                      |
| Party's A/c Name : Customer One |       |                   |                                      |
| Current Balance :               |       |                   |                                      |
| <b>Name of Item</b>             |       |                   |                                      |
|                                 |       |                   | <input type="checkbox"/> End of List |
|                                 |       |                   | Philips 25 inches TV 0 Nos           |
|                                 |       |                   | Philips 29 inches TV 0 Nos           |
|                                 |       |                   | Sony 25 inches TV 0 Nos              |
|                                 |       |                   | Sony 29 inches TV 0 Nos              |
|                                 |       |                   | Sony CD-Player 0 Nos                 |
|                                 |       |                   | Sony Tape Recorder 0 Nos             |
|                                 |       |                   | Videocon 25 inches TV 0 Nos          |
|                                 |       |                   | Videocon 29 inches TV 0 Nos          |
|                                 |       |                   | Videocon CD-Player 0 Nos             |
|                                 |       |                   | Videocon Tape-Recorder 0 Nos         |

Figure 5.17 Sales Voucher In Item Invoice Mode

You already know how to enter an item invoice. Now, let us go to the **Gateway of Tally** to learn how Account Invoices are entered.

### 5.3.3 Walk-through to create an Account Invoice

Go to the **Gateway of Tally > Accounting Vouchers > F8: Sales**.

1. The invoice screen must display the following columns: **Name of Item, Quantity, Rate, per and Amount**.
2. Click on the **Acct Invoice** button. You will notice that Tally.ERP 9 now displays the columns as **Particulars, Rate, per and Amount**.
3. Select the **Party's A/c Name** as **Customer One**.
4. Press **Enter** till you reach the **Particulars** field. Press the Space Bar and Tally.ERP 9 displays the List of Ledgers.

| Accounting Voucher Creation |              | Indus Enterprises | Ctrl + M                             |
|-----------------------------|--------------|-------------------|--------------------------------------|
| <b>Sales</b>                | No. 2        |                   | List of Ledger Accounts              |
| Ref. :                      |              |                   |                                      |
| Party's A/c Name :          | Customer One |                   |                                      |
| Current Balance :           |              |                   |                                      |
| <b>Particulars</b>          |              |                   |                                      |
|                             |              |                   | <input type="checkbox"/> End of List |
|                             |              |                   | Advertising                          |
|                             |              |                   | Bank Interest                        |
|                             |              |                   | Conveyance                           |
|                             |              |                   | Local Sales                          |
|                             |              |                   | Office Costs                         |
|                             |              |                   | Postage                              |
|                             |              |                   | Telephone Expenses                   |

Figure 5.18 Sales Voucher In Accounting Invoice Mode

5. Select the **Consulting Fees** (create one if it is not displayed under Direct Income).
6. Specify the amount as **Rs. 45000** and press **Enter**.

### Points to Remember

- ❑ A voucher is a document containing the details of a financial transaction.
- ❑ As per accounting rules, any transaction indicating the transfer of funds from cash account to bank account; bank account to cash account and bank account to bank account is referred to as a Contra Entry.
- ❑ Reversing Journals are special journals that are automatically reversed after the date of the journal.
- ❑ A Memo Register is a non-accounting voucher and the entries made using it will not affect your accounts.
- ❑ An Optional voucher is not a voucher type. All other voucher types (except non-accounting vouchers) can be marked Optional during voucher entry.
- ❑ Inventory vouchers perform the same function in the inventory system as accounting vouchers in Tally.ERP 9.
- ❑ Tally.ERP 9 allows to create and print sales invoices.

## Lesson 6: Advanced Accounting in Tally.ERP 9

### Lesson Objectives

On completion of this lesson, you will be able to

- ❑ Maintain Bill-wise Details
- ❑ Create and maintain Cost Centres
- ❑ Create and maintain Multiple Currencies
- ❑ Configure and compute Interest Calculations
- ❑ Create and maintain Budgets and Scenarios
- ❑ Generate and print various reports

### 6.1 Bill-wise Details

The details of all the sales and purchase transactions made with the debtors and creditors have to be maintained at the invoice level. In order to maintain these details Tally.ERP 9 provides a feature called as **Bill-wise details** for bill-wise accounting. In this section you will learn to:

- ❑ Maintain details of bills.
- ❑ Specify credit periods.
- ❑ Obtain receivable and payable reports.
- ❑ Relate every entry with the relevant transaction.

#### 6.1.1 Activating Bill-wise Details

Go to **Gateway of Tally > select National Traders** and shut **Indus Enterprises**

- ❑ Press **F11: Features (Accounting Features)**.
- ❑ Type **Yes** for **Maintain Bill-wise Details**.
- ❑ Retain **No** for **Non - Trading A/cs also**.

- Accept the settings, by pressing **Ctrl+A**.

On activation of this feature, all the ledgers previously created under the Groups Sundry Debtors and Sundry Creditors will automatically have their Bill-wise details set to **Yes**.

Let us view the ledger master of **Supreme Computers**.

| Ledger Alteration              |                                      | National Traders |
|--------------------------------|--------------------------------------|------------------|
| Name                           | : Supreme Computers                  |                  |
| (alias)                        | :                                    |                  |
|                                |                                      |                  |
| Under                          | : Sundry Debtors<br>(Current Assets) |                  |
| Maintain balances bill-by-bill | ? <b>Yes</b>                         |                  |
| Default Credit Period          | :                                    |                  |
| Inventory values are affected  | ? No                                 |                  |

Figure 6.1 Ledger Creation

1. In the above ledger alteration screen, the option **Maintain balances bill-by-bill** is displayed. This option helps to maintain details of our debtors and creditors at the invoice level.
2. An additional option termed **Default Credit Period** is displayed when the option **Maintain balances bill-by-bill** is set to **Yes**. This allows us to keep a track of the credit period allowed to sundry debtors and reminds us of our payables to the sundry creditors. In the process of recording transactions when the bill-wise details is set to Yes, Tally.ERP 9 prompts you to enter any of the following methods of adjustments:
  - **New Ref** - This is selected for new financial transactions.
  - **Advance** - This is selected when you receive or pay money in advance. Typically, when a bill is raised, part of the bill is adjusted against the advance (using Agst Ref) and the balance amount is carried as New Ref while making the sale or purchase entry.
  - **Against Ref** - This is selected to set-off payments against the previously entered New Ref.
  - **On Account** - This is used when you are not instructed about the bill against which the money should be adjusted.

Let us make a purchase entry for a new stock item HP - 27 Printer Cartridges and then a sales entry to sell the same. This will be purchased from a new supplier named Power Line Computers and sold to a new customer FirstCom Solutions.

### 6.1.2 New Reference

#### Entering Bill-wise details for a Purchase Voucher (New Reference)

*On 13-07-2009 received a goods invoice numbered PLC for 10 Nos HP - 27 Printer Cartridges from Power Line Computers at Rs. 850. The goods were stored in On-site godown.*

#### Setup :

- ❑ Create a new supplier account **Power Line Computers** under **Sundry Creditors** with **Maintain balances bill-by-bill** set to **Yes**.
- ❑ Create a new stock item with the following details:

| Name                       | Under    | Category       | Units | Standard Cost | Standard Price |
|----------------------------|----------|----------------|-------|---------------|----------------|
| HP - 27 Printer Cartridges | Printers | Not Applicable | Nos   | 850           | 1150           |

- ❑ Accept default settings for other fields.

#### Create Purchase Voucher :

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchase**.

1. Select **As Voucher** mode.
2. Enter PLC in the Reference field below the Purchase voucher number.
3. The Bill-wise details have to be given when Power Line Computers are credited.
4. On selecting **New Ref**, PLC is displayed automatically in the field and not the voucher number.
5. In the Credit period field enter **15**, which is 15 days from the effective date of the invoice.

The **Bill-wise Details** screen in the Purchase voucher is displayed as shown below:

| Bill-wise Details                                                                   |      |                                                 | National Traders |                    | Ctrl + M |                       |  |
|-------------------------------------------------------------------------------------|------|-------------------------------------------------|------------------|--------------------|----------|-----------------------|--|
| Purchase No. 5                                                                      |      | Supplier Invoice No. : PLC                      |                  | Date : 13-Jul-2009 |          | 13-Jul-2009<br>Monday |  |
|                                                                                     |      |                                                 |                  |                    |          |                       |  |
| Particulars                                                                         |      |                                                 | Debit            |                    | Credit   |                       |  |
| Bill-wise Details for : <b>Power Line Computers</b><br>Upto: <b>Rs. 8,500.00 Cr</b> |      |                                                 |                  |                    | 8,500.00 |                       |  |
| Type of Ref                                                                         | Name | Due Date, or<br>Credit Days<br>(wef: 13-7-2009) | Amount           | Dr/<br>Cr          |          |                       |  |
| New Ref                                                                             | PLC  | 15 Days<br>( 28-Jul-2009 )                      | 8,500.00         | Cr                 |          |                       |  |
|                                                                                     |      |                                                 |                  |                    |          |                       |  |
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Figure 6.2 Bill-wise Details — Power Line Computers

6. Accept the bill-wise details screen.
7. Click on the button **F12: Configure** and set **Yes** to the following options:
  - ☐ Show Inventory Details
  - ☐ Show Bill-wise Details
  - ☐ Show Ledger Current balances
  - ☐ Show Balances as on Voucher Date.
8. Accept the amount as the total amount due.

The completed **Purchase Voucher** appears as shown below:



| Accounting Voucher Creation                           |          | National Traders   |          | Ctrl + M              |
|-------------------------------------------------------|----------|--------------------|----------|-----------------------|
| <b>Purchase</b> No. 5                                 |          | Date : 13-Jul-2009 |          | 13-Jul-2009<br>Monday |
| Supplier Invoice No. : PLC                            |          |                    |          |                       |
| Particulars                                           | Debit    | Credit             |          |                       |
| Cr <b>Power Line Computers</b>                        |          | 8,500.00           |          |                       |
| Cur Bal: 8,500.00 Cr                                  |          |                    |          |                       |
| New Ref: PLC 15 Days 8,500.00 Cr                      |          |                    |          |                       |
| (28-Jul-2009)                                         |          |                    |          |                       |
| Dr <b>Purchases</b>                                   | 8,500.00 |                    |          |                       |
| Cur Bal: 10,000.00 Dr                                 |          |                    |          |                       |
| HP - 27 Printer Cartridges 10 Nos 850.00 Nos 8,500.00 |          |                    |          |                       |
| Actuals : 10 Nos                                      |          |                    |          |                       |
| Narration:                                            |          | 8,500.00           | 8,500.00 |                       |

Figure 6.3 Purchase Voucher

9. At the Narration field, type in the details of the transactions.
10. Press **Y** or **Enter** to accept the voucher.

The details regarding the reference, name of the stock item, quantity, rate and value helps us to know what is being entered. These details can be printed, as per your requirements.

#### Entering Billwise details for Sales Invoice (New Reference)

**On 14-07-2009, sold 5 pcs of HP - 27 Printer Cartridges to FirstCom Solutions @ Rs. 1,150 from On-Site godown.**

#### Setup :

- ❑ Create new customer **FirstCom Solutions** (Under **Sundry Debtors** with **Maintain balances bill-by-bill** set to **Yes** and set **Default Credit Period** as 7).
- ❑ In **F12: Configure** and set **Yes** to **Accept Supplementary details** to view despatch details, buyer details etc.



### Practice Exercise

Let us now create one purchase and one sales voucher with the following data:

1. On 15-07-09, purchased 5 nos HP - 27 Printer Cartridges @ Rs. 850 from **Power Line Computers** with the invoice number - **PLC1**. Credit period allowed - 30 days.
2. On 16-07-09 sold 4 nos HP - 27 Printer Cartridges to FirstCom Solutions @ Rs. 1,150. Credit period allowed - 45 days, select **New Ref** and enter **FC 2** in **Name** field of **Bill wise details** screen. Allocate to **Sales - Printer**.



- During an invoice entry, to alter the credit period go to **Gateway of Tally > Accounting Vouchers > F8: Sales** (in invoice mode) > click on **F12: Configure** and set **Allow modification of ALL fields during entry** to **Yes** and then make the entry.
- Select **On-Site** wherever godown details are not specified.

**Power Line Computers** now has two outstanding purchase invoices and **FirstCom Solutions** has two outstanding sales invoices. This data can be viewed in Ledger outstanding statement.

Go to **Gateway of Tally > Display > Statements of Accounts > Outstandings > Ledger**

- Select **Power Line Computers** from **List of Ledgers** to show the outstanding purchase invoices.
- Press **Alt + F1** or **F1: Detailed** to show the Ledger outstandings in detail.

| Ledger Outstandings                  |                                   | National Traders |                | Ctrl + M                  |                        |
|--------------------------------------|-----------------------------------|------------------|----------------|---------------------------|------------------------|
| Ledger : <b>Power Line Computers</b> |                                   |                  |                | 1-Apr-2009 to 16-Jul-2009 |                        |
| Date                                 | Ref. No.                          |                  | Opening Amount | Pending Amount            | Due on Overdue by days |
| 13-Jul-2009                          | PLC                               |                  | 8,500.00 Cr    | 8,500.00 Cr               | 28-Jul-2009            |
|                                      | 13-Jul-2009 Purchase              | 5                | 8,500.00 Cr    |                           |                        |
|                                      | 10 nos HP - 27 Printer Cartridges |                  | 850.00/nos     |                           |                        |
| 15-Jul-2009                          | PLC1                              |                  | 4,250.00 Cr    | 4,250.00 Cr               | 14-Aug-2009            |
|                                      | 15-Jul-2009 Purchase              | 6                | 4,250.00 Cr    |                           |                        |
|                                      | 5 nos HP - 27 Printer Cartridges  |                  | 850.00/nos     |                           |                        |
|                                      |                                   |                  | 12,750.00 Cr   | 12,750.00 Cr              |                        |

Figure 6.5 Ledger Outstandings

- Press **F4: Ledger** and change to **FirstCom Solutions** to view the outstanding sales invoices.

### 6.1.3 Against Reference

#### Entering a Bill-wise payment - Against Reference

*On 22-07-09, you pay Power Line Computers the full amount for their invoice numbered PLC.*

#### Setup :

- Click on **F12: Configure**. Set **Show Table of Bills for selection** (to view the list of pending bill references) and **Use Single Entry mode for Pymt/Rcpt/Contra** to **Yes**

Go to **Gateway of Tally > Accounting Vouchers > F5: Payment > select Bank Payment**.

1. In the **Account** field, select **Bank Account** (note that we are crediting 'Bank Account')
2. Under **Particulars**, select **Power Line Computers**.
3. Enter **Rs. 8,500** in the amount column.

4. In the **Bill-wise details** screen, select **Agst Ref** and press **Enter**
5. Tally.ERP 9 displays list of pending bills. The screen appears as shown below:

| Bill-wise Details                               |      | National Traders            |             | Ctrl + M                 |    |
|-------------------------------------------------|------|-----------------------------|-------------|--------------------------|----|
| Bank Payment No. 5                              |      |                             |             | 22-Jul-2009<br>Wednesday |    |
| Account : Bank Account<br>Cur Bal: 15,370.00 Dr |      |                             |             |                          |    |
| Bill-wise Details for : Power Line Computers    |      |                             |             | Amount                   |    |
| Type of Ref                                     | Name | Due Date, or<br>Credit Days | Amount      | Dr/<br>Cr                |    |
| Pending Bills                                   |      |                             |             |                          |    |
| Agst Ref                                        |      | PLC                         | 13-Jul-2009 | 8,500.00                 | Cr |
|                                                 |      | PLC1                        | 15-Jul-2009 | 4,250.00                 | Cr |

Figure 6.6 Bill-wise Details — Power Line Computers

6. Select **PLC** and keep pressing **Enter** until the **Narration** field is highlighted.
7. In the **Narration** field, type Ch. No. 1234.

The **Bank payment** voucher appears as shown below:

Figure 6.7 Bank Payment Voucher

To ensure that the payment has been recorded against the correct invoice,

- 10

### Practice Exercise

- ❑ Delete the bank payment entry of 22-07-09 and make the same entry.
- ❑ In **F12: Configure**, set **Yes** to **Pre-allocate Bills for payment**, you will notice that the list of pending bills is displayed immediately after selecting **Power Line Computers**.
- ❑ Select **PLC** in bill-wise details and accept the entry (This feature is useful for cheque printing).
- ❑ Now, after completing the above entry, set the option **Pre-allocate Bills for payment** to **No**.

### Entering a Receipt Voucher with Bill-wise details

*FirstCom Solutions pays the full amount of their first invoice on 22-07-09.*

#### Setup :

- ❑ In **F12: Configure**, set **Use Single Entry mode for Pymt/Rcpt/Contra** to **No**.

### Create Receipt Voucher

Go to **Gateway of Tally > Accounting Vouchers > F6: Receipt**

1. In the Voucher Creation screen, credit **FirstCom Solutions** for **Rs. 5,750**
2. In the **Bill-wise Details** screen, select **Agst Ref** and adjust the receipt against the first entry in the list.
3. Keep pressing **Enter** until the next **Particulars** field is highlighted.
4. Select **Bank Account**.
5. Accept the entry and return to the Gateway of Tally main menu.

A detailed **Ledger Outstanding** screen of FirstCom Solutions with a history of all bills appears as shown below :

| Ledger Outstandings         |                                  | National Traders |                | Ctrl + M                  |                        |
|-----------------------------|----------------------------------|------------------|----------------|---------------------------|------------------------|
| Ledger : FirstCom Solutions |                                  |                  |                | 1-Apr-2009 to 22-Jul-2009 |                        |
| Date                        | Ref. No.                         |                  | Opening Amount | Pending Amount            | Due on Overdue by days |
| 14-Jul-2009                 | FC 1                             |                  | 5,750.00 Dr    |                           | 21-Jul-2009 1          |
|                             | 14-Jul-2009 Sales                | 8                | 5,750.00 Dr    |                           |                        |
|                             | 5 nos HP - 27 Printer Cartridges |                  | 1,150.00/nos   |                           |                        |
|                             | 22-Jul-2009 Receipt              | 4                | 5,750.00 Cr    |                           |                        |
| 16-Jul-2009                 | FC 2                             |                  | 4,600.00 Dr    | 4,600.00 Dr               | 30-Aug-2009            |
|                             | 16-Jul-2009 Sales                | 9                | 4,600.00 Dr    |                           |                        |
|                             | 4 nos HP - 27 Printer Cartridges |                  | 1,150.00/nos   |                           |                        |
|                             |                                  |                  | 10,350.00 Dr   | 4,600.00 Dr               |                        |

Figure 6.8 Ledger Outstandings

### Display Age-Wise Outstanding Statements

Go to **Gateway of Tally > Display > Statements of Accounts > Outstandings > Ledger > Power Line Computers.**

1. The invoice due to them is displayed with due dates and overdue days, if any.
2. Change period of display from **1-4-09** to **22-07-09**.
3. Press **F6: Age-wise** and Select **By Bill-date**.
4. In the credit period sub-screen, enter **0 to 7, 7 to 15, 15 to 45, 45 to 0**.
5. Note that the age of the invoices is segregated by the credit period.



| Company Ageing Alteration        |      |    |      |
|----------------------------------|------|----|------|
| Company: <b>National Traders</b> |      |    |      |
| From                             | : 0  | To | : 7  |
| From                             | : 7  | To | : 15 |
| From                             | : 15 | To | : 45 |
| From                             | : 45 | To | : 0  |

Figure 6.9 Company Ageing Alteration

- Press **Alt+F1** and view the **Age-wise Analysis** for **Power Line Computers** in Detailed mode.
- Press **F12: Configure** and set the option **Show Qty Info in Detailed Format** to **Yes** and **Range of Bills to Show** as **All Bills**.

The **Age-wise Analysis** for **Power Line Computers** for the period **1-4-09** to **22-07-09** appears as shown below :

| Ledger Outstandings           |                                   | National Traders          |                |             |              |               |              | Ctrl + M   |
|-------------------------------|-----------------------------------|---------------------------|----------------|-------------|--------------|---------------|--------------|------------|
| Ledger : Power Line Computers |                                   | 1-Apr-2009 to 22-Jul-2009 |                |             |              |               |              |            |
| Date                          | Ref. No.                          | Opening Amount            | Pending Amount | (< 7 days ) | 7 to 15 days | 15 to 45 days | (> 45 days ) | On Account |
| 13-Jul-2009                   | PLC                               | 8,500.00 Cr               |                |             |              |               |              |            |
|                               | 13-Jul-2009 Purchase              | 5                         | 8,500.00 Cr    |             |              |               |              |            |
|                               | 10 Nos HP - 27 Printer Cartridges |                           | 850.00/Nos     |             |              |               |              |            |
|                               | 22-Jul-2009 Bank Payment          | 5                         | 8,500.00 Dr    |             |              |               |              |            |
| 15-Jul-2009                   | PLC1                              | 4,250.00 Cr               | 4,250.00 Cr    | 4,250.00 Cr |              |               |              |            |
|                               | 15-Jul-2009 Purchase              | 6                         | 4,250.00 Cr    |             |              |               |              |            |
|                               | 5 Nos HP - 27 Printer Cartridges  |                           | 850.00/Nos     |             |              |               |              |            |
|                               |                                   | 12,750.00 Cr              | 4,250.00 Cr    | 4,250.00 Cr |              |               |              |            |

Figure 6.10 Ledger Outstandings

### Practice Exercise

- ❑ Display **Outstandings - Receivables** for different periods to see the changes.
- ❑ View the **Age-wise Analysis** for receivables, payables and ledger.

### 6.1.4 Advance

*On 01-07-2009, make a Bank Payment (State Bank of India Account) for Rs. 15,000 against a purchase order PO/001/2009-10 raised on New Stocker.*

Go to **Gateway of Tally > shut National Traders** and select **Indus Enterprises**

#### Setup :

- ❑ Create **New Stockers** Ledger under **Sundry Creditors** and set the option, **Maintain balances bill-by-bill** to **Yes**.
- ❑ Create **Purchase Account** under **Purchase Accounts** and set **Inventory Values are Affected** to **Yes**.

#### Step 1 : Create Bank Payment Voucher

- ❑ In the **Bill-wise details** screen,
  - Select **Advance** as the **Type of Ref**
  - Enter **PO/001/2009-10** as reference.

#### Step 2 : Create Purchase Voucher

- ❑ Record a Purchase voucher entry on 1-07-2009 for Rs. 45,000
- ❑ In the **Bill-wise Details** screen, select **Agst Ref** to adjust the advance of **Rs. 15000**.
- ❑ Accept the purchase entry.

#### Display Ledger Outstanding Statement

Go to **Gateway of Tally > Display > Statement of Accounts > Outstandings > Ledger > New Stockers > F1: Detailed**.

The **Ledger Outstanding Statement** of **New Stocker** appears as shown below:

| Ledger Outstandings          |                          | Indus Enterprises |                | Ctrl + M                 |                        |
|------------------------------|--------------------------|-------------------|----------------|--------------------------|------------------------|
| Ledger : <b>New Stockers</b> |                          |                   |                | 1-Apr-2009 to 7-Jul-2009 |                        |
| Date                         | Ref. No.                 |                   | Opening Amount | Pending Amount           | Due on Overdue by days |
| 1-Jul-2009                   | PQ/001/2009-10 (advance) |                   | 15,000.00 Dr   |                          | 1-Jul-2009 6           |
|                              | 1-Jul-2009 Payment       | 5                 | 15,000.00 Dr   |                          |                        |
|                              | 1-Jul-2009 Purchase      | 2                 | 15,000.00 Cr   |                          |                        |
| 1-Jul-2009                   | 1                        |                   | 30,000.00 Cr   | 30,000.00 Cr             | 1-Jul-2009 6           |
|                              | 1-Jul-2009 Purchase      | 2                 | 30,000.00 Cr   |                          |                        |
|                              |                          |                   | 15,000.00 Cr   | 30,000.00 Cr             |                        |

Figure 6.11 Ledger Outstandings

The **advance** appears next to the entry for easy identification.



To view all bills including settled bills, select '**All Bills**' as **Range of Bills to show in F12: Configuration**.

### 6.1.5 On Account

**On 1-07-2009, raise a sales invoice on New Buyer for 1 Nos of New Stock Item @ Rs. 1,000 vide Bill/001.**

Go to **Gateway of Tally** > shut **National Traders** and select **Indus Enterprises**

**Set up :**

- ❑ Create a ledger **New Buyer** under **Sundry Debtor**; Set **Yes** to **Maintain balances bill-by-bill**; **Credit Period** - leave it blank.
- ❑ Create an item **New Stock Item** under **Primary Stock Group** with an opening balance of **100 Nos** and rate **Rs. 500** stored in the Bangalore godown.

**Step 1 : Create Sales Invoice**

1. Raise a sales invoice on 1-07-2009 on **New Buyer** for Rs. 1,000
  - ❑ Select **New Stock Item - 1 Nos @ Rs. 1,000**.
  - ❑ Type bill reference as **New Ref - Bill/001**.
  - ❑ Create Sales ledger, if not created.
2. Similarly, create 3 sales invoices on **New Buyer**
  - ❑ On 2nd December for Rs. 8,000 (Bill reference - Bill/002)
  - ❑ On 3rd December for Rs. 14,000 (Bill reference - Bill/003)
  - ❑ On 6th December for Rs. 4,000 (Bill reference - Bill/004)
  - ❑ Stock Item will be **New Stock Item** and quantity for the above 3 sales bills will be **8 Nos, 14 Nos** and **4 Nos** respectively

**Step 2 : Create Receipt Voucher**

1. Make a Receipt entry on 7th July for Rs. 15,000 received by cheque. (This is to indicate money received from **New Buyer**).
2. In the **Bill-wise details** screen, select **On Account** as the details of the sales bills to be cleared are not provided.

**6.1.6 Bill-wise Outstandings Report**

After creating the sales and receipt entries, to display the Billwise outstandings report of **New Buyer**,

Go to **Gateway of Tally > Display > Account Books > Ledger > select New Buyer**.

- ❑ Select the **Bill-Wise** button to view the bill-wise details of the customer.

The **Billwise Outstandings Report** of the New Buyer appears as shown below :

| Ledger Outstandings      |                       | Indus Enterprises |                | Ctrl + M                 |                        |
|--------------------------|-----------------------|-------------------|----------------|--------------------------|------------------------|
| Ledger: <b>New Buyer</b> |                       |                   |                | 1-Apr-2009 to 7-Jul-2009 |                        |
| Date                     | Ref. No.              |                   | Opening Amount | Pending Amount           | Due on Overdue by days |
| 1-Jul-2009               | Bill/001              |                   | 1,000.00 Dr    | 1,000.00 Dr              | 1-Jul-2009 6           |
|                          | 1-Jul-2009 Sales      | 2                 | 1,000.00 Dr    |                          |                        |
|                          | 1 Nos New Stock Item  |                   | 1,000.00/Nos   |                          |                        |
| 2-Jul-2009               | Bill/002              |                   | 8,000.00 Dr    | 8,000.00 Dr              | 2-Jul-2009 5           |
|                          | 2-Jul-2009 Sales      | 3                 | 8,000.00 Dr    |                          |                        |
|                          | 8 Nos New Stock Item  |                   | 1,000.00/Nos   |                          |                        |
| 3-Jul-2009               | Bill/003              |                   | 14,000.00 Dr   | 14,000.00 Dr             | 3-Jul-2009 4           |
|                          | 3-Jul-2009 Sales      | 4                 | 14,000.00 Dr   |                          |                        |
|                          | 14 Nos New Stock Item |                   | 1,000.00/Nos   |                          |                        |
| 6-Jul-2009               | Bill/004              |                   | 4,000.00 Dr    | 4,000.00 Dr              | 6-Jul-2009 1           |
|                          | 6-Jul-2009 Sales      | 5                 | 4,000.00 Dr    |                          |                        |
|                          | 4 Nos New Stock Item  |                   | 1,000.00/Nos   |                          |                        |
|                          | <b>Sub Total</b>      |                   | 27,000.00 Dr   | 27,000.00 Dr             |                        |
| 7-Jul-2009               | On Account            |                   | 15,000.00 Cr   | 15,000.00 Cr             |                        |
|                          | 7-Jul-2009 Receipt    | 2                 | 15,000.00 Cr   |                          |                        |
|                          |                       |                   | 12,000.00 Dr   | 12,000.00 Dr             |                        |

Figure 6.12 Ledger Outstandings

The ledger outstandings report shows the details of four sales bills marked with a bill-wise reference and one receipt entry marked as **On Account** (**On Account** is displayed as we have not received details of the bill against which the payment has been received). To print statements of accounts, press **P**: Print button from the display screen.

### 6.1.7 Payment Performance of Debtors

To view **Payment Performance of Debtors** report,

Go to **Gateway of Tally > select National Traders** and shut **Indus Enterprises**

The **Ratio Analysis** appears as shown below:

| Ratio Analysis                       |                 | National Traders                                     |             | Ctrl + M                  |
|--------------------------------------|-----------------|------------------------------------------------------|-------------|---------------------------|
| Principal Groups                     |                 | National Traders                                     |             | Principal Ratios          |
|                                      |                 | 1-Apr-2009 to 22-Dec-2009                            |             | 1-Apr-2009 to 22-Dec-2009 |
| <b>Working Capital</b>               | 30,74,639.70 Dr | <b>Current Ratio</b>                                 | 3.21 : 1    |                           |
| (Current Assets-Current Liabilities) |                 | (Current Assets : Current Liabilities)               |             |                           |
| <b>Cash-in-hand</b>                  | 10,695.00 Dr    | <b>Quick Ratio</b>                                   | 2.94 : 1    |                           |
| <b>Bank Accounts</b>                 | 92,461.07 Dr    | (Current Assets-Stock-in-hand : Current Liabilities) |             |                           |
| <b>Bank OD A/c</b>                   |                 | <b>Debt/Equity Ratio</b>                             | 0.02 : 1    |                           |
| <b>Sundry Debtors</b>                | 39,81,263.63 Dr | (Loans (Liability) : Capital Account + Nett Profit)  |             |                           |
| (due till today)                     | 39,86,263.63 Dr | <b>Gross Profit %</b>                                | 68.84 %     |                           |
| <b>Sundry Creditors</b>              | 13,72,875.00 Cr | <b>Nett Profit %</b>                                 | 68.71 %     |                           |
| (due till today)                     | 13,71,500.00 Cr | <b>Operating Cost %</b>                              | 31.29 %     |                           |
| <b>Sales Accounts</b>                | 41,08,585.00 Cr | (as percentage of Sales Accounts)                    |             |                           |
| <b>Purchase Accounts</b>             | 13,75,875.00 Dr | <b>Recv. Turnover in days</b>                        | 260.22 days |                           |
| <b>Stock-in-hand</b>                 | 3,81,475.00 Dr  | (payment performance of Debtors)                     |             |                           |
| <b>Nett Profit</b>                   | 28,23,036.37 Cr | <b>Return on Investment %</b>                        | 91.86 %     |                           |
| <b>Wkg. Capital Turnover</b>         | 1.34            | (Nett Profit / Capital Account + Nett Profit )       |             |                           |
| (Sales Accounts / Working Capital)   |                 | <b>Return on Wkg. Capital %</b>                      | 91.82 %     |                           |
| <b>Inventory Turnover</b>            | 10.77           | (Nett Profit / Working Capital) %                    |             |                           |
| (Sales Accounts / Closing Stock)     |                 |                                                      |             |                           |

Figure 6.13 Ratio Analysis

- ❑ Select **Recv. Turnover in days** (It shows the amount of sales locked up with debtors in terms of sale days).
- ❑ Press **Enter** to view the list of sundry debtors.
- ❑ Select **FirstCom Solutions** to view the **Ledger Payment Performance** report.

The details are shown as below :

| Ledger Payment Performance                                                |             | National Traders |                | Ctrl + M  |                              |
|---------------------------------------------------------------------------|-------------|------------------|----------------|------------------------------------------------------------------------------------------------|------------------------------|
| Ledger : FirstCom Solutions                                               |             |                  |                | 1-Apr-2009 to 22-Dec-2009                                                                      |                              |
| Performance by Formula (Closing Balance / Total Sales) * Number of Days : |             |                  |                |                                                                                                |                              |
| (4,900.00 Dr / 10,650.00 Dr ) * 266 = 122.38 days                         |             |                  |                |                                                                                                |                              |
| Date of Bill                                                              | Particulars | Cleared on       | Number of days | Due on                                                                                         | Number of days from Due Date |
| 14-Jul-2009                                                               | FC 1        | 22-Jul-2009      | 8 days         | 21-Jul-2009                                                                                    | 1 days                       |

Figure 6.14 Ledger Payment Performance

The ledger payment performance report gives the details of all invoices raised on the debtor and the dates when the payments were made, with the analysis of delays.

### 6.1.8 Bill-wise Details for Non-trading Accounts

Tally.ERP 9 has the option of maintaining bill-wise details for accounts other than Sundry Debtors and Sundry Creditors i.e., Non - trading accounts. This is useful to track instalment to be paid or loan amount to be received over a certain period of time.

## 6.2 Cost Centres and Cost Categories

### 6.2.1 Cost Centre

A cost centre is a unit of an organisation to which transactions can be allocated. Cost Centres are units to which costs or expenses are allocated and Profit Centres are units to which incomes are allocated. Tally.ERP 9's cost centres allow a dimensional analysis of financial information. Tally.ERP 9 gives you the cost centre break-up of each transaction as well as details of transactions for each cost centre.

### 6.2.2 Cost Categories

Cost Categories have been introduced specially for project oriented organisations as they require allocation of resources to parallel sets of cost centres. For example, the project is to construct an airport. The airport is the cost centre. For this project certain expenses are incurred by the project head. A simultaneous allocation of the amount has to be made for both the project and the project head. This requirement can be achieved using Tally.ERP 9's Cost Category feature. Any number of parallel allocations can be done as per requirements.

### 6.2.3 Activating Cost Category and Cost Centre

Ensure that you are at the Gateway of Tally of **National Traders**. To activate the cost centre and cost category,

- ❑ Set **Yes** to the following in the **F11: Features (Accounting Features)**:
  - **Maintain Cost Centres**
  - **More than ONE Cost Category**

### 6.2.4 Creating Cost Categories

Go to **Gateway of Tally > Accounts Info. > Cost Categories > Create**.

- ❑ **Name: Projects & Assignments**
- ❑ **Allocate Revenue Items: Yes**
- ❑ **Allocate Non-Revenue Items: No**

| Cost Category Creation     |                                     |
|----------------------------|-------------------------------------|
| Name                       | : <b>Projects &amp; Assignments</b> |
| (alias)                    | :                                   |
| Allocate Revenue Items     | ? <b>Yes</b>                        |
| Allocate Non-Revenue Items | ? <b>No</b>                         |

Figure 6.15 Cost Category Creation

- Press **Y** or **Enter** to accept the screen.

Similarly, create **Salesmen** as a Cost Category .



**Allocate Revenue Items:** Enable this option to allocate all sales, purchase, expenses and income related transactions to cost centres and cost categories.

**Allocate Non-Revenue Items:** Enable this option to allocate capital items to cost centres. This helps in monitoring the capital expenditure incurred on cost centres and measuring them against the revenue earned.

### 6.2.5 Creating Cost Centre

Go to **Gateway of Tally > Accounts Info. > Cost Centres > Create.**

- **Category:** Select **Projects & Assignments**.
- **Name:** **Projects**.
- **Under:** **Primary**.

| Cost Centre Creation |                                           |
|----------------------|-------------------------------------------|
| Category             | : <b>Projects &amp; Assignments</b>       |
| Name                 | : <b>Projects</b>                         |
| (alias)              | :                                         |
| Under                | : <input type="checkbox"/> <b>Primary</b> |

Figure 6.16 Cost Centre Creation

Similarly create the following Cost Centres,

- **Buildings, Roads and Airports**, by selecting **Projects and Assignments** as **Cost Category** and **Projects** for **Under**.
- **Amar and Barry**, by selecting **Salesmen** as **Cost Category** and **Primary** for **Under**.



### 6.2.6 Applying Cost Centres to Ledger Accounts

Create the following Ledger accounts,

- ❑ **Conveyance** and **Postage** under **Indirect Expenses**
- ❑ **Consulting Fees** under **Direct Incomes**.



*By default, Tally.ERP 9 activates Cost Centre feature for ledgers created under **Sales Accounts** and **Purchase Accounts** groups.*

#### Create Payment Voucher :

Go to **Gateway of Tally > Accounting Vouchers > F5: Payment > Select Petty Cash** from **List of Types**

1. **Date: 13-07-09**
2. You will notice that Tally.ERP 9 displays the **Dr** field. This is because the option **Use Single Entry mode for Pymt/Rcpt/Contra** is set to **No** in **F12: Configuration**, while making the bill-wise receipt entry.
3. Debit **Conveyance Rs. 20** and press **Enter**.
4. The **Cost Centre Allocation** sub-screen appears on entering the amount.
  - ❑ Select the Category as **Projects & Assignments**.
  - ❑ Allocate the expense to Buildings.
  - ❑ Press **Enter** for the entire amount of 20.00 for Buildings.
5. Since you have completed the allocation of the full amount, the cursor moves back to the main voucher screen.
6. Credit **Petty Cash 20**
7. Type the **Narration** as **Paid to Amar for travelling to Brigade Road for the Buildings Project**.
8. Accept the voucher.

The completed **Payment Voucher Creation** will appear as shown :

| Accounting Voucher Creation                                        |          | National Traders |        | Ctrl + M              |
|--------------------------------------------------------------------|----------|------------------|--------|-----------------------|
| <b>Petty Cash</b> No. 4                                            |          |                  |        | 13-Jul-2009<br>Monday |
| Particulars                                                        |          | Debit            | Credit |                       |
| Dr <b>Conveyance</b>                                               |          | 20.00            |        |                       |
| <i>Cur Bal: 20.00 Dr</i>                                           |          |                  |        |                       |
| <b>Projects &amp; Assignments</b>                                  |          |                  |        |                       |
| <b>Buildings</b>                                                   | 20.00 Dr |                  |        |                       |
| Cr <b>Petty Cash</b>                                               |          |                  | 20.00  |                       |
| <i>Cur Bal: 9,745.00 Dr</i>                                        |          |                  |        |                       |
| Narration:                                                         |          | 20.00            | 20.00  |                       |
| Paid to Amar for travel to Brigade Road for the Buildings project. |          |                  |        |                       |
|                                                                    |          |                  |        | Accept ?<br>Yes or No |

Figure 6.17 Petty Cash Voucher

Now, create one more Payment Voucher.

Go to the **Gateway of Tally > Accounting Vouchers > F5: Payment > Select Petty cash.**

1. **Date: 17-07-09**
2. Debit **Conveyance: Rs. 50.00.**
3. The **Cost Centre Allocation** sub-screen appears after you enter the amount
  - ❑ Select **Projects & Assignments** as **Cost Category**.
  - ❑ Allocate Rs. 30 to **Buildings** and Rs. 20.00 to **Roads**.
  - ❑ Press **Enter** to accept
  - ❑ The cursor moves to the **Cost Category** field, select **Salesmen (Cost Category) > Amar** and enter the amount as **Rs. 50**
  - ❑ Press **Enter** to accept



*Tally.ERP 9 displays only **Amar** and **Barry** (Cost centres under **Salesmen Cost Category**) to facilitate error free selection during Voucher Entry.*

- The cursor moves to the Cost Category field, press **Enter** and the Voucher screen appears.
- 4. Credit **Petty Cash Rs. 50**
- 5. Type the **Narration** as **Paid to Amar for travel to Brigade Road for the Buildings Project.**
- 6. Before accepting the voucher, press **F12: Configure** and ensure that the option **Show Cost Centre Details** is set to **Yes**.

The completed **Payment Voucher Creation** screen appears as shown below:

| Accounting Voucher Creation                                       |          | National Traders |        | Ctrl + M              |
|-------------------------------------------------------------------|----------|------------------|--------|-----------------------|
| <b>Petty Cash</b> No. 5                                           |          |                  |        | 17-Jul-2009<br>Friday |
| Particulars                                                       |          | Debit            | Credit |                       |
| Dr <b>Conveyance</b>                                              |          | 50.00            |        |                       |
| Cur Bal: 70.00 Dr                                                 |          |                  |        |                       |
| <b>Projects &amp; Assignments</b>                                 |          |                  |        |                       |
| Buildings                                                         | 30.00 Dr |                  |        |                       |
| Roads                                                             | 20.00 Dr |                  |        |                       |
| Salesmen                                                          |          |                  |        |                       |
| Amar                                                              | 50.00 Dr |                  |        |                       |
| Cr <b>Petty Cash</b>                                              |          |                  | 50.00  |                       |
| Cur Bal: 9,695.00 Dr                                              |          |                  |        |                       |
| Narration:                                                        |          | 50.00            | 50.00  |                       |
| Paid to Amar for travel to Brigade Road for the Building project. |          |                  |        |                       |

Figure 6.18 Petty Cash Voucher

- 7. Press **Y** or **Enter** to accept the screen.

### Create Receipt Voucher :

Go to the **Gateway of Tally > Accounting Vouchers > F6: Receipt**

- 1. Select **Receipt Voucher (Petty Cash)** and change the date to **13-07-09**.
- 2. Credit **Consulting Fees Rs. 1,000**
- 3. In the **Cost Centre Allocation** for **Consulting Fees**,
  - Select **Projects and Assignments** as cost category
  - Select **Buildings** as cost centre and allocate the entire amount to it.
- 4. Debit **Petty Cash Rs. 1000**

5. Type the **Narration** as **Received cash for work done by Amar on the Buildings project**.  
The Screen appears as shown:

| Accounting Voucher Creation                              |             | National Traders |  | Ctrl + M              |          |
|----------------------------------------------------------|-------------|------------------|--|-----------------------|----------|
| <b>Receipt</b> No. 4                                     |             |                  |  | 13-Jul-2009<br>Monday |          |
| Particulars                                              |             | Debit            |  | Credit                |          |
| Cr <b>Consulting Fees</b>                                |             |                  |  | 1,000.00              |          |
| <i>Cur Bal: 1,000.00 Cr</i>                              |             |                  |  |                       |          |
| <b>Projects &amp; Assignments</b>                        |             |                  |  |                       |          |
| <b>Buildings</b>                                         | 1,000.00 Cr |                  |  |                       |          |
| Dr <b>Petty Cash</b>                                     |             | 1,000.00         |  |                       |          |
| <i>Cur Bal: 10,745.00 Dr</i>                             |             |                  |  |                       |          |
|                                                          |             |                  |  | 1,000.00              | 1,000.00 |
| Narration:                                               |             |                  |  |                       |          |
| Received for work done by Amar on the Buildings Project. |             |                  |  |                       |          |

Figure 6.19 Receipt Voucher

- Press **Y** or **Enter** to accept the screen.

### Practice Exercise

- On 16-07-09, purchased for **Projects**, 2,50,000 worth **Cement** from **Navketan Cement** to be shared equally between **Roads** and **Buildings** on credit for 30 days.
- On 20-07-09, purchased for **Projects**, 3,50,000 worth **Steel** from **Monnet Steels**. Allocate 50,000 to **Roads** and the rest to **Buildings**. Credit received for 45 days.
- On 20-08-09, project sales of **Buildings** were made to **WinLab Technologies** for Rs. 9,00,000. 10% receivable after 5 days and balance after 15 days.
- The next day, **Roads project** was completed and an invoice was raised on **Civic Centre Association** for Rs. 15,00,000. Credit period allowed - 25% with 7 days and the balance after 60 days of the date of the invoice.

### Setup :

- Create ledgers **Project Sales** under **Sales Account** and **Project Purchases** under **Purchase Accounts**. Set the options as shown below for both the accounts:
  - Set **Cost Centres are applicable** to **Yes**.

- Set **Inventory Values** are affected to **No**.
- Create the following **Suppliers/ Buyers** with **Bill-wise details** activated and default credit period left blank. **Cost Centres** are **Not Applicable**.
  - **Navketan Cement** under **Sundry Creditors**
  - **Monnet Steels** under **Sundry Creditors**
  - **WinLab Technologies** under **Sundry Debtors**
  - **Civic Centre Association** under **Sundry Debtors**
  - **Parvathi Stockers** under **Sundry Creditors**



- *Select **New Ref.** in the **Bill-wise details** screen*
- *Allocate purchases to **Project Purchases ledger** and sales to **Project Sales ledger**.*
- *In the narration field type **Barry** as these transactions are carried by him.*
- *You may give different references (for e.g., **WT/1**, **WT/2**) while accounting for bill-wise details based on the credit periods.*
- *For dynamic cost centre allocation, pass the entry in **Voucher mode**. The **Invoice mode** is used for inventory items where **Cost centre allocation** is either pre-classified through **Cost Centre Classes** or is not required.*

### Advanced Practice Exercises

Enter the following transactions in voucher mode:

1. On 20-09-09, purchased **Cement** from **Navketan Cement** for Rs. 4,00,000 (200 bags at Rs. 2,000 per bag). Half of it is for **Roads** and the other half for **Buildings**. Entire lot was stored in **On-site**. Received credit of 30 days.
2. On 20-09-09, purchased 20 Tons of **Steel** from **Monnet Steels** @ Rs. 4,000 per ton and was stored in Warehouse. It was equally divided between **Roads** and **Buildings**. Received credit of 30 days.
3. One month later on 20-10-09, **Project Sales** of **Buildings** for Rs. 4,50,000 were made to **Win-Lab Technologies**. A credit of 60 days was given since they are old buyers.
4. On the same date (i.e., 20-10-09), **Project Sales** of **Buildings** for Rs. 7,65,000 were made to **Civic Centre Association**. A credit of 60 days was given. At the same time, they took over the **Roads** built for them at Rs. 2,35,000 with a credit period of 20 days. Only one invoice was prepared for **Civic Centre Association** for both **Buildings** and **Roads**.

### Setup :

- Ensure that in **F12: Accts/Inventory Info.** Configuration, **Allow Advanced Entries in Masters** is set to **Yes**.

- ❑ Create **Building Material** as a Stock group.
- ❑ Create the following Stock Items under Stock Group **Building Materials**.
  - Cement with Unit of measurement - **Bags**
  - Steel with Unit of measurement - **Tons**.
  - For both items, set **Yes** to **Treat all Purchases as Consumed** (This option is useful in case of consumable items)
  - Accept the rest as set by default.
- ❑ Alter the **Project Purchase accounts** to affect Inventory items.

### 6.2.7 Display Cost Centre Reports

Go to **Gateway of Tally > Display > Statements of Accounts > Cost Centres**.

The Cost Centres Menu comprises of the following sub menus :

- ❑ Category Summary
- ❑ Cost Centre Break-up
- ❑ Ledger Break-up
- ❑ Group Break-up

#### Category Summary

This report displays the summarised position of the cost centres. You can drill down to the list of vouchers. In the above exercises while entering the vouchers, we held 'Amar' responsible for some of the expenses and incomes and 'Barry' for some. The purpose of mentioning their names in the Narration was to record their performance for later analysis and possible bonus payments.

The **Cost Category Summary** report for the period 1-4-2009 to 20-10-2009 appears as shown below:

| Cost Category Summary  |                           | National Traders |                 | Ctrl + M |
|------------------------|---------------------------|------------------|-----------------|----------|
| Particulars            | National Traders          |                  |                 |          |
|                        | 1-Apr-2009 to 20-Oct-2009 |                  |                 |          |
|                        | Transactions              |                  | Closing Balance |          |
| Debit                  | Credit                    |                  |                 |          |
|                        |                           |                  |                 |          |
| Projects & Assignments | 10,80,070.00              | 38,51,000.00     | 27,70,930.00    | Cr       |
| Projects               | 10,80,070.00              | 38,51,000.00     | 27,70,930.00    | Cr       |
| Buildings              | 6,65,050.00               | 21,16,000.00     | 14,50,950.00    | Cr       |
| Roads                  | 4,15,020.00               | 17,35,000.00     | 13,19,980.00    | Cr       |
| Salesmen               | 50.00                     |                  | 50.00           | Dr       |
| Amar                   | 50.00                     |                  | 50.00           | Dr       |

Figure 6.20 Cost Category Summary

- ❑ Select **Buildings** and press **Enter**. You are now drilling down into the **Month-wise Cost Centre Statement** of Buildings. You have the option to add a new column, select another cost centre, access **F12: Configure** and view the configured details.
- ❑ Press **Enter** on any month (select December here) and you will get the **Cost Centre Vouchers report**. This displays the list of vouchers pertaining to a cost centre for the selected month.



- ❑ Click on **F12: Value** and filter the information by using vouchers having narrations containing **Amar**. Similarly give the filter condition Voucher having narration containing **Barry**.
- ❑ Experiment with the different button options, such as **New Column**, **Auto Column**, and **F12: Configure**.

### Cost Centre Break-up

This report displays a summarised information on Ledgers and Groups for the selected cost centre. You can drill down to the list of vouchers.

Now, go back to the **Display Cost Centres** menu > select **Cost Centre Break-up**

- ❑ Select **Buildings**, from the list of Cost Centres
- ❑ Press **F2** and change the period from 1-4-2009 to 20-10-2009.

The screen appears as shown below :

| Breakup of Cost Centre |                                                                         | National Traders |                    | Ctrl + M |
|------------------------|-------------------------------------------------------------------------|------------------|--------------------|----------|
| Particulars            | Cost Centre: Buildings<br>National Traders<br>1-Apr-2009 to 20-Oct-2009 |                  |                    |          |
|                        | Transactions                                                            |                  | Closing<br>Balance |          |
|                        | Debit                                                                   | Credit           |                    |          |
|                        |                                                                         |                  |                    |          |
| Sales Accounts         |                                                                         | 21,15,000.00     | 21,15,000.00       | Cr       |
| Purchase Accounts      | 6,65,000.00                                                             |                  | 6,65,000.00        | Dr       |
| Direct Incomes         |                                                                         | 1,000.00         | 1,000.00           | Cr       |
| Indirect Expenses      | 50.00                                                                   |                  | 50.00              | Dr       |
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Figure 6.21 Breakup of Cost Centre

In this report we shall display the net profits made by the selected **Cost Centre Buildings**.

- ❑ Click on **F1: Detailed** button or [Shift]+[Enter] keys on Indirect expenses to explode the group.
- ❑ Now click on **New Column** button to bring up data for Roads alongside Buildings.
- ❑ With your cursor on **Indirect Expenses** under the **Particulars** column, drill down to view further details. Are the columns retained?

### Ledger Break-up

This report displays the summarised information of all Cost Centres for the selected Ledger. You can drill down to the list of vouchers.

Now, go back to the **Display Cost Centres** menu

- ❑ Select **Ledger Break-up**
- ❑ Select **Conveyance Ledger**.

The screen appears as shown below:

| Cost Breakup of Ledger |                           | National Traders |        | Ctrl + M | x  |
|------------------------|---------------------------|------------------|--------|----------|----|
| P a r t i c u l a r s  | Ledger: Conveyance        |                  |        |          |    |
|                        | National Traders          |                  |        |          |    |
|                        | 1-Apr-2009 to 20-Oct-2009 |                  |        |          |    |
|                        |                           | Transactions     |        | Closing  |    |
|                        |                           | Debit            | Credit | Balance  |    |
| Projects & Assignments |                           | 70.00            |        | 70.00    | Dr |
| Projects               |                           | 70.00            |        | 70.00    | Dr |
| Salesmen               |                           | 50.00            |        | 50.00    | Dr |
| Amar                   |                           | 50.00            |        | 50.00    | Dr |

Figure 6.22 Cost Breakup of Ledger



From the above report, you can press **Alt+C**, to insert a new column and display the cost centre details for **Consulting Fees**.

### Group Break-up

This report displays the summarised information of all Cost Centres for the selected Group. You can drill down to the list of vouchers.

Similar to **Ledger Break-up** explore the **Group Break-up of Cost Centres**.

### Practice Exercises

1. Alter the conveyance and consulting fees vouchers created for cost centre allocation. Allocate to the relevant salesmen mentioned in the voucher narration.
2. Display the Category Summary.
3. Display the Cost Centre Break up and see the individual Salesmen performance.
4. Can you bring up each salesman's figures side by side to see who is performing better?

## 6.3 Voucher Class and Cost Centre Class

### 6.3.1 Voucher Class

Voucher class is a novel way of automating accounting allocations during transactions. This is particularly useful in sales invoice where the nominal ledger account, to be credited for each item of sale, is defined once. During voucher entry, the accounting credits for items sold are done automatically. Additional accounting entries like tax, freight, and other charges can be predefined to be carried out during actual invoicing.

Voucher class permits:

- ❑ Automation of entries to predefined ledger accounts.
- ❑ Automatic rounding off to preset value limits.

Voucher Classes can be created for the following voucher types.

- ❑ Contra
- ❑ Payment
- ❑ Receipt
- ❑ Journal
- ❑ Sales
- ❑ Credit Note
- ❑ Purchases
- ❑ Debit Note
- ❑ Sales Order
- ❑ Purchase Order
- ❑ Delivery Note

- Receipt Note
- Stock Journal

### Setup :

Go to **Gateway of Tally > select Indus Enterprises** and shut **National Traders**.

- In the **F11: Features (Accounting Features)**, activate Invoicing for both sales and purchase vouchers (for **Indus Enterprises**).
- In the **F11: Features (Inventory Features)** set **Maintain Multiple Godowns** to **Yes**.
- In the **Local Sales** ledger, set **Inventory Values are affected** to **Yes**.
- Create **Bangalore** godown under **Primary** and set **Yes** to the field **Allow Storage of materials**.
- Press **F12: Accts / Inventory Info** and set **Specify Default Ledger Allocation for Invoicing** to **Yes**.
- Create the following stock items with unit of measure as **Nos** and Cost Category as **Not Applicable**:

| Name     | Opening balance | Godown    | Rate  | Set/Modify Default Ledgers for Invoicing |
|----------|-----------------|-----------|-------|------------------------------------------|
| Monitor  | 10 Nos          | Bangalore | 5000  | No                                       |
| Keyboard | 10 Nos          | Bangalore | 1250  | No                                       |
| CPU      | 10 nos          | Bangalore | 15000 | Yes                                      |

- Specify the details for stock item **CPU** in the Stock Default screen as shown below :

| Indus Enterprises                                   |              |                 |                |  | Ctrl + M                                |
|-----------------------------------------------------|--------------|-----------------|----------------|--|-----------------------------------------|
| Name of Item : CPU                                  |              |                 |                |  | List of Ledger Accounts                 |
| Default Accounting Allocations for Sales Invoice    |              |                 |                |  | <input type="checkbox"/> Not Applicable |
| Ledger Name                                         | Percentage % | Rounding Method | Rounding Limit |  | <b>Local Sales</b>                      |
|                                                     |              |                 |                |  | Sales                                   |
| <b>Local Sales</b>                                  | <b>100</b>   |                 |                |  |                                         |
| Default Accounting Allocations for Purchase Invoice |              |                 |                |  |                                         |
| Ledger Name                                         | Percentage % | Rounding Method | Rounding Limit |  |                                         |
| <input type="checkbox"/> Not Applicable             |              |                 |                |  |                                         |

Figure 6.23 Accounting Allocation for Sales Item

- Press **Y** or **Enter** to accept the screen.

### Step 1 : Create a voucher class for Sales Voucher Type

Return to the **Gateway of Tally > Accounts Info. > Voucher Types > Alter.**

1. Select **Sales Voucher**
2. Press **Enter** till you reach the **Name of Class** field.
3. Type the name as **Sales Class**.

| Voucher Type Alteration                                                                                                                                              |  | Indus Enterprises                                                                                                                            |  | Ctrl + M E                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------|
| Name : <b>Sales</b>                                                                                                                                                  |  |                                                                                                                                              |  |                                            |
| (alias) :                                                                                                                                                            |  |                                                                                                                                              |  |                                            |
| <b>General</b><br>Type of Voucher : <b>Sales</b><br>Abbr. : Sale                                                                                                     |  | <b>Printing</b><br>Print after saving Voucher ? <b>No</b><br>Use for POS Invoicing ? <b>No</b><br>Default Print Title : <b>Sales Invoice</b> |  | <b>Name of Class</b><br><b>Sales Class</b> |
| Method of Voucher Numbering ? <b>Automatic</b><br>Use Advance Configuration ? <b>No</b>                                                                              |  | <b>Declaration :</b>                                                                                                                         |  |                                            |
| Use EFFECTIVE Dates for Vouchers ? <b>No</b><br>Make 'Optional' as default ? <b>No</b><br>Use Common Narration ? <b>Yes</b><br>Narrations for each entry ? <b>No</b> |  |                                                                                                                                              |  |                                            |

Figure 6.24 Voucher Class Creation

4. Press **Enter** after typing **Sales Class** and the class screen appears.
5. The **Voucher class** table of **Sales voucher type** comprises of three sections.
  - ❑ Restriction of groups for which Class can be used.
  - ❑ Default accounting allocation for each item in invoice.
  - ❑ Additional accounting entries.

| Indus Enterprises                                                                      |                     |                      |                 |                                                                                                                                                                                                                                                                                                  | Ctrl + M       |
|----------------------------------------------------------------------------------------|---------------------|----------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Class : Sales Class                                                                    |                     |                      |                 |                                                                                                                                                                                                                                                                                                  | List of Groups |
| If you wish to restrict the groups to which this class can be used, specify them here. |                     |                      |                 |                                                                                                                                                                                                                                                                                                  |                |
| Exclude these Groups                                                                   |                     | Include these Groups |                 |                                                                                                                                                                                                                                                                                                  |                |
|                                                                                        |                     |                      |                 | <input type="checkbox"/> End of List<br>Bank Accounts<br>Bank OCC A/c<br>Bank OD A/c<br>Bhopal Debtors<br>Branch / Divisions<br>Cash-in-hand<br>Mysore Debtors<br>North Delhi Debtors<br>North India Debtors<br>Secundrabad Debtors<br>South India Debtors<br>Sundry Creditors<br>Sundry Debtors |                |
| Default Accounting Allocations for each Item in Invoice                                |                     |                      |                 |                                                                                                                                                                                                                                                                                                  |                |
| Ledger Name                                                                            | Percentage %        | Rounding Method      | Rounding Limit  | Override using Item Default ?                                                                                                                                                                                                                                                                    |                |
|                                                                                        |                     |                      |                 |                                                                                                                                                                                                                                                                                                  |                |
| Additional Accounting Entries (e.g. Taxes / Other charges) to be added in Invoice      |                     |                      |                 |                                                                                                                                                                                                                                                                                                  |                |
| Ledger Name                                                                            | Type of Calculation | Value Basis          | Rounding Method | Rounding Limit                                                                                                                                                                                                                                                                                   |                |
|                                                                                        |                     |                      |                 |                                                                                                                                                                                                                                                                                                  |                |

Figure 6.25 Voucher Type - Sales Class

**Voucher Class screen comprises of the following three sections :**



**I. Restriction of groups for which Class can be used**

**Exclude these Groups and Include these Groups:** This section means that while making the invoice entry and selecting the voucher class the parameters given in the class will be applicable only for those ledger accounts under the selected groups.

For example, if we have 10 sub-groups (region-wise) under one group, say Sundry Debtors group and we want the voucher class to be applicable only for 9 sub-groups of Sundry Debtors. It is easier to include the entire Sundry Debtors group and exclude the one sub-group that we do not require instead of selecting 9 sub-groups one-by-one.

In this example in **Indus Enterprises** select **End of List** under **Exclude these Groups** since there are no sub-groups and **Sundry Debtors** under **Include these Groups**.



## II. Default accounting allocations for each item in Invoice

Under this section, there are five sub-sections which are as follows:

- ❑ **Ledger Name** – Press the spacebar to view the list of ledgers. Since we are viewing the class in Sales voucher type, Tally.ERP 9 displays only the ledgers under Sales Accounts group.
- ❑ **Select Sales Account** (Press Alt+C to create it under Sales Accounts, if it doesn't exist). On selecting Sales Account, Tally.ERP 9 prompts for details regarding the percentage of allocation. This is because more than one ledger can be affected for each item. For example, in case of tax inclusive items, the ledgers to be credited will be sales and tax in a definite proportion.
- ❑ **Percentage** – This is useful in cases where tax is inclusive of the price. You can specify the sales ledger account as, say 82.5%, and in the next line, the tax account with the balance as 17.5%. Normally, for tax exclusive prices, you will give 100% for the sales account. The percentage symbol is required to be mentioned.
- ❑ **Rounding Method** – This may be used only where the Percentage allocated to the Sales ledger is not 100%. Calculated amounts may be required to be rounded-off by either using upwards, downwards or normal rounding method. You can set your own rounding-off rule.
- ❑ **Rounding Limit** – The limit for rounding off the amount can be specified to the next whole number after selecting the rounding method. For example, to round-off upwards to the nearest 50P, set it to 0.50. If selected as 100% it will skip this field.
- ❑ **Override using Item Default** – This is a question which is to be answered as Yes or No. Let us take the example of the stock item CPU for which **Set/Modify Default Ledgers for Invoicing** is set to **Yes**. **Override using Item Default** when set to **Yes**, the Sales accounts gets overridden by Local Sales account for CPU (Default Accounting Allocation is set as Local Sales in the Stock Item Master). Hence the Local sales account will be selected in the voucher class as credit. **Override using Item Default** when set to **NO**, results in the sales account being selected in the voucher class as credit. This is irrespective of whether the item has default ledger allocation or not since we are not defining it to be overridden.

## III. Additional Accounting Entries

This part is relevant for tax and other charges like freight etc.

- ❑ **Ledger Name** – This is self-explanatory. You can create any number of ledgers. Select VAT on sales. (Create VAT on sales ledger under duties and taxes ledger, if not created).
- ❑ **Type of Calculation** – Different calculation methods are provided. Select the one suitable. The value basis that you will provide in the next column will be calculated using the type of calculation specified.



- ❑ **Value Basis** – Give the amount, which is to be used for the Type of Calculation. For percentage, you must use the symbol %.
- ❑ **Rounding Method and Rounding Limit** – Rounding method and Rounding Limit have been explained already.
- ❑ **Remove if Zero** – This is a question to be answered as Yes or No, essentially to permit Tally.ERP 9 to ignore the account and not make any entry if its value is Zero. Select **Yes**.

6. Enter the details as displayed below in the **Sales Class** screen

| Indus Enterprises                                                                      |                     |                                             |                      |                               |                  |
|----------------------------------------------------------------------------------------|---------------------|---------------------------------------------|----------------------|-------------------------------|------------------|
| Class : Sales Class                                                                    |                     |                                             |                      |                               |                  |
| If you wish to restrict the groups to which this class can be used, specify them here. |                     |                                             |                      |                               |                  |
| Exclude these Groups                                                                   |                     |                                             | Include these Groups |                               |                  |
| <input type="checkbox"/> End of List                                                   |                     |                                             | Sundry Debtors       |                               |                  |
| Default Accounting Allocations for each Item in Invoice                                |                     |                                             |                      |                               |                  |
| Ledger Name                                                                            | Percentage %        | Rounding Method                             | Rounding Limit       | Override using Item Default ? |                  |
| Sales Account                                                                          | 100 %               |                                             |                      | Yes                           |                  |
| Additional Accounting Entries (e.g. Taxes / Other charges) to be added in Invoice      |                     |                                             |                      |                               |                  |
| Ledger Name                                                                            | Type of Calculation | Value Basis                                 | Rounding Method      | Rounding Limit                | Remove if Zero ? |
| VAT On Sales                                                                           | On Total Sales      | 10% <input type="checkbox"/> Not Applicable |                      |                               | <b>Yes</b>       |

Figure 6.26 Voucher Type — Sales

7. Accept the voucher class and press **Enter** to accept the voucher type screen.



### Effect of Voucher Class on Cost Centres

The manual allocation of an entry to a cost centre is not possible, if a voucher class is used. Let us now make an invoice entry with voucher class.

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales.**

- The completed **Sales voucher** appears as shown below :

| Accounting Voucher Creation    |          | Indus Enterprises           |     | Ctrl + M               |
|--------------------------------|----------|-----------------------------|-----|------------------------|
| <b>Sales</b>                   | No. 2    | Voucher Class : Sales Class |     | 2-May-2009<br>Saturday |
| Ref. :                         |          |                             |     |                        |
| Party's A/c Name : XYZ Ltd     |          |                             |     |                        |
| Current Balance :              |          |                             |     |                        |
| Name of Item                   | Quantity | Rate                        | per | Amount                 |
| CPU                            | 1 Nos    | 22,500.00                   | Nos | 22,500.00              |
| Monitor                        | 1 Nos    | 7,500.00                    | Nos | 7,500.00               |
| Keyboard                       | 1 Nos    | 2,500.00                    | Nos | 2,500.00               |
|                                |          |                             |     | 32,500.00              |
| VAT On Sales                   |          |                             | 10% | 3,250.00               |
| Narration:                     |          |                             |     | 3 Nos                  |
| Sales entry with voucher class |          |                             |     | 35,750.00              |

Figure 6.27 Sales Invoice

8. Type the narration and press **Enter** to accept the screen.



The Sales Account ledger is automatically credited in the voucher for Monitor and Keyboard. To display the Sales Account ledger: Go to **Gateway of Tally > Display > Account Books > Ledger > Sales Account**.

The **Sales Account Ledger** appears as shown below:

| Ledger Vouchers       |             | Indus Enterprises |         | Ctrl + M                 |           |
|-----------------------|-------------|-------------------|---------|--------------------------|-----------|
| Ledger: Sales Account |             |                   |         | 1-May-2009 to 7-Jul-2009 |           |
| Date                  | Particulars | Vch Type          | Vch No. | Debit                    | Credit    |
| 2-5-2009              | XYZ Ltd     | Sales             | 2       |                          | 10,000.00 |
|                       |             |                   |         | Opening Balance :        |           |
|                       |             |                   |         | Current Total :          | 10,000.00 |
|                       |             |                   |         | Closing Balance :        | 10,000.00 |

Figure 6.28 Sales Account Ledger

Total Sales Account allocation in the invoice is Rs. 10,000 (Monitor Rs. 7500 + Keyboard Rs. 2,500).



Use **Alt+R** keys to hide the other entries, if required from the screen

The **Local Sales ledger** appears as shown below:

| Ledger Vouchers            |             | Indus Enterprises |         | Ctrl + M                 |                  |
|----------------------------|-------------|-------------------|---------|--------------------------|------------------|
| Ledger: <b>Local Sales</b> |             |                   |         | 1-May-2009 to 7-Jul-2009 |                  |
| Date                       | Particulars | Vch Type          | Vch No. | Debit                    | Credit           |
| 2-5-2009                   | XYZ Ltd     | Sales             | 2       |                          | 22,500.00        |
|                            |             |                   |         | Opening Balance :        | 4,600.00         |
|                            |             |                   |         | Current Total :          | 22,500.00        |
|                            |             |                   |         | <b>Closing Balance :</b> | <b>27,100.00</b> |

Figure 6.29 Local Sales Ledger

The total Local Sales allocation in the invoice is Rs. 22,500 (CPU Rs. 22,500). This is the advantage of setting **Override using Item Default** to **Yes**. A different sales ledger had to be credited only for one item out of 3.

The balance of Rs. 3,250 (Rs. 35,750 - Rs. 32,500) will appear in the VAT ledger. The **VAT ledger** appears as shown below:

| Ledger Vouchers      |             | Indus Enterprises |         | Ctrl + M                 |          |
|----------------------|-------------|-------------------|---------|--------------------------|----------|
| Ledger: VAT On Sales |             |                   |         | 1-May-2009 to 7-Jul-2009 |          |
| Date                 | Particulars | Vch Type          | Vch No. | Debit                    | Credit   |
| 2-5-2009             | XYZ Ltd     | Sales             | 2       |                          | 3,250.00 |
| Opening Balance :    |             |                   |         |                          |          |
| Current Total :      |             |                   |         |                          | 3,250.00 |
| Closing Balance :    |             |                   |         |                          | 3,250.00 |

Figure 6.30 VAT on Sales Ledger

The **Voucher Class** layout for **Purchase Voucher Type** is similar to Sales. Record a purchase entry in Indus Enterprises, with additional accounting entries. Choose the stock items to be purchased and view the reports.

### 6.3.3 Payment Voucher using Voucher Class

#### Step 1: Create Payment Voucher Class

Let us now create a voucher class for Payment Voucher type.

Go to **Gateway of Tally > Accounts Info. > Voucher Types > Alter > Payment**.

1. Specify Class name as **Payment Voucher Class**.
2. Press **Enter** and the **Payment Voucher Class** screen appears.
3. Enter the details as shown below:

| Indus Enterprises                                                                             |                      |
|-----------------------------------------------------------------------------------------------|----------------------|
| Class : <b>Payment Voucher</b>                                                                |                      |
| <i>If you wish to restrict the groups to which this class can be used, specify them here.</i> |                      |
| Exclude these Groups                                                                          | Include these Groups |
| <input type="checkbox"/> End of List                                                          | <b>Bank Accounts</b> |
| <i>Specific Ledger for which this Class is created (e.g. Cash, or a Bank Account)</i>         |                      |
| Ledger Name                                                                                   |                      |
| <b>State Bank of India</b>                                                                    |                      |

Figure 6.31 Payment Voucher Class

4. Accept the **Voucher Class** and the **Voucher Type** screen by pressing **Enter**.

### Step 2: Create Payment Entry using Voucher Class

***On 2-5-09, make a payment entry for freight charges (create the ledger freight charges under indirect expenses if not present) of Rs. 4,500.***

The Payment Voucher screen looks similar to Payment Voucher in Single Entry Mode. Make a payment of **Rs. 4,500** towards **Freight charges**.

The **Payment voucher** screen with Voucher Class appears as shown below :

| Accounting Voucher Creation                                   |          | Indus Enterprises                        | Ctrl + M               |
|---------------------------------------------------------------|----------|------------------------------------------|------------------------|
| <b>Payment</b>                                                | No. 3    | Voucher Class : <b>Payment Voucher</b>   | 2-May-2009<br>Saturday |
| Account : <b>State Bank of India</b><br>Cur Bal: 25,000.00 Dr |          |                                          |                        |
| Particulars                                                   | Amount   |                                          |                        |
| <b>Freight Charges</b><br>Cur Bal: 4,500.00 Dr                | 4,500.00 |                                          |                        |
| Narration:<br>Ch. No. :2345                                   |          |                                          |                        |
|                                                               |          | <div>Accept ?</div> <div>Yes or No</div> |                        |

Figure 6.32 Payment Voucher

- Press **Y** or **Enter** to accept the screen.



*The Voucher Class for Receipt and Contra voucher types is similar to the Payment voucher type. Explore with more entries.*

### 6.3.4 Stock Journal using Voucher Class

#### Step 1 : Create Stock Journal Voucher Class

To create a **Voucher Class** for **Stock Journal** voucher type,

Go to **Gateway of Tally > Accounts Info. > Voucher Type > Alter > Stock Journal >**

1. In **Name of Class**, type **Stk Jrnl Voucher Class**
2. Press **Enter** and the screen appears as shown below:

| Voucher Type Class                                                                                                                                                                                                                                                                                 |  | Indus Enterprises                                                            |  | Ctrl + M                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------------------------------------------------------------------|--|-----------------------------------------------|
| Name : Stock Journal<br>(alias) :                                                                                                                                                                                                                                                                  |  |                                                                              |  |                                               |
| <b>General</b><br>Type of Voucher : Stock Journal<br>Abbr. : Stk Jnl<br>Method of Voucher Numbering ? Automatic<br>Use Advance Configuration ? No<br>Use EFFECTIVE Dates for Vouchers ? No<br>Make 'Optional' as default ? No<br>Use Common Narration ? Yes<br>Use as a Manufacturing Journal ? No |  | <b>Printing</b><br>Print after saving Voucher ? No                           |  | <b>Name of Class</b><br>Stk Jnl Voucher Class |
|                                                                                                                                                                                                                                                                                                    |  | Class : Stk Jnl Voucher Class<br>Use Class for Inter- Godown Transfers ? Yes |  |                                               |

Figure 6.33 Voucher Type Class



- ❑ To get the **Voucher Class** facility for **Stock Journal**, ensure that you have atleast 2 godowns.
  - In this above case, create a new godown as **Delhi**.
- ❑ **Voucher class** for **Stock Journal** voucher type is available only for the purpose of an **Inter-godown Transfer**.

3. Accept the voucher class for Stock Journal.

## Step 2 : Create Stock Journal with Voucher Class

Make a transfer entry for 2 Nos of CPU, Monitor and Keyboard from Bangalore to Delhi.

1. Create a Stock Journal without Voucher class, the screen appears as shown below:

Figure 6.34 Stock Journal

- The completed **Stock Journal Voucher** with voucher class appears as shown below:

Figure 6.35 Stock Journal

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### 6.3.5 Cost Centre Class

Cost Centre Classes are used to automate Cost Centre allocations in transactions. On creating a cost centre class, you need to select it in the voucher screen before making the entry. You can also use cost centre classes when Voucher Classes are being used.

#### Setup :

- Activate the **Cost Centre** feature in the **F11: Features (Accounting Features)**.

#### Step 1 : Create Cost Centre Class

1. Activate **Use Predefined Cost Centre allocations during Entry**.
2. Press **Enter** to view the **Auto Cost Allocation** screen.
3. Type **Cost Class** in the **Class Name**.
4. Press **Enter** and specify the details
5. Select **Cost Category** as **Primary Cost Category** and set Cost Centre - **Marketing** - 45%; **Finance** - 35% and **Administration** - 20%. (Create the Cost centres if they do not exist, by using **Alt+C**.)

The **Cost Centre Class** appears as shown :

| Auto Cost Allocations        |                   |
|------------------------------|-------------------|
| <b>Cost Centre Classes</b>   |                   |
| Name:                        | Indus Enterprises |
| Class Name                   |                   |
| <b>Cost Class</b>            |                   |
| <b>Primary Cost Category</b> |                   |
| Marketing                    | 45 %              |
| Finance                      | 35 %              |
| Administration               | 20 %              |

Figure 6.36 Auto Cost Allocations



Once a portion of expenses is allocated to **Marketing**, while selecting **Finance**, Tally.ERP 9 does not display **Marketing** cost centre again to avoid erroneous selection of same cost centre twice.

6. Press **Enter** to accept the allocations and go to **Gateway of Tally** after accepting the **F11: Features (Accounting Features)** screen.

### Step 2 : Create Cash Payment using Cost Centre Class

Make a cash payment entry on 16-5-09 for Rs. 4,500 towards Stationery expenses.

1. Debit the ledger **Stationery expenses** (create it under Indirect Expenses with Cost Centre applicable set to Yes) for Rs. 4500 and credit **Cash** ledger for Rs. 4500.
2. Select **Voucher class** as **Payment voucher class**
3. Select **Cost centre** class as **Cost Class**.



Remember that the above entry is made in **Indus Enterprises**.

### Step 3 : Display Cost Category Summary

To view the Category Summary,

Go to **Gateway of Tally > Display > Statement of Accounts > Cost Centres > Category Summary**

- Press **F2** and change the period from **1-4-2009** to **16-5-2009**. The report appears as shown

| Cost Category Summary |                                                | Indus Enterprises |  | Ctrl + M           |
|-----------------------|------------------------------------------------|-------------------|--|--------------------|
| Particulars           | Indus Enterprises<br>1-Apr-2009 to 16-May-2009 |                   |  | Closing<br>Balance |
|                       | Transactions                                   |                   |  |                    |
|                       | Debit                                          | Credit            |  |                    |
|                       |                                                |                   |  |                    |
| Primary Cost Category | 4,500.00                                       |                   |  | 4,500.00 Dr        |
| Administration        | 900.00                                         |                   |  | 900.00 Dr          |
| Finance               | 1,575.00                                       |                   |  | 1,575.00 Dr        |
| Marketing             | 2,025.00                                       |                   |  | 2,025.00 Dr        |

Figure 6.37 Cost Category Summary

The cost centres are allocated automatically in the percentage of 45%, 35% and 20% for Marketing, Finance and Administration respectively.

### Practice Exercises

Go to **Gateway of Tally > Shut Indus Enterprises** and select **National Traders**

Make an Invoice Entry on 21-11-2009 with voucher class selected for FirstCom Solutions for sale of **HP - 27** Printer Cartridges - 1 nos at Rs. 300. Select godown as **On-site**.

#### Setup :

- ❑ In **National Traders**, create a sales ledger **New Sales** with **Inventory values are affected** and **Cost Centres are applicable** set to **Yes**.
- ❑ Create a **Voucher Class – NewSales** for Sales Voucher Type and select New Sales ledger for Default Accounting allocations.
- ❑ The cost centres to be allocated to are **AMAR** and **BARRY** - 45% and 55% (of the sales amount) respectively.

## 6.4 Multiple Currencies

Due to the globalisation of business, many organisations have found the necessity to work with more than one currency. Transactions are often made in currencies other than the home currency.

Tally.ERP 9's multi-currency feature is very powerful and allows you to :

- ❑ Record transactions with different currencies by allowing you to specify and change the currency rate of exchange.
- ❑ Maintain the balance of the specified account in a foreign currency.

Tally.ERP 9 uses the term base currency for the currency in which your account books are maintained (typically in the home currency). Foreign Exchange is used interchangeably with foreign currency.

### 6.4.1 Creating Foreign Currencies

All amounts in your books are maintained in the base currency which is specified during company creation to facilitate easy analysis of data. Hence, whenever you record a transaction in a currency other than the base currency, Tally.ERP 9 prompts for an exchange rate and then displays the information in the base currency.

#### Setup :

Ensure that you are at the **Gateway of Tally of National Traders**.

- ❑ Activate the feature **Allow Multi-Currency** in **F11: Features (Accounting Features)**.

### Step 1 : Create Foreign Currency

Go to **Gateway of Tally > Accounts Info. > Currencies > Create.**

1. **Symbol:** \$.
2. **Formal name:** US Dollars.
3. **Number of Decimal Places:** 2
4. **Show Amounts in Millions:** No.
5. **Is symbol SUFFIXED to Amounts:** No.
6. **Put a SPACE between Amount and Symbol:** Yes.
7. **Symbol for Decimal Portion of Amount:** Cents.
8. Press **Y** or **Enter** to accept the screen.

Similarly, create the following currencies:

- **Pounds Sterling** by using **Alt+156 = £**
- **Yen symbol** by using **Alt + 0165 = ¥**
- **Euro symbol** by using **Alt + 0128 = €**

### 6.4.2 Altering Currencies

Go to **Gateway of Tally > Accounts Info. > Currencies > Alter >**

- Select \$, you find a different screen with many fields (You can alter input dates and the relevant exchange rate of currency).
- Enter the following exchange rates for **1-12-09** and accept the screen.

| Standard  | Selling   | Buying    |
|-----------|-----------|-----------|
| Rs. 45/\$ | Rs. 46/\$ | Rs. 43/\$ |



- **Standard Rate** is the current rate of exchange.
- **Selling Rate** is the rate at which your bank will buy Dollars from you. It is used when invoicing or receiving money.
- **Buying Rate** is the rate at which you will buy dollars from the Bank. It is used when purchasing or paying money in foreign currency.
- During voucher entry, the rates predefined in the currency masters are prefilled automatically.

### 6.4.3 Deleting Currencies

Use the key combination **Alt + D** in the alteration screen to delete. However, you will not be able to delete a currency that has been used in any transaction.

### 6.4.4 Creating Bank Ledger

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

1. **Name:** Bank Account
2. **Under:** Bank Accounts
3. **Currency:** Rs.
4. Accept the screen.

### 6.4.5 Voucher Entry using Foreign Currency

**Setup :**

- ❑ Create following two ledger accounts in **Base currency** without **Cost centres** and set **Bill-wise** to **Yes**.
  - **Prism Fabrication** under **Sundry Debtors** group
  - **Mirage Systems Pvt Ltd.** under **Sundry Creditors** group
- ❑ Create the Stock Item as **Wheat** with the following information
  - Stock Group - **Foodstuffs**
  - Stock Category - **Cereals**
  - Unit - **Bags**
- ❑ Create **Export Sales** under **Sales Account** and activate Inventory values and cost centre options

#### Step 1: Create Sales Voucher

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**.

1. **Date:** 15-12-09.
2. Select **As Invoice** from the buttons bar.
3. **Party's A/c Name:** Prism Fabrication, accept the Name and address as default.
4. **Name of Item:** Wheat
5. **Godown:** Warehouse.
6. **Quantity:** 100 Bags.
7. **Rate:** \$25 per Bag (Prefix the foreign currency symbol)
8. **Rate of Exchange:** Accept the default selling rate which is **Rs. 46/\$**.

The **Stock Item Allocations** screen appears as shown :

Stock Item Allocations

National Traders

Ctrl + M

Sales

No. 16

Voucher Class : ☐ Not Applicable

15-Dec-2009

Ref. :

Cost Centre/Classes : ☐ Not Applicable

Tuesday

Party's A/c Name : Prism Fabrication

Current Balance : 1,07,500.00 Dr

Item Allocations for : Wheat

Quantity

Rate per Disc. %

Amount

Godown

Quantity

Rate per Disc. %

Amount

Tracking No. : ☐ Not Applicable

Warehouse

100 Bags

\$ 25.00

Bags

\$ 2,500.00

Rs. 1,15,000.00

Rs. 46/\$

Quantity

Rate per Disc. %

Amount

100 Bags

\$ 25.00

Bags

\$ 2,500.00

100 Bags

\$ 2,500.00 @ Rs. 46/\$ = Rs. 1,15,000.00

100 Bags

1,15,000.00

Figure 6.38 Stock Item Allocations

9. Accept the **Item Allocation** screen.
10. In **Accounting Allocation**, select **Export Sales**
11. Select **Amar** in **Cost Centre Allocation**
12. In **Bill-wise details** screen,
  - Enter **New Ref** as **Type of Reference**
  - Type **Export/1** in **Name**
  - Type **7** days in **Credit Days**
  - Enter **\$2500** (Prefix the Foreign Currency Symbol)
13. Accept the screen



While entering the amount in foreign currency, use the **Currency Symbol**. Any amount without a symbol will be assumed to be in the base currency.

### 6.4.6 Displaying Forex Gain/Loss

Go to **Gateway of Tally > Balance Sheet**.

- Press **Enter** on the **Unadjusted Forex Gain/ Loss** field and drill down to the **Ledger Forex Gain/ Loss** Screen.
- This screen gives you the bill-wise information of the reference **Export/1** and difference amount of **US\$ 2500**

The Gain/Loss is calculated because the transacted rate is Rs.46/\$ whereas the current standard rate is Rs. 45/\$. The difference between the transaction rate and the current standard rate is Re.1/\$ i.e., Rs. 2500. [ $\$2500 \times (46 - 45) = 2500 \times 1 = \text{Rs. } 2500 \text{ Cr.}$ ]

### 6.4.7 Adjusting Forex Gain/Loss

*Prism Fabrication pays you \$2500 which is deposited in the Bank Account. The Bank charges were \$50.*

**Setup :**

- Before making the receipt entry, ensure that the cost centre option is disabled in **Bank Charges** ledger.
- Go to **Gateway of Tally > Accounts Info. > Currencies > Alter > Select \$** and change the rate to **Rs. 48/\$** on **15-12-09**

#### Step 1 : Create Receipt Voucher

Go to **Gateway of Tally > Accounting Vouchers > F6: Receipt**

1. **Date: 15-12-09.**
2. Credit **Prism fabrication: \$2500.**
3. Bill-wise: **Agst Ref. Export/1 \$2500.**
4. Debit **Bank Account: \$2450. Rate of Exchange: Rs. 48/\$.**
5. Debit **Bank Charges: \$50** with the same rate of exchange.

Now, display the foreign exchange gain/loss again as explained earlier. The **Unadjusted Gain/ Loss** in the Balance Sheet is **5,000 (Dr)**

- Press **Enter** and you will see **Current Assets** with 5,000 in the credit column.
- Drill down on **Current Assets** and the screen appears as shown below:

| Forex Gain/Loss Statement |  | National Traders          |        | Ctrl + M |  |
|---------------------------|--|---------------------------|--------|----------|--|
| Particulars               |  | Current Assets            |        |          |  |
|                           |  | National Traders          |        |          |  |
|                           |  | 1-Apr-2009 to 15-Dec-2009 |        |          |  |
|                           |  | Closing Balance           |        |          |  |
|                           |  | Debit                     | Credit |          |  |
| Sundry Debtors            |  |                           |        | 5,000.00 |  |
| Grand Total               |  |                           |        | 5,000.00 |  |

Figure 6.39 Forex Gain/ Loss Statement

- Press **Enter** on **Sundry Debtors** to display **Prism fabrication**.
- Drill down one level and press **Alt+F1** to view the Ledger **Forex Gain/ Loss** report as shown below:



| Ledger Forex Gain/Loss                     |                     | National Traders |                | Ctrl + M                  |                 |
|--------------------------------------------|---------------------|------------------|----------------|---------------------------|-----------------|
| Ledger : Prism Fabrication                 |                     |                  |                | 1-Apr-2009 to 15-Dec-2009 |                 |
| (Gain/Loss due to Exchange Rate variation) |                     |                  |                |                           |                 |
| Date                                       | Ref. No.            |                  | Opening Amount | Pending Amount            | Gain/Loss       |
| 15-Dec-2009                                | Export/1            |                  | \$ 2,500.00 Dr |                           | Rs. 5,000.00 Dr |
|                                            | 15-Dec-2009 Sales   | 15               | \$ 2,500.00 Dr |                           |                 |
|                                            | 100 Bags Wheat      |                  | \$ 25.00/Bags  |                           |                 |
|                                            | 15-Dec-2009 Receipt | 6                | \$ 2,500.00 Cr |                           |                 |
|                                            |                     |                  | \$ 2,500.00 Dr |                           | Rs. 5,000.00 Dr |

Figure 6.40 Ledger Forex Gain/Loss



We first raised a sales invoice for \$2500 @ Rs. 46/\$ and received \$2500 @ Rs. 48/\$ against it. The difference of Rs. 2/\$ (48-46) is a gain. The calculation is done as:  $\$2500 \times \text{Rs. } 2/\$ = \text{Rs. } 5000 \text{ Dr}$ . Therefore, the unadjusted forex gain/ loss for the ledger at this point is **Rs. 5,000 Dr**.

## Step 2 : Adjust Forex Gain or Loss

The forex gain or loss must be adjusted depending on standard rates of exchange. A journal entry must be made at the end of the accounting period for writing-off the gain/loss to Profit & Loss account.

### Setup :

- Create a ledger account **Forex Gain/Loss** under the group **Indirect Expenses** (do not activate Cost Centres)

### Step 1 : Create Forex Class

Go to **Gateway of Tally > Accounts Info. > Voucher Types > Alter > Journal.**

1. Tab down to the **Name of Class** field, type **Forex Gain/Loss** and press **Enter**
2. Type **Yes** in the **Use Class for Forex Gain/Loss Adjustments?** field
3. Under **Ledger Name**, select **Forex Gain/ Loss** (this is the account that will be used for adjustments)

The **Forex Voucher Type Class** screen appears as shown :

| Voucher Type Class                                 |                                                        | National Traders | Ctrl + M                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------|--------------------------------------------------------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name : <b>Journal</b><br>(alias) :                 | Class : <b>Forex Gain/Loss</b>                         |                  | List of Ledger Accounts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                    | Use Class for Forex Gain/Loss Adjustments ? <b>Yes</b> |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                    | Forex Gain/Loss Ledger Account to use :                |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                    | Ledger Name                                            |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                    | <b>Forex Gain/Loss</b>                                 |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Type of Voucher : <b>Jou</b><br>Abbr. : <b>Jml</b> |                                                        |                  | <input type="checkbox"/> Not Applicable<br>Bank A/c<br>Bank Account<br>Bank Charges<br>Bank Interest<br>Beltron Computers<br>Building Accum Depn<br>Buildings<br>Cartage Charges<br>Cash<br>Challenger Systems<br>Civic Centre Association<br>Component Sales<br>Compu Care Systems<br>Computer Sales<br>Consulting Fees<br>Conveyance<br>Data Link Technologies<br>Deposit Account<br>Dollar Account<br>Electricity Cost<br>Equity Capital<br>Export Sales<br>FirstCom Solutions<br><b>Forex Gain/Loss</b><br>Freight Charges<br>GetWell Pharmacy<br>Horizon Enterprises<br>Interest Accrued<br>Interest Due<br>Interest Payable<br>Interest Receivable<br>Mirage Systems Pvt Ltd |
| Method of Voucher Numbering                        |                                                        |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Use Advance Configuration                          |                                                        |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Use EFFECTIVE Dates for Voucher                    |                                                        |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Make 'Optional' as default                         |                                                        |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Use Common Narration                               |                                                        |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Narrations for each entry                          |                                                        |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                    |                                                        |                  | 36 more ...                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

Figure 6.41 Journal Voucher - Forex Class

4. Press **Enter** to go back to **Voucher Type Alteration** screen
5. Press **Enter** to accept.

### Step 2: Create Journal Voucher

Go to **Gateway of Tally > Accounting Vouchers > Press F7: Journal.**

1. You now get **Voucher Type** and **Voucher Class List** where you select **Journal** and **Forex Gain/Loss** respectively for the automatic adjustment of forex gain/loss
2. Change the date to **31-12-09**.
3. Select **Prism Fabrication** from the list of ledgers.

4. In the **Bill-wise details** screen,
  - ❑ Select the invoice **Export/1** (only those invoices involved in foreign exchange gain/loss will be displayed).
  - ❑ The amount displayed will be the gain/loss amount.
  - ❑ Accept the amount
5. Press **Enter** until you reach the narration field.
6. In Narration field, type **Party's accounts adjusted for exchange gain and loss** in the **Narra-**  
**tion** field.

The completed **Forex Gain / Loss Adjustment entry** using Voucher Class appears as shown below :

| Accounting Voucher Creation                      |       | National Traders                                              |  | Ctrl + M           |
|--------------------------------------------------|-------|---------------------------------------------------------------|--|--------------------|
| <b>Journal</b>                                   | No. 2 | Voucher Class : <b>Forex Gain/Loss</b>                        |  | <b>31-Dec-2009</b> |
|                                                  |       | Cost Centre/Classes : <input type="checkbox"/> Not Applicable |  | Thursday           |
| Account : <b>Forex Gain/Loss</b>                 |       |                                                               |  |                    |
| Cur Bal: 5,000.00 Cr                             |       |                                                               |  |                    |
| Particulars                                      |       |                                                               |  | Amount             |
| <b>Prism Fabrication</b>                         |       |                                                               |  | <b>5,000.00 Dr</b> |
| Cur Bal: 5,000.00 Dr                             |       |                                                               |  |                    |
| Export/1      7 Days      5,000.00 Dr            |       |                                                               |  |                    |
| ( 22-Dec-2009 )                                  |       |                                                               |  |                    |
| Narration:                                       |       |                                                               |  | <b>5,000.00 Cr</b> |
| Party's Account adjusted for exchange gain/loss. |       |                                                               |  |                    |

Figure 6.42 Journal Voucher - Forex Gain/Loss

7. Press **Y** or **Enter** to accept the voucher.

### Practice Exercise

1. On 12-12-09, purchased 200 bags of wheat from Mirage Systems Pvt Ltd. @ **£5 /bag**. The Rupee was being traded @ **Rs. 82/£**.

2. On 21-12-09, paid Mirage Systems Pvt Ltd., **£1000** at the rate of **Rs. 83/£**. The bank charges incurred were Rs. 2,000. Adjust the outstanding bill '**Wheat**' with the payment from your Bank Account.

### Setup :

- In the currency alteration screen for **Pound**, enter these rates as on 1-12-09:
  - Standard rate - **Rs. 80/£**
  - Selling Rate - **Rs. 81/£**
  - Buying Rate - **Rs. 82/£**



#### For Purchase Voucher on 12-12-09 :

- Select the **Godown as Warehouse**
- In Accounting allocation, select **Purchases, New Ref as Wheat**
- Type **Credit period as 15 days**

#### For Payment Voucher on 21-12-09 :

- Enter **Forex amount as £1000 = Rs. 83,000** in the amount field.

The completed **Bank Payment** voucher appears as shown below:

| Accounting Voucher Creation                                                                                                                       |           | National Traders | Ctrl + M              |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------------|-----------------------|
| <b>Bank Payment</b> No. 6                                                                                                                         |           |                  | 21-Dec-2009<br>Monday |
| Particulars                                                                                                                                       | Debit     | Credit           |                       |
| Dr <b>Mirage Systems Pvt Ltd</b><br>Cur Bal: 3,000.00 Dr<br>£ 1,000.00 @ Rs. 83/£<br>Agst Ref <b>Wheat</b> 15 Days £ 1,000.00 Dr<br>(27-Dec-2009) | 83,000.00 |                  |                       |
| Dr <b>Bank Charges</b><br>Cur Bal: 4,400.00 Dr<br>Rs. 2,000.00 @ - * -                                                                            | 2,000.00  |                  |                       |
| Cr <b>Bank Account</b><br>Cur Bal: 72,038.93 Cr<br>Rs. 85,000.00 @ - * -                                                                          |           | 85,000.00        |                       |
| Narration:                                                                                                                                        | 85,000.00 | 85,000.00        |                       |
| Ch. No. :                                                                                                                                         |           |                  |                       |

Figure 6.43 Bank Payment Voucher

- Type the narration and press **Y** or **Enter** to accept the screen.



You will note an **Unadjusted forex Gain / Loss** of Rs. 1,000 in the Balance Sheet. Since, we first passed a purchase invoice for £1000 at Rs. 82/£ and paid £1000 at Rs. 83/£ against it. The difference of Rs. 1/£ (83-82) is a loss. The calculation is done as: £1000 x Rs. 1/£ = Rs. 1000 Cr.

### Practice Exercise

To adjust **Forex Gain/Loss**, make a Forex Gain/ Loss adjustment entry using a voucher class on December 31, 2009.

## 6.5 Bank Reconciliation

Reconciling the Company's Bank Accounts with the Bank Statement is a fundamental and regular task of accounting. This process is referred to as Bank Reconciliation.

In this section, you will learn to reconcile the company's bank accounts with your banker's statement.

### 6.5.1 Reconciling Bank Accounts

The bank where you hold a current account has sent you a bank statement for the week ended April 7, 2009 showing the following entries:

#### Bank Statement of National Traders - Bank Account for April 2009

| Date   | Particulars                          | Deposits | Withdrawals | Balance   |
|--------|--------------------------------------|----------|-------------|-----------|
| 1-4-09 | Balance b/f                          |          |             | 38,700.00 |
| 1-4-09 | Cheque 12789 ref Employee Wages      |          | 600.00      | 34,400.00 |
| 2-4-09 | Cheque 12790 ref Challenger Systems. |          | 500.00      | 33,900.00 |
| 7-4-09 | Balance c/f                          |          |             | 33,900.00 |

To view and reconcile the transactions relating to **Bank Account** for the month of **April 2009** :

Go to **Gateway of Tally > Display > Account Books > Cash/Bank Book(s) > Bank Account**

1. Select **April 2009**.
2. Press **F12: Configure** and activate **Show Narration** to view the cheque numbers and other details of all the transactions of April 2009.
3. Click **F5: Reconcile** (In **Bank Account** ledger display, an additional button **F5: Reconcile** will be available on the button bar).
4. The display now becomes an **Edit** screen in the reconciliation mode. The primary components are:

- A column for the **Banker's Date**.
  - The Reconciliation at the bottom of the screen, showing: **Balance as per Company Books, Amounts not reflected in Bank** and **Balance as per bank**.
5. Enter the **Bank date** for the two payment vouchers of **Rs. 500** and **Rs. 600**. (As the dates are entered, you will find the Bank Balance as per Company books is effected).

The **Bank Reconciliation** screen appears as shown below :

| Bank Reconciliation  |                        | National Traders |           | Ctrl + M                        |                      |
|----------------------|------------------------|------------------|-----------|---------------------------------|----------------------|
| Ledger: Bank Account |                        | (Reconciliation) |           | 1-Apr-2009 to 30-Apr-2009       |                      |
| Date                 | Particulars            | Vch Type         | Bank Date | Debit                           | Credit               |
| 1-4-2009             | Challenger Systems     | Bank Payment     | 5-4-2009  |                                 | 500.00               |
| 2-4-2009             | Wages                  | Bank Payment     | 5-4-2009  |                                 | 600.00               |
| 5-4-2009             | Data Link Technologies | Receipt          |           | 5,000.00                        |                      |
| 6-4-2009             | Petty Cash             | Contra           |           |                                 | 200.00               |
|                      |                        |                  |           | Balance as per Company Books :  | 38,700.00            |
|                      |                        |                  |           | Amounts not reflected in Bank : | 5,000.00      200.00 |
|                      |                        |                  |           | <b>Balance as per Bank :</b>    | <b>33,900.00</b>     |

Figure 6.44 Bank Reconciliation

6. Leave the dates blank for other vouchers and press **Enter** till you accept the screen.
7. To view the reconciled vouchers, press **F12: Configure** and activate **Show reconciled vouchers also**.



When you view the **Bank Reconciliation** again, only the vouchers which are unreconciled will appear.

### Practice Exercises

The following is the **Bank Statement of National Traders** received for the period **1-05-09** to **31-05-09**:

**Bank Account for May 2009 :**

| Date    | Particulars            | Deposits | Withdrawals | Balance   |
|---------|------------------------|----------|-------------|-----------|
| 1-5-09  | Balance b/f            |          |             | 36,700.00 |
| 9-5-09  | Data Link Technologies | 5,000.00 |             | 38,900.00 |
| 9-5-09  | Petty Cash             |          | 200.00      | 38,700.00 |
| 19-5-09 | Salaries               |          | 2,500.00    | 36,200.00 |

Reconcile your bank book as per the Bank Statement.

## 6.6 Interest Calculations

Interest is a legitimate return on money invested and chargeable in the business world on loans and also on delayed payments. Interest can be calculated on the basis of simple interest or compound interest. In Tally.ERP 9 you can calculate interest in two ways :

- ❑ Simple Mode
- ❑ Advanced Mode

### Setup :

- ❑ Ensure that you have selected **National Traders** and set **Activate Interest Calculation** to **Yes** in **F11: Features (Accounting Features)**.
- ❑ Do NOT activate **use advanced parameters** (under Interest Calculations), accept the changes and return to the Gateway of Tally.

### 6.6.1 Calculating Interest in Simple Mode

#### Interest Calculation on Outstanding Balances

Interest can be calculated on outstanding balances for any ledger account by specifying the interest rate and style of calculation in ledger master. The interest will be calculated automatically during voucher entry.



*Simple Parameters is different from Simple Interest calculation. The latter is a commonly used method to calculate interest and Simple Parameters are the parameters defined in Tally.ERP 9 for the purpose of calculating interest.*

**Setup :**

In **National Traders**,

Go to **Gateway of Tally > Accounts Info. > Ledgers > Alter (Single mode) > Bank Account**.

- ❑ Set **Activate Interest Calculation?** to **Yes** and press **Enter**.
- ❑ Now you have to set the **Interest Parameters**, on the basis of which interest will be calculated for this ledger account. The screen appears as shown below:

| Interest Para |              | Interest Style      |
|---------------|--------------|---------------------|
| Rate :        | 15 % per     | 30-day Month        |
|               | 365-Day Year | <b>365-day Year</b> |
|               |              | Calendar Month      |
|               |              | Calendar Year       |

Figure 6.45 Interest Parameters screen

- **Rate** - This is the rate at which the interest has to be calculated. Specify a rate of 15%.
- **Interest Style** - Select **365-day Year** and accept the screen (This is the basis at which the rate is applied).

**Tally.ERP 9 comprises of the following 4 Interest Styles :**



- ❑ **30-day month** - Interest will be calculated assuming that all months have 30 days. For example: Month Feb 2001; Amount - 1000; Rate of interest - 2%; Period of interest - 5 days. Interest amount will be  $1000 \times 5 / 30 \times 2\% = 3.33$
- ❑ **365-day Year** - Interest will be calculated assuming 365 days in a year.
- ❑ **Calendar Month** - Based on the calendar with 28/29 days for Feb and 30/31 days for other months. For example: Month - Feb 2001; Amount - 1000; Rate of interest - 2%; Period of interest - 5 days. Interest amount will be  $1000 \times 5 / 28 \times 2\% = 3.57$
- ❑ **Calendar Year** - Based on the calendar year i.e., 365 days or 366 days Interest amount will be calculated.

**Step 1 : Display Interest Calculation Reports**

To view Interest Calculated on Bank Account,

Go to **Gateway of Tally > Display > Statements of Accounts > Interest Calculations > Ledger > Bank Account**.

- ❑ Change the period from **1-4-09** to **30-6-09**.

The **Ledger Interest** screen appears as shown below:



| Ledger Interest             |             |             | National Traders                 |        |                    |
|-----------------------------|-------------|-------------|----------------------------------|--------|--------------------|
| Ledger: <b>Bank Account</b> |             |             | <b>1-Apr-2009 to 30-Jun-2009</b> |        |                    |
| Balance                     | From:       | To:         | Total Days                       | Rate % | Interest           |
| <b>35,000.00 Dr</b>         | 31-Mar-2009 | 1-Apr-2009  | <b>1 days</b>                    | 15 %   | <b>14.38 Dr</b>    |
| <b>34,500.00 Dr</b>         | 1-Apr-2009  | 2-Apr-2009  | <b>1 days</b>                    | 15 %   | <b>14.18 Dr</b>    |
| <b>33,900.00 Dr</b>         | 2-Apr-2009  | 5-Apr-2009  | <b>3 days</b>                    | 15 %   | <b>41.79 Dr</b>    |
| <b>38,900.00 Dr</b>         | 5-Apr-2009  | 6-Apr-2009  | <b>1 days</b>                    | 15 %   | <b>15.99 Dr</b>    |
| <b>38,700.00 Dr</b>         | 6-Apr-2009  | 10-May-2009 | <b>34 days</b>                   | 15 %   | <b>540.74 Dr</b>   |
| <b>39,200.00 Dr</b>         | 10-May-2009 | 13-May-2009 | <b>3 days</b>                    | 15 %   | <b>48.33 Dr</b>    |
| <b>36,700.00 Dr</b>         | 13-May-2009 | 1-Jun-2009  | <b>19 days</b>                   | 15 %   | <b>286.56 Dr</b>   |
| <b>25,200.00 Dr</b>         | 1-Jun-2009  | 9-Jun-2009  | <b>8 days</b>                    | 15 %   | <b>82.85 Dr</b>    |
| <b>19,200.00 Dr</b>         | 9-Jun-2009  | 15-Jun-2009 | <b>6 days</b>                    | 15 %   | <b>47.34 Dr</b>    |
| <b>34,200.00 Dr</b>         | 15-Jun-2009 | 22-Jun-2009 | <b>7 days</b>                    | 15 %   | <b>98.38 Dr</b>    |
| <b>15,370.00 Dr</b>         | 22-Jun-2009 | 30-Jun-2009 | <b>8 days</b>                    | 15 %   | <b>50.53 Dr</b>    |
| Grand Total                 |             |             |                                  |        | <b>1,241.07 Dr</b> |

Figure 6.46 Ledger Interest

Experiment by changing the period of the above report and notice the difference. Tally.ERP 9 automatically calculates the interest amount! (Remember that the interest is calculated with respect to changes made in the balance figures).

### Practice Exercise

1. Set up interest calculation for **Mutual Trust Loan Account @ 2% per 30-day month**. View the interest for the period **1-4-09 to 30-6-09**.

## 6.6.2 Booking Interest to Ledgers

We have set the interest parameters for ledger accounts. The calculated interest amounts must be recorded using Debit Notes and Credit Notes with Voucher Classes. **Debit notes** are used for Interest receivable and **Credit Notes** for Interest payable.

In Tally.ERP 9, interest is calculated on a **Simple** or **Compound** basis and hence separate classes should be used for them.

Let us now create Voucher Class for Interest Entries.

### Setup :

- Create class for **Debit Notes** Voucher Type, go to **Gateway of Tally > Accounts Info. > Voucher Types > Alter > Debit Note**
  - Tab down to **Name of Class** field.
  - Type **Simple Interest** and press **Enter**.

| National Traders                           |              |
|--------------------------------------------|--------------|
| Class : <u>Simple Interest</u>             |              |
| Use Class for Interest Accounting          | ? <b>Yes</b> |
| Amounts to be treated as Compound Interest | ? <b>No</b>  |

Figure 6.47 Simple Interest Class

- In the **Class** screen, set the other options as shown in the figure above. You will return to the **Debit Note Voucher Type Alteration** screen.
- Type **Compound Interest** for the second class and press **Enter**
- In the **Class** screen, set **Yes** to both **Use Class for Interest Accounting** and **Amounts to be treated as Compound Interest**.
- Accept the **Voucher Type** and return to the **Gateway of Tally**.
- Create two classes, **Simple Interest** and **Compound Interest** for **Credit Notes**.
- Create the following ledger accounts by setting **Cost Centres, Inventory** and **Interest calculation** to **No** –
  - **Interest Accrued** under **Group Indirect Income**.
  - **Interest Due** under **Group Indirect Expenses**.
  - **Interest Receivable** under **Group Current Assets**.
  - **Interest Payable** under **Group Current Liabilities**.

### Step 1 : Create Debit Note Voucher

To book Compound Interest on Balances,

Go to **Gateway of Tally > Accounting Vouchers > press Ctrl+F9 > Debit Note > Class > Compound Interest**.

1. **Date: 30-6-09**
2. Debit **Bank Account** (the amount is automatically filled up with the calculated interest) - **Rs. 1,241.07**.
3. Credit **Interest Accrued** - **Rs. 1241.07**.
4. In the **Narration** field, type **Interest accrued upto 30th June 2009 on balances**.
5. Accept the voucher.



Transactions involving **simple interest** can be recorded using the **Simple Interest voucher class**.

### Practice Exercise

1. Make an entry for booking the compound interest of **Rs. 3,033.33**, due to **Mutual Trust Loan account** upto 30-6-09.

### 6.6.3 Calculating Interest on Invoices

The outstanding interest for every invoice can be calculated for each transaction during a particular period if the bill-wise details is activated for the company and the party.

#### Setup :

For calculating Interest **Transaction-by-Transaction (bill-by-bill)**,

Go to **Gateway of Tally > Accounts Info. > Ledgers > Alter > FirstCom Solutions**.

- ❑ Set **Activate Interest Calculation** to **Yes**.
- ❑ In the **Interest parameters** screen, set **Calculate Interest Transaction-by-Transaction** to **Yes**.
- ❑ Set **Override Parameters for each Transaction** to **No** (This option when set to **No** does not allow you to change interest parameters in voucher/ invoice entry. You can change the interest parameters during an entry when it is set to **Yes**. Any vouchers entered before activating the feature of interest calculation will not be considered unless they are modified)..
- ❑ Specify **Rate** as **1% per 30-Day Month**. The **Interest parameters** screen appears as shown below:

| <u>Interest Parameters</u>                    |              |
|-----------------------------------------------|--------------|
| Calculate Interest Transaction-by-Transaction | ? <b>Yes</b> |
| Override Parameters for each Transaction      | ? <b>No</b>  |
| Rate : <b>1 % per 30-Day Month</b>            |              |

Figure 6.48 Interest Parameters

- ❑ Accept the change and return to the **Gateway of Tally**.

### Step 1 : Display Interest Calculation Report

Go to **Gateway of Tally > Display > Statements of Accounts > Interest Calculations > Ledger > FirstCom Solutions.**

| Ledger Interest                                  |          | National Traders |  |  |                |                | Ctrl + M                  |  |
|--------------------------------------------------|----------|------------------|--|--|----------------|----------------|---------------------------|--|
| Ledger : FirstCom Solutions                      |          |                  |  |  |                |                | 1-Apr-2009 to 31-Dec-2009 |  |
| Date                                             | Ref. No. |                  |  |  | Opening Amount | Pending Amount | Interest                  |  |
|                                                  |          |                  |  |  |                |                |                           |  |
| 14-Jul-2009                                      | FC 1     |                  |  |  | 5,750.00 Dr    |                | 15.33 Dr                  |  |
| 5,750.00 Dr 14-Jul-2009 22-Jul-2009 8 days 1 %   |          | 15.33 Dr         |  |  |                |                |                           |  |
| 16-Jul-2009                                      | FC 2     |                  |  |  | 4,600.00 Dr    | 4,600.00 Dr    | 257.60 Dr                 |  |
| 4,600.00 Dr 16-Jul-2009 31-Dec-2009 168 days 1 % |          | 257.60 Dr        |  |  |                |                |                           |  |
| 21-Nov-2009                                      | FCS      |                  |  |  | 300.00 Dr      | 300.00 Dr      | 4.00 Dr                   |  |
| 300.00 Dr 21-Nov-2009 31-Dec-2009 40 days 1 %    |          | 4.00 Dr          |  |  |                |                |                           |  |
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- ❑ Reaccept the Purchase Voucher dated 13-07-09 for **Rs. 8,500** from **Power Line Computers**. and accept all information including interest fields, by pressing **Enter** at each field (this is required since the Interest calculation is activated after passing the entry).
- ❑ Now display the interest calculations again for Power Line Computers upto 31-12-09. Do you notice anything?
- ❑ Adjust the interest amount by entering a **Credit Note for Compound Interest** on 31-12-09.

The completed **Credit Note Voucher** for adjusting the interest amount appears as shown below :

| Accounting Voucher Creation                       |          | National Traders                         |        | Ctrl + M                       |
|---------------------------------------------------|----------|------------------------------------------|--------|--------------------------------|
| <b>Credit Note</b>                                | No. 2    | Voucher Class : <b>Compound Interest</b> |        | <b>31-Dec-2009</b><br>Thursday |
| Ref. :                                            |          |                                          |        |                                |
| Particulars                                       |          | Debit                                    | Credit |                                |
| Cr <b>Power Line Computers</b>                    |          |                                          | 25.50  |                                |
| Cur Bal: 4,275.50 Cr                              |          |                                          |        |                                |
| New Ref 2                                         | 25.50 Cr |                                          |        |                                |
| Dr <b>Interest Due</b>                            |          | 25.50                                    |        |                                |
| Cur Bal: 3,058.83 Dr                              |          |                                          |        |                                |
| Narration:                                        |          |                                          |        |                                |
| Interest due at 1% per 30 day month till 31st Dec |          |                                          |        |                                |
|                                                   |          | 25.50                                    | 25.50  |                                |

Accept ?  
 Yes or No

Figure 6.50 Credit Note

- ❑ Press **Y** or **Enter** to accept the screen.

### 6.6.4 Calculating Interest in Advanced Mode

The advanced parameters are particularly useful where interest rates change from time to time. In this section, you will be shown the use of advanced mode.

#### Setup :

- In the **F11: Features (Accounting Features)** of **National Traders**
  - Set **Use Advanced Parameters** to **Yes**
  - Accept the settings and return to the **Gateway of Tally**.

#### Step 1 : Alter Ledger account of Supreme Computers

- Set **Activate Interest Calculations** to **Yes**
- Set **No** to **Calculate Interest Transaction-by-Transaction** to calculate interest based on the rate specified in the ledger master on the cumulative amount (If this option is set to **Yes**, the interest will be calculated for all the transactions individually based on the parameters defined in the master).
- Specify the **Rate** as **10%** on **365-day year** and accept the ledger alteration screen.

#### Step 2 : Display Interest Calculation Report

Go to **Gateway of Tally > Display > Statement of Accounts > Interest Calculations > Ledger > Data Link Technologies**.

The **Ledger Interest** screen as on 31-12-09 appears as shown below :

| Ledger Interest                |             |             | National Traders          |        |             |
|--------------------------------|-------------|-------------|---------------------------|--------|-------------|
| Ledger: Data Link Technologies |             |             | 1-Apr-2009 to 31-Dec-2009 |        |             |
| Balance                        | From:       | To:         | Total Days                | Rate % | Interest    |
| 26,000.00 Dr                   | 31-Mar-2009 | 5-Apr-2009  | 5 days                    | 10 %   | 35.62 Dr    |
| 21,000.00 Dr                   | 5-Apr-2009  | 31-Dec-2009 | 270 days                  | 10 %   | 1,553.42 Dr |
| Grand Total                    |             |             |                           |        | 1,589.04 Dr |

Figure 6.51 Ledger Interest

The opening balance of the debtor Data Link Technologies is Rs. 26,000. The interest is calculated for 5 days (31-3-2009 to 4-4-2009) because we received Rs. 5,000 (on 5-4-2009) and the resultant balance became Rs. 21000. Interest on Rs. 26,000 is displayed as Rs. 35.62 Dr (to be received by us from our debtor) '  $(26000 * 5/365 * 10/100)$ . Likewise, the interest is calculated for the rest of the transactions based on the parameters given in the ledger master.

We have viewed the interest calculation reports in **National Traders**. Let us now shut **National Traders** and select **Indus Enterprises**.

1. Make a receipt entry on 5-4-2009 for Rs. 5,000 received by cheque against the opening balance (of **Rs. 15,000** vide **Bill No. OB New Consumer**).
2. As on 10-4-09, sold 3 nos of **Computer-PIII** @ Rs. 30,000 each to **New Consumer** (vide **Bill No. NB/001**, Credit Period - Nil).
3. As on 16-4-09, sold for 4 nos of **Computer-PIII** @ Rs.30,000 each to **New Consumer** (vide **Bill No. NB/002**, Credit Period - Nil).

#### Setup :

- Create a debtor account **New Consumer**.
  - Ensure that **Maintain balances bill-by-bill** is set to **Yes**
  - Enter the opening balance as **Rs. 15,000 Dr**
  - Enter the bill-wise reference name as **OB New Consumer** and accept the screen.
- Create a Stock item with the following details:

| Item Name     | Stock Group | Category       | Units | Quantity | Rate   | Godown    |
|---------------|-------------|----------------|-------|----------|--------|-----------|
| Computer-PIII | Primary     | Not applicable | Nos   | 10 Nos   | 25,000 | Bangalore |

- Alter Ledger Account of **New Consumer** in Indus Enterprises
  - Set **Activate Interest Calculations** and **(use advanced parameters)** to **Yes**
  - Set **Calculate interest Transaction-by-Transaction** to **No**
  - Set Rate as **10% per 365-day year** on **All Balances** and accept the master.
- Create a Receipt Entry on 5-4-09 for Rs. 5,000
- Create a Sales Invoice on 10-4-09 for 3 Nos of Computer - PIII @ Rs.30,000 each
- Create a Sales Invoice on 16-4-09 for 4 nos of Computer-PIII @ Rs.30,000 each



Select **Second Sales** in the **Sales Ledger** field (Create the ledger using **Alt+C**, if does not exist).

### Step 1 : Display Interest Calculation Report

Go to **Gateway of Tally > Display > Statement of Accounts > Interest Calculations > Ledger > New Consumer**.

| Ledger Interest              |             |             | Indus Enterprises                |        |                  |
|------------------------------|-------------|-------------|----------------------------------|--------|------------------|
| Ledger : <b>New Consumer</b> |             |             | <b>1-Apr-2009 to 17-Apr-2009</b> |        |                  |
| Balance                      | From:       | To:         | Total Days                       | Rate % | Interest         |
| <b>15,000.00 Dr</b>          | 31-Mar-2009 | 5-Apr-2009  | <b>5 days</b>                    | 10 %   | <b>20.55 Dr</b>  |
| <b>10,000.00 Dr</b>          | 5-Apr-2009  | 10-Apr-2009 | <b>5 days</b>                    | 10 %   | <b>13.70 Dr</b>  |
| <b>1,00,000.00 Dr</b>        | 10-Apr-2009 | 16-Apr-2009 | <b>6 days</b>                    | 10 %   | <b>164.38 Dr</b> |
| <b>2,20,000.00 Dr</b>        | 16-Apr-2009 | 17-Apr-2009 | <b>1 days</b>                    | 10 %   | <b>60.27 Dr</b>  |

Figure 6.52 Ledger Interest

Now, in order to calculate Interest using advanced parameters, go to Gateway of Tally and alter the ledger of **New Consumer**

- ❑ Set **Calculate interest Transaction-by-Transaction** to **Yes**
- ❑ Set **Override Parameters for each Transaction** to **No**
- ❑ Enter **Rate** as **10% per 365-day year** on **All balances**
- ❑ Select **Due date of Invoice/Ref** in **Calculate From** field

Calculate From : **Due Date of Invoice/Ref**

| Interest Appl From             |
|--------------------------------|
| Date of Applicability          |
| Date Specified during Entry    |
| <b>Due Date of Invoice/Ref</b> |
| Eff. Date of Transaction       |

Figure 6.53 Interest Calculation screen

- ❑ Accept the screen

Go to **Gateway of Tally > Display > Statement of Accounts > Interest Calculations > Ledger > New Consumer**.

- ❑ Use **Alt+F1** to view the interest calculation report in detailed mode for the period 1-4-2009 to 17-4-2009.



| Ledger Interest       |                                     | Indus Enterprises         |  |                |                | Ctrl + M  |  |
|-----------------------|-------------------------------------|---------------------------|--|----------------|----------------|-----------|--|
| Ledger : New Consumer |                                     | 1-Apr-2009 to 17-Apr-2009 |  |                |                |           |  |
| Date                  | Ref. No.                            |                           |  | Opening Amount | Pending Amount | Interest  |  |
| 31-Mar-2009           | OB New Buyer                        |                           |  | 15,000.00 Dr   | 10,000.00 Dr   | 53.43 Dr  |  |
| 15,000.00 Dr          | 31-Mar-2009 5-Apr-2009 5 days 10 %  |                           |  | 20.55 Dr       |                |           |  |
| 10,000.00 Dr          | 5-Apr-2009 17-Apr-2009 12 days 10 % |                           |  | 32.88 Dr       |                |           |  |
| 10-Apr-2009           | NB/001                              |                           |  | 90,000.00 Dr   | 90,000.00 Dr   | 172.60 Dr |  |
| 90,000.00 Dr          | 10-Apr-2009 17-Apr-2009 7 days 10 % |                           |  | 172.60 Dr      |                |           |  |
| 16-Apr-2009           | NB/002                              |                           |  | 1,20,000.00 Dr | 1,20,000.00 Dr | 32.88 Dr  |  |
| 1,20,000.00 Dr        | 16-Apr-2009 17-Apr-2009 1 days 10 % |                           |  | 32.88 Dr       |                |           |  |
|                       |                                     |                           |  | 2,25,000.00 Dr | 2,20,000.00 Dr | 258.91 Dr |  |

Figure 6.54 Ledger Interest

The interest in this report is reflected separately for every transaction for the specified period. This is because we have defined that the interest has to be calculated transaction-by-transaction in the debtor Master.

To view Interest calculations using **Override Advanced Parameters**,

Go to **Gateway of Tally > Display > Statement of Accounts > Interest Calculations > Ledger > New Consumer**.

- ❑ Set **Override Advanced Parameters** to **Yes** (When Override Advanced Parameters option is set to Yes, it allows you to redefine the interest rate for every transaction. The interest amount is then calculated based on the rate defined while entering the transaction. This overrides the rate defined in the master).
- ❑ Accept the the advanced interest parameters and accept the master
- ❑ Re-accept the 2 Sales Entries and 1 Receipt entry passed earlier.
- ❑ View the **Ledger Interest Calculation** report for the **New Consumer**.



### **Explanations for Advanced Interest Parameters:**

#### **Interest Balances**

You can choose to calculate interest on All balances or Debit Balances or Credit Balances. Why is this required? In case of ledgers grouped under Sundry Debtors to whom we primarily sell but occasionally purchase, we would like to set the interest parameters only for the debit balances and NOT for the credit balances. However, in case of a Bank OD (over draft) account, we can set the interest parameters only on the Credit balances.

#### **Applicability**

This is an advanced parameter. There are two options **Always** and **Past Due**

- **Always** - To calculate the interest from the date of entry (for Bank Accounts)
- **Past Due Date** - To calculate the interest after the credit period ( for Sundry Debtors)

#### **Calculate From**

Tally.ERP 9 displays the following four options in accordance to the screen shown below:

- **Date of Applicability:** Tally.ERP 9 calculates the interest from the date of entry and allows you to enter the 'To' date which is, the date till when the specified rate of interest is valid. For example, you can specify 15% for one month and 18% thereafter.
- **Date Specified During Entry:** This option allows you to define the interest parameters for any specified period. You can give both FROM and TO dates - that is, the date range from which the specified rate of interest will be calculated AND till the date the same rate of interest is valid. For example, you can specify 15% for one month and the subsequent 2 months at 18% and 22% thereafter.
- **Due Date of Invoice / Ref:** The interest is calculated from the Due Date specified in the bill-by-bill details. You will be able to define variable rates for the same period. For example, the surcharge or penalty can be calculated for past due dates.
- **Effective Date of Transaction:** This is similar to the Date of Applicability.

#### **Rounding**

Choose upward, normal or downward rounding as required.

### Practice Exercise

- On 21-08-2009, a Sales Invoices for 15,00,000 Project Sales with two reference namely, **CCA** for **Rs. 3,75,000** and **CA1** for **Rs. 11,25,000**. Calculate Interest from Dates Specified during Voucher Entry.

### Setup :

Go to **Gateway of Tally**, select **National Traders** and shut **Indus Enterprises**

- Go to Ledger alteration screen of **Civic Centre Association** (Customer Account) and set **Activate Interest Calculation** to **Yes**
- Set up the **Interest Parameters** (ensure that the advanced parameters are activated in **F11: Features (Accounting Features)** as shown below:

| Interest Parameters                                                                                                                                                                                                                  |              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Calculate Interest Transaction-by-Transaction                                                                                                                                                                                        | ? Yes        |
| Override Parameters for each Transaction                                                                                                                                                                                             | ? Yes        |
| Override advanced parameters                                                                                                                                                                                                         | ? <b>Yes</b> |
| Rate : <b>15 % per 365-Day Year</b> on <b>Debit Balances Only</b><br>Applicability : <b>Past Due Date by</b> <b>0 days Calculate From : Date Specified During Entry</b><br>Rounding : <input type="checkbox"/> <b>Not Applicable</b> |              |
| Rate : <b>18 % per 365-Day Year</b> on <b>Debit Balances Only</b><br>Applicability : <b>Past Due Date by</b> <b>0 days Calculate From : Date Specified During Entry</b><br>Rounding : <input type="checkbox"/> <b>Not Applicable</b> |              |

Figure 6.55 Interest Parameters



- In the **Calculate From** field to obtain the option **Date Specified during Entry**, set **Override advanced parameters** to **Yes**. This option is used when the interest is to be calculated at different rates for different periods.
- Options to **Override parameters** when set to **Yes** during voucher/invoice entry, results in the information on interest being provided after the bill-wise details have been entered.

## Step 1 : Create/Alter Sales Invoice

- In the **Interest parameters** subscreen,
  - Set the interest parameters for **New Ref. CCA** of Rs. 3,75,000 as shown below:

| Interest Parameters                                                                                                                                                                                                                                                                                                                                                                                                                                         |              | National Traders | Ctrl + M              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------------|-----------------------|
| Sales                                                                                                                                                                                                                                                                                                                                                                                                                                                       | No. 11       |                  | 21-Aug-2009<br>Friday |
| Ref. :                                                                                                                                                                                                                                                                                                                                                                                                                                                      |              |                  |                       |
| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Debit        | Credit           |                       |
| Dr. Civic Centre Association                                                                                                                                                                                                                                                                                                                                                                                                                                | 15,00,000.00 |                  |                       |
| Cur Bal: 15,00,000.00 Dr                                                                                                                                                                                                                                                                                                                                                                                                                                    |              |                  |                       |
| New Ref. CCA 7 Days 3,75,000.00 Dr                                                                                                                                                                                                                                                                                                                                                                                                                          |              |                  |                       |
| (28-Aug-2009)                                                                                                                                                                                                                                                                                                                                                                                                                                               |              |                  |                       |
| New Ref. CA1 60 Days 11,25,000.00 Dr                                                                                                                                                                                                                                                                                                                                                                                                                        |              |                  |                       |
| (20-Oct-2009)                                                                                                                                                                                                                                                                                                                                                                                                                                               |              |                  |                       |
| Cr. Road Sales                                                                                                                                                                                                                                                                                                                                                                                                                                              |              | 15,00,000.00     |                       |
| Cur Bal: 15,00,000.00 Cr                                                                                                                                                                                                                                                                                                                                                                                                                                    |              |                  |                       |
| Projects & Assignments                                                                                                                                                                                                                                                                                                                                                                                                                                      |              |                  |                       |
| Roads 15,00,000.00 Cr                                                                                                                                                                                                                                                                                                                                                                                                                                       |              |                  |                       |
| <b>Interest Parameters</b><br>Rate : 15 % per 365-Day Year on Debit Balances Only<br>Applicability : Always<br>From: Due Date of Invoice/Ref Date: 28-Aug-2009 To: 30-Sep-2009<br>Rounding : <input type="checkbox"/> Not Applicable<br>Rate : 18 % per 365-Day Year on Debit Balances Only<br>Applicability : Always<br>From: Date Specified During Entry Date: 30-Sep-2009 To:<br>Rounding : <input type="checkbox"/> Not Applicable<br>Rate : 0 % per on |              | 15,00,000.00     | 15,00,000.00          |

Figure 6.56 Interest Parameters

- Set the interest parameters for **New Ref. CA1** of Rs. 1125000 as shown below:

Figure 6.57 Interest Parameters

Go to **Gateway of Tally > Display > Statements of Accounts > Interest Calculations > Ledger > Civic Centre Association.**

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| Ledger Interest                   |             |             |         |      |  |  | National Traders          | Ctrl + M x        |             |
|-----------------------------------|-------------|-------------|---------|------|--|--|---------------------------|-------------------|-------------|
| Ledger : Civic Centre Association |             |             |         |      |  |  | 1-Apr-2009 to 21-Sep-2009 |                   |             |
| Date                              | Ref.        | No.         |         |      |  |  | Opening<br>Amount         | Pending<br>Amount | Interest    |
| 21-Aug-2009                       | CCA         |             |         |      |  |  | 3,75,000.00 Dr            | 3,75,000.00 Dr    | 3,698.63 Dr |
| 3,75,000.00 Dr                    | 28-Aug-2009 | 21-Sep-2009 | 24 days | 15 % |  |  | 3,698.63 Dr               |                   |             |
|                                   |             |             |         |      |  |  | 3,75,000.00 Dr            | 3,75,000.00 Dr    | 3,698.63 Dr |

Figure 6.58 Ledger Interest

## Practice Exercise

1. Make an entry on 21-09-09 in debit note voucher to adjust the interest accrued from **Civic Centre Association (Compound Interest)**.

## 6.7 Budgets & Controls

The main purpose of Budgeting is to control the expenditure. This is possible by creating budgets and comparing the budgeted figures against the actual figures. You can generate reports based on this need and view the variances or differences between the actual and budgeted figures. Tally.ERP 9 allows you to create multiple budgets and also maintain budgets for specific purposes, e.g. for the Bank, for the Head Office, Marketing Budget, Finance Budget etc.

### Setup :

To activate **Budgets**,

- In **F11: Features (Accounting Features)**, set **Maintain Budgets and Controls** to **Yes**

In Tally.ERP 9, you can create **Budgets** for **Groups of ledger accounts** or for **Ledger** accounts individually or for **Cost centres** or all of them

### 6.7.1 Creating a Group Budget

Go to **Gateway of Tally > Accounts Info. > Budgets**

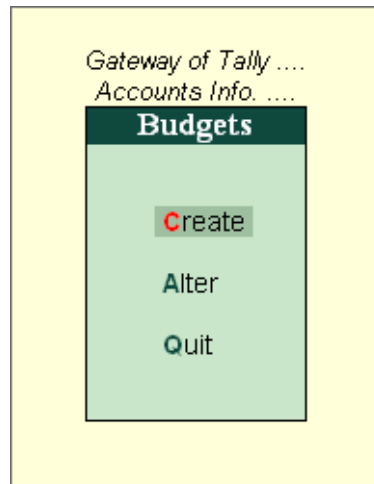


Figure 6.59 Budgets Menu

1. Press **Enter** on **Create** and give the **Name** as **Corporate Budget**.
2. Press **Enter** and select **Primary**. The screen appears as shown below:

| Budget Creation  |                                             | National Traders       |         |              | Ctrl + M                                    |
|------------------|---------------------------------------------|------------------------|---------|--------------|---------------------------------------------|
| Name :           | Corporate Budget                            |                        |         |              | List of Budgets                             |
| Under :          | <input checked="" type="checkbox"/> Primary |                        |         |              | <input checked="" type="checkbox"/> Primary |
| Period of Budget |                                             | Set / Alter Budgets of |         |              |                                             |
| From:            | To:                                         | Groups                 | Ledgers | Cost Centres |                                             |
|                  |                                             |                        |         |              |                                             |

Figure 6.60 Corporate Budget

3. Specify the period of the Budget as **1-4-2009** to **31-3-2010** (The period could be a Month, a Year or any period starting from one date to the other).
4. Under the column **Set/ Alter Budgets of**, type **Yes** under **Groups**.



□ You can create budgets under budgets i.e sub - budgets under each Primary budget.

5. Press **Enter**, the **Group Budget** subscreen appears,

| National Traders                                                           |             |                |        | Ctrl + M                             |
|----------------------------------------------------------------------------|-------------|----------------|--------|--------------------------------------|
| Group Budgets Under 'Corporate Budget'<br>(From 1-Apr-2009 to 31-Mar-2010) |             |                |        | List of Groups                       |
| Account Name                                                               | Cost Centre | Type of Budget | Amount |                                      |
|                                                                            |             |                |        | <input type="checkbox"/> End of List |
|                                                                            |             |                |        | Bank Accounts                        |
|                                                                            |             |                |        | Bank OCC A/c                         |
|                                                                            |             |                |        | Bank OD A/c                          |
|                                                                            |             |                |        | Branch / Divisions                   |
|                                                                            |             |                |        | Buildings                            |
|                                                                            |             |                |        | Capital Account                      |
|                                                                            |             |                |        | Cash-in-hand                         |
|                                                                            |             |                |        | Current Assets                       |
|                                                                            |             |                |        | Current Liabilities                  |
|                                                                            |             |                |        | Deposits (Asset)                     |
|                                                                            |             |                |        | Depreciation                         |
|                                                                            |             |                |        | Deprn                                |
|                                                                            |             |                |        | Direct Expenses                      |
|                                                                            |             |                |        | Direct Incomes                       |
|                                                                            |             |                |        | Duties & Taxes                       |
|                                                                            |             |                |        | Expenses (Direct)                    |
|                                                                            |             |                |        | Expenses (Indirect)                  |
|                                                                            |             |                |        | Fixed Assets                         |
|                                                                            |             |                |        | Income (Direct)                      |
|                                                                            |             |                |        | Income (Indirect)                    |
|                                                                            |             |                |        | Indirect Expenses                    |
|                                                                            |             |                |        | Indirect Incomes                     |
|                                                                            |             |                |        | Investments                          |
|                                                                            |             |                |        | Loans & Advances (Asset)             |
|                                                                            |             |                |        | Loans (Liability)                    |
|                                                                            |             |                |        | Misc. Expenses (ASSET)               |
|                                                                            |             |                |        | Office Equipment                     |
|                                                                            |             |                |        | Provisions                           |
|                                                                            |             |                |        | Purchase Accounts                    |
|                                                                            |             |                |        | Reserves & Surplus                   |
|                                                                            |             |                |        | Retained Earnings                    |
|                                                                            |             |                |        | Sales Accounts                       |
|                                                                            |             |                |        | Secured Loans                        |
|                                                                            |             |                |        | Stock-in-hand                        |
|                                                                            |             |                |        | 4 more ...                           |

Figure 6.61 Group Budget Subscreen

6. In **Group Budget** subscreen,

- ❑ Select **Indirect Expenses** in the **Account Name** field
- ❑ Select **Not Applicable** in **Cost Centre** field
- ❑ Select **On Closing Balance** in Type of Budget field
- ❑ Enter the budget amount as **Rs. 20,000**. The screen appears as shown below :

| National Traders                                                           |                                         |                    |           |
|----------------------------------------------------------------------------|-----------------------------------------|--------------------|-----------|
| Group Budgets Under 'Corporate Budget'<br>(From 1-Apr-2009 to 31-Mar-2010) |                                         |                    |           |
| Account Name                                                               | Cost Centre                             | Type of Budget     | Amount    |
| Indirect Expenses                                                          | <input type="checkbox"/> Not Applicable | On Closing Balance | 20,000.00 |

Figure 6.62 Group Budgets





The **Group Budget** screen comprises of the following :

- ❑ **Account Name:** It is compulsory to select Groups for which the budget is being defined. You can select any number of groups.
- ❑ **Cost Centres:** Tally.ERP 9 displays the list of Cost Centres available. Select the required Cost Centre. However, if you select Not Applicable then the budget will not be applicable to any particular cost centre but for the company as a whole.
- ❑ **Type of Budget:** Under the Type of Budget a pop-up of two different kinds of Budgets appear, namely **On Closing Balance** and **On Nett Transactions**.
- ❑ **On Closing Balance:** This is used for comparing the closing balance figures in the final statements.
- ❑ **On Nett Transactions:** This is used for comparing transactions against budgets.

7. Press **Enter** repeatedly and accept the budget creation screen.

### Practice Exercise

1. Create another Budget with the following Details
  - ❑ **Budget Name - New Corporate Budget**
  - ❑ **Group - Indirect Expenses Group**
  - ❑ **Type of Budget - On Nett Transactions**
  - ❑ **Period - 1-4-2009 to 31-3-2010**
  - ❑ **Budget Amount - Rs. 500.**
  - ❑ **Set/Alter Budgets of Ledgers and Cost Centres to No.**

### 6.7.2 Display Budgets and Variances for Group Budget

Budgets can be displayed in new columns in most financial statements like the Balance Sheet and Profit & Loss Account. The Trial Balance and Group Summaries have a Budget Variance button **Alt+B** that is activated even when there is a single budget set up for the company.

In the earlier section, we have created **Corporate Budget**. Let us now view the report displaying the Budget values and the variances (difference between actual transactional values and the budgeted figures) for that Budget.



Before displaying the **New Corporate Budget** in the Trial Balance, press **F12: Configure** and set **Show Transactions, Show Nett transactions only to Yes** and **Show Closing Balance to No**, as the type of budget selected is **On Nett Transactions**.

Go to **Gateway of Tally > Display > Trial Balance**

- Press **Alt+B** (or **Budget Variance** button from the button bar)
- Tally.ERP 9 displays the **Budget Analysis** screen and the list of Budgets that have been created, select **Corporate Budget**

The Report appears as shown below :

| Trial Balance       | National Traders                                                  |           | National Traders                                         |              | National Traders                                                           |            | Ctr       |
|---------------------|-------------------------------------------------------------------|-----------|----------------------------------------------------------|--------------|----------------------------------------------------------------------------|------------|-----------|
| Particulars         | National Traders<br>1-Apr-2009 to 31-Dec-2009<br>Corporate Budget |           | National Traders<br>1-Apr-2009 to 31-Dec-2009<br>Actuals |              | National Traders<br>1-Apr-2009 to 31-Dec-2009<br>Corporate Budget Variance |            |           |
|                     | Closing Balance                                                   |           | Closing Balance                                          |              | Closing Balance                                                            |            |           |
|                     | Debit                                                             | Credit    | Debit                                                    | Credit       | Debit                                                                      | Credit     |           |
|                     |                                                                   |           | ← ... 1 more                                             |              |                                                                            |            |           |
| Capital Account     |                                                                   |           |                                                          | 2,50,000.00  |                                                                            |            |           |
| Loans (Liability)   |                                                                   |           |                                                          | 53,033.33    |                                                                            |            |           |
| Current Liabilities |                                                                   |           |                                                          | 12,83,364.50 |                                                                            |            |           |
| Fixed Assets        |                                                                   |           | 1,00,000.00                                              | 12,500.00    |                                                                            |            |           |
| Current Assets      |                                                                   |           | 44,66,469.70                                             |              |                                                                            |            |           |
| Sales Accounts      |                                                                   |           |                                                          | 41,08,585.00 |                                                                            |            |           |
| Purchase Accounts   |                                                                   |           | 11,77,000.00                                             |              |                                                                            |            |           |
| Direct Incomes      |                                                                   |           |                                                          | 1,000.00     |                                                                            |            |           |
| Direct Expenses     |                                                                   |           | 800.00                                                   |              |                                                                            |            |           |
| Indirect Incomes    |                                                                   |           |                                                          | 5,439.70     |                                                                            |            |           |
| Indirect Expenses   | 20,000.00                                                         |           | 6,722.83                                                 | 33.61%       | 5,000.00                                                                   | 13,277.17  | 66.38%    |
| Profit & Loss A/c   |                                                                   | 20,000.00 |                                                          | 32,070.00    | 160.35%                                                                    |            | 12,070.00 |
| Grand Total         | 20,000.00                                                         | 20,000.00 | 57,50,992.53                                             | 28.754.96%   | 57,50,992.53                                                               | 28.754.96% |           |

Figure 6.63 Trial Balance with Budget Figures

The Budget amount is Rs.20,000 and Actuals is Rs. 6,722.83 (which is 33.61% of budgeted amount). The variance (difference) is also displayed i.e Rs.13,277.17 which is 66.38% below the budgeted amount.



**Apportionment of budget specified for periods longer than a month:**

- ❑ **Group Budgets** do not get apportioned. Hence Budget for Current Assets will not automatically flow to the sub-groups.
- ❑ **Ledger Budgets** get apportioned for each month.
- ❑ In **Closing Balances Budget**, each month will have the same budget value except that the actual Opening Balance is also taken into account.
- ❑ **Nett transactions Budgets** specified for a period get equally apportioned over the period.

### 6.7.3 Altering a Budget

Like any other master in Tally.ERP 9, budget can also be viewed in alteration mode.

Go to **Gateway of Tally > Account Info. > Budget > Alter**

- ❑ Select **New Corporate Budget** from the **List of Budgets**
- ❑ Press **Enter** on the required field and make necessary changes

### 6.7.4 Deleting a Budget

To delete a Budget,

Go to **Gateway of Tally > Account Info. > Budget > Alter**

- ❑ Select the required Budget from the **List of Budgets**
- ❑ Press **Alt+D** to delete it.

### 6.7.5 Creating a Ledger Budget

Create a new Budget – **Corporate Budget (Ledger)** for the period **1-4-2009 to 31-3-2010**

To create a Budget for Ledger Accounts,

Go to **Gateway of Tally > Accounts Info. > Budgets > Create**

1. Type **Corporate Budget (Ledger)** in the **Name** field
2. Select **Primary** in **Under** field
3. Specify the period of the Budget as **1-4-2009 to 31-3-2010**
4. Under the column **Set/ Alter Budgets of**, type **Yes** under **Ledgers**
5. Enter the budget details for ledgers as shown below:

| National Traders                                                                     |                                         |                    |        |
|--------------------------------------------------------------------------------------|-----------------------------------------|--------------------|--------|
| Ledger Budgets Under 'Corporate Budget (Ledger)'<br>(From 1-Apr-2009 to 31-Mar-2010) |                                         |                    |        |
| Account Name                                                                         | Cost Centre                             | Type of Budget     | Amount |
| Conveyance                                                                           | <input type="checkbox"/> Not Applicable | On Closing Balance | 50.00  |
| Office Costs                                                                         | <input type="checkbox"/> Not Applicable | On Closing Balance | 250.00 |
| -                                                                                    |                                         |                    |        |

Figure 6.64 Corporate Budget (Ledger)

6. Accept the Budget for Ledgers.

### 6.7.6 Display Budgets and Variances for Ledger Budget

Go to **Gateway of Tally > Display > Account Books > Group Summary**

- ☐ Select **Indirect Expenses**
- ☐ Press **Budget Variance** or **Alt + B** and select **Corporate Budget (Ledger)** and press **Enter**

The **Corporate Budget (Ledger)** with Variances will appear as shown below:

| Group Summary   |                                                                                                 | National Traders |                                                                               |          |                                                                                                          | Ctrl + M |  |
|-----------------|-------------------------------------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------|----------|--|
| Particulars     | Indirect Expenses<br>National Traders<br>1-Apr-2009 to 31-Dec-2009<br>Corporate Budget (Ledger) |                  | Indirect Expenses<br>National Traders<br>1-Apr-2009 to 31-Dec-2009<br>Actuals |          | Indirect Expenses<br>National Traders<br>1-Apr-2009 to 31-Dec-2009<br>Corporate Budget (Ledger) Variance |          |  |
|                 | Closing Balance                                                                                 |                  | Closing Balance                                                               |          | Closing Balance                                                                                          |          |  |
|                 | Debit                                                                                           | Credit           | Debit                                                                         | Credit   | Debit                                                                                                    | Credit   |  |
| Bank Charges    |                                                                                                 |                  | 4,400.00                                                                      |          |                                                                                                          |          |  |
| Conveyance      | 50.00                                                                                           |                  | 70.00                                                                         | 140.00%  | (-)20.00                                                                                                 | (-)40%   |  |
| Forex Gain/Loss |                                                                                                 |                  |                                                                               | 4,000.00 |                                                                                                          |          |  |
| Interest Due    |                                                                                                 |                  | 3,058.83                                                                      |          |                                                                                                          |          |  |
| Office Costs    | 250.00                                                                                          |                  | 635.00                                                                        | 254.00%  | (-)385.00                                                                                                | (-)154%  |  |
| Salary          |                                                                                                 |                  | 2,500.00                                                                      |          |                                                                                                          |          |  |
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Figure 6.65 Corporate Budget (Ledger) Variance

The Budget amount for Office Costs is Rs. 250, Closing Balance and the Actuals is Rs. 635 (which is 254% of budgeted amount of Rs. 250 -  $[(254/100) \times 250]$ ). The variance (difference) is also displayed i.e Rs. 385 which is 154% in excess of the Budgeted amount of Rs. 250.

### Practice Exercise

#### 1. Create an **Office budget** under **Primary Budget**.

- ❑ Specify the period of the **Budget** as **1-4-09** to **31-12-09**.
- ❑ Select **Yes** for **Groups**.
- ❑ Enter the details as given below:

| Group             | Cost Centre    | Type of Budget      | Amount   |
|-------------------|----------------|---------------------|----------|
| Capital Account   | Not Applicable | On Closing Balances | 1,50,000 |
| Loans (Liability) | Not Applicable | On Closing Balances | 50,000   |
| Fixed Assets      | Not Applicable | On Closing Balances | 1,00,000 |
| Current Assets    | Not Applicable | On Closing Balances | 1,00,000 |

- ❑ Press **Enter** on the next blank field and accept the settings for **Groups**.
- ❑ Select **Yes** for **Ledgers** and enter the details as given below:

| Ledger            | Cost Centre    | Type of Budget       | Amount |
|-------------------|----------------|----------------------|--------|
| Salaries          | Not Applicable | On Nett Transactions | 25000  |
| Wages             | Not Applicable | On Nett Transactions | 10000  |
| Conveyance        | Not Applicable | On Nett Transactions | 4500   |
| Office Costs      | Not Applicable | On Nett Transactions | 12000  |
| Profit & Loss A/c | Not Applicable | On Closing Balance   | 50000  |

#### 2. Displaying Budgets and Variances

- ❑ Go to **Gateway of Tally > Balance Sheet**, specify **Date** as **31-12-09**
- ❑ Select the **New Column** Button and Enter the details as given below:
  - **From: 1-4-09**
  - **To: 31-12-09**
  - **Currency: Base Currency**
  - **Method of Stock Valuation: Default**
  - **Type of Value to show: Office Budget**
  - **Show Variances: No**

The **Balance Sheet** with the **Office Budget** column appears as shown below:

| Balance Sheet                 | National Traders                                 |                                                        | Ctrl + M |
|-------------------------------|--------------------------------------------------|--------------------------------------------------------|----------|
|                               | National Traders<br>Actuals<br>as at 31-Dec-2009 | National Traders<br>Office Budget<br>as at 31-Dec-2009 |          |
| <b>Sources of Funds :</b>     |                                                  |                                                        |          |
| <b>Capital Account</b>        | 2,50,000.00                                      | 1,50,000.00                                            |          |
| <b>Loans (Liability)</b>      | 53,033.33                                        | 50,000.00                                              |          |
| <b>Current Liabilities</b>    | 12,83,364.50                                     |                                                        |          |
| Branch / Divisions            |                                                  |                                                        |          |
| Suspense A/c                  |                                                  |                                                        |          |
| <b>Profit &amp; Loss A/c</b>  | 29,00,021.87                                     | 69,741.23                                              |          |
| Opening Balance               | 32,070.00                                        |                                                        |          |
| Current Period                | 28,67,951.87                                     | (-)38,801.37                                           |          |
| <b>Total</b>                  | 44,86,419.70                                     | 2,69,741.23                                            |          |
| <b>Application of Funds :</b> |                                                  |                                                        |          |
| <b>Fixed Assets</b>           | 87,500.00                                        | 1,00,000.00                                            |          |
| Investments                   |                                                  |                                                        |          |
| <b>Current Assets</b>         | 43,98,919.70                                     | 1,00,000.00                                            |          |
| Misc. Expenses (ASSET)        |                                                  |                                                        |          |
| <b>Total</b>                  | 44,86,419.70                                     | 2,00,000.00                                            |          |

Figure 6.66 Balance Sheet with Budget Figures

Alternatively, you can view the above budget from Trial Balance also,

Go to **Gateway of Tally > Display > Trial Balance (National Traders)**

- ❑ Specify the period as **31-12-09**.
- ❑ Select **Indirect Expenses** and press **Enter**.
- ❑ Press **F12: Configure** and set
  - **Opening and Closing Balances to No**
  - **Transactions and Nett transactions to Yes**
  - **Set Show Percentage to No**
- ❑ Use **Alt+R** to hide the ledgers which are not appearing as per this screen (Advertising, Bank charges, Forex Gain/Loss and Interest due).
- ❑ Use the **Budget Variance** button to see the **Office budget figures** and the **variances**.

The **Transaction Budgets for Indirect Expenses** appears as shown below:

| Group Summary |                                                                                     | National Traders                                                              |                                                                                              | Ctrl + M |  |
|---------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|----------|--|
| Particulars   | Indirect Expenses<br>National Traders<br>1-Apr-2009 to 31-Dec-2009<br>Office Budget | Indirect Expenses<br>National Traders<br>1-Apr-2009 to 31-Dec-2009<br>Actuals | Indirect Expenses<br>National Traders<br>1-Apr-2009 to 31-Dec-2009<br>Office Budget Variance |          |  |
|               | Nett                                                                                | Nett                                                                          | Nett                                                                                         |          |  |
|               | Transactions                                                                        | Transactions                                                                  | Transactions                                                                                 |          |  |
| Conveyance    | 4,500.00 Dr                                                                         | 70.00 Dr 1.56%                                                                | 4,430.00 Dr 98.44%                                                                           |          |  |
| Office Costs  | 12,000.00 Dr                                                                        | 635.00 Dr 5.29%                                                               | 11,365.00 Dr 94.708%                                                                         |          |  |
| Salary        | 25,000.00 Dr                                                                        | 2,500.00 Dr 10.00%                                                            | 22,500.00 Dr 90%                                                                             |          |  |
| Grand Total   | 41,500.00 Dr                                                                        | 3,205.00 Dr 7.72%                                                             | 38,295.00 Dr                                                                                 |          |  |

Figure 6.67 Office Budget Variance

From this report we can understand that the budget for conveyance is **Rs. 4,500** on **Nett Transactions** while our Actuals is Rs. 70. Therefore, we have a balance of **Rs. 4,430**.

- Alter **Office Budget** and change the amount for **Conveyance ledger** to **Rs. 50** and view the report.

Figure 6.68 Budget Variance

4. Create a new budget named as **Office Balances Budget** for the period **1-4-2009 to 31-12-2009**.

| Group             | Cost Centre    | Type of Budget     | Amount   |
|-------------------|----------------|--------------------|----------|
| Capital Account   | Not Applicable | On Closing Balance | 2,50,000 |
| Loans (Liability) | Not Applicable | On Closing Balance | 1,50,000 |
| Fixed Assets      | Not Applicable | On Closing Balance | 1,50,000 |
| Current Assets    | Not Applicable | On Closing Balance | 1,20,000 |



### Budget figures for Ledgers:

| Ledger                | Cost Centre    | Type of Budget     | Amount |
|-----------------------|----------------|--------------------|--------|
| Salaries              | Not Applicable | On Closing Balance | 20,000 |
| Wages                 | Not Applicable | On Closing Balance | 10,000 |
| Conveyance            | Not Applicable | On Closing Balance | 4,500  |
| Office Cost           | Not Applicable | On Closing Balance | 15,000 |
| Profit & Loss Account | Not Applicable | On Closing Balance | 50,000 |

5. Display the **Balance Sheet** as on **31-12-09** with a new column for Office Balances Budget.
6. Display variances for **Indirect Expenses** from the **Office Balances Budget**.

## 6.8 Scenario Management

A scenario can be understood as an imagined sequence of events. In other words, if some action is carried out, we can foresee the result of carrying out that action. In today's context of managing businesses, Tally.ERP 9's Scenario Management is an effective management tool that enables comparison of actual as well as projected provisional figures of accounts related information.

### Advantage of using Scenarios

Scenario Management is useful for generating reports with provisional figures as the entries are actually not passed through the main books of accounts. It is also useful for forecasting by entering forecast figures in provisional vouchers and including them to get forecasted figures.

For example, it is 30th June and you want to view the Balance Sheet as of today but the salaries for the month of June are not paid until the first week in July. There is, therefore, a large liability, which would not be reflected in the Balance Sheet as on 30th June.

Through Tally.ERP 9's scenario, you can make the required provisional entry and retain it even after printing the generated report because the entry will not reflect in your books of accounts.

In order to explore the Scenario Management tool you need to first make entries which will not affect the books of accounts. Tally.ERP 9 provides the vouchers: Reversing Journal, Memorandum Voucher and Optional vouchers for this purpose. You have to then create a scenario for the vouchers to be used and finally, generate the required report. For example, Balance Sheet, Trial Balance, etc. You have to use the New Column facility to generate a new column with the Scenario details.

### 6.8.1 Creating a Scenario

#### Setup :

Ensure that you are in **National Traders**

- In **F11: Features (Accounting Features)** set **Use Rev. Journals and Optional Vouchers** to **Yes**



### Reversing Journals

Reversing Journal is a separate voucher type - like a journal voucher. Reversing Journal, similar to journal, is an adjustment entry, but unlike a journal it reverses its effect in the books of accounts after one day (Tally.ERP 9 allows you to specify the date of applicability at the time of entry as per your requirements (any number of days, or weeks, etc.).

By default, Reversing Journal entries do NOT affect your books of accounts. They are non-accounting vouchers. Tally.ERP 9 does not post these entries to ledgers. It stores them in a separate register called Reversing Journal Register. For example, you make a reversing journal debiting a customer account and crediting miscellaneous income. This entry will not appear in both the ledgers. It is recorded in the Reversing Journal Register.

Reversing journals are special journals which are effective only when called for in reports, like the Balance Sheet, Trial Balance, etc. Applicability is specified during the entry and they affect the reports only till that specified date. Reversing Journals are used in interim reporting in the course of the financial year where accruals are required to be reported. These accruals are usually short term and are cleared in the subsequent period. However, to get a proper perspective, decision makers require the reports with full impact of all aspects and transactions.

Another example is the provision for depreciation. Depreciation is usually provided for at the end of the year. However, for monthly reporting, including it would give a more accurate status.

In order to include Reversing Journals in Reports, you need to create Scenarios.

### Memorandum Vouchers

Like Reversing Journal, Memorandum is a separate voucher type which is a non-accounting voucher. The entries made using it will not affect your books of accounts. Tally.ERP 9 does not post these entries to ledgers but stores them in a separate Memo Register. You can alter and convert a Memo voucher into a regular voucher type when you decide to pass an entry in your books. However, if you wish to include these entries temporarily, you can do so, by creating Scenarios.

### Optional Vouchers

Optional voucher is NOT a separate Voucher Type. Several voucher types in Tally.ERP 9 (Payment, Receipt, Sales, etc.) can be marked optional. Optional vouchers are non-accounting vouchers, i.e, the entries made using it will not affect your books of accounts. Tally.ERP 9 does not post these entries to ledgers but stores them in a separate Optional Register. You can alter and convert an Optional voucher into a regular voucher when you decide to bring the entry into your books. However, if you wish to include these entries temporarily, you can do so by creating Scenarios.

Let us now create a Scenario. We have a liability of Salaries - Rs. 45,000, to be accounted for as on February 7, 2010. However, we need to generate a report as on January 31, 2010. Since the entry of 7th February will not reflect in our books of accounts as on 31-1-2010, we will be making an incorrect analysis. To temporarily include the entry of 7th February 2010 we have to create a scenario.

To create a scenario,

Go to **Gateway of Tally > Accounts Info. > Scenarios > Create** and enter the following details:

1. **Name:** New Scenario
2. **Include Actuals:** Yes
3. **Exclude Forex Gain / Loss Calculations:** No (this appears if Multi-currency is activated and Unadjusted Forex Gain/Loss appears in the reports)
4. **INCLUDE:** Select **Bank Payment (Optional Vouchers only)**, Only provisional vouchers are available for selection.
5. **EXCLUDE:** Select **End of List** (displays the list of vouchers that you DO NOT want to affect this scenario) and press **Enter**.
6. **Accept** the screen. The screen appears as shown below:

| Scenario Creation                                   |  | National Traders   |                        |
|-----------------------------------------------------|--|--------------------|------------------------|
| Name : <b>Scenario One</b>                          |  | Date               |                        |
| Include Actuals ? <b>Yes</b>                        |  | Dec, 2009          |                        |
| EXCLUDE Forex Gain/Loss Calculations ? <b>No</b>    |  |                    |                        |
| EXCLUDE Inventory Tracking Calculations ? <b>No</b> |  |                    |                        |
| <b>Include :</b>                                    |  | Date of Last Entry |                        |
| <input type="checkbox"/> End of List                |  | 31-Dec-2009        |                        |
| <b>List of Voucher Types</b>                        |  |                    |                        |
| <input type="checkbox"/> <b>End of List</b>         |  |                    |                        |
|                                                     |  | Attendance         | Optional Vouchers Only |
|                                                     |  | Bank Payment       | Optional Vouchers Only |
|                                                     |  | Contra             | Optional Vouchers Only |
|                                                     |  | Credit Note        | Optional Vouchers Only |
|                                                     |  | Debit Note         | Optional Vouchers Only |
|                                                     |  | Delivery Note      | Optional Vouchers Only |
|                                                     |  | Journal            | Optional Vouchers Only |
|                                                     |  | Memorandum         | All Vouchers           |
|                                                     |  | Payment            | Optional Vouchers Only |
|                                                     |  | Payroll            | Optional Vouchers Only |
|                                                     |  | Petty Cash         | Optional Vouchers Only |
|                                                     |  | Physical Stock     | Optional Vouchers Only |
|                                                     |  | Purchase           | Optional Vouchers Only |
|                                                     |  | Purchase Order     | Optional Vouchers Only |
|                                                     |  | Receipt            | Optional Vouchers Only |
|                                                     |  | Receipt Note       | Optional Vouchers Only |
|                                                     |  | Rejections In      | Optional Vouchers Only |
|                                                     |  | Rejections Out     | Optional Vouchers Only |
|                                                     |  | Reversing Journal  | All Vouchers           |
|                                                     |  | Sales              | Optional Vouchers Only |
|                                                     |  | Sales Order        | Optional Vouchers Only |
|                                                     |  | Stock Journal      | Optional Vouchers Only |
| <b>Exclude :</b>                                    |  |                    |                        |

Figure 6.69 Scenario Creation

The completed **Scenario creation** screen appears as shown :

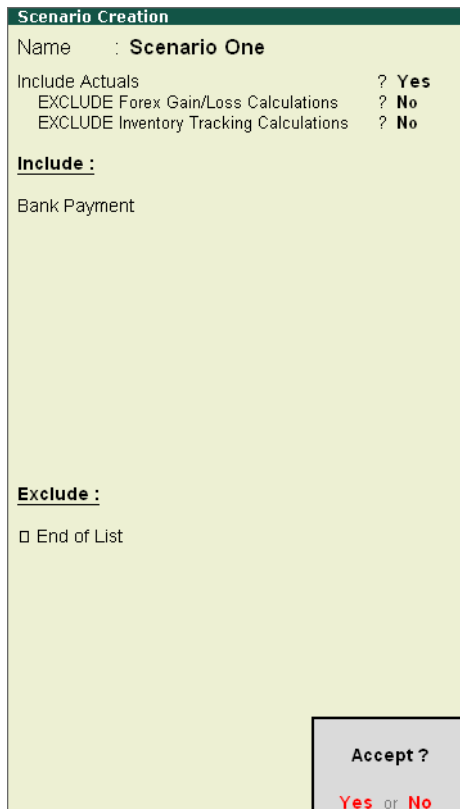


Figure 6.70 Completed Scenario creation screen

7. Press **Y** or **Enter** to accept the screen and return to the Gateway of Tally.

Proceed to create an **optional bank payment voucher** with **cost centre class - not applicable** on January 31, 2010.

- ❑ Debit **Salaries ledger account** (press **Ctrl+Enter** on salaries ledger to ensure that cost centre option is activated)
- ❑ Type **Amount** as **Rs. 45,000 Dr**
- ❑ Credit **Deposit Account** ledger for **Rs. 45,000 Cr**
- ❑ Allocate the amount to **Cost Centre - Amar**.

The completed **Bank Payment Voucher** appears as shown below :

| Accounting Voucher Creation                                                               |              | National Traders | Ctrl + M              |
|-------------------------------------------------------------------------------------------|--------------|------------------|-----------------------|
| <b>Bank Payment</b> No. 5                                                                 |              |                  | 31-Jan-2010<br>Sunday |
| <i>Optional</i>                                                                           |              |                  |                       |
| Particulars                                                                               |              | Debit            | Credit                |
| Dr <b>Salary</b>                                                                          |              | 45,000.00        |                       |
| <i>Cur Bal: 47,500.00 Dr</i>                                                              |              |                  |                       |
| <b>Salesmen</b>                                                                           |              |                  |                       |
| <b>Amar</b>                                                                               | 45,000.00 Dr |                  |                       |
| Cr <b>Deposit Account</b>                                                                 |              |                  | 45,000.00             |
| <i>Cur Bal: 1,000.00 Dr</i>                                                               |              |                  |                       |
| Narration:                                                                                |              | 45,000.00        | 45,000.00             |
| Ch. No. : Optional Payment Entry of salary for the month of January to be paid on 7th Feb |              |                  |                       |

Figure 6.71 Bank Payment Voucher

The procedure to enter a payment voucher does not change, you can mark it as **optional** by clicking on the **Optional** button or use of **Ctrl + L** keys. Accept the entry and return to the Gateway of Tally.

Now, verify whether the payment entry is appearing in the ledger Salaries or not.

Go to **Gateway of Tally > Display > Account Books > Ledger > Salaries**

- Press **Alt + F2** to view the entries for the entire year **1-4-2009 to 31-3-2010**.

There should be only one entry for Rs. 2,500 in the month of June i.e., the optional vouchers do not affect the books of accounts and are displayed only in Day Book as Optional Vouchers. To view Day Book,

Go to **Gateway of Tally > Display > Day Book**

- Press **Alt + F1** to view in detailed mode, you will find the **Optional vouchers** are displayed in *italics* as shown below:

| Day Book  |                 | National Traders |              | Ctrl + M        |               |
|-----------|-----------------|------------------|--------------|-----------------|---------------|
| Day Book  |                 |                  |              | For 31-Jan-2010 |               |
| Date      | Particulars     | Vch Type         | Vch No.      | Debit Amount    | Credit Amount |
|           |                 |                  |              | Inwards Qty     | Outwards Qty  |
| 31-1-2010 | Salary          | Bank Payment     | (Optional) 5 | 45,000.00       |               |
|           | Deposit Account |                  |              |                 | 45,000.00 Cr  |

Figure 6.72 Day Book

This voucher is stored in the Optional Voucher Register. To view **Optional Voucher Register**, go to **Gateway of Tally > Display > Exception Reports > Optional Vouchers**.

Now let us learn how to temporarily include this optional voucher transaction in our books for generating provisional reports. Since we have credited the deposit ledger account, proceed to view the Cash/Bank Books statement.

Go to **Gateway of Tally > Display > Account Books > Cash/Bank Book(s)** and the report displays these values as on 31-1-2010.

1. Petty Cash – Rs. 10,695 Dr.
2. Bank Account – Rs.1,39,961.07 Dr
3. Deposit Account – Rs.46,000 Dr

- Press **Alt+C** (New Column) and specify the details as shown below:

| National Traders             |                                        | Ctrl + M                  |                 |
|------------------------------|----------------------------------------|---------------------------|-----------------|
| Column Details               |                                        | Type of Value             |                 |
| From (blank for beginning) : | 1-4-2009                               | Actuals                   |                 |
| To (blank for end) :         | 31-1-2010                              | Corporate Budget (Ledger) | Budget          |
| Currency :                   | <input type="checkbox"/> Base Currency | New Budget                | Budget          |
| Types of Value to show :     | <b>New Scenario</b>                    | New Corporate Budget      | Budget          |
| (Show Variance) :            | ? No                                   | <b>New Scenario</b>       | <b>Scenario</b> |
|                              |                                        | Office Budget             | Budget          |
|                              |                                        | Scenario One              | Scenario        |

Figure 6.73 Column Details

- Accept the settings for the new column and the Cash/Bank Summary appears as shown below.

| Cash/Bank Summary |                                                                           | National Traders |                                                                                | Ctrl + M |  |
|-------------------|---------------------------------------------------------------------------|------------------|--------------------------------------------------------------------------------|----------|--|
| Particulars       | Bank Accounts<br>National Traders<br>1-Apr-2009 to 31-Dec-2009<br>Actuals |                  | Bank Accounts<br>National Traders<br>1-Apr-2009 to 31-Jan-2010<br>New Scenario |          |  |
|                   | Closing Balance                                                           |                  | Closing Balance                                                                |          |  |
|                   | Debit                                                                     | Credit           | Debit                                                                          | Credit   |  |
|                   |                                                                           |                  |                                                                                |          |  |
| Cash-in-hand      | 10,695.00                                                                 |                  | 10,695.00                                                                      |          |  |
| Petty Cash        | 10,695.00                                                                 |                  | 10,695.00                                                                      |          |  |
| Bank Accounts     | 1,88,361.07                                                               |                  | 1,43,361.07                                                                    |          |  |
| Bank Account      | 1,39,961.07                                                               |                  | 1,39,961.07                                                                    |          |  |
| Bank Charges      | 2,400.00                                                                  |                  | 2,400.00                                                                       |          |  |
| Deposit Account   | 46,000.00                                                                 |                  | 1,000.00                                                                       |          |  |
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Figure 6.74 Cash/Bank Summary

The Deposit Account shows a debit balance of **Rs. 46,000** excluding the Optional Voucher. On the inclusion of the **Optional Bank Payment** entry of **Rs. 45,000**, there is a debit balance of **Rs. 1,000** ( $46,000 \text{ Dr} - 45,000 \text{ Dr} = \text{Rs. } 1,000 \text{ Dr}$ ).

### 6.8.2 Alterating a Scenario

To alter a scenario, go to **Gateway of Tally > Account Info. > Scenario > Alter**

- ❑ Select **New Scenario from the List of Scenarios**
- ❑ Under **Include**, reselect **Payment (Optional Vouchers only)**, select **Receipt (Optional Vouchers only)** and accept the screen.

### 6.8.3 Deleting a Scenario

To delete a Scenario, go to **Gateway of Tally > Account Info. > Scenario > Alter**

- ❑ Select **New Scenario** and press **Alt+D**

### Practice Exercise

1. Create Scenarios in **Indus Enterprises** using Memorandum Vouchers, Reversing Journals and other Optional Vouchers and experiment !

### Points to Remember

- ❑ Bill-wise details are specified while creating vouchers to allocate payments to invoices. The Outstandings Statements can be generated using bill-wise details.
- ❑ A Cost centre is a unit of an organisation to which expenses as well as incomes are allocated. Cost categories are used when the organisations have to allocate resources to parallel sets of cost centres.
- ❑ Accounting ledgers can be automatically allocated to transactions with the help of Voucher Class facility. The voucher class also enables inter-godown transfer of stocks, adjustment of forex gain / loss, interest calculations etc.
- ❑ The Cost centre class enables automatic allocation of cost centres, while recording transactions.
- ❑ Tally.ERP 9's multi-currency feature allows the recording of transactions involving more than one currency and also helps in adjusting the foreign exchange gain/ loss.
- ❑ Bank reconciliation refers to the reconciliation of company's bank accounts with the bank statement. In Tally.ERP 9 the vouchers can be reconciled by just entering the appropriate dates in the reconciliation screen.
- ❑ In Tally.ERP 9, the interest can be calculated by specifying the interest parameters in the ledgers masters, which can be altered while entering the transactions. The interest can be recorded using debit / credit notes with the help of relevant voucher classes.
- ❑ Budgets are used to control the expenditure. In Tally.ERP 9 budgets can be created for any account group, ledger and cost centre to generate a budget variance statement.
- ❑ Scenario reports are used for the comparison of actual as well as projected provisional figures of accounts related information.



## Lesson 7: Advanced Inventory in Tally.ERP 9

### Lesson Objectives

On completion of this lesson, you will be able to

- ❑ Record orders placed/received
- ❑ Make a reorder analysis of inventory
- ❑ Create and maintain batch wise details, bill of materials and price lists
- ❑ Display reports on various stock valuation methods and inventory ageing analysis
- ❑ Record zero valued entries
- ❑ Record transactions using different actual and billed quantities

### 7.1 Order Processing

Order Processing refers to placing orders with suppliers for purchasing from them or receiving orders from customers for the purpose of selling.

In Tally.ERP 9, Order Processing is linked to Inventories. Using Order processing you can:

- ❑ Track the order position of a stock item;
- ❑ Know whether the goods ordered have arrived or not;
- ❑ Know whether the orders have been delivered on time and the reasons for the delay if any.

In this lesson, you will learn the method of recording and linking purchase orders to purchase invoice and sales orders to sales invoices. You will also learn how to display outstanding orders and the effect of orders on stocks.

**Setup :**

Ensure that you are at the Gateway of Tally of **National Traders**. In the **F11: Features (Inventory Features)**, activate the following features:

- ❑ **Allow Purchase Order Processing.**
- ❑ **Allow Sales Order Processing.**
- ❑ **Use Tracking Numbers (Delivery / Receipt Notes)**



- ❑ *Orders do not affect financial records nor do they update inventories.*
- ❑ *In this section, set the **Tracking Numbers** to **Not Applicable**.*

**7.1.1 Purchase Order Processing**

*Raise a Purchase Order on 15-12-2009 on Navketan Bricks (vide Order No. 1) for 5,000 pcs of Bricks @ Rs.3 /brick. (Godown - Warehouse). The due date is 26-12-2009 and additional Freight charges @ 3% is applicable.*

**Setup:**

- ❑ Create a Supplier - **Navketan Bricks** Under **Sundry Creditors** with **Maintain Balances bill-by-bill** set to **Yes**.
- ❑ Create a **Stock Item - Bricks** under **Building Materials** Stock Group, and select **Not Applicable** for the Stock category and specify the unit of measure as **Pcs** (If not listed create using **Alt+C**).
- ❑ Press **F12: Purchase Order Configuration** and ensure that:
  - **Accept Supplementary Details** is set to **No**.
  - **Complete Accounting Allocations in Order/Delivery Note** is set to **Yes**.
  - **Use Common Ledger for Item allocation** is set to **No**.

**Step 1: Create Purchase Order**

Go to **Gateway of Tally > Inventory Vouchers > F4: Purc. Order**.

1. **Date: 15-12-09.**
2. **Party's A/c Name: Navketan Bricks**
3. **Order No: 1** This particular Order No. field is an additional field to record the order number if different from the voucher number.
4. **Name of the item: Bricks.** Press **Enter** and the **Item allocation** sub-screen appears.
  - ❑ **Due on: 26-12-09** (It is the due date for the delivery of the item. This will enable the monitoring of outstanding deliveries. The order can be split for delivery on different dates).
  - ❑ **Location: Warehouse.** (Only when the multiple location feature is active, this field is required to be given, else it does not appear.)

- The completed **Stock Item Allocation** sub-screen appears as shown below :

Figure 7.1 Item Allocation for Bricks

- ### 7.1.2 Altering a Purchase Order

Go to **Gateway of Tally > Display > Day Book > F4: Chg Vch** and select **Purchase Orders** or  
Go to **Gateway of Tally > Display > Inventory Books > Purchase Order Book**.

### 7.1.3 Sales Order Processing

*Enter a Sales Order on 16-12-2009 on WinLab Technologies (vide Order No. WT/5) for 4,000 pcs (godown - Warehouse) of Bricks @ Rs. 5 /brick. The due date is 27-12-2009 and tax @ 17.5% is applicable.*

#### Step1: Create Sales Order

Go to **Gateway of Tally > Inventory Vouchers > F5: Sales Order.**

1. **Date: 16-12-09.**
2. **Party's A/c Name: WinLab Technologies**
3. **Order No:** Enter **WT/5** - The voucher number is automatically displayed here but you are allowed to change it, because this particular Order No. field is for the customer's order number which is most likely to be different from the voucher number.
4. **Name of the item: Bricks.** Press **Enter** and the **Item allocation** sub-screen appears.
  - **Due on: 27-12-09.** The due date for delivery of the item. This will enable monitoring of out-standing deliveries. The order can be split for delivery on different dates.
  - **Location: Warehouse.**
  - **Quantity, Rate and Amount – 4000 Pcs @ 5 per Pc** allocate to **Sales Account** (create it if not present)
5. Press **Enter** on the blank field to take the cursor to the tax/ expense field.
6. Select **Tax @ 17.5%** (Create it under **Duties & taxes** to be charged on the total sales).
7. Type the narration as **Sales Order entry as on 16th December 2009.**

The completed **Sales Order** appears as shown below :

| Inventory Voucher Creation                                                  |           | National Traders |         | Ctrl + M                                                      |
|-----------------------------------------------------------------------------|-----------|------------------|---------|---------------------------------------------------------------|
| <b>Sales Order</b> No. 1                                                    |           |                  |         | 16-Dec-2009<br>Wednesday                                      |
| Party's A/c Name : WinLab Technologies<br>Current Balance : 13,50,000.00 Dr |           | Order No. : WT/5 |         |                                                               |
| Name of Item                                                                | Quantity  | Rate per         | Disc. % | Amount                                                        |
| Bricks                                                                      | 4,000 Pcs | 5.00 Pcs         |         | 20,000.00                                                     |
| Tax @ 17.5%                                                                 |           | 17.50 %          |         | 3,500.00                                                      |
| Narration:<br>Sales Order Entry as on 16th December 2009                    |           |                  |         | <div>4,000 Pcs</div> <div>Accept ?</div> <div>Yes or No</div> |

Figure 7.2 Sales Order Entry

8. Press **Y** or **Enter** to accept the screen and return to the Gateway of Tally.

#### 7.1.4 Altering a Sales Order

To Alter a Sales Order,

Go to **Gateway of Tally > Display > Day Book > F4: Chg Vch** and select **Sales Orders** or Go to **Gateway of Tally > Display > Inventory Books > Sales Order Book**.

#### 7.1.5 Display Order Position

Now that we have raised one purchase order and one sales order, let us view the order position to know the amount of stock that is in the process of order both inward and outward:

Go to **Gateway of Tally > Stock Summary**.

- ❑ Press the **F7: Orders** button or press **Alt + F7**.
- ❑ Select **Sales Orders Outstanding**, set **No** to **Use Due orders only?**

- ❑ Select **Building Materials** field and drill down to the **Order Details** screen, by pressing enter twice.
- ❑ In the **Sales Order Outstanding** screen. Press **Alt+F1** to view the report in detailed format.

The **Order Details** screen appears as shown below :

| Order Details             |              |                     | National Traders          |                  |               | Ctrl + M  |                  |  |
|---------------------------|--------------|---------------------|---------------------------|------------------|---------------|-----------|------------------|--|
| Item: Bricks              |              |                     | 1-Apr-2009 to 20-Dec-2009 |                  |               |           |                  |  |
| Sales Orders              |              |                     |                           |                  |               |           |                  |  |
| Date                      | Order Number | Name of Party       | Ordered Quantity          | Balance Quantity | Rate (Disc %) | Value     | Due on (overdue) |  |
| Sales Orders Outstanding: |              |                     |                           |                  |               |           |                  |  |
| 16-Dec-2009               | WT/5         | WinLab Technologies | 4,000 Pcs                 | 4,000 Pcs        | 5.00          | 20,000.00 | 27-Dec-2009      |  |
| 16-Dec-2009 Sales Order 1 |              |                     | 4,000 Pcs                 |                  |               |           |                  |  |
|                           |              |                     | 4,000 Pcs                 | 4,000 Pcs        | 20,000.00     |           |                  |  |

Figure 7.3 Order Details screen

The Order Details report is generated as on December 20, 2009. Change the period to a different month and observe what happens. You will discover that the entry appears in the report based on the due date given in the order.

- ❑ Press **F12: Configure** and set **Yes** to all the fields.

The report now shows the **Outstanding positions** of the Sales and Purchase Orders for the stock item **Bricks**.

| Order Details                       |              |                     | National Traders          |                  |               | Ctrl + M  |                  |  |
|-------------------------------------|--------------|---------------------|---------------------------|------------------|---------------|------------------------------------------------------------------------------------------------|------------------|--|
| Item: Bricks                        |              |                     | 1-Apr-2009 to 27-Dec-2009 |                  |               |                                                                                                |                  |  |
| Order Analysis                      |              |                     |                           |                  |               |                                                                                                |                  |  |
| Date                                | Order Number | Name of Party       | Ordered Quantity          | Balance Quantity | Rate (Disc %) | Value                                                                                          | Due on (overdue) |  |
| <u>Sales Orders Outstanding:</u>    |              |                     |                           |                  |               |                                                                                                |                  |  |
| 16-Dec-2009                         | WT/5         | WinLab Technologies | 4,000 Pcs                 | 4,000 Pcs        | 5.00          | 20,000.00                                                                                      | 27-Dec-2009      |  |
| Warehouse                           |              |                     | ( 0 days)                 |                  |               |                                                                                                |                  |  |
| 16-Dec-2009 Sales Order 1           |              |                     | 4,000 Pcs                 |                  |               |                                                                                                |                  |  |
|                                     |              |                     | 4,000 Pcs                 | 4,000 Pcs        | 20,000.00     |                                                                                                |                  |  |
| <u>Purchase Orders Outstanding:</u> |              |                     |                           |                  |               |                                                                                                |                  |  |
| 15-Dec-2009                         | 1            | Navketan Bricks     | 5,000 Pcs                 | 5,000 Pcs        | 3.00          | 15,000.00                                                                                      | 26-Dec-2009      |  |
| Warehouse                           |              |                     | ( 1 days)                 |                  |               |                                                                                                |                  |  |
| 15-Dec-2009 Purchase Order 1        |              |                     | 5,000 Pcs                 |                  |               |                                                                                                |                  |  |
|                                     |              |                     | 5,000 Pcs                 | 5,000 Pcs        | 15,000.00     |                                                                                                |                  |  |

Figure 7.4 Order Details screen



- The **Sales Order Outstanding** screen, by default will show the report as on last date of the voucher entry. Hence, change the period to view the report of the desired period
- The value and magnitude of information changes online depending on the date filter you use. This is Tally.ERP 9's Power of Real Time Report Generation.

### 7.1.6 Display Columnar Orders & Stock Details

To view Columnar Order Position, return to the **Stock Summary** screen.

- Press **F1: Detailed** and view the report as on **31-12-2009**.
- Press **Alt + N** or **Auto-Column** Button, select **Orders & Stock Details**.
- Remove **Rate** and **Value** from display, by configuring it in **F12: Configuration** (This will enable all the columns to fit in one screen).

The screen appears as shown below :

| Stock Summary              |                                                                          | National Traders                                                                                |                                                                                 |                                                                                                    | Ctrl + M                                                                 |  |
|----------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|--|
| Particulars                | National Traders<br>1-Apr-2009<br>to 31-Dec<br>-2009<br>Stock In<br>Hand | National Traders<br>1-Apr-2009<br>to 31-Dec<br>-2009<br>Sales<br>Orders<br>Outstanding<br>(due) | National Traders<br>1-Apr-2009<br>to 31-Dec<br>-2009<br>Saleable<br>Stock (due) | National Traders<br>1-Apr-2009<br>to 31-Dec<br>-2009<br>Purchase<br>Orders<br>Outstanding<br>(due) | National Traders<br>1-Apr-2009<br>to 31-Dec<br>-2009<br>Nett Stock (due) |  |
|                            | Closing<br>Balance<br>Quantity                                           | On Order<br>Quantity                                                                            | Closing<br>Balance<br>Quantity                                                  | On Order<br>Quantity                                                                               | Closing<br>Balance<br>Quantity                                           |  |
|                            |                                                                          |                                                                                                 |                                                                                 |                                                                                                    |                                                                          |  |
| Building Materials         |                                                                          |                                                                                                 |                                                                                 |                                                                                                    |                                                                          |  |
| Bricks                     |                                                                          | 4,000 Pcs                                                                                       | (-)4,000 Pcs                                                                    | 5,000 Pcs                                                                                          | 1,000 Pcs                                                                |  |
| Cement                     |                                                                          |                                                                                                 |                                                                                 |                                                                                                    |                                                                          |  |
| Steel                      |                                                                          |                                                                                                 |                                                                                 |                                                                                                    |                                                                          |  |
| Computers                  | 5 Nos                                                                    |                                                                                                 | 5 Nos                                                                           |                                                                                                    | 5 Nos                                                                    |  |
| HCL PIV                    | 2 Nos                                                                    |                                                                                                 | 2 Nos                                                                           |                                                                                                    | 2 Nos                                                                    |  |
| IBM PIV                    | 3 Nos                                                                    |                                                                                                 | 3 Nos                                                                           |                                                                                                    | 3 Nos                                                                    |  |
| Foodstuffs                 |                                                                          |                                                                                                 |                                                                                 |                                                                                                    |                                                                          |  |
| Wheat                      | (-)100 Bags                                                              |                                                                                                 | (-)100 Bags                                                                     |                                                                                                    | (-)100 Bags                                                              |  |
| Peripherals                |                                                                          |                                                                                                 |                                                                                 |                                                                                                    |                                                                          |  |
| Accessories                |                                                                          |                                                                                                 |                                                                                 |                                                                                                    |                                                                          |  |
| Components                 | 67 Nos                                                                   |                                                                                                 | 67 Nos                                                                          |                                                                                                    | 67 Nos                                                                   |  |
| Printers                   | 16 Nos                                                                   |                                                                                                 | 16 Nos                                                                          |                                                                                                    | 16 Nos                                                                   |  |
| HP - 27 Printer Cartridges | 5 Nos                                                                    |                                                                                                 | 5 Nos                                                                           |                                                                                                    | 5 Nos                                                                    |  |
| HP Laserjet1010 Series     | 5 Nos                                                                    |                                                                                                 | 5 Nos                                                                           |                                                                                                    | 5 Nos                                                                    |  |
| Samsung Laserjet 1500      | 6 Nos                                                                    |                                                                                                 | 6 Nos                                                                           |                                                                                                    | 6 Nos                                                                    |  |
|                            |                                                                          |                                                                                                 |                                                                                 |                                                                                                    |                                                                          |  |
| Grand Total                | 21 Nos                                                                   |                                                                                                 | 21 Nos                                                                          |                                                                                                    | 21 Nos                                                                   |  |

Figure 7.5 Stock Summary



- You may further drill down each column to view it in detail.
- In the Stock Summary screen, you can even bring up a new column using the New Column button and get more options for more details.
- Experiment with the different Types of Values to get familiar with them and Return to the Gateway of Tally.

### 7.1.7 Adjusting Orders

Orders are adjusted at the time of raising delivery notes and invoices.

#### Step 1: Create Purchase Invoice

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchase > select As Invoice.**

1. In the **Supplier Invoice No.** field enter **NB/6**.
2. **Date: 26-12-09.**
3. Press **F12: Configure** and set **Accept Supplementary Details** to **Yes**.
4. **Party's A/c Name: Navketan Bricks.**
5. Press **Enter** to view the **Receipt Details** screen as shown below:

| Party Details                      |                    | National Traders |             | Ctrl + M    |
|------------------------------------|--------------------|------------------|-------------|-------------|
| Purchase No. 11                    |                    |                  |             | 26-Dec-2009 |
| Supplier Invoice No. : NB/6        | Date : 26-Dec-2009 |                  |             | Saturday    |
| Party's A/c Name : Navketan Bricks |                    |                  |             |             |
| Current Balance :                  |                    |                  |             |             |
| Name of Item                       | Quantity           | Rate             | per Disc. % | Amount      |
|                                    |                    |                  |             |             |

**Receipt Details**  
 Receipt Note No.(s) : ☐ End of List

**Order Details**  
 Order No(s) : 1

**List of Orders**  
☐ End of List  
☐ New Number  
☐ Not Applicable  
 1      15-Dec-2009

**Supplier's Details**  
 Supplier : Navketan Bricks  
 Address :  
 Sales Tax No. :

Figure 7.6 Receipt Details screen



6. In the **Receipt Details** screen, select **1** from the **List of Orders** in the **Order No(s)** field and accept the screen.
7. The stock item **Bricks** appears automatically. Press **Enter** and the **Item Allocations** sub-screen is displayed with the quantity details.
8. **Tracking number: Not Applicable** (as goods are accompanying the bill) and re-accept the order number.
9. Select **Purchases** in the **Accounting Allocation** screen.
10. Select **Freight** at **3%** on the item values.
11. Enter the rest of the details and accept the screen.

### Practice Exercise

1. Enter a sales invoice on 27-12-2009 and link it to the sales order of 16-12-2009 and view the Orders position (including the cleared orders).
2. Raise a Purchase Order on 20-12-2009 on **Navketan Bricks** with the order number - **PO/001**. Give the due date as 28-12-2009 and quantity as 4500 pcs (godown - Warehouse) @ Rs. 4 per brick piece. Add Freight charges @ 3%.
3. Enter another Purchase Order on 26-12-2009 on **Navketan Bricks** with the order number as **PO/002**, due date as 31-12-2009 and quantity as 5500 pcs (godown - Warehouse) @ Rs. 4 per Pc. Add Freight charges @ 3%.
4. On 22-12-2009 and 27-12-2009 raise two Sales Orders on **WinLab Technologies (WT/001 and WT/002)**. Give the due date as 29-12-2009 and 3-1-2010 and quantity as 3000 pcs and 4,250 pcs respectively @ Rs. 6 per Pc. Tax @ 17.5% for both orders.
5. View the Order Position and then return to the Gateway of Tally.

## 7.2 Reorder Levels

Reorder level is the level on reaching which an order has to be placed for a stock item. The importance of a reorder level arises from the desire to have sufficient stocks to service customer orders and at the same time not to have unnecessarily high stocks. Therefore, the points to be considered in deciding reorder levels are:

- ❑ Lead time for suppliers to deliver stock
- ❑ Delivery time specified by the customer
- ❑ The stock in hand to satisfy orders in the meantime.

### 7.2.1 Defining Reorder Levels

Reorder Levels can be defined in either **Simple Mode** or **Advanced Mode**.

Go to **Gateway of Tally > Inventory Info. > Reorder Levels**

- ❑ Select **Building Materials** and press **Enter**
- ❑ The **Specify Reorder Levels** screen appears where all the Stock Items (Bricks, Cement and Steel) under the Stock Group (Building Materials) are displayed.

The **Simple Reorder Level** appears as shown:

| Specify Reorder Levels                  |  | National Traders          |                        | Ctrl + M |
|-----------------------------------------|--|---------------------------|------------------------|----------|
| Under Group : <b>Building Materials</b> |  | 1-Apr-2009 to 31-Dec-2009 |                        |          |
| Name of Item                            |  | Reorder Quantity          | Minimum Order Quantity |          |
| <b>Bricks</b>                           |  |                           |                        |          |
| <b>Cement</b>                           |  |                           |                        |          |
| <b>Steel</b>                            |  |                           |                        |          |

Figure 7.7 Simple Reorder Level screen



*The Reorder Level screen appears based on the books beginning from and the date of last entry.*

- ❑ Click **Alt+R** : **Adv Reorder** button
- ❑ Click **Alt+M** : **Adv Min Qty** button

*The following buttons are used in **Reordering**:*



- ❑ **Ctrl + F4**: **New Parent** (to change the Stock Group).
- ❑ **Alt + R** : **Simple Reorder** (toggles with Advanced Reorder).
- ❑ **Alt + M**: **Simple Minimum Quantity** (toggles with Advanced Minimum Quantity).

*The latter two buttons allow you to define the reorder levels using either simple parameters or advanced parameters.*

The **Advanced Reorder Level** screen appears as shown below :

| Specify Reorder Levels                  |                  | National Traders                                                  |          | Ctrl + M               |                                                                   |          |
|-----------------------------------------|------------------|-------------------------------------------------------------------|----------|------------------------|-------------------------------------------------------------------|----------|
| Under Group : <b>Building Materials</b> |                  | 1-Apr-2009 to 31-Dec-2009                                         |          |                        |                                                                   |          |
| Name of Item                            | Reorder Quantity | Advance Parameter for Reorder Level<br>(Consumption for the last) |          | Minimum Order Quantity | Advance Parameter for Minimum Order<br>(Consumption for the last) |          |
|                                         |                  | Period                                                            | Criteria |                        | Period                                                            | Criteria |
| <b>Bricks</b>                           |                  |                                                                   |          |                        |                                                                   |          |
| <b>Cement</b>                           |                  |                                                                   |          |                        |                                                                   |          |
| <b>Steel</b>                            |                  |                                                                   |          |                        |                                                                   |          |

Figure 7.8 Advanced Reorder Level screen



*The **Advanced parameters** allow you to specify the quantities for the **Reorder level** and the **minimum order quantity**. The reorder and minimum order quantity is defined based on **consumption patterns**.*

***Consumption patterns** are decided based on a stipulated time period. Tally.ERP 9 allows you to choose from the time parameters of **Days, Weeks, Months** and even **Years**.*

- ❑ Set the **Reorder Level** and **Minimum Order Quantity** for the stock item **Bricks** using advanced partameters as shown below :

| Specify Reorder Levels |                  | National Traders                                                  |          |                        |                                                                   | Ctrl + M                  |  |
|------------------------|------------------|-------------------------------------------------------------------|----------|------------------------|-------------------------------------------------------------------|---------------------------|--|
| Under Group            |                  | : Building Materials                                              |          |                        |                                                                   | 1-Apr-2009 to 31-Dec-2009 |  |
| Name of Item           | Reorder Quantity | Advance Parameter for Reorder Level<br>(Consumption for the last) |          | Minimum Order Quantity | Advance Parameter for Minimum Order<br>(Consumption for the last) |                           |  |
|                        |                  | Period                                                            | Criteria |                        | Period                                                            | Criteria                  |  |
| Bricks                 |                  |                                                                   |          |                        |                                                                   |                           |  |
|                        | 4,500 Pcs or     | 5 Days                                                            | Higher   | 1,500 Pcs or           | 5 Days                                                            | Higher                    |  |
| Cement                 |                  |                                                                   |          |                        |                                                                   |                           |  |
|                        | [REDACTED]       |                                                                   |          |                        |                                                                   |                           |  |
| Steel                  |                  |                                                                   |          |                        |                                                                   |                           |  |

Figure 7.9 Reorder Level screen

- ❑ Set the **Reorder level** at **4,500** pcs (user-defined) or you may also consider the consumption pattern for the last 5 Days and accept the value computed as the Reorder Level.
- ❑ Press **Ctrl+A** to accept the screen and return to the Gateway of Tally.



***Consumption patterns** can be given only if you specify a user-defined quantity as the **Reorder level** and **Minimum Order quantity**. Tally.ERP 9 then compares the two values and considers the lower or higher of the two figures as per our specifications.*

## 7.2.2 Display Reorder Status

We have so far defined the Reorder Levels. However, since the actual analysis is possible only through the Reorder Status report, let us view the same.

Go to **Gateway of Tally > Display > Statements of Inventory > Reorder Status**

- ❑ Select **Building Materials**
- ❑ Press **F2** and change the period from **1-4-2009** to **30-1-2010**

The **Inventory Reorder Status** screen appears as shown below :

| Inventory Reorder Status National Traders Ctrl + M                       |               |                     |                 |                |                |            |                 |                    |  |
|--------------------------------------------------------------------------|---------------|---------------------|-----------------|----------------|----------------|------------|-----------------|--------------------|--|
| Items Under : <b>Building Materials</b> as at 30-Jan-2010<br>(all items) |               |                     |                 |                |                |            |                 |                    |  |
| Name of Item                                                             | Closing Stock | Purc Orders Pending | Sale Orders Due | Nett Available | Re-order Level | Short fall | Min Reorder Qty | Order to be Placed |  |
| <b>Bricks</b>                                                            | 1,000 Pcs     | 10,000 Pcs          | 7,250 Pcs       | 3,750 Pcs      | 4,500 Pcs      | 750 Pcs    | 1,500 Pcs       | 1,500 Pcs          |  |
| <b>Cement</b>                                                            |               |                     |                 |                |                |            |                 |                    |  |
| <b>Steel</b>                                                             |               |                     |                 |                |                |            |                 |                    |  |

Figure 7.10 Inventory Reorder Status

- Click the **A: Reorder Only** button (**A: Reorder Only** button toggles with the **A: Show All** button).

| Inventory Reorder Status National Traders Ctrl + M                                              |               |                     |                 |                |                |            |                 |                    |  |
|-------------------------------------------------------------------------------------------------|---------------|---------------------|-----------------|----------------|----------------|------------|-----------------|--------------------|--|
| Items Under : <b>Building Materials</b> as at 30-Jan-2010<br>(only items below re-order levels) |               |                     |                 |                |                |            |                 |                    |  |
| Name of Item                                                                                    | Closing Stock | Purc Orders Pending | Sale Orders Due | Nett Available | Re-order Level | Short fall | Min Reorder Qty | Order to be Placed |  |
| <b>Bricks</b>                                                                                   | 1,000 Pcs     | 10,000 Pcs          | 7,250 Pcs       | 3,750 Pcs      | 4,500 Pcs      | 750 Pcs    | 1,500 Pcs       | 1,500 Pcs          |  |
|                                                                                                 |               |                     |                 |                |                |            |                 |                    |  |

Figure 7.11 Inventory Reorder Status

A report is displayed giving the details of only Bricks, since the report is configured to display only those items which are below the reorder level. To analysis the Inventory Reorder Status Report, place the cursor on any of the details given in the above report and press **Enter**. You can view the details to verify its correctness.



#### i. Name of Item

The list of stock items are displayed which are grouped under the selected stock group. Highlight the required item and press **Enter** to arrive at the Movement Inward details. This gives us the details of the stock items in terms of the quantity, rate and value. You can drill down to the last level of voucher details.



## ii. Closing Stock

Remember, in the section on Order Processing we first raised a Purchase Order for 5000 pcs which we then purchased. After that, we raised a Sales Order for 4000 pcs which we subsequently sold - this resulted in a closing quantity of 1000 pcs. The column next to the name of the item displays the closing quantity as per the date specified in the report.

Press **Enter** on the value shown under closing stock and you will get a monthly inward-outward-closing balance report of the selected stock item.

## iii. Purchase Orders Pending

This quantity is arrived at on the basis of the total purchase orders pending. Remember we raised 2 Purchase Orders for 4500 pcs and 5500 pcs. The total of 10000 pcs appears in the Purchase Orders Pending column.

Press **Enter** on the value shown under Purchase Orders Pending and you will get a report displaying outstanding purchase orders.

## iv. Sales Orders Due

This quantity is arrived at on the basis of the total sales orders due. Remember, we raised 2 Sales Orders for 3000 pcs and 4250 pcs. The total of 7250 pcs appears in the Sales Orders Due column.

Press **Enter** on the value shown under Sales Orders Due and you will get a report of the outstanding sales orders.

## v. Nett Available

The quantity given here is arrived at based on the formula: **Closing Quantity + Purchase Orders Pending - Sales Orders Due** i.e.,  $1000 + 10000 - 7250 = 3750$  pcs.

## vi. Reorder Level

As per our definition, if we select the greater of 4500 pcs or the level of Consumption over the last 5 days then the reorder level will be displayed as 4500.

To define consumption pattern as lower, highlight the Reorder Level column and press **Enter** to view the Specify Reorder Level screen.

## vii. Shortfall

Shortfall is displayed as on 31-1-2010 with the specifications:

- ❑ **Reorder level** being 4500 pcs or consumption of last 5 days whichever is higher.
- ❑ **Minimum order quantity** of 1500 pcs or consumption of last 5 days whichever is higher.

The quantity is arrived at based on  $4500$  (reorder level) -  $3750$  (nett available) =  $750$  pcs shortfall. The reorder level if more than the nett available, the difference will be shown as Shortfall.



#### viii. Minimum Order Quantity

The minimum order quantity is the level below which when the quantity of stock falls, an order has to be placed. Press **Enter** on Minimum Order Quantity to view the reorder level and minimum order quantity definition screen of the selected stock item.

#### ix. Order to be Placed

The amount is arrived at based on the following interpretations:

- ❑ **Shortfall > Minimum Order Quantity.** The quantity displayed in Shortfall column will be displayed in the column Order to be Placed or
- ❑ **Shortfall < Minimum Order Quantity.** The quantity displayed in Minimum Order Quantity column will be displayed in the column Order to be Placed.

In our example, Shortfall (750 pcs) is less than Minimum Order Quantity (1500 pcs) hence, minimum order quantity of 1500 pcs is the order to be placed as on 31-1-2010.

### Practice Exercise

1. In **Indus Enterprises** experiment by giving your own values for reorder level and minimum order quantity and observe the report as on various dates (depending on the entry dates). Discover and analyse the stock status.

## 7.3 Tracking Numbers

Many businesses deliver stock with a delivery note or a challan and the bill is raised later. There may be a situation where you raise a bill first and then deliver the goods against the bill raised or receive the goods against a purchase bill. In such cases, it is important to 'Track' the delivery or receipt of inventory against the bill. Tally.ERP 9 has a feature called Tracking Numbers to achieve the same.

**'Tracking'** the delivery or receipt of inventory, is purely an inventory-related activity. Tally.ERP 9 helps in bringing such entries into the accounting statements to help the user in ascertaining the profit or loss for a stipulated period. In case sales bills are to be raised an additional element in the detailed Profit & Loss statement appears as **Sales bills pending** and for Purchases the same will appear as **Purchase Bills pending**.

### 7.3.1 Using Tracking Numbers

**On 28-12-09 Ref GRN/NB - 1,000 Pcs of Bricks received from Navketan Bricks @ Rs. 4 /Pc at the warehouse.**

In the earlier sections, we have recorded two Purchase Orders on 20-12-2009 and 25-12-2009 with due dates 28-12-2009 and 31-12-2009 respectively. The above receipt of 1,000 pcs is received against the ordered quantity of 4,500 pcs.

Let us raise a **Receipt Note** for the **PO/001** raised on 20-12-2009 with due date 28-12-2009.

**Setup:**

In the **F11: Features (Inventory Features)**, activate

- ❑ **Use Tracking Numbers** to enable the **Receipt Note (Goods Receipt Note)** and **Delivery Note (Delivery Challan)**.
- ❑ **Use Rejection Notes** to enter **Rejections In** vouchers and **Rejections Out** vouchers.

**Step 1: Create Receipt Note**

Go to **Gateway of Tally > Inventory Vouchers > F9: Receipt Note**.

1. Date: **28-12-09**
2. Party's A/c Name: **Navketan Bricks**
3. Purchase Ledger : **Project Purchases**
4. Name of the item: **Bricks**
5. In **Item Allocations** for screen, Select **Tracking No.** as **GRN/NB**, **Order No.** as **PO/001** and **Due on:** **28-12-09**
6. In the main voucher screen, enter **3%** for **Freight charges** and the value gets calculated automatically.
7. Enter the remaining details and accept the voucher.

**7.3.2 Display Purchase Bill Pending**

Go to **Gateway of Tally > Display > Statements of Inventory > Purchase Bills Pending >**

- ❑ Press **Alt + F1** for a **detailed** view.

The **Purchase Bills Pending** report appears as shown below :

| Purchase Bills Pending            |                 |              | National Traders          |               | Ctrl + M |
|-----------------------------------|-----------------|--------------|---------------------------|---------------|----------|
| Purchase Bills Pending            |                 |              | 1-Apr-2009 to 31-Dec-2009 |               |          |
| Date                              | Tracking Number | Name of Item | Pending Quantity          | Rate (Disc %) | Value    |
| Goods Recd. but Bills not Recd. : |                 |              |                           |               |          |
| 28-Dec-2009                       | GRN/NB          | Bricks       | 1,000 Pcs                 | 4.00          | 4,000.00 |
| Warehouse                         |                 |              |                           |               |          |
| From: Navketan Bricks             |                 |              |                           |               |          |
| 28-Dec-2009                       | Rcpt Note 4     | 1,000 Pcs @  | 4.00                      |               |          |

Figure 7.12 Purchase Bills Pending

Tally.ERP 9 tracks down the details of goods received for which bills have not been received. To view effect of above report,

Go to **Gateway of Tally > Profit & Loss Account** and view the **Purchase Accounts**.

You will find that the value of goods received (recorded through Receipt Note) are included in the Purchase Accounts under **Purchase Bills to come**, for ascertaining the profits accurately. Also

view **Sundry Creditors** from **Balance Sheet**, you will find that liability is created under **Purchase Bills to come**.



- Ensure that in **F11: Features (Accounting Features)**, **Integrate Accounts with Inventory** is set to **Yes**.
- For details on **Original Quantity**, drill down the **Purchase Bills pending** and activate the option **Show Original Quantity** in **F12: Configure**. You will get an additional field called **Initial Quantity**.

**On 28-12-09, you receive the purchase Bill No. NB/15 from Navketan Bricks for their Delivery Note No. GRN/NB for 1,000 Pcs of Bricks @ Rs.4 /Pc. A credit of 30 days is allowed.**

**Setup :**

- Activate **Cost Centre** for **Freight charges** Ledger

### **Step 1: Create Purchase Voucher**

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchase**

1. **Ref: NB/15**
2. Credit **Navketan Bricks: Rs. 4,120**
3. Bill-wise Details: **NB/15 30 days 4,120**
4. Debit **Purchases: Rs. 4,000**
5. **Tracking Number:** Select **GRN/NB** and give the required inventory allocation.
6. Debit **Freight Charges: Rs. 120**
7. Select **Projects and Assignments** Category and **Buildings** Cost centre
8. Accept the **Purchase voucher**.

After completing the above entry, view **Purchase Bills Pending**.

### **Practice Exercise**

Make the following voucher entries:

1. On 1-2-2010, you received an order from **FirstCom Solutions** for 25 Nos of **HP - 27 Printer Cartridges** to be delivered on 15-2-2010 @ Rs. 250 each. Order number **FCS/9**. You propose to deliver from On-Site, allocate to Sales-Printer, Cost Centre Amar.
2. On 13-2-2010, received 22 Nos of **HP - 27 Printer Cartridges** @ Rs. 200 from **Power Line Computers** and stored in On-Site. The invoice **PLC12** was also received. Credit period was 30 days.
3. On 15-2-2010, National Traders delivered 20 Nos of **HP - 27 Printer Cartridges** from On-Site to **FirstCom Solutions** against their Order **FCS/9**.
  - Since you will raise the invoice later, give a new tracking number as **Ex1**.



- The terms are Credit period of 45 days from the date of invoice. The sale price is Rs. 250 each. No interest is to be charged.
- 4. On 17-2-2010, **FirstCom Solutions** returned 2 defective pcs of **HP - 27 Printer Cartridges**, track it against **Ex1**.
- 5. On 1-3-2010, National Traders raised the invoice for the 18 pcs of goods retained by **FirstCom Solutions**. Link the invoice with the delivery note.
  - Display **Sales Bills Pending** on 28-2-2010. and view **Profit & Loss A/c** on 28-2-2010 to view changes in **Sales Bills to make**.
  - Change the date to 2-3-2010 and check, are there any **Sales Bills to Make**
- 6. Prepare a Purchase invoice on 13-2-2010 and track it against the receipt note dated 13-2-2010.



- Activate **Rejection Notes** in the **F11: Features (Inventory features)**, if not activated.
- Create a Receipt Note for Exercise 2, and give the tracking number as **PLC12**.
- For **Exercise 4**, create **Rejections In Voucher**
- For **Exercise 5**, raise a Invoice for 18 Pcs only.
- After completing the above practical exercises, return to Gateway of Tally and disable tracking numbers in the **F11: Features (Inventory Features)**.



Once entries are recorded using **Rejections In** and **Rejections Out Notes**, the option **Use Rejection Inward/Outward Notes** in **F11: Features (Inventory Features)** cannot be set to **No**.

## 7.4 Batch-wise Details

Batch details are used to identify the movement of inventory in batches or lots. Although this is a requirement primarily of the pharmaceutical industry, the same can be used by other industries that maintain or manufacture perishable goods. Many organisations also purchase in batches in order to monitor the result of the batch purchased individually. Hence, Tally.ERP 9 has used the term Batch/Lot.

Batches/Lots are also often used to monitor the date of manufacture, date of receipt or the date of expected time when it cannot be further used (perished or expired). Tally.ERP 9 makes provisions to enter both the manufacturing date and the expiry date to take decisions as required.

In this section the following topics are discussed :

- Activate **Batch-wise Details** and enter vouchers using them.

- ❑ Set **Manufacturing Date & Expiry Date** for Batches.



- ❑ *Manufacturing Date & Expiry Date for Batches is useful for businesses that deal in goods that have expiry dates like medicines, food and other perishables.*
- ❑ *During Voucher entry, the date of manufacture of the product, by default takes the date of the voucher, this can however be changed subject to*
  - *Date of Manufacture is not later than the Voucher Date.*
  - *Expiry Date is not earlier than the Date of Manufacture.*

### 7.4.1 Activating Batch-wise Details

Batch-wise details are given for maintaining batch information pertaining to stock items. The **Manufacturing date** and **expiry date** can also be set for batch wise details.

To activate Batchwise Details,

Go to **Gateway of Tally > press F11: Features (Inventory Features)**.

- ❑ Set **Maintain Batch-wise details** and **set Expiry Dates for Batches** to **Yes**.

### 7.4.2 Using Batch-wise Details in Purchase Invoice

*On 15-12-09, purchased Saridon - 250 nos from GetWell Pharmacy @ 5.50 each with batch number ST/101 having Manufacturing date as 15-8-2009 and Expiry Date as 14-8-2010.*

**Setup:**

- ❑ Create **GetWell Pharmacy Ledger** under **Sundry Creditors**
- ❑ Create the following Stock Item
  - **Name: Saridon**
  - **Under: Medicines** (create the group under primary)
  - **Category: Pain Killers** (create the category under primary).
  - **Maintain in Batches: Yes.**
  - **Track date of Mfg: Yes**
  - **Use expiry dates: Yes**
  - **Alter Standard Rates: No**
  - **Rate of Duty: 5**
  - Retain all the other fields as default and accept the stock item creation screen.
  - Return to the Gateway of Tally.

1. Enter the item as per the transaction details.
2. After you enter **Saridon**, an **Item Allocation** screen will appears,
  - Enter the batch no. as **ST/101** having manufacturing date as **15-8-09** and **Expiry Date** as **14-8-10**.
3. Select **Onsite** in Godown field. The **Batch details** appears as shown below :

Figure 7.13 Item Allocations for Saridon

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Go to **Gateway of Tally > Stock Summary > Medicines** > press **F1**: **Detailed** as on 15-12-2009. You will see the batch details of Saridon 250 nos with the rate and the total closing value.

### 7.4.3 Using Batch-wise Details in Sales Invoice

**On 27-12-09 , raise a Cash Sales Invoice for 200 nos of Saridon @ Rs. 7.50 from the above Batch No.ST/101.**

#### Setup :

- ❑ Create **Cash Ledger** under **Cash-in-Hand** group
- ❑ Activate Cost Centre for **Export Saes Ledger**

#### Step 1: Create Sales Voucher

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

1. Enter the item as per the transaction details.
2. Select the Batch as **ST/101**
3. Select Godown as **Onsite**
4. Select the **Sales Ledger** as **Export Sales**
5. Allocate the Sales to Cost Centre : **Amar**

#### Step 2 : View Stock Summary

Go to **Gateway of Tally > Stock Summary > Medicines**

- ❑ Specify the date as 27-12-2009
- ❑ Press **F1: Detailed**, you will find that the stock balance is **50 nos**.

#### Practice Exercise

1. On 28-12-09, raise another purchase invoice on **GetWell Pharmacy** with the following details
  - ❑ Batch No. : **ST/102**
  - ❑ Quantity : **300 nos**
  - ❑ Rate : **Rs. 6 per nos**
  - ❑ Godown : **On-site**
  - ❑ Manufacture date : **15-8-09**
  - ❑ Expiry date : **31-12-09**
  - ❑ Purchase Ledger : **Purchases**

- Total Invoice Value : **Rs. 1,800**
- 2. On 1-1-10, make a Cash Sales Invoice for Saridon - **50 nos** from batch **ST101** and **200 nos** from batch **ST102** @ Rs. 7.50 each.

| Stock Item Allocations                             |                       |                                                                                                                                                                             |      | National Traders                                        |         | Ctrl + M             |
|----------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|---------------------------------------------------------|---------|----------------------|
| Sales                                              |                       | No. 18                                                                                                                                                                      |      | Voucher Class : <input type="checkbox"/> Not Applicable |         | 1-Jan-2010<br>Friday |
| Ref. :                                             |                       |                                                                                                                                                                             |      |                                                         |         |                      |
| Party's A/c Name : Cash                            |                       |                                                                                                                                                                             |      |                                                         |         |                      |
| Current Balance : 1,500.00 Dr                      |                       |                                                                                                                                                                             |      |                                                         |         |                      |
| Item Allocations for : <b>Saridon</b>              |                       |                                                                                                                                                                             |      |                                                         |         |                      |
| Godown                                             | Batch / Lot No.       | Quantity                                                                                                                                                                    | Rate | per                                                     | Disc. % | Amount               |
|                                                    | Mfg Dt.   Expiry Date |                                                                                                                                                                             |      |                                                         |         |                      |
| Order No.: <input type="checkbox"/> Not Applicable |                       |                                                                                                                                                                             |      |                                                         |         |                      |
| On-Site                                            |                       | <div> <div>List of Active Batches</div> <div> <input type="checkbox"/> New Number           </div> <div> <b>ST/101</b>    <b>14-Aug-2010</b>    <b>50 Nos</b> </div> </div> |      |                                                         |         |                      |

Figure 7.14 Item Allocation for Saridon

- You may not be able to display the batch **ST/102**, use backspace key and go back to the invoice screen and change the invoice date to 31-12-2009.

Tally.ERP 9 displays the **batch ST/102** as shown below :

| Stock Item Allocations                              |                 |             |          |                                                         | National Traders |         | Ctrl + M                |  |
|-----------------------------------------------------|-----------------|-------------|----------|---------------------------------------------------------|------------------|---------|-------------------------|--|
| Sales                                               |                 | No. 18      |          | Voucher Class : <input type="checkbox"/> Not Applicable |                  |         | 31-Dec-2009<br>Thursday |  |
| Ref. :                                              |                 |             |          |                                                         |                  |         |                         |  |
| Party's A/c Name : Cash                             |                 |             |          |                                                         |                  |         |                         |  |
| Current Balance : 1,500.00 Dr                       |                 |             |          |                                                         |                  |         |                         |  |
| Item Allocations for : Saridon                      |                 |             |          |                                                         |                  |         |                         |  |
| Godown                                              | Batch / Lot No. |             | Quantity | Rate                                                    | per              | Disc. % | Amount                  |  |
|                                                     | Mfg Dt.         | Expiry Date |          |                                                         |                  |         |                         |  |
| List of Active Batches                              |                 |             |          |                                                         |                  |         |                         |  |
| <input type="checkbox"/> New Number                 |                 |             |          |                                                         |                  |         |                         |  |
| Order No. : <input type="checkbox"/> Not Applicable |                 |             |          |                                                         |                  |         |                         |  |
| On-Site                                             |                 |             | ST/101   | 14-Aug-2010                                             | 50               | Nos     |                         |  |
|                                                     |                 |             | ST/102   | 31-Dec-2009                                             | 300              | Nos     |                         |  |

Figure 7.15 Item Allocation screen

Tally.ERP 9 does not display batch ST/102 when we make the entry on **1-1-2010** because the expiry date of ST/102 was **31-12-2009**. But when we changed the entry date to **31-12-2009** the batch is displayed! This is because the option **Honor Expiry Dates usage for Batches** is set to **Yes** in the **F12: Configuration**.



When **Honor Expiry Dates usage for Batches** is set to **Yes** in the **F12: Configuration**, Tally.ERP 9 does not allow selection of expired batches during voucher entry (i.e., Batches for which, the expiry dates falls before the voucher date).

## 7.5 Additional Cost Details

The cost of an item is the rate at which the item is purchased. However, there are other expenses like Packing charges, Freight charges, Cartage incurred, etc. which add to the cost of purchasing the item. Thus, the additional cost details are required to be added to the actual cost of purchase.

Let us now see how Tally.ERP 9 handles this requirement.

### 7.5.1 Activating Additional Cost Details

- ❑ Ensure that you are at the **Gateway of Tally of National Traders**.
- ❑ Press **F11: Features (Inventory Features)**, set **Track Additional Costs of Purchases** to **Yes**.

### 7.5.2 Creating Purchase Voucher with Additional Cost Details

#### Setup :

- ❑ Create a **ledger – Stationery House** under **Sundry Creditors** with only the bill-wise details set to **Yes**.
- ❑ Create the following stock items:

| Name of Item | Under   | Category       | Units | Maintain in Batches |
|--------------|---------|----------------|-------|---------------------|
| Stapler      | Primary | Not Applicable | Nos   | No                  |
| Stapler Pins | Primary | Not Applicable | Nos   | No                  |

- ❑ Create a new group **Expenses on Purchases** under the default group **Purchase Accounts** and select **Not Applicable** for **Method to Allocate when used in Purchase Invoice**.



*The option **Method to Allocate**, when used in **Purchase Invoice** will not appear, if the feature **Enter Purchases in Invoice format** is set to **No** in **F11: Features (Accounting Features)**.*

- ❑ Create the following ledgers under the newly created group **Expenses on Purchases** with the option **Inventory Values are Affected** and **Maintain Cost centres** set to **No**.
  - **Packing Charges on Purchases**
  - **Cartage Charges**

#### Step 1: Create Purchase Voucher

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchase**

1. Press **Ctrl+V** for **Voucher Mode**
2. **Date: 1-3-2010**
3. Credit **Stationery House: Rs. 7,500**
4. Debit **Purchases: Rs. 7,500** and press **Enter**
5. Tally.ERP 9 prompts for the **Item details** (as **Inventory values are affected** is set to **Yes**)
6. Select item **Stapler** and press **Enter**
7. In the **Item allocation** screen,

- The **Additional Cost Details** screen appears as shown below :

[illegible]

11. Press **Enter**, Tally.ERP 9 prompts for the tracking number details  
12. Select **End of List**.

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| Inventory Allocations for : <b>Purchases</b> |                |                  |                 |
|----------------------------------------------|----------------|------------------|-----------------|
| Name of Item                                 | Quantity       | Rate per         | Amount          |
| <b>Stapler</b>                               | <b>100 Nos</b> | <b>20.00 Nos</b> | <b>2,000.00</b> |
| Actuals:                                     |                | 22.00 Nos        | (2,200.00)      |

Figure 7.17 Inventory Allocations for Purchases

13. Select the Item **Stapler Pins** in the **Item Allocation** screen and
  - ❑ **Order number: Not Applicable**
  - ❑ **Godown: On-Site**
  - ❑ **Quantity: 200 nos**
  - ❑ **Rate: Rs. 25 each**
  - ❑ Press **Enter** till you reach the **additional cost details** screen.
14. Select **Packing Charges** on **Purchases** and enter the balance amount of Rs. 180.
15. Select the ledger **Cartage Charges** and enter the balance amount of Rs. 120.
16. Press **Enter** till you reach the narration field.



- ❑ *In the invoice, we have incurred the total packing charges of Rs. 290 for both items. Out of which Rs. 110 is already specified the previous stock item **Stapler**. Hence, Rs. 180 is entered for **Stapler Pins**.*
- ❑ *(In the invoice, we have incurred a total of Rs. 210 as cartage charges for both items. Out of which Rs. 90 is entered for the previous stock item **Stapler**. Hence, Rs. 120 is entered for **Stapler Pins**.*
- ❑ *Ensure that the option **Show Inventory Details** is set to **Yes** in the **F12: Configuration**.*

The completed **Purchase voucher** appears as shown below:

| Accounting Voucher Creation           |             | National Traders |                       | Ctrl + M             |
|---------------------------------------|-------------|------------------|-----------------------|----------------------|
| <b>Purchase</b> No. 15                |             | Date :           |                       | 1-Mar-2010<br>Monday |
| Supplier Invoice No. :                |             |                  |                       |                      |
| Particulars                           | Debit       | Credit           |                       |                      |
| Cr <b>Stationery House</b>            |             | 7,500.00         |                       |                      |
| <i>Cur Bal: 7,500.00 Cr</i>           |             |                  |                       |                      |
| New Ref SH/1                          | 7,500.00 Cr |                  |                       |                      |
| Dr <b>Purchases</b>                   | 7,500.00    |                  |                       |                      |
| <i>Cur Bal: 25,675.00 Dr</i>          |             |                  |                       |                      |
| <b>Stapler</b> 100 Nos 20.00/Nos      | 2,000.00    |                  |                       |                      |
| <i>Actuals : 22.00/Nos (2,200.00)</i> |             |                  |                       |                      |
| <b>Stapler Pins</b> 200 Nos 25.00/Nos | 5,000.00    |                  |                       |                      |
| <i>Actuals : 26.50/Nos (5,300.00)</i> |             |                  |                       |                      |
| Narration:                            | 7,500.00    | 7,500.00         |                       |                      |
|                                       |             |                  | Accept ?<br>Yes or No |                      |

Figure 7.18 Purchases Voucher

You will notice an additional line displaying the actual value of the item. The item value appearing here will also be appearing in the stock reports.

17. Press **Y** or **Enter** to accept the screen and return to the Gateway of Tally.

### Display Stock Summary Report

Go to **Gateway of Tally > Stock Summary**

- Highlight the item **Stapler**, you will find closing balance of 100 nos @ Rs. 22 each worth Rs. 2,200.
- Return to the Gateway of Tally.

### Display Stock Voucher Report

Cross verify the stock details of stock summary with the Stock Vouchers report as shown below :

Go to **Gateway of Tally > Display > Inventory Books > Stock Item**

- Select **Stapler** and press **Enter** till you reach a report displaying the list of vouchers as shown below:

| Stock Vouchers             |                         |                 |         | National Traders          |       |          |          |      |       | Ctrl + M |       |          |
|----------------------------|-------------------------|-----------------|---------|---------------------------|-------|----------|----------|------|-------|----------|-------|----------|
| Stock Item: <b>Stapler</b> |                         |                 |         | 1-Mar-2010 to 31-Mar-2010 |       |          |          |      |       |          |       |          |
| Date                       | Particulars             | Vch Type        | Vch No. | Inwards                   |       |          | Outwards |      |       | Closing  |       |          |
|                            |                         |                 |         | Quantity                  | Rate  | Value    | Quantity | Rate | Value | Quantity | Rate  | Value    |
| 1-3-2010                   | <b>Stationery House</b> | <b>Purchase</b> | 15      | 100 Nos                   | 22.00 | 2,200.00 |          |      |       | 100 Nos  | 22.00 | 2,200.00 |
|                            |                         |                 |         |                           |       |          |          |      |       |          |       |          |
| <b>Totals :</b>            |                         |                 |         | 100 Nos                   | 22.00 | 2,200.00 |          |      |       | 100 Nos  | 22.00 | 2,200.00 |

Figure 7.19 Stock Vouchers



*Purchased Stapler 100 nos at Rs. 20/no., total being Rs. 2000. Additional expenses of Rs. 200 i.e.,*

- *Packing Charges - Rs. 110*
- *Cartage Charges - Rs. 90*

*The total **Purchase Cost** is arrived as shown below :*

***Purchase total + Additional Expenses total** (Rs. 2,000 + Rs. 200) = Rs. 2,200. This is divided by quantity of 100 nos > Rs. 2,200/100 nos = Rs. 22/nos.*



*The **Additional Cost** details option will be available only in the **Purchase Voucher** and not in **Purchase Invoice**.*

### 7.5.3 Creating Purchase Invoice with Additional Cost Details

#### Setup:

- Ensure that **Enter Purchases in Invoice Format** in **F11: Features (Accounting Features)** is set to **Yes**

#### Step 1: Create Purchase Invoice

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchase**

1. Select **As Invoice**
2. Change the date to 3-3-2010 and make the entry as per the purchase voucher details dated 1-3-2010.

The **purchase invoice** appears as shown below:

| Accounting Voucher Creation                |          | National Traders |     | Ctrl + M   |                  |
|--------------------------------------------|----------|------------------|-----|------------|------------------|
| <b>Purchase</b> No. 20                     |          |                  |     | 3-Mar-2010 |                  |
| Supplier Invoice No. :                     |          | Date :           |     | Wednesday  |                  |
| Party's A/c Name : <b>Stationery House</b> |          |                  |     |            |                  |
| Current Balance : 20,000.00 Cr             |          |                  |     |            |                  |
| Purchase Ledger : <b>Purchases</b>         |          |                  |     |            |                  |
| Name of Item                               | Quantity | Rate             | per | Disc. %    | Amount           |
| Stapler                                    | 100 Nos  | 20.00            | Nos |            | 2,000.00         |
| Stapler Pins                               | 200 Nos  | 25.00            | Nos |            | 5,000.00         |
|                                            |          |                  |     |            | 7,000.00         |
| Packing Charges on Purchases               |          |                  |     |            | 290.00           |
| Cartage Charges                            |          |                  |     |            | 210.00           |
|                                            |          |                  |     |            |                  |
| Narration:                                 |          |                  |     |            | 300 Nos 7,500.00 |

Figure 7.20 Purchase Invoice

3. Press **Y** or **Enter** to accept the screen and return to the Gateway of Tally.

### Display Stock Voucher Report

Let us see the rate that is displayed in the stock item voucher report.

Go to **Gateway of Tally > Display > Inventory Books > Stock Item >**

- Select **Stapler**
- Press **Enter** till you reach the **Stock Vouchers** screen as shown below:

| Stock Vouchers             |                         |                 |         | National Traders          |       |          |          |      |       | Ctrl + M |       |          |
|----------------------------|-------------------------|-----------------|---------|---------------------------|-------|----------|----------|------|-------|----------|-------|----------|
| Stock Item: <b>Stapler</b> |                         |                 |         | 1-Mar-2010 to 31-Mar-2010 |       |          |          |      |       |          |       |          |
| Date                       | Particulars             | Vch Type        | Vch No. | Inwards                   |       |          | Outwards |      |       | Closing  |       |          |
|                            |                         |                 |         | Quantity                  | Rate  | Value    | Quantity | Rate | Value | Quantity | Rate  | Value    |
| 1-3-2010                   | <b>Stationery House</b> | <b>Purchase</b> | 15      | 100 Nos                   | 22.00 | 2,200.00 |          |      |       | 100 Nos  | 22.00 | 2,200.00 |
| 3-3-2010                   | <b>Stationery House</b> | <b>Purchase</b> | 16      | 100 Nos                   | 20.00 | 2,000.00 |          |      |       | 200 Nos  | 21.00 | 4,200.00 |
|                            |                         |                 |         |                           |       |          |          |      |       |          |       |          |
| <b>Totals :</b>            |                         |                 |         | 100 Nos                   | 22.00 | 2,200.00 |          |      |       | 100 Nos  | 22.00 | 2,200.00 |

Figure 7.21 Stock Vouchers

### 7.5.4 Appropriate Additional Costs

In the entry dated 1-3-2010, we gave the additional cost details for each item (Stapler and Stapler Pins). This additional cost was calculated and added to the cost of the item. The additional costs are not added to the cost of the items, when the entry is made in the invoice format.

To appropriate the additional costs to purchase invoice of **3-3-2010**,

Go to **Gateway of Tally > Accounts Info. > Groups > Single > Alter**

- ❑ Select **Expenses on Purchases**

The screen appears as shown below:

| Group Alteration                                                         |                                | National Traders                                                                                                                                                                                                               |
|--------------------------------------------------------------------------|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name                                                                     | : <b>Expenses on Purchases</b> |                                                                                                                                                                                                                                |
| (alias)                                                                  | :                              |                                                                                                                                                                                                                                |
| Under                                                                    | : <b>Purchase Accounts</b>     |                                                                                                                                                                                                                                |
|                                                                          |                                |                                                                                                                                                                                                                                |
| Group behaves like a Sub-Ledger                                          | ? <b>No</b>                    | Gateway of<br>Accounts I<br>Grou<br><br><b>Allocation Methods</b><br><input type="checkbox"/> Not Applicable<br><input checked="" type="checkbox"/> <b>Appropriate by Qty</b><br><input type="checkbox"/> Appropriate by Value |
| Nett Debit/Credit Balances for Reporting                                 | ? <b>No</b>                    |                                                                                                                                                                                                                                |
| Used for Calculation (eg. Taxes, Discounts)<br>(for Sales Invoice Entry) | ? <b>No</b>                    |                                                                                                                                                                                                                                |
| Method to Allocate when used in Purchase Invoice                         | ? <b>Appropriate by Qty</b>    |                                                                                                                                                                                                                                |

Figure 7.22 Group Alteration



*The option **Method to Allocate when used in Purchase Invoice** allows you to apportion or appropriate or allocate additional cost details entered in Invoice mode, based on the purchase value or purchase quantity.*

- ❑ Select **Appropriate by Qty** from the **Allocation Methods** list.
- ❑ Accept the screen and return to the Gateway of Tally
- ❑ Similarly, select the option **Appropriate by Qty** in the **Purchase Accounts** group also.



*To use the **Appropriate by Qty** option, ensure that the items in the purchase invoice have the same unit of measure.*

## Display Stock Voucher Report

Go to **Gateway of Tally > Display > Inventory Books > Stock Item**

- Select **Stapler**
- Press **Enter** till you reach the stock voucher screen
- Select the purchase voucher dated **3-3-2010** and re-accept the voucher for the additional cost to take effect

The **Stock Vouchers with additional cost details** for Stapler appears as shown below :

| Stock Vouchers             |                         |                 |         | National Traders          |       |                 |          |      |       | Ctrl + M |       |                 |
|----------------------------|-------------------------|-----------------|---------|---------------------------|-------|-----------------|----------|------|-------|----------|-------|-----------------|
| Stock Item: <b>Stapler</b> |                         |                 |         | 1-Mar-2010 to 31-Mar-2010 |       |                 |          |      |       |          |       |                 |
| Date                       | Particulars             | Vch Type        | Vch No. | Inwards                   |       |                 | Outwards |      |       | Closing  |       |                 |
|                            |                         |                 |         | Quantity                  | Rate  | Value           | Quantity | Rate | Value | Quantity | Rate  | Value           |
| 1-3-2010                   | <b>Stationery House</b> | <b>Purchase</b> | 15      | 100 Nos                   | 22.00 | <b>2,200.00</b> |          |      |       | 100 Nos  | 22.00 | <b>2,200.00</b> |
| 3-3-2010                   | <b>Stationery House</b> | <b>Purchase</b> | 16      | 100 Nos                   | 21.67 | <b>2,166.67</b> |          |      |       | 200 Nos  | 21.83 | <b>4,366.67</b> |
|                            |                         |                 |         |                           |       |                 |          |      |       |          |       |                 |

Figure 7.23 Stock Vouchers Report



*In the entry dated 3-3-2010:*

- i. **Total Additional Cost = Rs. 500 (290 + 210)**
- ii. **Total Quantity = 300 nos (Stapler 100 nos+ Stapler Pins 200 nos)**
- iii. **Cost per Unit (Nos) = Rs. 500 / 300 Nos - Rs. 1.67**
- iv. **Stapler rate for 1 nos = Rs. 20 + Rs. 1.67 = Rs. 21.67**

- Use **F4: Item** button and select **Stapler Pins**

The **Stock Vouchers with additional cost details** for Stapler Pins appears as shown below:

| Stock Vouchers                  |                         |                 |         | National Traders |       |                 |          |      |       |          |       |                  | Ctrl + M                  |  |  |
|---------------------------------|-------------------------|-----------------|---------|------------------|-------|-----------------|----------|------|-------|----------|-------|------------------|---------------------------|--|--|
| Stock Item: <b>Stapler Pins</b> |                         |                 |         |                  |       |                 |          |      |       |          |       |                  | 1-Mar-2010 to 31-Mar-2010 |  |  |
| Date                            | Particulars             | Vch Type        | Vch No. | Inwards          |       |                 | Outwards |      |       | Closing  |       |                  |                           |  |  |
|                                 |                         |                 |         | Quantity         | Rate  | Value           | Quantity | Rate | Value | Quantity | Rate  | Value            |                           |  |  |
| 1-3-2010                        | <b>Stationery House</b> | <b>Purchase</b> | 15      | 200 Nos          | 26.50 | <b>5,300.00</b> |          |      |       | 200 Nos  | 26.50 | <b>5,300.00</b>  |                           |  |  |
| 3-3-2010                        | <b>Stationery House</b> | <b>Purchase</b> | 16      | 200 Nos          | 26.67 | <b>5,333.33</b> |          |      |       | 400 Nos  | 26.58 | <b>10,633.33</b> |                           |  |  |
|                                 |                         |                 |         |                  |       |                 |          |      |       |          |       |                  |                           |  |  |

Figure 7.24 Stock Vouchers Report



*In the entry dated 3-3-2010:*

- i. **Total Additional Cost = Rs. 500 (290 + 210)**
- ii. **Total Quantity = 300 nos (Stapler 100 nos+ Stapler Pins 200 nos)**
- iii. **Cost per Unit (Nos) = Rs. 500 / 300 Nos - Rs. 1.67**
- iv. **Stapler Pins rate for 1 nos = Rs. 25 + Rs. 1.67 = Rs. 26.67**

### 7.5.5 Additional Costs incurred after Purchases

#### Setup :

- Create the following stock item:

| Name of Item               | Under   | Category       | Units | Maintain in Batches | Track Date of Mfg | Use expiry dates |
|----------------------------|---------|----------------|-------|---------------------|-------------------|------------------|
| Batch Additional Cost Item | Primary | Not Applicable | Nos   | Yes                 | Yes               | Yes              |

- Alter the ledger **Packing Charges on Purchases** and set the option **Inventory Values are Affected** to **Yes**.

#### Step 1: Create Purchase Invoice

On 1-3-10, make a purchase entry for 10 nos of **Batch Additional Cost Item** (Batch/ 001) @ Rs. 100 from **Stationery House**.

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchases**

1. Select Party as **Stationery House**
2. Select Stock item as **Batch Additional Cost Item**
3. Select Godown as **Onsite** and select the **Batch details** as shown below

| Item Allocations for : <b>Batch Additional Cost Item</b> |                  |             |               |        |             |          |
|----------------------------------------------------------|------------------|-------------|---------------|--------|-------------|----------|
| Godown                                                   | Batch / Lot No.  |             | Quantity      | Rate   | per Disc. % | Amount   |
|                                                          | Mfg Dt.          | Expiry Date |               |        |             |          |
| Order No.: □ Not Applicable                              |                  |             |               |        |             |          |
| On-Site                                                  | <b>Batch/001</b> |             | <b>10 Nos</b> | 100.00 | Nos         | 1,000.00 |
|                                                          | Mar-2010         | 31-Mar-2010 |               |        |             |          |

Figure 7.25 Item Allocations for Batch Additional Cost Item

4. Enter the **Qty** and **Rate** and allocate it to **Purchases ledger**.
5. Enter the required bill-wise details and accept the entry.

#### Step 2: Create Purchase Invoice

**On 2-3-10, make a purchase entry for 20 nos of Batch Additional Cost Item (Batch/ 002) @ Rs. 200 from Stationery House.**

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchases**

1. Select Party as **Stationery House**
2. Select Stock item as **Batch Additional Cost Item**
3. Select Godown as **Onsite** and select the **Batch details** as shown below

| Item Allocations for : <b>Batch Additional Cost Item</b> |                  |             |          |        |     |         |          |
|----------------------------------------------------------|------------------|-------------|----------|--------|-----|---------|----------|
| Godown                                                   | Batch / Lot No.  |             | Quantity | Rate   | per | Disc. % | Amount   |
|                                                          | Mfg Dt.          | Expiry Date |          |        |     |         |          |
| Order No.: <input type="checkbox"/> Not Applicable       |                  |             |          |        |     |         |          |
| On-Site                                                  | <b>Batch/002</b> |             | 20 Nos   | 200.00 | Nos |         | 4,000.00 |
|                                                          | 2-Mar-2010       | 31.3.2010   |          |        |     |         |          |

Figure 7.26 Item Allocations for Batch Additional Cost Item

**Step 3 : Create Payment Voucher**

*On 3-3-10, make a Bank Payment entry for payment of Rs. 900 (Rs. 300 for Batch/001 and Rs. 600 for Batch/002) towards Packing charges on Purchases.*

Go to **Gateway of Tally > Accounting Vouchers > F5: Payment**

1. Debit the ledger **Packing Charges on Purchases**.
2. Select the item **Batch Additional Cost Item**
3. In **Item Allocations for** screen,
  - Select **Batch/001** and enter **300** in Amount field
  - Select **Batch/002** and enter **600** in Amount field. The screen appears as shown below :

| Item Allocations for : <b>Batch Additional Cost Item</b> |                  |             |          |          |        |
|----------------------------------------------------------|------------------|-------------|----------|----------|--------|
| Godown                                                   | Batch / Lot No.  |             | Quantity | Rate per | Amount |
|                                                          | Mfg Dt.          | Expiry Date |          |          |        |
| Order No.: <input type="checkbox"/> Not Applicable       |                  |             |          |          |        |
| On-Site                                                  | <b>Batch/001</b> |             |          |          | 300.00 |
|                                                          | Mar-2010         | 31-Mar-2010 |          |          |        |
| Order No.: <input type="checkbox"/> Not Applicable       |                  |             |          |          |        |
| On-Site                                                  | <b>Batch/002</b> |             |          |          | 600    |
|                                                          | 2-Mar-2010       | 31-Mar-2010 |          |          |        |

Figure 7.27 Item Allocations for Batch Additional Item

4. Credit **Bank Account** for the same amount (Rs. 900) and accept the entry.

**Step 4 : Display Stock Summary**

Go to **Gateway of Tally > Stock Summary**

- Press **F12: Range** and specify details as shown below :



**Range of Information in Report**  
(show only those lines satisfying the given conditions)

|               |             |            |                  |
|---------------|-------------|------------|------------------|
| Stock Item    | having Name | containing | Batch Additional |
|               |             |            |                  |
| Condition     |             |            |                  |
| □ End of List |             |            |                  |
| and           |             |            |                  |
| or            |             |            |                  |

Figure 7.28 Range details

- Accept the **Range of information** to return to the **Stock Summary** screen.
- The report now displays only one stock item **Batch Additional Cost Item**, press **Shift + Enter** to view the batch details.

The **batch details** will be displayed as shown below :

| Stock Summary              |  | National Traders |        | Ctrl + M                 |          |
|----------------------------|--|------------------|--------|--------------------------|----------|
| Particulars                |  | National Traders |        | 1-Apr-2009 to 3-Mar-2010 |          |
|                            |  | Closing Balance  |        | Quantity                 | Rate     |
|                            |  |                  |        |                          | Value    |
| Batch Additional Cost Item |  | 30 Nos           | 196.67 |                          | 5,900.00 |
| Batch/001 On-Site          |  | 10 Nos           | 130.00 |                          | 1,300.00 |
| Batch/002 On-Site          |  | 20 Nos           | 230.00 |                          | 4,600.00 |

Figure 7.29 Stock Summary



The figures have been calculated as follows:

- **Batch/001 - 10 nos**
  - i. Purchased 10 nos at Rs.100 = Rs.1000 + Additional Cost Rs.300 = Rs.1,300
  - ii. Rs.1,300 / 10 nos = Rs.130
- **Batch/002 - 20 nos**
  - i. Purchased 20 nos at Rs 200 = Rs.4000 + Additional Cost Rs.600 = Rs.4,600
  - ii. Rs. 4,600 / 20 nos = Rs. 230

## Practice Exercise

Ensure that you are in **Indus Enterprises**,

1. Enter a purchase invoice on **15-10-2009** for 10 Nos of **Item One** @ Rs. 100 each and 20 nos of **Item Two** - @ **Rs. 200** each from the **Supplier**.

**Setup :**

- Create two stock items **Item One** and **Item Two** with the unit of measure as **nos**.
- Create the ledgers - **Supplier** (Sundry Creditors), **Delivery Charges on Purchases** and **Tax on Purchases** (under Purchase Accounts).
- Alter the group **Purchase Accounts** and select **Appropriate by Value** as the method of appropriation.



- Enter a purchase invoice on **15-10-2009**, select party as **Supplier** and select **Item One** - 10 nos at **Rs. 100 each** and **Item Two** - 20 nos at **Rs. 200 each**.
- Select **Delivery Charges on Purchases** and **Tax on Purchases** ledgers and enter the amounts as **Rs. 50** and **Rs. 250** respectively and accept the entry.
- View the **Stock Item** report.



After completing the above exercise, in **F11: Features (Inventory Features)** disable the option **Track Additional Cost of Purchases**.

## 7.6 Bill of Materials (BoM)

A Bill is termed as an authenticated document for the materials which are taken out from the stock either for sale or for transfer to other godowns or for manufacturing, etc. In order to avoid this continuous process of issuing a bill at every stage, a system has been evolved wherein the items with their quantity details can be allotted towards manufacturing a certain product or by-product. This facilitates the immediate reduction in stock of the item automatically. This process of listing the items that make up another item is termed as the **Bill of Materials (BoM)**.

### 7.6.1 Creating Bill of Materials

You can create a Bill of Material (BoM) for any stock item. Typically, a BoM can be created at the time of manufacturing/ assembling the item. You may specify a BoM at the time of creating a stock item or altering its master.

**National Traders** is engaged also in the business of assembling and manufacturing **Televisions**.

To enable **Bill of Materials** feature,

**Setup:**

Ensure that you are in **National Traders**,

Go to **Gateway of Tally > F12: Configure > Accts / Inventory Info.**

- set **Allow Component list details (Bill of Materials)** to **Yes**

**Step 1 : Creating Bill of Materials**

- Create the following stock item (Final Goods) :

| Name of Item       | Under            | Category       | Units | Maintain in Batches | Set Components (BoM) |
|--------------------|------------------|----------------|-------|---------------------|----------------------|
| Television Flatron | Home Electronics | Not Applicable | Nos   | No                  | Yes                  |

- In the **Components of: Television Flatron**, enter the **Unit of manufacture** (the number of items to be manufactured) as **1**.
- In the **Item details** section, create these items without any opening balances. Select **1** unit of these items and store them in the **On-site** godown.

| Name of the Item | Stock Group        | Standard Cost (in Rs.)<br>Applicable from<br>1-12-2009 | Units of Measure |
|------------------|--------------------|--------------------------------------------------------|------------------|
| VDU              | Television Flatron | 2,000                                                  | Nos              |
| Picture Tube     | Television Flatron | 3,750                                                  | Nos              |
| IC Chips         | Television Flatron | 5,000                                                  | Nos              |
| Sound card       | Television Flatron | 500                                                    | Nos              |
| Aerial           | Television Flatron | 300                                                    | Nos              |

The **Bill of Material component screen** of Television Flatron appears as shown below :

**Stock Item Components (BoM)** National Traders Ctrl + M

Name : **Television Flatoron**  
(alias) :

Components of : **Television Flatoron**  
Unit of manufacture : **1 Nos**

| Item         | Godown  | Quantity |
|--------------|---------|----------|
| VDU          | On-Site | 1 Nos    |
| Picture Tube | On-Site | 1 Nos    |
| IC Chips     | On-Site | 1 Nos    |
| Sound Card   | On-Site | 1 Nos    |
| Aerial       | On-Site | 1 Nos    |

Set/Modify Default Ledgers for Invoicing

Under : **Home Electronics**  
Category : ☐ Not Applicable  
Units : **Nos**  
Maintain in Batches : ? No

Set Components (BoM) : ? Yes  
Set Standard Rates : ? No

Value

**List of Stock Items** Ctrl + M

☐ End of List

- Aerial
- Batch Additional Cost Item
- Bricks
- CD ROM Disks 100s
- Cement
- Dust Covers
- HCL PIV
- HP - 27 Printer Cartridges
- HP Laserjet1010 Series
- IBM PIV
- IC Chips
- Picture Tube
- Samsung Laserjet 1500
- Saridon
- Sound Card
- Stapler
- Stapler Pins
- Steel
- USB Pen Drives 100MB
- VDU
- Wheat
- Wireless KeyBoard
- Wireless Mouse

Figure 7.30 Stock Item Components (BoM)

- Accept the above settings for the item Television Flatoron.

The purpose of creating a bill of material is to enable the consumption of the materials in the ratio specified, when the product is manufactured. Tally.ERP 9 allows us to use a Manufacturing Journal to enter the goods manufactured with the bill of materials.

## 7.6.2 Creating a Manufacturing Journal

To create a new **Manufacturing Journal**,

Go to **Gateway of Tally > Accounts Info. > Voucher Type > Create**

1. Type **Manufacturing Journal** as the **Name**
2. Under **Voucher Types**, select **Stock Journal**
3. Type **Mfg Jrnl** for abbreviation and select automatic voucher numbering
4. Select **Yes** for **Use as Manufacturing Journal** and accept the screen

The **Manufacturing Journal voucher type** creation screen appears as shown

| Voucher Type Creation                                                                                                                                                                                                                                                                                                                                                                       |  | National Traders                                                     | Ctrl + M |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------|----------|
| Name : <b>Manufacturing Journal</b>                                                                                                                                                                                                                                                                                                                                                         |  |                                                                      |          |
| (alias) :                                                                                                                                                                                                                                                                                                                                                                                   |  |                                                                      |          |
| <p><b>General</b></p> <p>Type of Voucher : <b>Stock Journal</b></p> <p>Abbr. : Mfg Jml</p> <p>Method of Voucher Numbering ? <b>Automatic</b></p> <p>Use Advance Configuration ? <b>No</b></p> <p>Use EFFECTIVE Dates for Vouchers ? <b>No</b></p> <p>Make 'Optional' as default ? <b>No</b></p> <p>Use Common Narration ? <b>Yes</b></p> <p>Use as a Manufacturing Journal ? <b>Yes</b></p> |  | <p><b>Printing</b></p> <p>Print after saving Voucher ? <b>No</b></p> |          |
|                                                                                                                                                                                                                                                                                                                                                                                             |  | <b>Name of Class</b>                                                 |          |

Figure 7.31 Voucher Type Creation — Manufacturing Journal

- Press **Ctrl+A** to accept the above screen and return to the Gateway of Tally.



*The **Manufacturing journal** is a variant of the **Stock Journal**, where the **Bill of Material** comes up automatically. Hence, the manufacturing journal should be used where a BoM situation exists.*

### 7.6.3 Using Bill of Materials

**On 21-12-09, bought 10 pcs of each of the following items from Star Electronics @ standard cost as mentioned below :**

| Name of the Item | Standard Cost (in Rs.)<br>Applicable from<br>1-12-2009 |
|------------------|--------------------------------------------------------|
| VDU              | 2,000                                                  |
| Picture Tube     | 3,750                                                  |
| IC Chips         | 5,000                                                  |
| Sound card       | 500                                                    |
| Aerial           | 300                                                    |

The total purchase invoice value amounted to **Rs. 1,15,500**. The above goods are stored in **On-Site**. A Cheque was paid from **Bank Account** immediately.

On the same day, 5 Nos of **Television Flatoron** is manufactured in **On Site** godown. Additional expenses of **Rs. 3,000** and **Rs. 2,000** was incurred towards **Wages** and **Power** respectively.

### Step 1: Create Purchase Invoice

Go to **Gateway of Tally > Inventory Vouchers > F9: Purchase**

1. Select the Party as **Star Electronics**
2. Allocate to **Purchases** Account
3. Select the items with the quantity and standard rates as given in the table above
4. Select the Godown as **Onsite**
5. Accept the entry

### Step 2: Create Manufacturing Journal

Go to **Gateway of Tally > Inventory Vouchers > Alt+F7: Stock Journal**.

1. Select the **Manufacturing Journal** and ensure that the date is **21-12-2009**.
2. Under the **Name of Product** to be manufactured, type **Television Flatoron** (you will notice the items given in the master as Bill of Materials appear automatically).
3. Manufacture it in **On-Site**.
4. **Quantity** to be manufactured - **5** (you will notice the rates of the items appear automatically).



*Under **Components (consumption)** the items to be used in proportionate quantity for manufacturing **Television Flatoron** is picked up automatically from the stock item master. The default location as specified in the BoM is also given for each component. The standard cost is picked up for each item. Tally.ERP 9 also allows you to alter these details.*

5. Under **Additional Cost Components**, specify additional cost of **Wages - 3,000** and **Power - 2,000** (If the ledger accounts for these expenses do not exist, create them under **Direct Expenses**).



*The additional costs entered for the ledgers, do not reflect in the relevant ledgers with the amount but only add to the cost of the item.*

The completed **Manufacturing Journal** as shown below

| Inventory Voucher Creation                                                           |               | National Traders |              | Ctrl + M                                            |                                |
|--------------------------------------------------------------------------------------|---------------|------------------|--------------|-----------------------------------------------------|--------------------------------|
| <b>Manufacturing Journal</b> No. 1                                                   |               |                  |              | 21-Dec-2009<br>Monday                               |                                |
| <b>Manufacture of Materials</b>                                                      |               |                  |              |                                                     |                                |
| Name of Product : <b>Television Flatoron</b> Godown: <b>On-Site</b> Qty <b>5 Nos</b> |               |                  |              |                                                     |                                |
| Batch Name : Mfg Dt.: Expiry :                                                       |               |                  |              |                                                     |                                |
| <b>Components (Consumption)</b>                                                      |               |                  |              | <b>Cost of Components :</b> 11,550.00/Nos 57,750.00 |                                |
| <b>Name of Item</b>                                                                  | <b>Godown</b> | <b>Quantity</b>  | <b>Rate</b>  | <b>Amount</b>                                       | <b>Type of Addl. Cost %age</b> |
| <b>VDU</b>                                                                           | On-Site       | 5 Nos            | 2,000.00/Nos | 10,000.00                                           | Wages 3,000.00                 |
| <b>Picture Tube</b>                                                                  | On-Site       | 5 Nos            | 3,750.00/Nos | 18,750.00                                           | Power 2,000.00                 |
| <b>IC Chips</b>                                                                      | On-Site       | 5 Nos            | 5,000.00/Nos | 25,000.00                                           |                                |
| <b>Sound Card</b>                                                                    | On-Site       | 5 Nos            | 500.00/Nos   | 2,500.00                                            |                                |
| <b>Aerial</b>                                                                        | On-Site       | 5 Nos            | 300.00/Nos   | 1,500.00                                            |                                |
|                                                                                      |               |                  |              | <b>Total Addl. cost</b>                             | : 5,000.00                     |
|                                                                                      |               |                  |              | <b>Effective Cost</b>                               | : 62,750.00                    |
|                                                                                      |               |                  |              | <b>Effective Rate</b>                               | : 12,550.00/Nos                |
|                                                                                      |               | 25 Nos           |              | 57,750.00                                           |                                |
| Narration:                                                                           |               |                  |              |                                                     |                                |

Figure 7.32 Manufacturing Journal

6. Type the narration and press **Y** or **Enter** to accept the screen.
7. Return to the Gateway of Tally.

### Display Stock Summary

Go to **Gateway of Tally > Stock Summary**

- Press **Enter** on **Home Electronics**

You will find that the closing quantity, rate and value details for the stock item - **Television Flatoron**.

### Practice Exercise

Load **Indus Enterprises**, make the following entries

1. Create a **Manufacturing Journal** for manufacturing 1 Nos of **Computer** from the following components :

| Name of the Item  | Qty   |
|-------------------|-------|
| Hard Disk Drive   | 1 Nos |
| Floppy Disk Drive | 1 Nos |
| CPU               | 1 Nos |
| Monitor           | 1 Nos |
| Keyboard          | 1 Nos |
| Mouse             | 1 Nos |

**Setup :**

- Create a **BOM** for stock item **Computer** which requires the following items.
  - Hard Disk Drive - 1 Nos
  - Floppy Disk Drive - 1 Nos
  - CPU - 1 Nos
  - Monitor - 1 Nos
  - Keyboard - 1 Nos
  - Mouse - 1 Nos
- Store them in the **Bangalore** godown.



Enter a **manufacturing journal** to indicate the consumption of goods at the time of manufacture.

## 7.7 Price Levels and Price Lists

A **Price List** refers to a list of items maintained by an organisation along with their price details. A price list is generally used by organisations which deal in multiple products. **Price Lists** are maintained in various structures for different types of buyers (customers), viz., Wholesalers, Dealers, Retailers, etc. The price list is structured based on the classification of buyers and is referred to at the time of making sales. Whenever the sale prices change (on the basis of time), the changes reflect in the Price List also. In case of bulk sales, discounts can also be given to the buyers.

Let us now see how Tally.ERP 9 handles such a situation through the Price List feature.

### 7.7.1 Activating Price Lists and Defining Price Levels

**Setup:**

Go to **Gateway of Tally > F11: Features (Inventory Features)**

- Set **Use Multiple Price Levels for Invoicing** to **Yes**. (This will appear only if the feature **Allow Invoicing** is set to **Yes**.)



- ❑ Tally.ERP 9 takes you to the **Company Price Levels** screen, type different price levels for National Traders as
  - Retail Sales
  - Export Sales
  - Wholesale
- ❑ Accept the screen and return to the Gateway of Tally.

### Step 1: Creating a Price List

Go to **Gateway of Tally > Inventory Info. > Price List**

1. Select the Group **Components** (you will notice that all the items grouped under **Components** appear automatically).
2. Select **Retail Sales** as **Price Level** and specify **1-1-2010** in the **Applicable From** field
3. For **USB Pen Drives 100MB** give the details as follows:
  - ❑ Less than - 10 nos - Rs.1,250/- and no discount
  - ❑ From 10 nos and Less than 25 nos - Rs.1,250/- and 5% discount
  - ❑ From 25 nos onwards - Rs.1,250/- and 7.5% discount
4. Specify the price details for other items as it appears in the **Price List** screen below :

Price List

National Traders

Ctrl + M

Under Group : Components

Price Level : Retail Sales

Applicable From: 1-Jan-2010

| S.No. | Name of Item         | Quantities |           | Rate         | Disc. %<br>(if any) | As on : 1-Jan-2010 |         | Cost<br>Price |
|-------|----------------------|------------|-----------|--------------|---------------------|--------------------|---------|---------------|
|       |                      | From:      | Less than |              |                     | Rate               | Disc. % |               |
| 1.    | USB Pen Drives 100MB |            | 10 Nos    | 1,250.00/Nos |                     | 1,250.00/Nos       |         | 1,250.00/Nos  |
|       |                      |            | 25 Nos    | 1,250.00/Nos | 5 %                 | 1,250.00/Nos       | 5 %     |               |
|       |                      |            |           | 1,250.00/Nos | 7.50 %              | 1,250.00/Nos       | 5 %     |               |
| 2.    | Wireless KeyBoard    |            | 10 Nos    | 490.00/Nos   |                     | 490.00/Nos         |         | 490.00/Nos    |
|       |                      |            | 25 Nos    | 490.00/Nos   | 5 %                 | 490.00/Nos         | 5 %     |               |
|       |                      |            |           | 490.00/Nos   | 7.50 %              | 490.00/Nos         | 7.50 %  |               |
| 3.    | Wireless Mouse       |            | 10 Nos    | 250.00/Nos   |                     | 250.00/Nos         |         | 250.00/Nos    |
|       |                      |            | 25 Nos    | 250.00/Nos   | 5 %                 | 250.00/Nos         | 5 %     |               |
|       |                      |            |           |              |                     | 250.00/Nos         | 5 %     |               |

Accept ?

Yes or No

Figure 7.33 Price List



The explanation of the fields appearing in the **Price List** is given below:

- ❑ **Under Group** – The screen displays the name of the selected Stock Group (Components) whose stock items are being displayed.
- ❑ **Price Level** – Tally.ERP 9 displays a pop-up list displaying the price levels defined in the F11: Features (Inventory Features). The price levels displayed are Export Sales, Retail Sales and Whole Sale. We have selected Retail Sales.
- ❑ **Applicable From** – The date from which the defined Price List is applicable. For example, we have designed two Price Lists - one as on 1-3-2010 and the second as on 15-3-2010. The Invoices raised during the period 1-3-2010 to 14-3-2010 will reflect the price list details of 1-3-2010. Similarly, the invoices raised on or after 15-3-2010 will reflect the price list details of 15-3-2010. Any number of Price Lists can be defined for any of the stock items.
- ❑ **Quantities** – There are two columns: From and Less Than. Here you can define the quantity range of the items as per your requirements.
- ❑ **Rate** – The Rate for the item based on the quantity range given.
- ❑ **Discount % (if any)** – You can define a discount percentage in the Price List which will be taken automatically in the sales invoice.
- ❑ **Historical Details** – There are two columns: Rate and Disc %. Tally.ERP 9 provides the historical details of the sale rate and discount percentage of any previously created Price Lists. Therefore, you can define the current price details based on the information given in the Historical details.
- ❑ **Cost price** – In this column, Tally.ERP 9 displays the cost price of the item calculated based on the stock valuation method given in the item master. This has been provided to assist the user in giving the appropriate sale price. By viewing the historical price details of an item, we can accordingly define the sale price for the new Price List.



For the discount percentage to be taken in the **Price List**, you should activate the feature **Separate Discount Column on Invoices** in the **F11: Features (Inventory Features)**.

5. Accept the **Price List** Details
6. Similarly, create another **Retail Sales Price List** as on 3-1-2010 with the following rates:
  - ❑ **USB Pen Drives 100MB - Rs.1,500**

- ❑ **Wireless Keyboard - Rs.500**
  - ❑ **Wireless Mouse - Rs. 300**
7. The **Quantity** and **Discount** details are similar to the price list screen given previously. Ensure the price details are as shown below :

Price List

National Traders

Ctrl + M

Under Group : Components

Price Level : Retail Sales

Applicable From: 3-Jan-2010

| S.No. | Name of Item         | Quantities |           | Rate         | Disc. %<br>(if any) | As on : 1-Jan-2010 |         | Cost<br>Price |
|-------|----------------------|------------|-----------|--------------|---------------------|--------------------|---------|---------------|
|       |                      | From:      | Less than |              |                     | Rate               | Disc. % |               |
| 1.    | USB Pen Drives 100MB |            | 10 Nos    | 1,500.00/Nos |                     | 1,250.00/Nos       |         | 1,250.00/Nos  |
|       |                      | 10 Nos     | 25 Nos    | 1,500.00/Nos | 5 %                 | 1,250.00/Nos       | 5 %     |               |
|       |                      | 25 Nos     |           | 1,500.00/Nos | 10 %                | 1,250.00/Nos       | 5 %     |               |
| 2.    | Wireless KeyBoard    |            | 10 Nos    | 500.00/Nos   |                     | 490.00/Nos         |         | 490.00/Nos    |
|       |                      | 10 Nos     | 25 Nos    | 500.00/Nos   | 5 %                 | 490.00/Nos         | 5 %     |               |
|       |                      | 25 Nos     |           | 500.00/Nos   | 10 %                | 490.00/Nos         | 7.50 %  |               |
| 3.    | Wireless Mouse       |            | 10 Nos    | 300.00/Nos   |                     | 250.00/Nos         |         | 250.00/Nos    |
|       |                      | 10 Nos     | 25 Nos    | 300.00/Nos   | 5 %                 | 250.00/Nos         | 5 %     |               |
|       |                      | 25 Nos     |           | 300.00/Nos   | 10 %                | 250.00/Nos         | 5 %     |               |

Accept ?

Yes or No

Figure 7.34 Price List

8. Press **Y** or **Enter** to accept the Price List.

### 7.7.2 Using Price Lists

**On 2-1-10 raise a sales Invoice on Beltron Computers for the following Items :**

| Name of the Item     | Qty    |
|----------------------|--------|
| USB Pen Drives 100MB | 30 Nos |
| Sound Card           | 10 Nos |

The Invoice amounted to **Rs. 35,687.50**.

**Setup:**

- Create a **New customer** called **Beltron Computers** with the following details.

| Pricing Level Applicable | Maintain balances bill-by-bill | Cost Centres are applicable | Activate Interest Calculation |
|--------------------------|--------------------------------|-----------------------------|-------------------------------|
| Retail Sales             | Yes                            | No                          | No                            |

- In the **F11: Features (Inventory Features)** activate **Separate discount column on invoices**.

**Step 1: Create Sales Invoice**

- On **2-1-10** raise a **sales Invoice** on **Beltron Computers**
- Select the stock item **USB Pen Drives 100MB** from **On-site**
- Specify quantity as **30 nos**.
- Rate** and **discount** automatically appears as **Rs. 1,250** and **7.5%** respectively (as the required price level is selected in the ledger master of Beltron Computers).
- Ignore negative stock and allocate to **Sales- Components**
- Select **Amar** as **Cost Centre**.
- Now, select another item - **Sound Card**
- Type the quantity as **10 nos** (here in this case, the cursor prompts in the **Rate** field since price lists is not defined for this item)
- Specify **Rs. 100** as **Rate**
- Press **Enter** to skip the **discount** field
- Allocate to **Sales- Components** and select **Amar** as **Cost Centre**.
- Give the bill-wise details as required and accept the entry



*Tally.ERP 9 provides you flexibility to select items with and without the Price List in the same invoice. For example, in the above case, for the item which had the Price List defined, Tally.ERP 9 took the details automatically. Whereas for the stock item which did not have a Price List defined, Tally.ERP 9 prompted for the same.*

**Step 2: Create Sales Invoice**

**On 5-1-10 raise a sales Invoice on Beltron Computers for the following Items :**

| Name of the Item     | Qty    |
|----------------------|--------|
| USB Pen Drives 100MB | 30 Nos |
| Sound Card           | 10 Nos |

The Invoice amounted to **Rs. 41,500**.

- Similar to invoice dated **2-1-10** select the item **USB Pen Drives 100MB**

2. Specify quantity as **30 nos.**
3. Rate as **Rs. 1,500** and discount of **10%** appears automatically (as we have defined it in the Price List dated **3-1-10**)



*Tally.ERP 9 automatically applies the Price list for the specific period. For example, when we entered the invoice as on 2-1-10, Tally.ERP 9 displayed the discount percentage as 7.5% and as on 5-1-10, 10% is displayed.*

4. Ignore the negative stock and allocate to **Sales- Components**. Select **Amar** as **Cost Centre**.
5. Accept the quantity details of the **USB Pen Drives 100MB** stock item
6. Select another item, **Sound Card** and give the quantity as **10 nos**
7. Specify **Rs.100** as the **Rate**.
8. Tally.ERP 9 prompts for the discount information. Let us leave it blank (you already know that you can specify as required or simply leave it blank).
9. Allocate to **Sales- Components** ledger
10. Give the bill-wise details as required.
11. Accept the entry



- *The party details, item details, and quantity details provided are the same, different rates have been taken automatically by only changing the date of the invoice.*
- *After completing the above exercise, go to **Gateway of Tally > F11: Features (Inventory Features)** and set **Separate Discount column on Invoices** to **No**.*

## 7.8 Stock Valuation

As per accounting rules, the final results of a company's working depend on the valuation of inventory (stocks). As per norms, there are many concepts of evaluating the company's stock. Tally.ERP 9 goes one step ahead, by providing all the required stock valuation methods for you to choose from. In addition, Tally.ERP 9 allows you to choose different valuation methods for different items.

### 7.8.1 Stock Valuation Methods

The **Stock Valuation / Costing Methods** provided in Tally.ERP 9 are:

- ❑ **Average Cost**
- ❑ **At Zero Cost**
- ❑ **First In First Out (FIFO)**
- ❑ **Last Purchase Cost**
- ❑ **LIFO Annual (Last In First Out Annual)**
- ❑ **LIFO Perpetual (Last In First Out Perpetual)**
- ❑ **Monthly Avg. Cost**
- ❑ **Standard Cost**



*The selection of an appropriate stock valuation/ costing method is essential as this helps in knowing the value of the closing stock for a specified date range based on the purchase rates/ cost.*

In addition, Tally.ERP 9 provides the following **Market Valuation Methods**:

- ❑ **At Zero Price**
- ❑ **Average price**
- ❑ **Last Sale Price**
- ❑ **Std. Price**

Depending on the **Market Valuation Method** defined in the stock item master, Tally.ERP 9 displays the rate/ price automatically at the time of Invoice entry. The **Market Valuation Method** is set as **Average Price** by default. The **Average Price** displays the average of all the sales prices given in the previous sales entries, as the selling rate/ price while the current sales entry is being made.



*The valuation of **Closing Stock** is done based on the **Costing / Stock Valuation Methods** and is not based on the **Market Valuation Methods**.*

Let us now examine the result of the different stock valuation methods.

## 7.8.2 Display Stock Summary

**Setup :**

- Go to **Gateway of Tally > F12: Configure > Accts / Inventory Info.**
  - Set **Allow Advanced Entries in Masters** in Inventory Masters to **Yes**.
- Go to **Gateway of Tally > Inventory Info. > Stock Item > Alter**,
  - Select **HP - 27 Printer Cartridges**, you will find that the details of **Costing Method** and **Market Valuation Method** under **Behaviour**
  - Select **Average Cost** and **Average price** respectively
  - Accept the master information.

Go to **Gateway of Tally > Stock Summary**,

- Select **Printers Stock Group**
- Press **F2: Period** and change the period from **1-07-2009** to **31-07-2009**.
- Click **Auto Column (Alt + N)** button and select **Stock Valuation Methods**.

The closing balance of stock as per **Default** and **FIFO** stock valuation methods are shown below :

| Stock Summary              |  |  | National Traders                                                     |        |          | Ctrl + M                                                          |        |          |
|----------------------------|--|--|----------------------------------------------------------------------|--------|----------|-------------------------------------------------------------------|--------|----------|
| Particulars                |  |  | Printers<br>National Traders<br>1-Jul-2009 to 31-Jul-2009<br>Default |        |          | Printers<br>National Traders<br>1-Jul-2009 to 31-Jul-2009<br>FIFO |        |          |
|                            |  |  | Closing Balance                                                      |        |          | Closing Balance                                                   |        |          |
|                            |  |  | Quantity                                                             | Rate   | Value    | Quantity                                                          | Rate   | Value    |
| HP - 27 Printer Cartridges |  |  | 6 Nos                                                                | 850.00 | 5,100.00 | 6 Nos                                                             | 850.00 | 5,100.00 |

Figure 7.35 Stock Summary



- **Alt+R** – This is a special key combination in Tally.ERP 9 used for hiding the line (row).
- **Alt+U** – This is a special key combination which brings back the THE LAST hidden line (row) which was hidden using Alt+R.
- **Alt+S** – This special key combination brings back ALL the hidden lines (rows) which were hidden using Alt+R.

Tally.ERP 9 displays the closing stock of **6 nos** of **HP - 27 Printer Cartridges** as per different stock valuation methods. Since there are 11 columns in the report the same is displayed in six screens as shown below:

The closing balance of stock as per **LIFO Perpetual** and **LIFO Annual** stock valuation methods are shown below:

| Stock Summary National Traders Ctrl + M |                                                                             |        |          |                                                                          |        |          |
|-----------------------------------------|-----------------------------------------------------------------------------|--------|----------|--------------------------------------------------------------------------|--------|----------|
| Particulars                             | Printers<br>National Traders<br>1-Jul-2009 to 31-Jul-2009<br>LIFO Perpetual |        |          | Printers<br>National Traders<br>1-Jul-2009 to 31-Jul-2009<br>LIFO Annual |        |          |
|                                         | Closing Balance                                                             |        |          | Closing Balance                                                          |        |          |
|                                         | Quantity                                                                    | Rate   | Value    | Quantity                                                                 | Rate   | Value    |
|                                         | ← ... 2 more                                                                |        |          | 7 more ... →                                                             |        |          |
| HP - 27 Printer Cartridges              | 6 Nos                                                                       | 850.00 | 5,100.00 | 6 Nos                                                                    | 850.00 | 5,100.00 |

Figure 7.36 Stock Summary

The closing balance of stock as per **Std. Cost** and **Avg. Cost** stock valuation methods are shown below :

| Stock Summary National Traders Ctrl + M |                                                                        |        |          |                                                                        |        |          |
|-----------------------------------------|------------------------------------------------------------------------|--------|----------|------------------------------------------------------------------------|--------|----------|
| Particulars                             | Printers<br>National Traders<br>1-Jul-2009 to 31-Jul-2009<br>Std. Cost |        |          | Printers<br>National Traders<br>1-Jul-2009 to 31-Jul-2009<br>Avg. Cost |        |          |
|                                         | Closing Balance                                                        |        |          | Closing Balance                                                        |        |          |
|                                         | Quantity                                                               | Rate   | Value    | Quantity                                                               | Rate   | Value    |
|                                         | ← ... 4 more                                                           |        |          | 5 more ... →                                                           |        |          |
| HP - 27 Printer Cartridges              | 6 Nos                                                                  | 850.00 | 5,100.00 | 6 Nos                                                                  | 850.00 | 5,100.00 |

Figure 7.37 Stock Summary

The closing balance of stock as per **Last Purchase Cost** and the **Std. Price** stock valuation methods are shown below:

| Stock Summary National Traders Ctrl + M |                                                                                 |        |          |                                                                         |          |          |
|-----------------------------------------|---------------------------------------------------------------------------------|--------|----------|-------------------------------------------------------------------------|----------|----------|
| Particulars                             | Printers<br>National Traders<br>1-Jul-2009 to 31-Jul-2009<br>Last Purchase Cost |        |          | Printers<br>National Traders<br>1-Jul-2009 to 31-Jul-2009<br>Std. Price |          |          |
|                                         | Closing Balance                                                                 |        |          | Closing Balance                                                         |          |          |
|                                         | Quantity                                                                        | Rate   | Value    | Quantity                                                                | Rate     | Value    |
|                                         | ← ... 6 more                                                                    |        |          | 3 more ... →                                                            |          |          |
| HP - 27 Printer Cartridges              | 6 Nos                                                                           | 850.00 | 5,100.00 | 6 Nos                                                                   | 1,150.00 | 6,900.00 |

Figure 7.38 Stock Summary

The closing balance of stock as per **Avg. Price** and the **Monthly Avg. Cost** stock valuation methods are shown below:

| Stock Summary National Traders Ctrl + M |                                                                         |          |          |                                                                                |        |          |
|-----------------------------------------|-------------------------------------------------------------------------|----------|----------|--------------------------------------------------------------------------------|--------|----------|
| Particulars                             | Printers<br>National Traders<br>1-Jul-2009 to 31-Jul-2009<br>Avg. Price |          |          | Printers<br>National Traders<br>1-Jul-2009 to 31-Jul-2009<br>Monthly Avg. Cost |        |          |
|                                         | Closing Balance                                                         |          |          | Closing Balance                                                                |        |          |
|                                         | Quantity                                                                | Rate     | Value    | Quantity                                                                       | Rate   | Value    |
|                                         | ← ... 8 more                                                            |          |          | 1 more ... →                                                                   |        |          |
| HP - 27 Printer Cartridges              | 6 Nos                                                                   | 1,150.00 | 6,900.00 | 6 Nos                                                                          | 850.00 | 5,100.00 |

Figure 7.39 Stock Summary



The closing balance of stock as per **Monthly Avg. Cost** and the **Last Sale Price** (Monthly Avg. Cost is repeated) stock valuation methods are shown below:

| Stock Summary              |                                                                                                   | National Traders |          |                                                                                                 | Ctrl + M |          |  |
|----------------------------|---------------------------------------------------------------------------------------------------|------------------|----------|-------------------------------------------------------------------------------------------------|----------|----------|--|
| Particulars                | Printers<br>National Traders<br>1-Jul-2009 to 31-Jul-2009<br>Monthly Avg. Cost<br>Closing Balance |                  |          | Printers<br>National Traders<br>1-Jul-2009 to 31-Jul-2009<br>Last Sale Price<br>Closing Balance |          |          |  |
|                            | Quantity                                                                                          | Rate             | Value    | Quantity                                                                                        | Rate     | Value    |  |
|                            | ← ... 9 more                                                                                      |                  |          |                                                                                                 |          |          |  |
| HP - 27 Printer Cartridges | 6 Nos                                                                                             | 850.00           | 5,100.00 | 6 Nos                                                                                           | 1,150.00 | 6,900.00 |  |

Figure 7.40 Stock Summary

Let us now discover how the above figures are calculated. To analyse the same, press **Enter** on the **Default** column till you reach the report displaying the vouchers. The screen appears as shown below :

| Stock Vouchers                         |                      |          |         | National Traders          |        |           |          |          |           | Ctrl + M |        |          |  |
|----------------------------------------|----------------------|----------|---------|---------------------------|--------|-----------|----------|----------|-----------|----------|--------|----------|--|
| Stock Item: HP - 27 Printer Cartridges |                      |          |         | 1-Jul-2009 to 31-Jul-2009 |        |           |          |          |           |          |        |          |  |
| Date                                   | Particulars          | Vch Type | Vch No. | Inwards                   |        |           | Outwards |          |           | Closing  |        |          |  |
|                                        |                      |          |         | Quantity                  | Rate   | Value     | Quantity | Rate     | Value     | Quantity | Rate   | Value    |  |
| 13-7-2009                              | Power Line Computers | Purchase | 5       | 10 Nos                    | 850.00 | 8,500.00  |          |          |           | 10 Nos   | 850.00 | 8,500.00 |  |
| 14-7-2009                              | FirstCom Solutions   | Sales    | 8       |                           |        |           | 5 Nos    | 1,150.00 | 5,750.00  | 5 Nos    | 850.00 | 4,250.00 |  |
| 15-7-2009                              | Power Line Computers | Purchase | 6       | 5 Nos                     | 850.00 | 4,250.00  |          |          |           | 10 Nos   | 850.00 | 8,500.00 |  |
| 16-7-2009                              | FirstCom Solutions   | Sales    | 9       |                           |        |           | 4 Nos    | 1,150.00 | 4,600.00  | 6 Nos    | 850.00 | 5,100.00 |  |
| Totals :                               |                      |          |         | 15 Nos                    | 850.00 | 12,750.00 | 9 Nos    | 1,150.00 | 10,350.00 | 6 Nos    | 850.00 | 5,100.00 |  |

Figure 7.41 Stock Vouchers

We have a purchase entry first, followed by a sale and again another purchase and a sales entry as given below:

- ❑ Purchased 10 nos HP - 27 Printer Cartridges @ Rs. 850 = Rs. 8,500
- ❑ Sold 5 nos HP - 27 Printer Cartridges @ Rs. 1,150 = Rs. 5,750
- ❑ Purchased 5 nos HP - 27 Printer Cartridges @ Rs. 850 = Rs. 4,250
- ❑ Sold 4 nos HP - 27 Printer Cartridges at Rs. 1150= Rs. 4600

We have purchased a total of 15 nos for Rs. 12750. The average now is **Rs. 12,750 / 15 = Rs. 850** with a closing balance of **6 nos x 850 = Rs. 5,100** (Average cost method of valuation)



### **FIFO**

*FIFO Stands for First-In-First-Out. This is one of the systems of costing where the value is calculated after an outward (consumption or sale) is made for the first purchase entry. The outwards consumption is taken from the stock that is purchased first.*

### **LIFO Perpetual & LIFO Annual**

*LIFO stands for Last-In-First-Out which means that the outwards (consumption or sale) quantity is taken out from the stock that is purchased last.*

- **LIFO Annual:** All the entries of the current financial or specified year are considered.
- **LIFO Perpetual:** All the entries of the company i.e from the books beginning date specified while the creation of a company are considered.

*For example: Suppose a company's books begin on 1-4-2009 and the data is present till 31-3-2010. LIFO Perpetual considers the entries from 1-4-2009 onwards, whereas LIFO Annual considers the entries for the year selected/ current year.*

### **Average Cost & Average Price**

*Average Cost is calculated after each purchase or sale entry for whole year.*

### **Total Inward Value/Total Inward Quantity = Average Cost**

*Average Price is the average of all the outward entries which are displayed at the time of recording a new sales entry.*

### **At Zero Cost**

*The stock is valued at zero cost.*

### **Last Purchase Cost / Sale Price**

- **Last Purchase Cost:** The stock is valued based on the last purchase cost given in the Purchase entry.
- **Last Sale price:** The stock is valued based on the last sales price given in the Sales entry.

### **Monthly Avg. Cost**

*This is the Average Cost where the period is month-wise. Tally.ERP 9 calculates the average value after each purchase or sale for the whole month.*

### **Standard Cost**

*Standard Cost is a pre-determined cost, based on which you would like to value your closing stock. The standard cost details have to be given in the stock item master.*

You can decide which method of stock valuation is most appropriate for your business and accordingly define that in the item master. **FIFO (First In First Out)** and **Average Cost** are the most popular stock valuation methods used in today's business.

## 7.9 Zero Valued Entries

Zero valued entries in vouchers are required when, for example: you need to despatch inventory as free samples or free replacements, etc.

You can make an entry of issue with the required quantity details but enter the value as zero. This is done so that the entry is reflected only in the Inventory books and not in the Accounting books.

### 7.9.1 Creating Zero Valued Entries

*On 28-02-10, make a Sales invoice on Prism fabrication for 1 Nos of Television Flatoron without value.*

#### Setup:

In **National Traders**,

- ❑ Activate the feature **Allow Zero valued entries** in the **F11: Features (Inventory Features)** and accept the other settings.
- ❑ Create a ledger account **Samples** under the group **Sales Accounts** and set **Cost Centres are applicable** to **No** and **Inventory values are affected** to **Yes**.

#### Create Sales Invoice

1. Raise a sales invoice dated 28-02-10 on **Prism fabrication** for 1 Television Flatoron with no value.
2. **Price levels** is to be set as **Not applicable**
3. Allocate it to **Samples**

After passing the above zero valued entries, if you display the Sales Register you may not find this entry. But however, if you display the **Television Flatoron** Stock Item, you will find the quantity sold.



*Zero valued entries do not reflect in accounting books but affect only our inventory books.*

## 7.10 Inventory Ageing Analysis

A very important function of Working Capital Management is the monitoring of stocks. Money locked up in stocks can adversely affect the liquidity of a company. Every company strives or should strive to reduce stock levels to the optimum. Most businesses would prefer to dispose off older stocks as they might deteriorate with time, go out of fashion, or simply get forgotten.

Tally.ERP 9's Stock Ageing analysis enables you to know the age of stocks in hand according to when they were received and their purchase value.

### 7.10.1 View Inventory Ageing Report

Go to **Gateway of Tally > Display > Inventory Books > Ageing Analysis**

- ❑ Select **Medicines**
- ❑ Press **Enter** and change the date to **3-3-2010**
- ❑ **Saridon** with batch number **ST-102** and expiry date is displayed
- ❑ Click on the button **Expired Batches** to view only those items which have expired (The button **All Batches** appears when the expired batches are on display)
- ❑ Press the button **Hide Amounts**, which toggles with **Show Amounts** to view the report with or without values
- ❑ Set ageing style as **By Expiry Date** and the screen appears as shown below :

| Stock Ageing Analysis                  |             | National Traders |             |       |                | Ctrl + M                        |                     |
|----------------------------------------|-------------|------------------|-------------|-------|----------------|---------------------------------|---------------------|
| Items Under : <b>Medicine</b>          |             |                  |             |       |                | as at 3-Mar-2010                |                     |
| All Batches (Aged by Date of Purchase) |             |                  |             |       |                | Valued based on Actual Purchase |                     |
| Particulars                            | Expiry Date | Total            | (< 45 days) |       | 45 to 90 days  |                                 | 90 to 180 days      |
|                                        |             | Quantity         | Quantity    | Value | Quantity       | Value                           | Quantity Value      |
| <b>Saridon</b>                         |             | <b>100 Nos</b>   |             |       | <b>100 Nos</b> | <b>600.00</b>                   | <b>2 more ... →</b> |
| ST/102 (On-Site)                       | 31-Dec-2009 | 100 Nos          |             |       | 100 Nos        | 600.00                          |                     |
| <b>Grand Total</b>                     |             | <b>100 Nos</b>   |             |       | <b>100 Nos</b> | <b>600.00</b>                   |                     |

Figure 7.42 Stock Ageing Analysis

You will find that the **Ageing Periods** are displayed as <45 days, 45-90 days, 90-180 days and >180 days. These are the ageing period that Tally.ERP 9 displays by default. However, you change the ageing period by using **F6: Ageing Periods**.



*The Ageing period for Negative Stock Items cannot be determined and are shown in separate column.*



- You can view **Inventory ageing report** based on the following **Ageing Styles** :
  - *By Date of Purchase*
  - *By Expiry Date*
  - *By Mfg. Date*
  - *To Be Expired*
- **Monthwise Inward/Outward Quantity Report** : Press **Enter** on **Total Quantity** to view the **month-wise inward, outward and closing quantity** report.
- **Item Inward Details** : Press **Enter** on any of the **Ageing Period** columns to view the **Item Inward Details**. This report shows the inward movement of the item for the date range calculated from the age period. Ageing Analysis is done for the stock-in-hand based on when they were purchased. Hence, while viewing the Ageing Analysis Report, the Item Inwards details statement is very useful and relevant. It provides further information of aged stock like date of purchase and supplier. It also provides a drill down facility to the actual transaction voucher.

Experiment by choosing different ageing styles and observe the changes in the report.

### Practice Exercise

1. Select **By Mfg. Date** as **Ageing Style** and view the report as on **31-12-2009**.

## 7.11 Different Actual and Billed Quantities

The need for different actual and billed quantities may arise in several instances. For example if an extra inventory is sent to cover up for any stock that reaches in a damaged condition or Inventory sent as extra samples or the Stock is despatched to the customer as quantity discount.

### Setup:

Ensure that you are in the **Gateway of Tally of National Traders**.

- Go to **F11: Features (Inventory Features)** and set **Use Different Actual & Billed Qty** to **Yes**.

### 7.11.1 Using different Actual and Billed Quantities

**Go to Gateway of Tally > Accounting Vouchers > F8: Sales.** You will notice that the Quantities column is divided into two columns, viz. Actual and Billed.

**On 3-3-2010, make a purchase invoice from Parvathi Stockers for the following items :**

| Name of the Item | Actual Qty | Billed Qty | Rate (in Rs.) |
|------------------|------------|------------|---------------|
| Rice             | 100 Kgs    | 90 Kgs     | 10            |
| Wheat            | 50 Kgs     | 50 Kgs     | 100           |

**Setup :**

- Create a new stock item as **Rice** with the following details :
  - Group it under stock group **Foodstuffs**.
  - Stock category - **Not Applicable**
  - Unit of Measure - **kgs (kilos)** with **decimal places - 3** (create if not present).
  - Accept the master creation without any opening balance and return to the Gateway of Tally.

**Step 1 : Create Purchase Invoice**

1. Enter a **Purchase invoice** on **3-3-2010** on **Parvathi stockers**.
2. Price level - **Not Applicable**
3. Select **Rice** under Name of Item
4. Order number - **Not Applicable**
5. Select the godown as **Onsite**
6. Type **Actual Quantity** as **100 kgs** and **Billed Quantity** as **90 kgs**
7. Specify the **Rate** as **Rs. 10** and the value appears as **Rs. 900** (billed quantity \* rate). The screen appears as shown below :

| Item Allocations for : <b>Rice</b>                 |             |            |           |         |        |
|----------------------------------------------------|-------------|------------|-----------|---------|--------|
| Godown                                             | Quantity    |            | Rate per  | Disc. % | Amount |
|                                                    | Actual      | Billed     |           |         |        |
| Order No.: <input type="checkbox"/> Not Applicable |             |            |           |         |        |
| On-Site                                            | 100.000 Kgs | 90.000 Kgs | 10.00 Kgs |         | 900.00 |

Figure 7.43 Item Allocations for Rice

8. Allocate to **Purchases** ledger and press **Enter**.
  - Select another item **Wheat** and enter the following details

- ❑ **Tracking number and Order number - Not Applicable**
  - ❑ **Select Godown as Onsite**
  - ❑ **Type Actual and Billed quantity - 50 bags**
  - ❑ **Specify Rate as Rs. 100**, the amount is defaulted as **Rs. 5,000**
9. Press **Enter** and accept the purchase invoice with the default bill-wise details. The Purchase invoice amounts to **Rs. 5,900** (Rice - Rs. 900 and Wheat - Rs. 5,000).

### Step 3 : Display Stock Summary

Go to **Gateway of Tally > Stock Summary**

- ❑ **Select Foodstuffs as stock group and press Enter**

| Stock Summary |  | National Traders         |        | Ctrl + M  |  |
|---------------|--|--------------------------|--------|-----------|--|
| Particulars   |  | Foodstuffs               |        |           |  |
|               |  | National Traders         |        |           |  |
|               |  | 1-Apr-2009 to 3-Mar-2010 |        |           |  |
|               |  | Closing Balance          |        |           |  |
|               |  | Quantity                 | Rate   | Value     |  |
| Rice          |  | 100.000 Kgs              | 9.00   | 900.00    |  |
| Wheat         |  | 150 Bags                 | 306.67 | 46,000.00 |  |

Figure 7.44 Stock Summary

Tally.ERP 9 displays **100 kgs** of **Rice** stock item because this is the quantity that we have actually received from the party. In case of **Wheat** the quantity appears as **150 kgs**.

Go to **Gateway of Tally > Display > Account Books > Purchase Register**

- ❑ **Select March month**
- ❑ **Press F12: Value button**,
  - **Specify the range as Voucher - Having - Ledgers - With - Name - Containing - Parvathi stockers** (party name in purchase entry of 5-3-2010)
  - **Press Enter.**
- ❑ **Press Alt+F1** to display the stock summary in detailed format
- ❑ **Press F12: Configure** and activate the option **Show Inventory Details also**

Tally.ERP 9 displays **Voucher Register** as shown below :

| Voucher Register              |                   | National Traders |             | Ctrl + M                  |               |
|-------------------------------|-------------------|------------------|-------------|---------------------------|---------------|
| List of All Purchase Vouchers |                   |                  |             | 1-Mar-2010 to 31-Mar-2010 |               |
| Date                          | Particulars       | Vch Type         | Vch No.     | Debit Amount              | Credit Amount |
| 3-3-2010                      | Parvathi Stockers | Purchase         | 21          | 5,900.00                  |               |
|                               | Purchases         |                  |             | 5,900.00 Dr               |               |
|                               | Rice              | 90.000 Kgs       | 10.00/Kgs   | 900.00                    |               |
|                               | Wheat             | 50 Bags          | 100.00/Bags | 5,000.00                  |               |

Figure 7.45 Voucher Register

The inventory details display **90 kgs** for the stock item **Rice**, because this is the quantity that the party has billed us for. (We have received 100 kgs of Rice i.e, the actual quantity. We will be making the payment for only 90 kgs i.e., the billed quantity). Therefore, the actual quantity affects the inventory books while the billed quantity reflects in the accounting books.



### Points to Remember

- ❑ Order processing includes purchase and sales order processing. Here the details of purchase orders placed and sales orders received can be obtained.
- ❑ Reorder level and order processing are linked to each other. The purchase orders are placed and sales orders are accepted based on the reorder level specified.
- ❑ Tracking numbers are used to track the delivery or receipt of inventory against the sales and purchase bills respectively. Tracking numbers are required to know the status of pending sales and purchase bills.
- ❑ Batch-wise details are maintained mainly for perishable goods. The manufacturing and expiry dates can be set for batch-wise details. Tally.ERP 9 has an option to display only those batches which have not expired and hide the expired batches.
- ❑ The additional costs which add to the cost of the actual cost of purchase of an item can be recorded in Tally.ERP 9. Hence, the additional costs on purchases can be apportioned based on the purchase value as well as on the purchase quantity. Additional cost details can be specified even for goods which require batch-wise details.
- ❑ Bill-of-Material is a term generally associated with the manufacturing of goods. Tally.ERP 9's Manufacturing journal records the item manufactured with the use of bill-of-material and enables an automatic reduction in the quantity of stock items consumed.
- ❑ Price list is generally used by organisations which deal in multiple products. It can be created for different dates and can be maintained for different kinds of buyers. Tally.ERP 9 facilitates the setting of different price levels while creating price lists for multiple stock items.
- ❑ For the valuation of inventory, Tally.ERP 9 provides various stock valuation methods. It values stocks based on the costing methods. The rate/price of the item will be displayed depending on the market valuation method defined in the stock item master.
- ❑ Inventory ageing analysis is an important aspect of working capital management. It helps in knowing the age of stocks. Tally.ERP 9 displays stock ageing analysis for items with respect to the date of purchase, expiry date, manufacture date and stocks to be expired.
- ❑ Tally.ERP 9's feature of recording transactions with different actual and billed quantities updates the accounting books based on the value of invoice and inventory books based on the actual quantity purchased or sold.

## Lesson 8: Value Added Tax (VAT)

### Lesson Objectives

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

- ❑ How to activate VAT, Composite VAT in Tally.ERP 9.
- ❑ Create ledgers and vouchers using different classifications relating to VAT, Composite VAT.
- ❑ Record transactions relating to purchase/ sales returns, inter-state trade, inter-state branch transfers and account for input credit on capital goods.
- ❑ Generate and print VAT as well as Composite VAT Computation report.

**Value Added Tax (VAT)** is an indirect tax on goods, introduced in lieu of sales tax, to ensure transparency and greater compliance. The basic premise of VAT is to levy tax on the 'true value' added to the goods, at each stage in the transaction chain. This ultimately reduces:

- ❑ Tax paid to the government.
- ❑ Cost/ tax passed on to the consumer.

VAT is a multi-point tax as against sales tax, which is a single-point tax. Under the sales tax regime, the 'value' of goods to be taxed at each stage is computed as basic cost + profit margin + sales tax paid at the earlier stage. The advantages of implementing VAT are:

- ❑ Enhancement of competitiveness by the removal of the cascading effect of taxes.
- ❑ Simplifying the process of taxation.
- ❑ Self-regulatory mechanism ensuring greater compliance.

### 8.1 Configuring VAT in Tally.ERP 9

Let us create a new company called **Universal Traders**, a dealer of electrical items, to enter VAT related transactions.

### 8.1.1 Company Setup

Enter the details as shown below in the company creation screen:

| Company Creation                      |                       | Ctrl + M                                                                        |                           |
|---------------------------------------|-----------------------|---------------------------------------------------------------------------------|---------------------------|
| Directory                             | : C:\Tally.ERP9\Data  |                                                                                 |                           |
| Name                                  | : Universal Traders   |                                                                                 |                           |
| <b>Mailing &amp; Contact Details</b>  |                       | <b>Company Details</b>                                                          |                           |
| Mailing Name                          | : Universal Traders   | Currency Symbol                                                                 | : Rs.                     |
| Address                               | : #45, Raheja Arcade  | Maintain                                                                        | : Accounts with Inventory |
|                                       | : Jagdishnagar        | Financial Year from                                                             | : 1-4-2009                |
|                                       | : Bangalore           | Books beginning from                                                            | : 1-4-2009                |
| <b>Statutory compliance for State</b> |                       | <b>Security Control</b>                                                         |                           |
| State                                 | : India               | TallyVault Password (if any)                                                    | :                         |
|                                       | : Karnataka           | Repeat Password                                                                 | :                         |
| PIN Code                              | : 560075              | (WARNING: forgetting your TallyVault password will render your data unusable!!) |                           |
| Telephone No.                         | : 080 - 25236786      | Use Security Control                                                            | : No                      |
| Mobile No.                            | : 9902452658          | (Enable Security to avail Tally.NET Features)                                   |                           |
| E-Mail                                | : sales@universal.com |                                                                                 |                           |
| <b>Base Currency Information</b>      |                       |                                                                                 |                           |
| Base Currency Symbol                  | : Rs.                 | Show Amounts in Millions                                                        | : No                      |
| Formal Name                           | : Indian Rupees       | Put a SPACE between Amount and Symbol                                           | : Yes                     |
| Number of Decimal Places              | : 2                   | Decimal Places for Printing Amounts in Words                                    | : 2                       |
| Is Symbol SUFFIXED to Amounts         | : No                  |                                                                                 |                           |
| Symbol for Decimal Portion            | : paise               |                                                                                 |                           |

Figure 8.1 Company Creation – Universal Traders

- Press **Enter** twice to accept the company creation screen.

### 8.1.2 Enabling Value Added Tax (VAT)

To enable **VAT**, press **F11: Features (Statutory & Taxation Features)** and

- Set **Yes** to **Enable Value Added Tax (VAT)**
- The VAT classifications are different for each State in India. In order to activate and view the various VAT classifications, set the option **Set / Alter VAT details** to **Yes**.
- On activating **Set / Alter VAT details** the screen appears as shown below:

**Company VAT Details** Ctrl + M

Current Period: 1-4-2009 Current Date: 1-4-2009

**VAT Details**

State : Karnataka ? No  
 Type of Dealer : Regular ? No  
 Regular VAT Applicable From : 1-4-2009 ? No

**Additional Information**

LVO/VSO Code : 256  
 Authorised Person : Ramesh  
 Status / Designation : CTO  
 Place : Bangalore

Background text: Name of Company, Enable Excise, Set/Alter Excise D, (Note: 'Enable Ma for Multiple Excise, Follow Excise rules fo, Enable Value Added T, Set/Alter VAT Deta, Enable Service Tax, Set/Alter Service T

Bottom tabs: F11: Accounts, F12: Inventory, F13: Customer, F14: Sales

Figure 8.2 VAT Details

- ❑ In this screen you have to select the State, the type of dealer and specify the date of applicability to view the VAT classifications of the required specifications.
- ❑ In **F11: Features (Accounting Features)**, set **Maintain Bill-wise details** to **Yes**.

### 8.1.3 VAT Classifications

It is a list of VAT rates which describes the nature of the business activity and the type of transaction. These classifications are in-built in the system and will be updated as and when any statutory changes take place.

Some of the classifications are:

- ❑ Input VAT @ 4%
- ❑ Input VAT @ 1%
- ❑ Input VAT @ 12.5%
- ❑ Output VAT @ 1%
- ❑ Output VAT @ 4%
- ❑ Output VAT @ 12.5%
- ❑ Purchases - Capital Goods @ 4%

- ❑ Purchases - Exempt
- ❑ Purchases from Composition Dealers
- ❑ Purchases - From Unregistered Dealers
- ❑ Inter-state Purchases

Depending on the type of business, type of transaction, and statutory requirements of your state, you need to select the appropriate classifications from the list.

You can define your classification:

- ❑ At the time of ledger creation.
- ❑ At the time of voucher entry.



**Input VAT:** This is a tax paid on purchases

**Output VAT:** This is a tax paid on sales.

**VAT Rates:** According to the White Paper, there are 550 categories of goods under the VAT system. They are classified into VAT @ 4%, VAT @ 12.5%, VAT @ 1% and those exempted from VAT, depending on the VAT Rate.

## 8.2 Creating Masters

The ledgers that are affected by VAT are:

- ❑ Purchase Ledger
- ❑ Sales Ledger
- ❑ Input VAT Ledger
- ❑ Output VAT Ledger
- ❑ Party Ledger

### 8.2.1 Creating Purchase Ledger

Go to Gateway of Tally > Accounts Info. > Ledger > Create.

| Ledger        | Under                | Inventory val-<br>ues are affected | Used in VAT<br>Returns | VAT/Tax Class  |
|---------------|----------------------|------------------------------------|------------------------|----------------|
| Purchase @ 4% | Purchase<br>Accounts | Yes                                | Yes                    | Purchases @ 4% |

- ❑ Select the **VAT/Tax class** as **Purchases @ 4%** as shown below:

Figure 8.3 Default VAT/Tax Class

- Retain the other fields as default and accept the screen.



*The drop down list in the **VAT/Tax Class** of purchase ledgers consists of the purchase classifications pertaining to your state. If you do not wish to select a classification at the ledger level, you can set this field to **Not Applicable**.*

### Practice Exercise

Create the following purchase ledger

| Ledger           | Under             | Inventory values are affected | Used in VAT Returns | VAT/Tax Class     |
|------------------|-------------------|-------------------------------|---------------------|-------------------|
| Purchase @ 12.5% | Purchase Accounts | Yes                           | Yes                 | Purchases @ 12.5% |

## 8.2.2 Creating Sales Ledger

Create the following Sales Ledgers

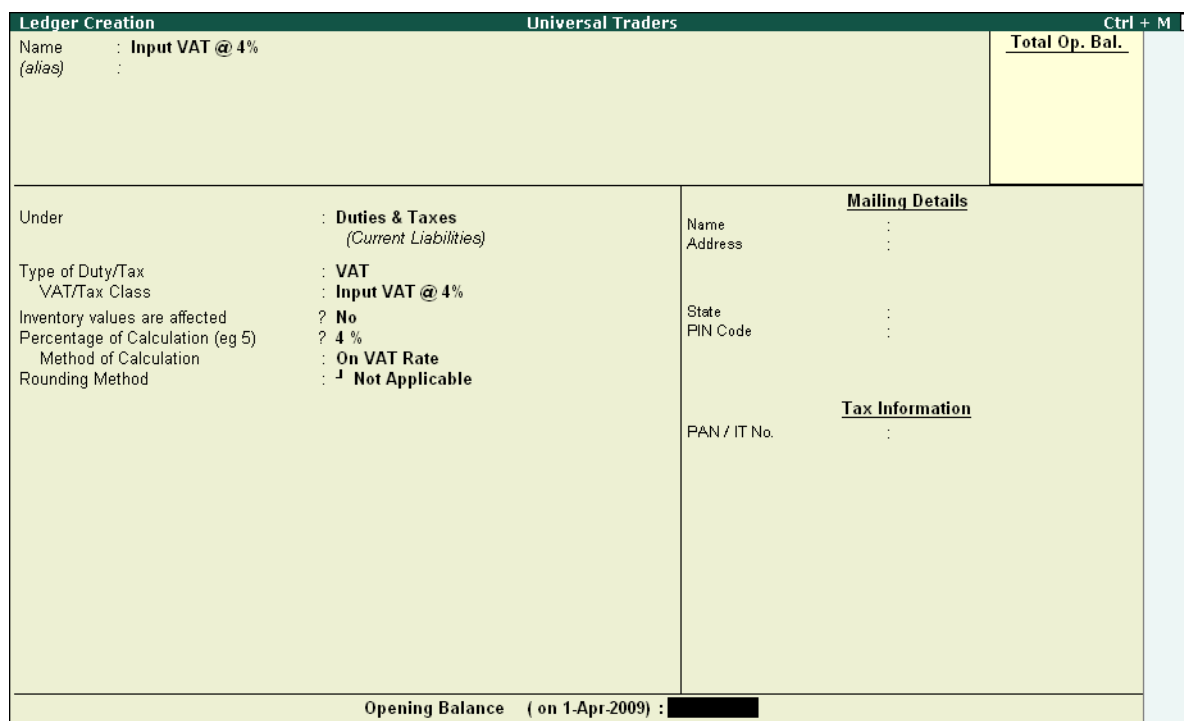
| Ledger Name   | Under         | Inventory values are affected | VAT/Tax Class | Used in VAT Returns |
|---------------|---------------|-------------------------------|---------------|---------------------|
| Sales @ 4%    | Sales Account | Yes                           | Sales @ 4%    | Yes                 |
| Sales @ 12.5% | Sales Account | Yes                           | Sales @ 12.5% | Yes                 |

## 8.2.3 Creating Input VAT Ledger

Go to Gateway of Tally > Accounts Info. > Ledger.

- ❑ Create the ledger Input VAT @ 4% under Duties and Taxes.
- ❑ Select Input VAT @ 4% from the drop down list of VAT classification

The ledger **Input VAT @ 4%** appears as shown below :



The screenshot shows the 'Ledger Creation' window for 'Universal Traders'. The 'Name' field is 'Input VAT @ 4%'. The 'Under' field is 'Duties & Taxes (Current Liabilities)'. The 'Type of Duty/Tax' is 'VAT', and the 'VAT/Tax Class' is 'Input VAT @ 4%'. The 'Inventory values are affected' field is 'No'. The 'Percentage of Calculation (eg 5)' is '4 %'. The 'Method of Calculation' is 'On VAT Rate'. The 'Rounding Method' is 'Not Applicable'. The 'Mailing Details' section includes fields for Name, Address, State, and PIN Code. The 'Tax Information' section includes a field for PAN / IT No. The 'Opening Balance (on 1-Apr-2009)' is displayed as a blacked-out field. The 'Total Op. Bal.' field is empty.

Figure 8.4 Ledger Creation — Input VAT @ 4%

The Percentage of Calculation field displays the VAT rate that you have selected in the VAT/Tax Class field and the Method of Calculation displays **On VAT Rate** if you have selected **VAT** under Type of Duty/Tax.

- ❑ After entering the details as displayed in the above ledger creation screen, press **Ctrl+A** to accept the screen.



*On enabling **TDS** and **Service Tax** in the **F11: Features (Statutory & Taxation Features)**, the list will also include **TDS** and **Service Tax**.*

### **Practice Exercise**

Create the following ledgers:

#### **1. Input VAT @ 12.5%**

- ❑ Name: Input Vat @ 12.5%
- ❑ Under: Duties & Taxes
- ❑ Type of Duty/Tax: VAT
- ❑ VAT/Tax Class: Input VAT @ 12.5%
- ❑ Percentage of Calculation: 12.5%
- ❑ Method of Calculation: On VAT Rate
- ❑ Inventory values are affected: No

#### **2. Output VAT @ 4%**

- ❑ Name: Output Vat @ 4%
- ❑ Under: Duties & Taxes
- ❑ Type of Duty/Tax: VAT
- ❑ VAT/Tax Class: Output VAT @ 4%
- ❑ Percentage of Calculation: 4%
- ❑ Method of Calculation: On VAT Rate
- ❑ Inventory values are affected: No

#### **3. Output VAT @ 12.5%**

- ❑ Name: Output Vat @ 12.5%
- ❑ Under: Duties & Taxes
- ❑ Type of Duty/Tax: VAT
- ❑ VAT/Tax Class: Output VAT @ 12.5%
- ❑ Percentage of Calculation: 12.5%
- ❑ Method of Calculation: On VAT Rate
- ❑ Inventory values are affected: No



## 8.2.4 Creating Party Ledger

Create the following party ledgers:

| Ledger         | Under            | Maintain<br>balances bill-by-bill |
|----------------|------------------|-----------------------------------|
| Sujan Ltd.     | Sundry Creditors | Yes                               |
| Chahak Traders | Sundry Debtors   | Yes                               |
| Somi Telicomm  | Sundry Debtors   | Yes                               |

## 8.2.5 Creating Stock Items

Create a stock item **Surya Lamps** as shown below :

| Stock Item Creation                        |  | Universal Traders                                                                                                                                                                                  |                                     |
|--------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| Name : <b>Surya Lamps</b><br>(alias) :     |  |                                                                                                                                                                                                    |                                     |
| Under : <b>Bulbs</b><br>Units : <b>Nos</b> |  | <b>Tax Information</b><br>Tariff Classification : <b>Not Applicable</b><br>Rate of Duty (eg 5) : <b>0</b><br><b>VAT Details</b><br>Commodity : <b>Not Applicable</b><br>Rate of VAT (%) : <b>4</b> |                                     |
| Opening Balance :                          |  | <b>Quantity</b>                                                                                                                                                                                    | <b>Rate per</b>                     |
|                                            |  |                                                                                                                                                                                                    | <b>Accept ?</b><br><b>Yes or No</b> |

Figure 8.5 Stock Item — Surya Lamps

- Press **Y** or **Enter** to accept the screen.



- Create a Stock group **Bulbs** under **Primary**.
- Create **Nos** with formal name as **Numbers** under simple Unit of Measure.
- The value entered in the field **Rate of VAT** will be picked up when invoicing if you have selected the Method of Calculation as Tax Based on the Item Rate in your relevant accounting ledger.

### Practice Exercise

Create the following Stock Items under the stock group **Bulbs** with units of measure as **Nos.**:

- **Philips Lamps** with a VAT rate of **4%**.
- **GE Lamps** with a VAT rate of **12.5%**.
- **Bajaj Lamps** with a VAT rate of **4%**.

## 8.3 Entering Transactions

### 8.3.1 Creating Purchase Voucher without Inventory

*On 1-6-09, Universal Traders purchased from Sujan Ltd., Bangalore, Surya Lamps 20 nos at Rs. 300 each & Philips lamps 30 nos at Rs. 500 each. (Input VAT - 840.)*

**Enter the details of the transaction in voucher mode (without Inventory)**

**Go to Gateway of Tally > Accounting Vouchers > F9: Purchase.**

1. **Date: 1-6-2009.**
2. Credit **Sujan Ltd.: Rs. 21840** (Purchase + VAT amount).
3. In the bill-wise details give the new reference as **S/01**.
4. Debit **Purchase @ 4%**. Select **End of List** in the **Inventory Allocation** screen as you will not be entering any inventory details. A sub screen asks for **VAT/Tax Class**. Select **Purchase @ 4%**. Total amount of Purchases is Rs. 21000.
5. Select the **Input VAT** Ledger and in the sub screen that appears, select **Input VAT @ 4%** in **VAT/Tax Class**. Enter the total cost **Rs. 21000**, in **Assessable Value** and press **Enter** to return to the voucher.
6. Tally.ERP 9 displays the **Input VAT** amount as **Rs. 840** (4% of Rs. 21000) by default. You can also choose to enter this amount.

The completed Purchase voucher appears as shown below:

| Accounting Voucher Creation |              | Universal Traders |  | Ctrl + M             |           |
|-----------------------------|--------------|-------------------|--|----------------------|-----------|
| <b>Purchase</b> No. 1       |              | Date :            |  | 1-Jun-2009<br>Monday |           |
| Supplier Invoice No. :      |              |                   |  |                      |           |
| Particulars                 |              | Debit             |  | Credit               |           |
| Cr <b>Sujan Ltd.</b>        |              |                   |  | 21,840.00            |           |
| Cur Bal: 21,840.00 Cr       |              |                   |  |                      |           |
| New Ref: SL/01              | 21,840.00 Cr |                   |  |                      |           |
| Dr <b>Purchase @ 4%</b>     |              | 21,000.00         |  |                      |           |
| Cur Bal: 21,000.00 Dr       |              |                   |  |                      |           |
| Dr <b>Input VAT @ 4%</b>    |              | 840.00            |  |                      |           |
| Cur Bal: 840.00 Dr          |              |                   |  |                      |           |
| Narration:                  |              |                   |  | 21,840.00            | 21,840.00 |

Figure 8.6 Purchase Voucher

7. Type the narration and press **Y** or **Enter** to accept the screen.

### 8.3.2 Creating Purchase Invoice with default VAT Class

*On 3-6-09, Universal Traders purchased from Sujan Ltd. Bangalore, Surya Lamps 30 Nos. at Rs. 300 each. VAT @ 4% was charged additionally.*

#### Setup :

- Select **As Invoice** and press **F12: Configure** button to set the options as under:
  - **Accept Supplementary Details – No.**
  - **Use Common Ledger A/c for Item Allocation – No.**
  - **Allow selection of VAT/Tax Class during entry – No.**

**Enter the details of the transaction in the purchase invoice**

**Go to Gateway of Tally > Accounting Vouchers > F9: Purchase.**

1. In the **Accounting Allocation** screen, select **Purchase @ 4%** and the **VAT Classification** entered in the Purchase Ledger is displayed.
2. On selecting **Input VAT @ 4%**, the VAT amount will be calculated automatically.

| <b>Accounting Voucher Creation</b>    |          | <b>Universal Traders</b> |     | <b>Ctrl + M</b>                |          |
|---------------------------------------|----------|--------------------------|-----|--------------------------------|----------|
| <b>Purchase</b> No. 3                 |          |                          |     | <b>3-Jun-2009</b><br>Wednesday |          |
| Supplier Invoice No. :                |          | Date :                   |     |                                |          |
| Party's A/c Name : <b>Sujan Ltd.</b>  |          |                          |     |                                |          |
| Current Balance : <b>27,427.50 Cr</b> |          |                          |     |                                |          |
| Name of Item                          | Quantity | Rate                     | per | Amount                         |          |
| <b>Surya Lamps</b>                    | 30 Nos   | 300.00                   | Nos | 9,000.00                       |          |
| <b>Input VAT @ 4%</b>                 |          |                          | 4 % | 360.00                         |          |
|                                       |          |                          |     |                                |          |
| Show Statutory Details ? <b>No</b>    |          |                          |     |                                |          |
| Narration:                            |          |                          |     |                                |          |
|                                       |          |                          |     | 30 Nos                         | 9,360.00 |

3. Type the narration and press **Y** or **Enter** to accept the screen.

***On 3-6-09, Universal Traders purchased from Sujana Ltd. Bangalore, Philips lamps 10 Nos. at Rs. 300 each. VAT @ 4% was charged additionally.***

Click on **Item Invoice** button and change the following settings in the **F12: Configure** screen:

- ### Enter the details of the transaction in the purchase invoice

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The completed **Purchase Invoice** will appear as shown :

| Accounting Voucher Creation                                                                                                                                       |          | Universal Traders |          | Ctrl + M   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------------|----------|------------|
| <b>Purchase</b> No. 3                                                                                                                                             |          |                   |          | 3-Jun-2009 |
| Supplier Invoice No. :                                                                                                                                            |          | Date :            |          | Wednesday  |
| Party's A/c Name : <b>Sujan Ltd.</b><br>Current Balance : <b>1,15,440.00 Cr</b><br>Purchase Ledger : <b>Purchase @ 4%</b><br>VAT/Tax Class: <b>Purchases @ 4%</b> |          |                   |          |            |
| Name of Item                                                                                                                                                      | Quantity | Rate per          | Amount   |            |
| Philips Lamps                                                                                                                                                     | 10 Nos   | 300.00 Nos        | 3,000.00 |            |
| Input VAT @ 4%                                                                                                                                                    |          | 4 %               | 120.00   |            |
| Show Statutory Details ? <b>No</b><br>Narration:                                                                                                                  |          |                   |          |            |
|                                                                                                                                                                   |          | 10 Nos            | 3,120.00 |            |

Figure 8.8 Purchase Invoice

- Type the narration and press **Y** or **Enter** to accept the screen.

### 8.3.4 Creating Purchase Invoice with Multiple VAT Rates

*On 5-6-09, Universal Traders purchased the following lamps from Sujan Ltd.*

| Item       | Quantity | Rate | VAT % |
|------------|----------|------|-------|
| GE Lamp    | 15 Nos   | 100  | 12.5  |
| Bajaj Lamp | 5 Nos    | 150  | 4     |

#### Setup :

Click on **Item Invoice** button and change the following settings in **F12: Configuration**.

- **Use Common Ledger A/c for Item allocation – No.**
- **Allow selection of VAT/Tax class during entry – No.**

**Enter the details of the transaction in the purchase invoice**

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchase**.

- ❑ In the **Accounting Details** screen of **GE Lamps**, select **Purchase 12.5%** under **Particulars**. **Purchase @ 12.5%** will be selected automatically in the **VAT/Tax Class**.
- ❑ In the **Accounting Details** screen of **Bajaj Lamps**, select **Purchase @ 4%** under **Particulars**. **Purchase @ 4%** will be selected automatically in the **VAT/Tax Class**.
- ❑ Select the ledgers **Input VAT @ 12.5%** and **Input VAT @ 4%**. The **Input VAT** amount would be automatically calculated and displayed in the amount columns.

The completed **Purchase Invoice** appears as shown :

| Accounting Voucher Creation             |          | Universal Traders |     | Ctrl + M        |                 |
|-----------------------------------------|----------|-------------------|-----|-----------------|-----------------|
| <b>Purchase</b> No. 4                   |          |                   |     | 5-Jun-2009      |                 |
| Supplier Invoice No. :                  |          | Date :            |     | Friday          |                 |
| Party's A/c Name : <b>Sujan Ltd.</b>    |          |                   |     |                 |                 |
| Current Balance : <b>1,18,560.00 Cr</b> |          |                   |     |                 |                 |
| Name of Item                            | Quantity | Rate              | per | Amount          |                 |
| GE Lamps                                | 15 Nos   | 100.00            | Nos | 1,500.00        |                 |
| Bajaj Lamps                             | 5 Nos    | 150.00            | Nos | 750.00          |                 |
|                                         |          |                   |     | <b>2,250.00</b> |                 |
| Input VAT @ 12.5%                       |          | 12.50             | %   | 187.50          |                 |
| Input VAT @ 4%                          |          | 4                 | %   | 30.00           |                 |
| Show Statutory Details ? No             |          |                   |     |                 |                 |
| Narration:                              |          |                   |     | 20 Nos          | <b>2,467.50</b> |

Figure 8.9 Purchase Invoice

- ❑ Type the narration and press **Y** or **Enter** to accept the screen.

### 8.3.5 Creating Sales Voucher without Inventory

*On 8-6-09, Universal Traders sold to Chahak Traders, Bangalore, Surya lamps 10 Nos. at Rs.350 each. VAT @ 4% was charged additionally.*

Enter the details of the transaction in a sales voucher (voucher mode)

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**.

1. **Date: 8-6-2009.**
2. Debit **Chahak Traders: Rs. 3640** (Total sales + Output VAT).
3. Credit **Sales account: Rs. 3,000** and select **Sales @ 4%** in VAT/Tax class.

- The completed **sales voucher** appears as shown below :

| Accounting Voucher Creation |  | Universal Traders |  | Ctrl + M x |  |
|-----------------------------|--|-------------------|--|------------|--|
| Sales                       |  | No. 1             |  | 8-Jun-2009 |  |
| Ref.:                       |  |                   |  | Monday     |  |
| Particulars                 |  | Debit             |  | Credit     |  |
| Dr <b>Chahak Traders</b>    |  | 3,640.00          |  |            |  |
| <i>Cur Bal: 3,640.00 Dr</i> |  |                   |  |            |  |
| New Ref 1                   |  | 3,640.00 Dr       |  |            |  |
| Cr <b>Sales @ 4%</b>        |  |                   |  | 3,500.00   |  |
| <i>Cur Bal: 3,500.00 Cr</i> |  |                   |  |            |  |
| Cr <b>Output VAT @ 4%</b>   |  |                   |  | 140.00     |  |
| <i>Cur Bal: 140.00 Cr</i>   |  |                   |  |            |  |
| Narration:                  |  | 3,640.00          |  | 3,640.00   |  |

7. Type the narration and press **Y** or **Enter** to accept the screen.

***On 15-6-09, Universal Traders sold to Somi Telicomm, Bangalore, Surya lamps 8 Nos. at Rs. 350 each and Philips lamps 5 Nos. at Rs. 550 each. VAT @ 4% was charged additionally.***

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales.**

1. In the **Accounting Details** screen of **Surya Lamps** and **Philips Lamps**, select **Sales @ 4%** under **Particulars**. **VAT/Tax classification** entered in the **Sales Ledger** is displayed.
2. Select the ledger **Output VAT @ 4%**. The screen **VAT/Tax Class** appears. Select **Output VAT @ 4%** in the **VAT/Tax Class**.

The Sales Invoice will appear as shown below :

| Accounting Voucher Creation             |          | Universal Traders |     | Ctrl + M              |  |
|-----------------------------------------|----------|-------------------|-----|-----------------------|--|
| <b>Sales</b> No. 2                      |          |                   |     | 15-Jun-2009<br>Monday |  |
| Ref. :                                  |          |                   |     |                       |  |
| Party's A/c Name : <b>Somi Telicomm</b> |          |                   |     |                       |  |
| Current Balance :                       |          |                   |     |                       |  |
| Name of Item                            | Quantity | Rate              | per | Amount                |  |
| Surya Lamps                             | 8 Nos    | 350.00            | Nos | 2,800.00              |  |
| Philips Lamps                           | 5 Nos    | 550.00            | Nos | 2,750.00              |  |
|                                         |          |                   |     | 5,550.00              |  |
| Output VAT @ 4%                         |          |                   | 4 % | 222.00                |  |
| Show Statutory Details ? No             |          |                   |     |                       |  |
| Narration:                              |          |                   |     |                       |  |
|                                         |          |                   |     | 13 Nos 5,772.00       |  |

Figure 8.11 Sales Invoice

3. Type the narration and press **Y** or **Enter** to accept the screen.

### 8.3.7 Printing Sales Invoice

- Press **Pg Up** from the above screen
- Press **Alt+P** from the voucher screen to Go to **Printing Configuration**.
- In the **Voucher Printing** screen, click on **I: Titling button** on the button bar to change the title of the report.



| <u>Report Title</u>            |                      |
|--------------------------------|----------------------|
| Title                          | : <b>Tax Invoice</b> |
| Sub-Title                      | :                    |
| <u>Additional Information</u>  |                      |
| Print with Company Name ?      | <b>Yes</b>           |
| Print with Company Address ?   | <b>Yes</b>           |
| Print Date Range of Report ?   | <b>Yes</b>           |
| Print Page Numbers in Report ? | <b>Yes</b>           |

Figure 8.12 Report Title

- Click on **F12: Configure** to change the following settings:
  - Print **VAT Analysis of Items?** Set this field to **Yes** to display the **VAT Amount** on the **Total Net Value**.
  - Print **VAT% Column?** Set this field to **Yes** to display **VAT** rate in invoices.

The **Invoice Printing Configuration** screen appears as shown below :

| <b>Invoice Printing Configuration</b>                      |              |                                  |                     |
|------------------------------------------------------------|--------------|----------------------------------|---------------------|
| Title of Document                                          | :            | <b>Tax Invoice</b>               |                     |
| (for Optional Voucher)                                     | :            | <b>PROFORMA INVOICE</b>          |                     |
| Sub Title (if any)                                         | :            |                                  |                     |
| Height of Normal Invoice (inches)                          | :            | <b>10</b>                        | Simple: <b>10</b>   |
| Width of Normal Invoice (inches)                           | :            | <b>7.50</b>                      | Simple: <b>7.50</b> |
| Space to leave on top (default 0.25)                       | :            | <b>0.25</b>                      | Simple: <b>0.25</b> |
| Space to leave on left (default 0.5)                       | :            | <b>0.50</b>                      | Simple: <b>0.50</b> |
| Print in Simple Format                                     | ? <b>No</b>  | Print Serial No.                 | ? <b>Yes</b>        |
| Print Voucher Reference                                    | ? <b>Yes</b> | Print Quantity Column            | ? <b>Yes</b>        |
| Print Order Details                                        | ? <b>Yes</b> | Print Actual Quantity Column     | ? <b>No</b>         |
| Print Terms of Payment and Delivery                        | ? <b>Yes</b> | Print Rate Column                | ? <b>Yes</b>        |
| Print details of Despatch                                  | ? <b>Yes</b> | Print VAT % Column               | ? <b>Yes</b>        |
| Print Tax Analysis of Items                                | ? <b>No</b>  | Print Date & Time                | ? <b>No</b>         |
| Print VAT Analysis of Items                                | ? <b>Yes</b> | Print Batch Details              | ? <b>Yes</b>        |
| Print Company's Tax Regn. Numbers                          | ? <b>Yes</b> | Print Rate of Duty with Items    | ? <b>No</b>         |
| Print Buyer's Tax Regn. Number                             | ? <b>Yes</b> | Print Sub-Totals after each line | ? <b>No</b>         |
| Print Declaration                                          | ? <b>Yes</b> | Print Narration                  | ? <b>No</b>         |
|                                                            |              | Print Narration for each entry   | ? <b>No</b>         |
| Method to use for Stock Item Name : <b>Name Only</b>       |              |                                  |                     |
| Jurisdiction :                                             |              |                                  |                     |
| Generated by : <b>This is a Computer Generated Invoice</b> |              |                                  |                     |

Figure 8.13 Invoice Printing Configuration

- Press **Y** or **Enter** to print.



On configuring the settings, the following new sections appear in all the VAT invoices:

- VAT Amount (in words)
- Company's VAT TIN No.
- Company's CST No.
- Buyer's TIN/Sales Tax No.

The printed **VAT Tax Invoice** appears as shown below:

| Tax Invoice                                                                                                                              |                      |                                                          |          |                             |                  |            |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------------------------------------|----------|-----------------------------|------------------|------------|
| <b>Universal Traders</b><br>#45, Raheja Arcade<br>Jagdishnagar<br>Bangalore<br>E-mail : sales@universal.com                              |                      | Invoice No.<br><b>2</b>                                  |          | Dated<br><b>15-Jun-2009</b> |                  |            |
|                                                                                                                                          |                      | Delivery Note                                            |          | Mode/Terms of Payment       |                  |            |
|                                                                                                                                          |                      | Supplier's Ref.                                          |          | Other Reference(s)          |                  |            |
| Buyer<br><b>Somi Telicomm</b>                                                                                                            |                      | Buyer's Order No.                                        |          | Dated                       |                  |            |
|                                                                                                                                          |                      | Despatch Document No.                                    |          | Dated                       |                  |            |
|                                                                                                                                          |                      | Despatched through                                       |          | Destination                 |                  |            |
|                                                                                                                                          |                      | Terms of Delivery                                        |          |                             |                  |            |
| Sl No.                                                                                                                                   | Description of Goods | VAT %                                                    | Quantity | Rate                        | per              | Amount     |
| 1                                                                                                                                        | Surya Lamps          | 4                                                        | 8 Nos    | 350.00                      | Nos              | 2,800.00   |
| 2                                                                                                                                        | Philips Lamps        | 4                                                        | 5 Nos    | 550.00                      | Nos              | 2,750.00   |
| <i>Output VAT @ 4%</i>                                                                                                                   |                      |                                                          |          |                             |                  | 5,550.00   |
|                                                                                                                                          |                      |                                                          |          |                             |                  | 222.00     |
| Total                                                                                                                                    |                      | 13 Nos                                                   |          | 5,772.00                    |                  |            |
| Amount Chargeable (in words) <span style="float: right;">E. &amp; O.E</span><br><b>Rs. Five Thousand Seven Hundred Seventy Two Only</b>  |                      |                                                          |          |                             |                  |            |
| VAT Amount (in words)                                                                                                                    |                      |                                                          |          | VAT %                       | Assessable Value | VAT Amount |
|                                                                                                                                          |                      |                                                          |          | 4 %                         | 5,550.00         | 222.00     |
| <b>Rs. Two Hundred Twenty Two Only (Rs. 222.00)</b>                                                                                      |                      |                                                          |          |                             |                  |            |
| Declaration<br>We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct. |                      | <b>for Universal Traders</b><br><br>Authorised Signatory |          |                             |                  |            |
| This is a Computer Generated Invoice                                                                                                     |                      |                                                          |          |                             |                  |            |

Figure 8.14 Tax Invoice

### 8.3.8 Creating Sales Invoice with Selection of VAT Class during Entry

*On 16-6-09, Universal Traders sold to Chahak Traders, Bangalore, Philips lamps 3 Nos. at Rs. 550 each. VAT @ 4% was charged additionally.*

Enter the details of the transaction in a sales invoice.

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**.

The completed **sales invoice** appears as shown below:

| Accounting Voucher Creation       |          | Universal Traders |          | Ctrl + M               |
|-----------------------------------|----------|-------------------|----------|------------------------|
| <b>Sales</b>                      | No. 3    |                   |          | 16-Jun-2009<br>Tuesday |
| Ref. :                            |          |                   |          |                        |
| Party's A/c Name : Chahak Traders |          |                   |          |                        |
| Current Balance : 3,640.00 Dr     |          |                   |          |                        |
| Sales Ledger : Sales @ 4%         |          |                   |          |                        |
| VAT/Tax Class: Sales @ 4%         |          |                   |          |                        |
| Name of Item                      | Quantity | Rate per          | Amount   |                        |
| Philips Lamps                     | 3 Nos    | 550.00 Nos        | 1,650.00 |                        |
| Output VAT @ 4%                   |          | 4 %               | 66.00    |                        |
| Show Statutory Details ? No       |          |                   |          |                        |
| Narration:                        |          |                   |          |                        |
|                                   |          | 3 Nos             | 1,716.00 |                        |

Figure 8.15 Sales Invoice

- Type the narration and accept the screen.

### 8.3.9 Creating Sales Invoice with Multiple VAT Rates

*Universal Traders sells the following lamps to Somi Telicomm on 19-6-09.*

| Sales Item | Quantity | Rate | VAT % |
|------------|----------|------|-------|
| GE Lamp    | 10 Nos   | 150  | 12.5  |
| Bajaj Lamp | 5 Nos    | 150  | 4     |

You can use multiple ledgers pre-defined with a different VAT rate, or choose to select each rate at the time of voucher entry.

### Setup :

Press **F12: Configure** and change the following settings:

- ❑ **Use Common Ledger A/c for Item allocation – No.**
- ❑ **Allow selection of VAT/Tax class during entry – No.**

### Enter the details of the transaction in a sales invoice.

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**.

1. In the Accounting Details screen of GE Lamps, select **Sales @ 12.5%** under **Particulars**. The **Sales @ 12.5%** will be selected in the **VAT/Tax Class**.
2. In the Accounting Details screen of Bajaj Lamps, select **Sales @ 4%** under **Particulars**. The **Sales @ 4%** will be selected in the **VAT/Tax Class**.
3. Select the ledgers **Output VAT @ 4%** and **Output VAT @ 12.5%**. The **Output VAT** amount would be automatically calculated and displayed in the amount columns.

The completed **sales invoice** appears as shown below :

| Accounting Voucher Creation             |          | Universal Traders |          | Ctrl + M    |
|-----------------------------------------|----------|-------------------|----------|-------------|
| <b>Sales</b>                            | No. 4    |                   |          | 19-Jun-2009 |
| Ref. :                                  |          |                   |          | Friday      |
| Party's A/c Name : <b>Somi Telicomm</b> |          |                   |          |             |
| Current Balance : 5,772.00 Dr           |          |                   |          |             |
| Name of Item                            | Quantity | Rate per          | Amount   |             |
| GE Lamps                                | 10 Nos   | 150.00 Nos        | 1,500.00 |             |
| Bajaj Lamps                             | 5 Nos    | 150.00 Nos        | 750.00   |             |
|                                         |          |                   | 2,250.00 |             |
| Output VAT @ 4%                         |          | 4 %               | 30.00    |             |
| Output VAT @ 12.5%                      |          | 12.50 %           | 187.50   |             |
|                                         |          |                   |          |             |
| Show Statutory Details ? <b>No</b>      |          |                   |          |             |
| Narration:                              |          |                   |          |             |
|                                         |          | 15 Nos            | 2,467.50 |             |

Figure 8.16 Sales Invoice

4. Type the narration and press **Y** or **Enter** to accept the screen.

### 8.3.10 Creating Sales Invoice using Voucher Class

**On 20-6-09, Universal Traders sold 1 Surya lamp at Rs. 350 to Chahak Traders. The goods are taxable @ 4% VAT.**

Tally.ERP 9 provides 16 different, specific, predefined voucher formats to facilitate an easy recording and analysis of transactions.

#### Step 1: Create Voucher Class – Sales @ 4% for sales voucher.

Go to **Gateway of Tally > Accounts Info. > Voucher Types > Alter > Select Sales.**

1. Type **Sales @ 4%** under **Name of Class** (the rest of the fields will be complete as the voucher is in alteration mode).
2. Press **Enter**.
3. Enter the details in the **Voucher Type Class** screen as shown below:

| Universal Traders                                                                      |                     |                     |                      |                |                               |  |
|----------------------------------------------------------------------------------------|---------------------|---------------------|----------------------|----------------|-------------------------------|--|
| Class : Sales @ 4%                                                                     |                     |                     |                      |                |                               |  |
| If you wish to restrict the groups to which this class can be used, specify them here. |                     |                     |                      |                |                               |  |
| Exclude these Groups                                                                   |                     |                     | Include these Groups |                |                               |  |
| J End of List                                                                          |                     |                     | J End of List        |                |                               |  |
| Default Accounting Allocations for each Item in Invoice                                |                     |                     |                      |                |                               |  |
| Ledger Name                                                                            | VAT/Tax Class       | Percentage %        | Rounding Method      | Rounding Limit | Override using Item Default ? |  |
| Sales @ 4%                                                                             | Sales @ 4%          | 100 %               |                      |                | No                            |  |
| Additional Accounting Entries (e.g. Taxes / Other charges) to be added in Invoice      |                     |                     |                      |                |                               |  |
| Ledger Name                                                                            | Type of Calculation | Value Basis         | Rounding Method      | Rounding Limit | Remove if Zero ?              |  |
| Output VAT @ 4%                                                                        | On VAT Rate         | 4% J Not Applicable |                      |                | Yes                           |  |

Figure 8.17 Sales @ 4% Class

4. Press **Enter** to accept the **Voucher Type Class** screen.
5. Press **Ctrl+A** to accept the voucher type alteration screen.

## Step 2 : Enter the details of the transaction in a Sales Invoice

Go to Gateway of Tally > Accounting Vouchers > F8: Sales.

- Select **Sales @ 4%** in **Voucher Class List**.

The completed **sales invoice** appears as shown below:

| Accounting Voucher Creation       |          | Universal Traders          |        | Ctrl + M                |
|-----------------------------------|----------|----------------------------|--------|-------------------------|
| <b>Sales</b>                      | No. 5    | Voucher Class : Sales @ 4% |        | 20-Jun-2009<br>Saturday |
| Ref. :                            |          |                            |        |                         |
| Party's A/c Name : Chahak Traders |          |                            |        |                         |
| Current Balance : 5,356.00 Dr     |          |                            |        |                         |
| Name of Item                      | Quantity | Rate per                   | Amount |                         |
| Surya Lamps                       | 1 Nos    | 350.00 Nos                 | 350.00 |                         |
| Output VAT @ 4%                   |          | 4%                         | 14.00  |                         |
| Show Statutory Details ? No       |          |                            |        |                         |
| Narration:                        |          |                            |        |                         |
|                                   |          | 1 Nos                      | 364.00 |                         |

Figure 8.18 Sales Voucher Creation

- Press **Y** or **Enter** to accept the screen.

## 8.4 VAT Reports

In Tally.ERP 9, you can generate VAT Reports & statutory returns in prescribed format. In this lesson, we will discuss about the books of accounts, reports and registers related to VAT.

### 8.4.1 VAT Computation Report

Depending on the Input VAT paid during purchases and the output VAT availed on sales, VAT Refundable or Payable is calculated in this section by Tally.ERP 9.

**The difference between Input VAT and Output VAT = VAT Refundable.**

Go to **Gateway of Tally > Display > Statutory Reports > VAT Reports > VAT Computation.**

The **VAT Computation report** appears as shown below:

| VAT Computation                       |  | Universal Traders                              |                 | Ctrl + M |
|---------------------------------------|--|------------------------------------------------|-----------------|----------|
| Particulars                           |  | Universal Traders<br>1-Jun-2009 to 30-Jun-2009 |                 |          |
|                                       |  | Assessable<br>Value                            | Tax<br>Amount   |          |
| <b>Sales</b>                          |  |                                                |                 |          |
| <b>A. Output Tax</b>                  |  |                                                |                 |          |
| Output VAT @ 12.5%                    |  | 1,500.00                                       | 187.50          |          |
| Output VAT @ 4%                       |  | 11,800.00                                      | 472.00          |          |
| <b>Total Output Tax</b>               |  | <b>13,300.00</b>                               | <b>659.50</b>   |          |
| <b>Purchases</b>                      |  |                                                |                 |          |
| <b>B. Input Tax</b>                   |  |                                                |                 |          |
| Excess Input Credit Brought Forward   |  |                                                |                 |          |
| Input VAT @ 12.5%                     |  | 1,500.00                                       | 187.50          |          |
| Input VAT @ 4%                        |  | 33,750.00                                      | 1,350.00        |          |
| <b>Total Input Credit</b>             |  | <b>35,250.00</b>                               | <b>1,537.50</b> |          |
| <b>VAT Refundable/Carried Forward</b> |  |                                                | <b>878.00</b>   |          |

Figure 8.19 VAT Computation

The VAT Computation screen is divided into two sections: Output and Input Tax. Each section is further subdivided into VAT Classifications: Output VAT @12.5%, Output VAT @ 4%, Input VAT @12.5% and Input VAT @ 4%.

Here the Input VAT is Rs. 1,537.50 and the Output VAT is Rs. 659.50. Therefore, Rs. 878 is the VAT Refundable/ Carried Forward.



### 8.4.2 VAT Returns

To view a VAT Form, Go to **Gateway of Tally > Display > Statutory Reports > VAT Reports > VAT Forms > VAT Return Forms > Form VAT 100.**

|                                                                                                                                                                                                                                               |                                       |                   |                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-------------------|-----------------------------------------|
| <b>Printer</b>                                                                                                                                                                                                                                | : HP LaserJet 2300L PCL 6 R&D (Net02) | <b>Paper Type</b> | : A4                                    |
| <b>No. of Copies</b>                                                                                                                                                                                                                          | : 1                                   |                   |                                         |
| <b>Print Language</b>                                                                                                                                                                                                                         | : English                             |                   | (Printing Dimensions)                   |
| <b>Method</b>                                                                                                                                                                                                                                 | : Neat Mode                           | <b>Paper Size</b> | : (8.27" x 11.69") or (210 mm x 297 mm) |
| <b>Page Range</b>                                                                                                                                                                                                                             | : All                                 | <b>Print Area</b> | : (7.95" x 11.34") or (202 mm x 288 mm) |
| <b>Report Titles</b>                                                                                                                                                                                                                          |                                       |                   |                                         |
| <b>VAT Return Form</b>                                                                                                                                                                                                                        |                                       |                   |                                         |
| (with Print Preview)                                                                                                                                                                                                                          |                                       |                   |                                         |
| From (blank for beginning) : <b>1-6-2009</b><br>To (blank for end) : <b>30-6-2009</b><br>Remove Retail Invoices ? <b>No</b><br>Name : <b>Ramesh</b><br>Status/Designation : <b>CTO</b><br>Place : <b>Bangalore</b><br>Date : <b>15-7-2009</b> |                                       |                   |                                         |
|                                                                                                                                                                                                                                               |                                       |                   | <b>Print ?</b><br>Yes or No             |

Figure 8.20 Print Configuration

- Accept the screen to view the printed VAT Form 100 for the quarter ending 30th June 2009 as shown below :

| FORM VAT 100<br>(See Rule 38)                                                                                                                  |                                                              |                                                                         |                                    |          |
|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------|----------|
| <b>1. General Information:</b>                                                                                                                 |                                                              |                                                                         |                                    |          |
| 1.1) LVO/VSD CODE                                                                                                                              | : 256                                                        | 1.2) Tax Period (Month/ Quarter):                                       | JUNE, 2009                         |          |
|                                                                                                                                                |                                                              | 1.3) Type of Return                                                     | : Original/Corrected/Revised/Final |          |
| 1.5) TIN No.                                                                                                                                   | :                                                            | 1.4) Date of filing Return                                              | : 15-Jul-2009                      |          |
| 1.6) Full Name of the Dealer                                                                                                                   | :                                                            | Universal Traders                                                       |                                    |          |
| 1.7) Address of the Dealer                                                                                                                     | :                                                            | #45, Raheja Arcade                                                      |                                    |          |
|                                                                                                                                                |                                                              | Jagdishnagar                                                            |                                    |          |
|                                                                                                                                                |                                                              | Bangalore                                                               |                                    |          |
| 1.8) Tax Invoices issued in the Month*                                                                                                         | :                                                            | From:                                                                   | 1                                  | To: 5    |
| <b>PARTICULARS OF TURNOVERS</b>                                                                                                                |                                                              |                                                                         |                                    |          |
| 2. Total Turnover(Local)                                                                                                                       | 13,959.50                                                    | 3. Total Turnover(InterState / Exports / Import / Consignment)          | Nil                                |          |
| 2.1) Sales return, discounts, labour charges etc. as per Rule 3(2)                                                                             | Nil                                                          | 3.1) Sales return, discounts, labour charges etc. as per Rule 3(2)      | Nil                                |          |
| 2.2) Consignment Sales / C.A.                                                                                                                  | Nil                                                          | 3.2) Stock Transfers/ Consignment Sales                                 | Nil                                |          |
| 2.3) Tax Collected (VAT)                                                                                                                       | 659.50                                                       | 3.3) Exempted Sales                                                     | Nil                                |          |
| 2.4) Exempted Sales                                                                                                                            | Nil                                                          | 3.4) Direct Exports                                                     | Nil                                |          |
| 2.5) Others                                                                                                                                    | Nil                                                          | 3.5) Deemed Exports (Against H Form)                                    | Nil                                |          |
| 2.6) Taxable Turnover (local) ( Box 2 less (Box 2.1 to Box                                                                                     | 13,300.00                                                    | 3.6) Sales in Transit (E-I and E-II)                                    | Nil                                |          |
|                                                                                                                                                |                                                              | 3.7) Sales in the course of import (High Sea Sales)                     | Nil                                |          |
|                                                                                                                                                |                                                              | 3.8) CST Collected                                                      | Nil                                |          |
|                                                                                                                                                |                                                              | 3.9) Taxable (Interstate) (Box No.3 less ( Total of Box No.3.1 to 3.8)) | Nil                                |          |
| <b>4. Net Tax Payable</b>                                                                                                                      |                                                              |                                                                         |                                    |          |
|                                                                                                                                                | 4.1) Output Tax Payable (Refer Box No. 8.3)                  |                                                                         |                                    | 659.50   |
|                                                                                                                                                | 4.2) B/F of Previous month                                   |                                                                         |                                    | Nil      |
|                                                                                                                                                | 4.3) Input Tax Credit (Refer Box No.11)                      |                                                                         |                                    | 1,537.50 |
|                                                                                                                                                | 4.4) Net Tax Payable [Box No.4.1-(Box No. 4.2 + Box No.4.3)] |                                                                         |                                    | Nil      |
|                                                                                                                                                | 4.5) Tax Deducted at Source (Certificate Enclosed)           |                                                                         |                                    | Nil      |
|                                                                                                                                                | 4.6) Balance Tax Payable (Box No.4.4 - Box No. 4.5)          |                                                                         |                                    | Nil      |
| 4.7) Refund Yes / No                                                                                                                           | Rs. Nil                                                      | 4.8) Credit Carried Forward Yes / No                                    | Rs. 878.00                         |          |
| 4.9) Net Tax refund as per Incentive Notification                                                                                              | Rs. Nil                                                      |                                                                         |                                    |          |
| Note: if you exercise option 'YES' in both box numbers 4.7 and 4.8 then the option exercised in respect of box no 4.8 alone will be considered |                                                              |                                                                         |                                    |          |
| <b>5. Tax Payment Details</b>                                                                                                                  |                                                              |                                                                         |                                    |          |
| Details                                                                                                                                        | Amount                                                       | Cash/DD/Cheq /Challan No:                                               | Bank                               | Date     |
| 5.1) Tax Payable as per Box No.4.6                                                                                                             | Nil                                                          |                                                                         |                                    |          |
| 5.2) Interest                                                                                                                                  | Nil                                                          |                                                                         |                                    |          |
| 5.3) Others                                                                                                                                    | Nil                                                          |                                                                         |                                    |          |
| 5.4) Total of Box No.5.1, Box No.5.2 and Box No.5.3                                                                                            | Nil                                                          |                                                                         |                                    |          |
| <b>FOR CTD/BANKS USE ONLY</b>                                                                                                                  |                                                              |                                                                         |                                    |          |
| Date of Receipt of Return : _____                                                                                                              |                                                              |                                                                         |                                    |          |
| Recd. Rs. : _____                                                                                                                              |                                                              |                                                                         |                                    |          |
| In Words : _____                                                                                                                               |                                                              |                                                                         |                                    |          |
| Challan No. : _____ Date : _____                                                                                                               |                                                              |                                                                         |                                    |          |
| Signature and Seal of LVO/VSO                                                                                                                  |                                                              |                                                                         |                                    |          |
| *Note: If the serial numbers of Tax Invoices are of different series then it should be mentioned separately.                                   |                                                              |                                                                         |                                    |          |

Figure 8.21 Form VAT 100 (Page 1)

|                                                                              |                                                                                                                |                  |                                                                      |                 |
|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|------------------|----------------------------------------------------------------------|-----------------|
| 6. Details of Local Sales/ URD Purchases and Output Tax/Purchase Tax Payable |                                                                                                                |                  |                                                                      |                 |
| 6.1                                                                          | Taxable Turnover of sales at rate of 1% Tax                                                                    | Nil              | 6.8 Output Tax Payable (relating to Box No.6.1)                      | Nil             |
| 6.2                                                                          | Taxable Turnover of sales at rate of 4% Tax                                                                    | 11,800.00        | 6.9 Output Tax Payable (relating to Box No.6.2)                      | 472.00          |
| 6.3                                                                          | Taxable Turnover of sales at standard rate of Tax 12.5%                                                        | 1,500.00         | 6.10 Output Tax Payable (relating to Box No.6.3)                     | 187.50          |
| 6.4                                                                          | Taxable Turnover of sales at standard rate of Tax 20%                                                          | Nil              | 6.11 Output Tax Payable (relating to Box No.6.4)                     | Nil             |
| 6.5                                                                          | Taxable Turnover of URD purchases (specify rate of tax)                                                        | Nil              | 6.12 Purchase Tax Payable (relating to Box No.6.5)                   | Nil             |
| 6.6                                                                          | Others, if any (Please specify)                                                                                | Nil              | 6.13 Output Tax Payable (relating to Box No.6.6)                     |                 |
| 6.7                                                                          | <b>Total (Box No. 6.1 to 6.6)</b>                                                                              | <b>13,300.00</b> | 6.14 <b>Total Output Tax Payable (Box No 6.8 to 6.13)</b>            | <b>659.50</b>   |
| 7. Details of Interstate Sales and CST Payable                               |                                                                                                                |                  |                                                                      |                 |
| 7.1                                                                          | Taxable Turnover of Inter-State Sales at 1%                                                                    | Nil              | 7.7 Output Tax Payable (relating to Box No.7.1)                      | Nil             |
| 7.2                                                                          | Taxable Turnover of Inter-State Sales against C Forms at 2% Tax                                                | Nil              | 7.8 Output Tax Payable (relating to Box No.7.2)                      | Nil             |
| 7.3                                                                          | Taxable Turnover of Inter-State Sales without C Forms at 4% Tax                                                | Nil              | 7.9 Output Tax Payable (relating to Box No.7.3)                      | Nil             |
| 7.4                                                                          | Taxable Turnover of Inter-State Sales without C Forms at 12.5%                                                 | Nil              | 7.10 Output Tax Payable (relating to Box No.7.4)                     | Nil             |
| 7.5                                                                          | Others, if any (Please Specify)                                                                                | Nil              | 7.11 Output Tax Payable (relating to Box No.7.5)                     | Nil             |
| 7.6                                                                          | <b>Total (Total of Box Nos. 7.1 to 7.5)</b>                                                                    | <b>Nil</b>       | 7.12 <b>Total Output Tax Payable (Total of Box Nos. 7.7 to 7.11)</b> | <b>Nil</b>      |
| 8. 8.1) Total Output Tax (Total of Box No. 6.14 and Box No. 7.12)            |                                                                                                                |                  |                                                                      | 659.50          |
| 8.2) Output Tax deferred to Industries as per Incentive Notifications        |                                                                                                                |                  |                                                                      | Nil             |
| 8.3) Net Output Tax Payable (Box No. 8.1 Less Box No. 8.2)                   |                                                                                                                |                  |                                                                      | 659.50          |
| 9. Details of Purchases and Input Tax                                        |                                                                                                                |                  |                                                                      |                 |
| 9.1                                                                          | Net value of purchases at 1% Tax                                                                               | Nil              | 9.11 Input Tax (relating to Box No. 9.1)                             | Nil             |
| 9.2                                                                          | Net value of purchases at 4% Tax                                                                               | 33,750.00        | 9.12 Input Tax (relating to Box No. 9.2)                             | 1,350.00        |
| 9.3                                                                          | Net value of purchases at standard rate of tax at 12.5%                                                        | 1,500.00         | 9.13 Input Tax (relating to Box No. 9.3)                             | 187.50          |
| 9.4                                                                          | Value of URD purchases to the extent used or sold (specify rate of tax)                                        | Nil              | 9.14 Input Tax (relating to Box No. 9.4)                             | Nil             |
| 9.5                                                                          | Others, if any (please specify)                                                                                | Nil              | 9.15 Input Tax (relating to Box No. 9.5)                             | Nil             |
| 9.6                                                                          | Value of VAT exempted goods                                                                                    | Nil              |                                                                      |                 |
| 9.7                                                                          | Purchases from Composition Dealer                                                                              | Nil              |                                                                      |                 |
| 9.8                                                                          | Value of goods Imported and / or purchased in the course of Inter - State trade including EI and EII Purchase. | Nil              |                                                                      |                 |
| 9.9                                                                          | Value of goods received by Stock Transfer / Consignment Transfer                                               | Nil              |                                                                      |                 |
| 9.10                                                                         | <b>Total Value of Purchases (Total of Box Nos. 9.1 to 9.9)</b>                                                 | <b>35,250.00</b> | 9.16 <b>Total Input Tax (Total of Box Nos. 9.11 to 9.15)</b>         | <b>1,537.50</b> |

Figure 8.22 Form VAT 100 (Page 2)

|            |                                                                                                       |  |                 |
|------------|-------------------------------------------------------------------------------------------------------|--|-----------------|
| <b>10.</b> | <b>Ineligible Input Tax Credit</b>                                                                    |  |                 |
|            | 10.1 Non-Deductible Input Tax being restricted u/s 11 of VAT Act.                                     |  | Nil             |
|            | 10.2 Non-Deductible Input Tax Pre-registration Purchases u/s 13 of VAT Act.                           |  | Nil             |
|            | 10.3 Non-Deductible Input Tax - under special rebating scheme u/s 14 read with Section 11 of VAT Act. |  | Nil             |
|            | 10.4 Non-Deductible Input Tax - under partial rebating scheme u/s 17 of VAT Act.                      |  | Nil             |
|            | 10.4.1 Non-deductible input tax on return of goods purchased.                                         |  | Nil             |
|            | 10.5 Others, Please Specify                                                                           |  | Nil             |
|            | <b>10.3 Total Ineligible Input Tax Credit (Total of box No. 10.1 to Box No. 10.5)</b>                 |  | Nil             |
| <b>11.</b> | <b>Eligible Input Tax Credit (Box No. 9.18 - Box No. 10.6)</b>                                        |  | <b>1,537.50</b> |

|                                                                                                                                                                                                                            |               |                             |               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------------------|---------------|
| <b>DECLARATION</b>                                                                                                                                                                                                         |               |                             |               |
| I / We declare that the particulars furnished above are true and complete in all respects.<br>I / We hereby declare that I am / We are aware that there are penalties for making false declarations or incomplete Returns. |               |                             |               |
| Place                                                                                                                                                                                                                      | : Bangalore   | Signature :                 |               |
| Date                                                                                                                                                                                                                       | : 15-Jul-2009 | Name and Designation/Seal : | Ramesh<br>CTO |

|                                                                                                   |                                                                                                              |                             |               |
|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-----------------------------|---------------|
| <b>12. ENTRY TAX</b>                                                                              |                                                                                                              |                             |               |
| (Applicable to dealers who are liable to Tax Under the Karnataka Tax on Entry of Goods ACT, 1979) |                                                                                                              |                             |               |
| 12.1                                                                                              | TOTAL PURCHASES :                                                                                            |                             |               |
|                                                                                                   | Value of goods liable for Entry Tax both Local, Interstate and Imports including freight and inward expenses | :                           |               |
|                                                                                                   | LESS:                                                                                                        |                             |               |
| 12.2                                                                                              | Purchases within the Local Area, Purchases against Form 40                                                   | :                           |               |
|                                                                                                   | Purchase Returns, Re-exports                                                                                 | :                           |               |
| 12.3                                                                                              | Others                                                                                                       | :                           |               |
| 12.4                                                                                              | TAXABLE TURNOVER                                                                                             | :                           |               |
| CALCULATION OF ENTRY TAX PAYABLE                                                                  |                                                                                                              |                             |               |
|                                                                                                   | Description of Goods                                                                                         | Taxable Value               | Tax Payable   |
| 12.5                                                                                              | Goods Taxable @ 1%                                                                                           |                             |               |
| 12.6                                                                                              | Goods Taxable @ 2%                                                                                           |                             |               |
| 12.7                                                                                              | Goods Taxable @ 5%                                                                                           |                             |               |
| 12.8                                                                                              | Goods Taxable (Others)                                                                                       |                             |               |
| 12.9                                                                                              | TOTAL                                                                                                        |                             |               |
| 12.10                                                                                             | Tax paid Particulars:- Rs. _____ Cash/DD/Challan No. _____ Date _____ Bank _____                             |                             |               |
| I/We declare that the particulars furnished above are true and complete in all respects.          |                                                                                                              |                             |               |
| Place                                                                                             | : Bangalore                                                                                                  | Signature :                 |               |
| Date                                                                                              | : 15-Jul-2009                                                                                                | Name and Designation/Seal : | Ramesh<br>CTO |

|                                                                                                                   |                                                                                                    |               |             |
|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------|-------------|
| <b>13. SPECIAL ENTRY TAX</b>                                                                                      |                                                                                                    |               |             |
| (Applicable to dealers who are liable to Tax Under the Karnataka Special Tax on Entry of certain Goods Act, 2004) |                                                                                                    |               |             |
| TOTAL PURCHASES :                                                                                                 |                                                                                                    |               |             |
| 13.1                                                                                                              | Value of goods liable for KSTECG both Interstate and Imports including freight and inward expenses |               |             |
|                                                                                                                   | LESS:                                                                                              |               |             |
| 13.2                                                                                                              | a) Exemption (Please Specify)                                                                      |               |             |
|                                                                                                                   | b) Purchase Returns                                                                                |               |             |
|                                                                                                                   | c) Re-exports                                                                                      |               |             |
|                                                                                                                   | d) Others                                                                                          |               |             |
| 13.3                                                                                                              | TAXABLE TURNOVER                                                                                   | :             |             |
|                                                                                                                   | Description of the Notified Goods                                                                  | Taxable Value | Tax Payable |
| 13.4                                                                                                              | Goods Taxable @ 4%                                                                                 |               |             |
| 13.5                                                                                                              | Goods Taxable @ 12.5%                                                                              |               |             |
| 13.6                                                                                                              | Goods Taxable (others)                                                                             |               |             |
| 13.7                                                                                                              | TOTAL                                                                                              |               |             |
| 13.8                                                                                                              | Less: CST Paid as per Section 4(2) of KSTECG Act.                                                  |               |             |
| 13.9                                                                                                              | Balance Tax Payable                                                                                |               |             |

Figure 8.23 Form VAT 100 (Page 3)

|                                                                                          |                                                                                 |                             |               |  |
|------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|-----------------------------|---------------|--|
| 13.10                                                                                    | Tax paid Particulars: Rs. _____ Cash/DD/Challan No. _____ Date _____ Bank _____ |                             |               |  |
| I/We declare that the particulars furnished above are true and complete in all respects. |                                                                                 |                             |               |  |
| Place                                                                                    | : Bangalore                                                                     | Signature :                 |               |  |
| Date                                                                                     | : 15-Jul-2009                                                                   | Name and Designation/Seal : | Ramesh<br>CTO |  |

Figure 8.24 Form VAT 100 Page 4

## 8.5 Accounting for Return of Goods

In a business, customers may return goods due to numerous reasons such defectiveness, expired or short delivered and so on. Similarly, even the defective goods may also be returned to the vendors.

In this section, we will look into the entries of such transactions through Credit Notes and Debit Notes.

### Setup :

To enable **Debit/Credit**, set the following fields to **Yes** in **F11: Features (Accounting Features)** screen:

- ☐ **Use Debit/Credit Notes**
- ☐ **Use Invoice Mode for credit note**
- ☐ **Use Invoice Mode for debit note**

### 8.5.1 Sales Returns

*On 20-6-09, Somi Telicomm returned 1 No. Surya Lamp to Universal Traders.*

#### Enter the details of the transaction in Credit Note

Go to **Gateway of Tally > Accounting Vouchers > F8: Credit Note**.

- ☐ Enter the details of the transaction as shown below in a credit note voucher.

| Accounting Voucher Creation             |          | Universal Traders             |     | Ctrl + M                |        |
|-----------------------------------------|----------|-------------------------------|-----|-------------------------|--------|
| <b>Credit Note</b> No. 1                |          |                               |     | 20-Jun-2009<br>Saturday |        |
| Ref. :                                  |          | Used for: Goods Sold Returned |     |                         |        |
| Party's A/c Name : <b>Somi Telicomm</b> |          |                               |     |                         |        |
| Current Balance : <b>8,239.50 Dr</b>    |          |                               |     |                         |        |
| Name of Item                            | Quantity | Rate                          | per | Amount                  |        |
| Surya Lamps                             | 1 Nos    | 350.00                        | Nos | 350.00                  |        |
| Output VAT @ 4%                         |          |                               | 4 % | 14.00                   |        |
| Show Statutory Details ? No             |          |                               |     |                         |        |
| Narration:                              |          |                               |     | 1 Nos                   | 364.00 |

Figure 8.25 Credit Note

- ❑ In the **Accounting Details** screen of **Surya Lamps**, select **Sales @ 4%** under **Particulars**. The **Sales @ 4%** will be selected in the **VAT/Tax Class**.
- ❑ Press **Y** or **Enter** to accept the screen.

### 8.5.2 Purchase Returns

*Universal Traders returns 1 No. Surya Lamps to Sujan Ltd. from the earlier purchases made from them.*

Enter the details of the transaction in Debit Note voucher

Go to **Gateway of Tally > Accounting Vouchers > F9: Debit Note**.

The completed **Debit Note** is shown below :

| Accounting Voucher Creation                      |          | Universal Traders |               | Ctrl + M    |
|--------------------------------------------------|----------|-------------------|---------------|-------------|
| <b>Debit Note</b> No. 1                          |          |                   |               | 20-Jun-2009 |
| Ref. :                                           |          |                   |               | Saturday    |
| Party's A/c Name : <b>Sujan Ltd.</b>             |          |                   |               |             |
| Current Balance : <b>36,787.50 Cr</b>            |          |                   |               |             |
| Name of Item                                     | Quantity | Rate per          | Amount        |             |
| Surya Lamps                                      | 1 Nos    | 300.00 Nos        | 300.00        |             |
| Input VAT @ 4%                                   |          | 4 %               | 12.00         |             |
| Show Statutory Details ? <b>No</b><br>Narration: |          |                   |               |             |
|                                                  |          | 1 Nos             | <b>312.00</b> |             |

Figure 8.26 Debit Note

- ❑ In the Accounting Details screen of Surya Lamps, select **Purchases @ 4%** under **Particulars**. The **Purchases @ 4%** will be selected in the **VAT/Tax Class**.
- ❑ Press **Y** or **Enter** to accept the screen.

### 8.5.3 Display VAT Computation Report

Go to **Gateway of Tally > Display > Statutory Reports > VAT Reports > VAT Computation**.

The VAT Computation report appears as shown below:

| VAT Computation                       |  | Universal Traders                              |                 | Ctrl + M |
|---------------------------------------|--|------------------------------------------------|-----------------|----------|
| Particulars                           |  | Universal Traders<br>1-Jun-2009 to 30-Jun-2009 |                 |          |
|                                       |  | Assessable<br>Value                            | Tax<br>Amount   |          |
| <b>Sales</b>                          |  |                                                |                 |          |
| <b>A. Output Tax</b>                  |  |                                                |                 |          |
| Output VAT @ 12.5%                    |  | 1,500.00                                       | 187.50          |          |
| Output VAT @ 4%                       |  | 11,450.00                                      | 458.00          |          |
| <b>Total Output Tax</b>               |  | <b>12,950.00</b>                               | <b>645.50</b>   |          |
| <b>Purchases</b>                      |  |                                                |                 |          |
| <b>B. Input Tax</b>                   |  |                                                |                 |          |
| Excess Input Credit Brought Forward   |  |                                                |                 |          |
| Input VAT @ 12.5%                     |  | 1,500.00                                       | 187.50          |          |
| Input VAT @ 4%                        |  | 33,450.00                                      | 1,338.00        |          |
| <b>Total Input Credit</b>             |  | <b>34,950.00</b>                               | <b>1,525.50</b> |          |
| <b>VAT Refundable/Carried Forward</b> |  |                                                | <b>880.00</b>   |          |

Figure 8.27 VAT Computation



**Sales Returns Entry** – The Assessable Value reduces by Rs. 350 (the price of the returned item) and the Output VAT by Rs. 14 (4% of Rs. 350).

Therefore Output VAT is now Rs. 645.5 (659.5 - 14) and the Assessable Value is **Rs. 12,950** (13,300-350).

**Purchase Returns Entry** – The Assessable value reduces by Rs. 300 (the price of the returned item) and the Output VAT by Rs. 12 (4% of 300).

Therefore the Input VAT is now Rs. 1,525.5 (1,537.5 - 12) and Assessable Value is **Rs. 34,950** (35,250 -300).

- The VAT Refundable is **Rs. 880**, press **Enter** on **Input VAT @ 4%** in the VAT Computation report.

The **VAT Classification Vouchers** screen with Input VAT @ 4% appears as shown below:



VAT Classification Vouchers

Universal Traders

Ctrl + M

VAT Classification : Input VAT @ 4%

1-Jun-2009 to 30-Jun-2009

| Voucher Date | Particulars | VAT TIN | Voucher Type | Voucher Number | Supplier Inv/ Ref. No. | Assessable Value | VAT Amount |
|--------------|-------------|---------|--------------|----------------|------------------------|------------------|------------|
| 1-6-2009     | Sujan Ltd.  |         | Purchase     | 1              |                        | 21,000.00        | 840.00     |
| 3-6-2009     | Sujan Ltd.  |         | Purchase     | 2              |                        | 3,000.00         | 120.00     |
| 3-6-2009     | Sujan Ltd.  |         | Purchase     | 3              |                        | 9,000.00         | 360.00     |
| 5-6-2009     | Sujan Ltd.  |         | Purchase     | 4              |                        | 750.00           | 30.00      |
| 20-6-2009    | Sujan Ltd.  |         | Debit Note   | 1              |                        | (-)300.00        | (-)12.00   |
| Grand Total  |             |         |              |                |                        | 33,450.00        | 1,338.00   |

Figure 8.28 VAT Classification Vouchers

- Return to the VAT Computation report. Press **Enter** on **Output VAT @ 4%** in the VAT Computation report.

The **VAT Classification Vouchers** screen with Output VAT @ 4% appears as shown below:

| VAT Classification Vouchers          |                | Universal Traders |              |                |                        | Ctrl + M                  |            |
|--------------------------------------|----------------|-------------------|--------------|----------------|------------------------|---------------------------|------------|
| VAT Classification : Output VAT @ 4% |                |                   |              |                |                        | 1-Jun-2009 to 30-Jun-2009 |            |
| Voucher Date                         | Particulars    | VAT TIN           | Voucher Type | Voucher Number | Supplier Inv/ Ref. No. | Assessable Value          | VAT Amount |
| 8-6-2009                             | Chahak Traders |                   | Sales        | 1              |                        | 3,500.00                  | 140.00     |
| 15-6-2009                            | Somi Telicomm  |                   | Sales        | 2              |                        | 5,550.00                  | 222.00     |
| 16-6-2009                            | Chahak Traders |                   | Sales        | 3              |                        | 1,650.00                  | 66.00      |
| 19-6-2009                            | Somi Telicomm  |                   | Sales        | 4              |                        | 750.00                    | 30.00      |
| 20-6-2009                            | Chahak Traders |                   | Sales        | 5              |                        | 350.00                    | 14.00      |
| 20-6-2009                            | Somi Telicomm  |                   | Credit Note  | 1              |                        | (-350.00)                 | (-14.00)   |
| Grand Total                          |                |                   |              |                |                        | 11,450.00                 | 458.00     |

Figure 8.29 VAT Classification Vouchers

## 8.6 Rate Difference in Purchase / Sales

In course of business, price variations may arise in respect of the prices of commodities due to inflation or deflation in the market or competition, proper accounting of such transactions is essential for accurate computation of tax liability and outstanding receivables or payables from the customer / vendors respectively.

Debit/ Credit Notes can be used in case of changes in rates after the purchase and sales transactions.

### 8.6.1 Rate Differences in Purchases

**On 21-6-09, Sujan Ltd. allowed a rate difference on lamps purchased by Universal Traders for the stock available at Rs. 50. VAT @ 4% was charged additionally.**

**Universal Traders** raised a **Debit Note** as shown below:

| Accounting Voucher Creation          |          | Universal Traders | Ctrl + M |
|--------------------------------------|----------|-------------------|----------|
| <b>Debit Note</b> No. 2              |          | 21-Jun-2009       |          |
| Ref. :                               |          | Sunday            |          |
| Party's A/c Name : <b>Sujan Ltd.</b> |          |                   |          |
| Current Balance : 36,475.50 Cr       |          |                   |          |
| Name of Item                         | Quantity | Rate per          | Amount   |
| Surya Lamps                          |          |                   | 50.00    |
| Input VAT @ 4%                       |          | 4 %               | 2.00     |
| Show Statutory Details ? No          |          |                   |          |
| Narration:                           |          |                   | 52.00    |

Figure 8.30 Debit Note

- Press **Y** or **Enter** to accept the screen.

### 8.6.2 Rate Differences in Sales

*Universal Traders allowed a discount to Somi Telicomm on 22-6-09 for 8 nos. of Surya Lamps at Rs.50. VAT @ 4% was charged additionally.*

Universal Traders prepared a **Credit Note** as shown below:

| Accounting Voucher Creation             |          | Universal Traders |        | Ctrl + M    |
|-----------------------------------------|----------|-------------------|--------|-------------|
| <b>Credit Note</b> No. 2                |          |                   |        | 22-Jun-2009 |
| Ref. :                                  |          | Used for: Others  |        | Monday      |
| Party's A/c Name : <b>Somi Telicomm</b> |          |                   |        |             |
| Current Balance : <b>7,875.50 Dr</b>    |          |                   |        |             |
| Name of Item                            | Quantity | Rate per          | Amount |             |
| Surya Lamps                             |          |                   | 400.00 |             |
| Output VAT @ 4%                         |          | 4 %               | 16.00  |             |
| Show Statutory Details ? No             |          |                   |        |             |
| Narration:                              |          |                   |        | 416.00      |

Figure 8.31 Credit Note

- Press **Y** or **Enter** to accept the screen.

### 8.6.3 Display VAT Computation Report

Go to **Gateway of Tally > Display > Statutory Reports > VAT Reports > VAT Computation**.

The **VAT Computation Report** appears as shown :

| VAT Computation                     |  | Universal Traders         |  | Ctrl + M   |        |
|-------------------------------------|--|---------------------------|--|------------|--------|
| Particulars                         |  | Universal Traders         |  |            |        |
|                                     |  | 1-Jun-2009 to 30-Jun-2009 |  |            |        |
|                                     |  | Assessable Value          |  | Tax Amount |        |
| Sales                               |  |                           |  |            |        |
| A. Output Tax                       |  |                           |  |            |        |
| Output VAT @ 12.5%                  |  | 1,500.00                  |  | 187.50     |        |
| Output VAT @ 4%                     |  | 11,050.00                 |  | 442.00     |        |
| Total Output Tax                    |  | 12,550.00                 |  | 629.50     |        |
| Purchases                           |  |                           |  |            |        |
| B. Input Tax                        |  |                           |  |            |        |
| Excess Input Credit Brought Forward |  |                           |  |            |        |
| Input VAT @ 12.5%                   |  | 1,500.00                  |  | 187.50     |        |
| Input VAT @ 4%                      |  | 33,400.00                 |  | 1,336.00   |        |
| Total Input Credit                  |  | 34,900.00                 |  | 1,523.50   |        |
| VAT Refundable/Carried Forward      |  |                           |  |            | 894.00 |

Figure 8.32 VAT Computation



**Rate Difference – Purchase:** The Assessable Value reduces by Rs. 50 (the rate difference allowed) and the Output VAT by Rs. 2 (4% of 50).

Therefore, the Input VAT is now Rs. 1,523.5 (1525.5 - 2) and Assessable Value is Rs. 34,900 (34,950 - 50).

**Rate Difference – Sales:** The Assessable Value reduces by Rs. 400 (the rate difference allowed) and the Output VAT by Rs. 16 (4% of 400).

Therefore, the Output VAT is now Rs. 629.5 (645.5 - 16) and the Assessable Value is Rs. 12,550 (12,950 - 400).

- ❑ The **VAT Refundable** is **Rs. 894**
- ❑ Select **Output VAT @ 4%** and press **Enter**. The drill-down report appears as shown below:

| VAT Classification Vouchers          |                | Universal Traders |              |                |                        | Ctrl + M                  |               |
|--------------------------------------|----------------|-------------------|--------------|----------------|------------------------|---------------------------|---------------|
| VAT Classification : Output VAT @ 4% |                |                   |              |                |                        | 1-Jun-2009 to 30-Jun-2009 |               |
| Voucher Date                         | Particulars    | VAT TIN           | Voucher Type | Voucher Number | Supplier Inv/ Ref. No. | Assessable Value          | VAT Amount    |
| 8-6-2009                             | Chahak Traders |                   | Sales        | 1              |                        | 3,500.00                  | 140.00        |
| 15-6-2009                            | Somi Telicomm  |                   | Sales        | 2              |                        | 5,550.00                  | 222.00        |
| 16-6-2009                            | Chahak Traders |                   | Sales        | 3              |                        | 1,650.00                  | 66.00         |
| 19-6-2009                            | Somi Telicomm  |                   | Sales        | 4              |                        | 750.00                    | 30.00         |
| 20-6-2009                            | Chahak Traders |                   | Sales        | 5              |                        | 350.00                    | 14.00         |
| 20-6-2009                            | Somi Telicomm  |                   | Credit Note  | 1              |                        | (-)350.00                 | (-)14.00      |
| 22-6-2009                            | Somi Telicomm  |                   | Credit Note  | 2              |                        | (-)400.00                 | (-)16.00      |
| <b>Grand Total</b>                   |                |                   |              |                |                        | <b>11,050.00</b>          | <b>442.00</b> |

Figure 8.33 VAT Classification Vouchers

- ❑ Return to **VAT Computation report**
- ❑ Select **Input VAT @ 4%** and press **Enter**. The drill-down report appears as shown below:

| VAT Classification Vouchers         |             | Universal Traders         |              |                |                        | Ctrl + M         |            |
|-------------------------------------|-------------|---------------------------|--------------|----------------|------------------------|------------------|------------|
| VAT Classification : Input VAT @ 4% |             | 1-Jun-2009 to 30-Jun-2009 |              |                |                        |                  |            |
| Voucher Date                        | Particulars | VAT TIN                   | Voucher Type | Voucher Number | Supplier Inv/ Ref. No. | Assessable Value | VAT Amount |
| 1-6-2009                            | Sujan Ltd.  |                           | Purchase     | 1              |                        | 21,000.00        | 840.00     |
| 3-6-2009                            | Sujan Ltd.  |                           | Purchase     | 2              |                        | 3,000.00         | 120.00     |
| 3-6-2009                            | Sujan Ltd.  |                           | Purchase     | 3              |                        | 9,000.00         | 360.00     |
| 5-6-2009                            | Sujan Ltd.  |                           | Purchase     | 4              |                        | 750.00           | 30.00      |
| 20-6-2009                           | Sujan Ltd.  |                           | Debit Note   | 1              |                        | (-)300.00        | (-)12.00   |
| 21-6-2009                           | Sujan Ltd.  |                           | Debit Note   | 2              |                        | (-)50.00         | (-)2.00    |
| Grand Total                         |             |                           |              |                |                        | 33,400.00        | 1,336.00   |

Figure 8.34 VAT Classification Vouchers

## 8.7 Accounting for Interstate Transactions

### 8.7.1 Inter-state Purchases

Inter-state Purchases attract Central Sales Tax (CST), which is not set-off against Output VAT on sales within the state or Output CST in inter-state sales. The CST paid is treated as a part of procurement cost.

Create the following purchase voucher for the Inter-state Purchase transaction

| Date     | Party                            | Item        | Quantity | Rate | Tax    |
|----------|----------------------------------|-------------|----------|------|--------|
| 24-06-09 | Saarthak Enterprises<br>(Kerala) | Surya Lamps | 50 Nos   | 200  | CST 4% |

#### Setup :

Create the following Ledgers :

**i. Inter-state Purchase ledger**

| Name                 | Under             | Inventory values are affected | Used in VAT Returns | VAT/Tax Class        |
|----------------------|-------------------|-------------------------------|---------------------|----------------------|
| Inter-state Purchase | Purchase Accounts | Yes                           | Yes                 | Inter-state Purchase |

**ii. Purchase Ledger**

| Name      | Under                                                                            | Inventory values are affected | Percentage of Calculation | Method of Calculation | Used in VAT Returns | VAT/Tax Class         |
|-----------|----------------------------------------------------------------------------------|-------------------------------|---------------------------|-----------------------|---------------------|-----------------------|
| Input CST | Purchase Accounts<br>(Under this group, set <b>Used for Calculation - Yes</b> ). | Yes                           | 4%                        | On Total Sales        | Yes                 | Inter-state Purchases |



*The **Input CST** ledger is grouped under **Purchase account** since it is treated as purchase cost.*

**iii. Party Ledger**

| Name                 | Under            | Inventory Values are affected |
|----------------------|------------------|-------------------------------|
| Saarthak Enterprises | Sundry Creditors | No                            |

**Enter the details of the transaction in the Purchase Invoice**

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchase**

The completed **Purchase Invoice** appears as shown :



Figure 8.35 Purchase Invoice

- ### 8.7.2 Inter-state Sales

Create the following Sales voucher for the Inter-state Sales transaction

### Setup :

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**i. Sales Ledger**

| Name              | Under          | Inventory Values are affected | Used in VAT Returns | VAT/Tax Class     |
|-------------------|----------------|-------------------------------|---------------------|-------------------|
| Inter-State Sales | Sales Accounts | Yes                           | Yes                 | Inter-State Sales |

**ii. Tax Ledger**

| Name       | Under            | Type of Duty | VAT/Tax Class     | Percentage of Calculation | Method of Calculation |
|------------|------------------|--------------|-------------------|---------------------------|-----------------------|
| Output CST | Duties and Taxes | CST          | Inter-state Sales | 4%                        | On Total Sales        |

**iii. Party Ledger:**

| Name                | Under          | Inventory Values are affected |
|---------------------|----------------|-------------------------------|
| Business Automation | Sundry Debtors | No                            |

**Enter the details of the transaction in the Sales Invoice**

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

- ▣ Select the ledger **Inter-State sales** for accounting allocation.

The completed **Sales Invoice** appears as shown below:

| Accounting Voucher Creation                   |          | Universal Traders                     |     | Ctrl + M              |          |
|-----------------------------------------------|----------|---------------------------------------|-----|-----------------------|----------|
| <b>Sales</b>                                  | No. 6    | Voucher Class : <b>Not Applicable</b> |     | 26-Jun-2009<br>Friday |          |
| Ref. :                                        |          |                                       |     |                       |          |
| Party's A/c Name : <b>Business Automation</b> |          |                                       |     |                       |          |
| Current Balance :                             |          |                                       |     |                       |          |
| Name of Item                                  | Quantity | Rate                                  | per | Amount                |          |
| Surya Lamps                                   | 25 Nos   | 350.00                                | Nos | 8,750.00              |          |
| Output CST                                    |          |                                       | 4 % | 350.00                |          |
| Form to Receive : <b>Not Applicable</b>       |          |                                       |     |                       |          |
| Show Statutory Details ? <b>No</b>            |          |                                       |     |                       |          |
| Narration:                                    |          |                                       |     |                       |          |
|                                               |          |                                       |     | 25 Nos                | 9,100.00 |

Figure 8.36 Sales Invoice

- Press **Y** or **Enter** to accept the screen.

### 8.7.3 Display VAT Computation Report

Go to **Gateway of Tally > Display > Statutory Reports > VAT Reports > VAT Computation**.

- In the **F12: Configuration** of the VAT computation report, set **Show All VAT Classifications** to **Yes**.

The **VAT Computation** report appears as shown below:

| VAT Computation                       |  | Universal Traders                              |                 | Ctrl + M      |
|---------------------------------------|--|------------------------------------------------|-----------------|---------------|
| Particulars                           |  | Universal Traders<br>1-Jun-2009 to 30-Jun-2009 |                 |               |
|                                       |  | Assessable<br>Value                            | Tax<br>Amount   |               |
| <b>Sales</b>                          |  |                                                |                 |               |
| <b>A. Output Tax</b>                  |  |                                                |                 |               |
| Inter-State Sales                     |  | 8,750.00                                       | 350.00          |               |
| Output VAT @ 12.5%                    |  | 1,500.00                                       | 187.50          |               |
| Output VAT @ 4%                       |  | 11,050.00                                      | 442.00          |               |
| <b>Total Output Tax</b>               |  | <b>21,300.00</b>                               | <b>979.50</b>   |               |
| <b>Purchases</b>                      |  |                                                |                 |               |
| <b>B. Input Tax</b>                   |  |                                                |                 |               |
| Excess Input Credit Brought Forward   |  |                                                |                 |               |
| Input VAT @ 12.5%                     |  | 1,500.00                                       | 187.50          |               |
| Input VAT @ 4%                        |  | 33,400.00                                      | 1,336.00        |               |
| <b>Others (VAT Not Applicable)</b>    |  |                                                |                 |               |
| Inter-State Purchases                 |  | 10,400.00                                      |                 |               |
| <b>Total Input Credit</b>             |  | <b>45,300.00</b>                               | <b>1,523.50</b> |               |
| <b>VAT Refundable/Carried Forward</b> |  |                                                |                 | <b>544.00</b> |

Figure 8.37 VAT Computation

You will find that the Tax Amount column is nil in **Interstate Purchases** but Rs. 350 is seen under the heading **Inter-state Sales**.

## 8.8 Exempt Transactions under VAT

Under the VAT Act, few commodities comprising of natural and unprocessed products, which are produced in the unorganized sectors, and legally barred from taxation, are placed under the Exempted goods list. Transactions for these items do not carry any VAT charge. The list of exempt goods vary from state to state.

### 8.8.1 Exempted Purchases

Consider the following transaction of Universal Traders:

| Date    | Party           | Books                   | Quantity | Rate |
|---------|-----------------|-------------------------|----------|------|
| 27-6-09 | Anil Book Depot | World of Cutting Tools  | 8 Nos    | 480  |
|         |                 | World Book Encyclopedia | 25 Nos   | 50   |

**Setup :**

Create the following ledgers,

**i. Purchase Ledger**

| Name            | Under             | Inventory values are affected | Used in VAT Returns | VAT/Tax Class    |
|-----------------|-------------------|-------------------------------|---------------------|------------------|
| Purchase Exempt | Purchase Accounts | Yes                           | Yes                 | Purchases Exempt |

**ii. Party Ledger**

| Name            | Under            | Inventory Values are affected |
|-----------------|------------------|-------------------------------|
| Anil Book Depot | Sundry Creditors | No                            |

**iii. Create the following Stock Items under Primary group with units of measure as Nos.:**

- ❑ World of Cutting Tools.
- ❑ World Book Encyclopedia.

**Enter the details of the transaction in a Purchase Invoice**

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchase**

- ❑ In **F12: Configuration**, set **Use Common Ledger A/c for Item Allocation** to **Yes**.

The completed **Purchase Invoice** appears as shown :

| Accounting Voucher Creation                                                                                                                            |          | Universal Traders |                 | Ctrl + M    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------------|-----------------|-------------|
| <b>Purchase</b>                                                                                                                                        | No. 6    |                   |                 | 27-Jun-2009 |
| Supplier Invoice No. :                                                                                                                                 | Date :   |                   |                 | Saturday    |
| Party's A/c Name : <b>Anil Book Depot</b><br>Current Balance :<br>Purchase Ledger : <b>Purchase Exempt</b><br>VAT/Tax Class: <b>Purchases - Exempt</b> |          |                   |                 |             |
| Name of Item                                                                                                                                           | Quantity | Rate per          | Amount          |             |
| World of Cutting Tools                                                                                                                                 | 8 Nos    | 480.00 Nos        | 3,840.00        |             |
| World Book Encyclopedia                                                                                                                                | 25 Nos   | 50.00 Nos         | 1,250.00        |             |
|                                                                                                                                                        |          |                   | <b>5,090.00</b> |             |
| J End of List                                                                                                                                          |          |                   |                 |             |
| Show Statutory Details ? No                                                                                                                            |          |                   |                 |             |
| Narration:                                                                                                                                             |          | 33 Nos            | 5,090.00        |             |

Figure 8.38 Purchase Invoice

- Press **Y** or **Enter** to accept the screen.

## 8.8.2 Exempted Sales

Consider the following sales transaction of Universal Traders.

| Date     | Party           | Books                  | Quantity | Rate |
|----------|-----------------|------------------------|----------|------|
| 27-06-09 | J.K. Associates | World of Cutting Tools | 5 Nos    | 500  |

### Setup :

Create the following ledgers:

#### i. Sales Ledger

| Name         | Under          | Inventory Values are affected | Used in VAT Returns | VAT/Tax Class      |
|--------------|----------------|-------------------------------|---------------------|--------------------|
| Sales-Exempt | Sales Accounts | Yes                           | Yes                 | Other Exempt Sales |

## ii. Party Ledger

| Name            | Under          | Inventory Values are affected |
|-----------------|----------------|-------------------------------|
| J.K. Associates | Sundry Debtors | No                            |

Enter the details of the transaction in a **Sales Invoice** as shown below:

| Accounting Voucher Creation        |          | Universal Traders |                | Ctrl + M                |
|------------------------------------|----------|-------------------|----------------|-------------------------|
| <b>Sales</b>                       | No. 7    | Voucher Class : J | Not Applicable | 27-Jun-2009<br>Saturday |
| Ref. :                             |          |                   |                |                         |
| Party's A/c Name : J.K. Associates |          |                   |                |                         |
| Current Balance :                  |          |                   |                |                         |
| Sales Ledger : Sales-Exempt        |          |                   |                |                         |
| VAT/Tax Class: Other Exempt Sales  |          |                   |                |                         |
| Name of Item                       | Quantity | Rate per          | Amount         |                         |
| World of Cutting Tools             | 5 Nos    | 500.00 Nos        | 2,500.00       |                         |
| J End of List                      |          |                   |                |                         |
| Show Statutory Details ? No        |          |                   |                |                         |
| Narration:                         |          | 5 Nos 2,500.00    |                |                         |

Figure 8.39 Sales Invoice

- Press **Y** or **Enter** to accept the screen.

### 8.8.3 Display VAT Computation

Go to **Gateway of Tally > Display > Statutory Reports > VAT Reports > VAT Computation**.

- Press **F12: Configure** and set **Show All VAT Classifications** to **Yes**.

The **VAT Computation report** appears as shown below:

| VAT Computation                       |  | Universal Traders                              |                 | Ctrl + M      |
|---------------------------------------|--|------------------------------------------------|-----------------|---------------|
| Particulars                           |  | Universal Traders<br>1-Jun-2009 to 30-Jun-2009 |                 |               |
|                                       |  | Assessable<br>Value                            | Tax<br>Amount   |               |
| <b>Sales</b>                          |  |                                                |                 |               |
| <b>A. Output Tax</b>                  |  |                                                |                 |               |
| Inter-State Sales                     |  | 8,750.00                                       | 350.00          |               |
| Output VAT @ 12.5%                    |  | 1,500.00                                       | 187.50          |               |
| Output VAT @ 4%                       |  | 11,050.00                                      | 442.00          |               |
| <b>Others (VAT Not Applicable)</b>    |  |                                                |                 |               |
| Other Exempt Sales                    |  | 2,500.00                                       |                 |               |
| <b>Total Output Tax</b>               |  | <b>23,800.00</b>                               | <b>979.50</b>   |               |
| <b>Purchases</b>                      |  |                                                |                 |               |
| <b>B. Input Tax</b>                   |  |                                                |                 |               |
| Excess Input Credit Brought Forward   |  |                                                |                 |               |
| Input VAT @ 12.5%                     |  | 1,500.00                                       | 187.50          |               |
| Input VAT @ 4%                        |  | 33,400.00                                      | 1,336.00        |               |
| <b>Others (VAT Not Applicable)</b>    |  |                                                |                 |               |
| Inter-State Purchases                 |  | 10,400.00                                      |                 |               |
| Purchases - Exempt                    |  | 5,090.00                                       |                 |               |
| <b>Total Input Credit</b>             |  | <b>50,390.00</b>                               | <b>1,523.50</b> |               |
| <b>VAT Refundable/Carried Forward</b> |  |                                                |                 | <b>544.00</b> |

Figure 8.40 VAT Computation

In the **VAT Computation** screen, the value of exempted Purchases and Sales will appear under **Others (VAT not applicable)** column. It will not form part of the taxable turnover in VAT Computation.

## 8.9 Purchases from Unregistered Dealers

A dealer whose turnover is below a certain threshold can be called as an unregistered dealer. Unregistered dealers cannot issue a Tax Invoice required for claiming the Input Credit.

Thus, purchases from unregistered dealers, are not entitled for input credit and have to be recorded separately.

Consider the following transaction:

**On 29-6-09, Universal Traders purchased Surya Lamps, 10 nos. at Rs.150 each from an unregistered dealer Payal Travels.**





### 8.9.1 Display VAT Computation Report

The Purchase transaction from unregistered dealer appears under **VAT not applicable** and no Input Credit is allowed on it.

## 8.10 Claiming ITC on Capital Goods

Under VAT laws, the Input Tax Credit is allowed on capital goods from the date of its commercial production. The extent of credit is at the discretion of the Assessing Officer and is deferred over 12 months.

Consider the following transaction:

**On 29-6-09, Universal Traders purchased a Laser marking machine at Rs. 15,00,000 + VAT @ 4% from Pandit Engineering. On 30-6-09 the Tax authorities allowed a tax credit of Rs. 30000 to be set-off in 12 monthly instalments.**

#### Setup :

In the **F11: Features (Accounting Features)** set:

- ☐ **Maintain Bill-wise Details to Yes.**
- ☐ **for Non-trading A/cs also** (under **Maintain Bill-wise Details.**) to **Yes.**

Create the following ledgers:

#### i. Fixed Asset Ledger

| Name              | Under        | Maintain balances bill-by-bill | Inventory Values are affected | Used in VAT Returns |
|-------------------|--------------|--------------------------------|-------------------------------|---------------------|
| Laser Marking M/c | Fixed Assets | No                             | No                            | No                  |

#### ii. Current Assets Ledger

| Name                      | Under          | Maintain balances bill-by-bill | Inventory Values are affected |
|---------------------------|----------------|--------------------------------|-------------------------------|
| Tax Paid on Capital Goods | Current Assets | Yes                            | No                            |



*This ledger is used to record the tax set aside for future amortization.*

### iii. Tax Ledger

| Name                       | Under          | Type of Duty/Tax | VAT/Tax Class                  | Maintain balances bill-by-bill | Inventory Values are affected |
|----------------------------|----------------|------------------|--------------------------------|--------------------------------|-------------------------------|
| Input VAT on Capital Goods | Duties & Taxes | VAT              | Purchases - Capital Goods @ 4% | No                             | No                            |



*This ledger is created and used for the purpose of debiting monthly instalments of input credit allowed on Capital goods, over a period of 12 months.*

### iv. Party Ledger

| Name               | Under            | Maintain balances bill-by-bill | Inventory Values are affected |
|--------------------|------------------|--------------------------------|-------------------------------|
| Pandit Engineering | Sundry Creditors | Yes                            | No                            |



*Follow the steps given below:*

- ❑ *Create a Purchase Voucher to capitalise the full value of the capital goods purchased.*
- ❑ *For the Input Credit allowed by the Assessing Officer, pass a journal entry to account for it.*
- ❑ *Pass a journal entry for claiming the instalment of credit for the month. Create a Voucher Class, so that the journal entry affects the final VAT computation.*

### Step1: Create Purchase Voucher

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchase**

1. Press **Ctrl+V** if the screen appears in the Invoice mode.
2. **Date: 29-6-09.**
3. Credit **Pandit Engineering: Rs. 15,60,000.**
4. Debit **Laser Marking M/c: Rs. 15,60,000** (If you don't find this ledger account in the drop down list, press **F12: Configure** and set the feature **Allow Expenses/Fixed Assets in Purchase Vouchers** to Yes).

The completed **Purchase Voucher** appears as shown below:

| Accounting Voucher Creation     |  | Universal Traders |              | Ctrl + M     |              |
|---------------------------------|--|-------------------|--------------|--------------|--------------|
| <b>Purchase</b> No. 8           |  |                   |              | 29-Jun-2009  |              |
| Supplier Invoice No. :          |  | Date :            |              | Monday       |              |
| Particulars                     |  | Debit             | Credit       |              |              |
| Cr <b>Pandit Engineering</b>    |  |                   | 15,60,000.00 |              |              |
| <i>Cur Bal: 15,60,000.00 Cr</i> |  |                   |              |              |              |
| New Ref: PE/01                  |  | 15,60,000.00      | Cr           |              |              |
| Dr <b>Laser Marking M/c</b>     |  | 15,60,000.00      |              |              |              |
| <i>Cur Bal: 15,60,000.00 Dr</i> |  |                   |              |              |              |
| Narration:                      |  |                   |              | 15,60,000.00 | 15,60,000.00 |

Figure 8.42 Purchase Voucher

5. Press **Y** or **Enter** to accept the screen.

**Step 2: Create Journal Voucher** (to record the installment amount to be claimed as input credit)

1. Go to **Journal** voucher.
2. **Date: 30-6-09.**
3. Debit **Tax paid on Capital Goods:** Rs. 30,000 (amount allowed as credit by the tax authorities).
4. In the **Bill-wise Details** screen,
  - Select **New Ref** under **Type of Ref**,
  - **Instalment Number** under **Name**
  - Enter **Rs. 2,500** (i.e. 30,000/12) under **Amount**.
5. Similarly, create **12** new references for the monthly installments.
6. Credit **Laser Marking M/c: Rs. 30000.**

The completed **Journal Voucher** appears as shown below:

| Accounting Voucher Creation                      |             | Universal Traders |  | Ctrl + M               |  |
|--------------------------------------------------|-------------|-------------------|--|------------------------|--|
| <b>Journal</b> No. 1                             |             |                   |  | 30-Jun-2009<br>Tuesday |  |
| Particulars                                      |             | Debit             |  | Credit                 |  |
| Dr <b>Tax Paid on Capital Goods</b>              |             | 30,000.00         |  |                        |  |
| <i>Cur Bal: 30,000.00 Dr</i>                     |             |                   |  |                        |  |
| New Ref 1                                        | 2,500.00 Dr |                   |  |                        |  |
| New Ref 2                                        | 2,500.00 Dr |                   |  |                        |  |
| New Ref 3                                        | 2,500.00 Dr |                   |  |                        |  |
| New Ref 4                                        | 2,500.00 Dr |                   |  |                        |  |
| New Ref 5                                        | 2,500.00 Dr |                   |  |                        |  |
| New Ref 6                                        | 2,500.00 Dr |                   |  |                        |  |
| New Ref 7                                        | 2,500.00 Dr |                   |  |                        |  |
| New Ref 8                                        | 2,500.00 Dr |                   |  |                        |  |
| New Ref 9                                        | 2,500.00 Dr |                   |  |                        |  |
| New Ref 10                                       | 2,500.00 Dr |                   |  |                        |  |
| New Ref 11                                       | 2,500.00 Dr |                   |  |                        |  |
| New Ref 12                                       | 2,500.00 Dr |                   |  |                        |  |
| Cr <b>Laser Marking M/c</b>                      |             |                   |  | 30,000.00              |  |
| <i>Cur Bal: 15,30,000.00 Dr</i>                  |             |                   |  |                        |  |
| Narration:                                       |             | 30,000.00         |  | 30,000.00              |  |
| Input credit allowed to be set-off in 12 months. |             |                   |  |                        |  |

Figure 8.43 Journal Voucher

7. Press **Y** or **Enter** to accept the screen.

### Step 3: Journal entry (for claiming the installment of credit)

#### Setup :

Create the **Voucher class** for the journal entry.

Go to **Gateway of Tally > Accounts Info. > Voucher type > Alter > Select Journal**.

- Most of the fields are already completed as the voucher type is in the alteration mode. Hence tab down to the field **Name of Class**.
- Enter **VAT Adjustment Class** under the **Name of Class** field and press **Enter**. In the voucher type class screen, set **Use Class for VAT Adjustments** to **Yes**.

| Universal Traders                   |              |
|-------------------------------------|--------------|
| Class : <u>VAT Adjustment Class</u> |              |
| Use Class for VAT Adjustments       | ? <b>Yes</b> |
| <u>Ledger account to use</u>        |              |

Figure 8.44 VAT adjustment Class

- ❑ As mentioned before, you will need to do this if the Journal entry is to be considered in VAT Computation.
- ❑ Press **Enter** and return to the Voucher class screen and save it.

### Create Journal Voucher

Go to **Gateway of Tally > Accounting Vouchers > F7: Journal**

1. Select **VAT Adjustment class**.
2. Press **F2** and change the date to **30-6-09**.
3. Debit **Input VAT on Capital Goods**.
4. Enter **Purchases-Capital Goods @ 4%** and **1560000** respectively, in the screen prompting for the **VAT/ Tax Class** and **Assessable value**.
5. Return to the voucher screen and enter **2500** in the **Amount** column.
6. Credit **Tax Paid on Capital Goods: Rs. 2500**.
7. In the **Bill-wise** details, select **Agst-Ref** in **Type of Ref** and **1** as **Name of Reference**. The amount will appear automatically. (Ensure that **Show Table of Bill Details for Selection** is set to **Yes** in the **F12: Voucher Configuration**).

| Accounting Voucher Creation                                                                                 |          | Universal Traders                    | Ctrl + M               |
|-------------------------------------------------------------------------------------------------------------|----------|--------------------------------------|------------------------|
| <b>Journal</b>                                                                                              | No. 2    | Voucher Class : VAT Adjustment Class | 30-Jun-2009<br>Tuesday |
|                                                                                                             |          | Used for: Others                     |                        |
| Particulars                                                                                                 | Debit    | Credit                               |                        |
| Dr <b>Input VAT on Capital Goods</b><br>Cur Bal: 2,500.00 Dr                                                | 2,500.00 |                                      |                        |
| Cr <b>Tax Paid on Capital Goods</b><br>Cur Bal: 27,500.00 Dr<br>Agst Ref 1                      2,500.00 Cr |          | 2,500.00                             |                        |
| Narration:                                                                                                  |          |                                      |                        |
| -                                                                                                           |          |                                      |                        |
|                                                                                                             | 2,500.00 | 2,500.00                             |                        |

Figure 8.45 Journal Voucher

8. Type the narration and press **Y** or **Enter** to accept the screen.

## Display VAT Computation Report

Go to **Gateway of Tally > Display > Statutory Reports > VAT Reports > VAT Computation.**

- Press **F12: Configure** and set **Show All VAT Classifications** to **Yes**.

| VAT Computation                       |  | Universal Traders         |            | Ctrl + M |
|---------------------------------------|--|---------------------------|------------|----------|
| Particulars                           |  | Universal Traders         |            |          |
|                                       |  | 1-Jun-2009 to 30-Jun-2009 |            |          |
|                                       |  | Assessable Value          | Tax Amount |          |
| Sales                                 |  |                           |            |          |
| A. Output Tax                         |  |                           |            |          |
| Inter-State Sales                     |  | 8,750.00                  | 350.00     |          |
| Output VAT @ 12.5%                    |  | 1,500.00                  | 187.50     |          |
| Output VAT @ 4%                       |  | 11,050.00                 | 442.00     |          |
| Others (VAT Not Applicable)           |  |                           |            |          |
| Other Exempt Sales                    |  | 2,500.00                  |            |          |
| Total Output Tax                      |  | 23,800.00                 | 979.50     |          |
| Purchases                             |  |                           |            |          |
| B. Input Tax                          |  |                           |            |          |
| Excess Input Credit Brought Forward   |  |                           |            |          |
| Input VAT @ 12.5%                     |  | 1,500.00                  | 187.50     |          |
| Input VAT @ 4%                        |  | 33,400.00                 | 1,336.00   |          |
| Purchases - Capital Goods @ 4%        |  | 15,60,000.00              | 2,500.00   |          |
| Others (VAT Not Applicable)           |  |                           |            |          |
| Inter-State Purchases                 |  | 10,400.00                 |            |          |
| Purchases - Exempt                    |  | 5,090.00                  |            |          |
| Purchases - From Unregistered Dealers |  | 1,500.00                  |            |          |
| Total Input Credit                    |  | 16,11,890.00              | 4,023.50   |          |
| VAT Refundable/Carried Forward        |  |                           |            | 3,044.00 |

Figure 8.46 VAT Computation

## 8.11 Inter-State Branch Transfers

Inter-state Branch transfers do not attract any tax. The Input Credit on stocks transferred outside the state is allowed only to the manufacturers. However, to put stock transfers and inter-state trade broadly on the same competitive level, 4% of the Input Credit on stock transfer is disallowed.

Branch Transfer transactions can be both Transfer Inwards and Transfer Outwards. Tally.ERP 9 provides specific VAT classes for these transactions.

### 8.11.1 Branch Transfer Outwards

*On 30-6-2009 a local purchase was made – 10 Bajaj Lamps were purchased at Rs. 150 each from Sujan Ltd. and Input VAT of 12.5% was paid on the items. These goods were transferred to a branch outside the state i.e. to the Mumbai Branch.*

**Setup :**

Create the following Ledgers

**i. Branch Ledger**

| Name                                 | Under              | Inventory values are affected | Maintain balances bill-by-bill |
|--------------------------------------|--------------------|-------------------------------|--------------------------------|
| Universal Traders - Mumbai Branch    | Branch / Division  | No                            | Yes                            |
| Universal Traders - Hyderabad Branch | Branch / Divisions | No                            | Yes                            |

**ii. Sales Ledger**

| Name         | Under | Maintain balances bill-by-bill | Inventory values are affected | Used in VAT Returns | VAT/Tax Class                           |
|--------------|-------|--------------------------------|-------------------------------|---------------------|-----------------------------------------|
| Transfer Out | Sales | No                             | Yes                           | Yes                 | Consignment/<br>Branch Transfer Outward |

**iii. Purchase Ledger**

| Name        | Under             | Maintain balances bill-by-bill | Inventory values are affected | Used in VAT Returns | VAT/Tax Class                          |
|-------------|-------------------|--------------------------------|-------------------------------|---------------------|----------------------------------------|
| Transfer In | Purchase Accounts | No                             | Yes                           | Yes                 | Consignment/<br>Branch Transfer Inward |

**iv. Direct Expenses Ledger**

| Name                  | Under           | Maintain balances bill-by-bill | Inventory values are affected | Used in VAT Returns |
|-----------------------|-----------------|--------------------------------|-------------------------------|---------------------|
| Tax paid on Purchases | Direct Expenses | No                             | No                            | No                  |



Create a purchase voucher for the purchases made from Sujan Ltd.



Enter the details of the transaction in a sales invoice.

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**.

1. **Party's A/c Name: Universal Traders – Mumbai Branch**
2. **Sales Ledger - Transfer Out.** The **Consignment/ Branch Transfer Outward** will be automatically selected.
3. Select the stock item as per the transaction details.

The completed **Sales Invoice** appears as shown below :

| Accounting Voucher Creation                          |          | Universal Traders                     |          | Ctrl + M               |
|------------------------------------------------------|----------|---------------------------------------|----------|------------------------|
| <b>Sales</b>                                         | No. 8    | Voucher Class : <b>Not Applicable</b> |          | 30-Jun-2009<br>Tuesday |
| Ref. :                                               |          |                                       |          |                        |
| Party's A/c Name : Universal Traders - Mumbai Branch |          |                                       |          |                        |
| Current Balance :                                    |          |                                       |          |                        |
| Sales Ledger : Transfer Out                          |          |                                       |          |                        |
| VAT/Tax Class: Consignment/Branch Transfer Outward   |          |                                       |          |                        |
| Name of Item                                         | Quantity | Rate per                              | Amount   |                        |
| Bajaj Lamps                                          | 10 Nos   | 150.00 Nos                            | 1,500.00 |                        |
| ↓ End of List                                        |          |                                       |          |                        |
| Form to Receive : <b>Not Applicable</b>              |          |                                       |          |                        |
| Show Statutory Details ? <b>No</b>                   |          |                                       |          |                        |
| Narration:                                           |          |                                       |          |                        |
|                                                      |          | 10 Nos                                | 1,500.00 |                        |

Figure 8.47 Sales Invoice

4. Press **Y** or **Enter** to accept the screen.

### 8.11.2 Adjustment of ITC on Branch Transfers

Input Credit on stocks transferred outside the state is allowed for manufacturers, except for 4% credit, which is disallowed. The disallowed amount has to be transferred to either the Purchase Accounts or into a separate ledger under Direct Expenses.

After passing the Sales Transfer Out entry, pass the journal entry illustrated below to account for the disallowed amount:

Go to **Gateway of Tally > Accounting Vouchers > F7: Journal** and select **VAT Adjustment Class**.

1. Change the date to **30-6-09**. Select **Others** in the field **Used for**.
2. Debit **Tax paid on purchases: Rs. 60** (1,500 \* 4%).
3. Credit **Input VAT @ 12.5%**. Select **Input VAT @12.5%** in the **VAT/Tax Class** column.
4. Enter the amount as **Rs. 60** in the credit column.

The completed **Journal voucher** appears as shown below:

| Accounting Voucher Creation     |       | Universal Traders                    | Ctrl + M               |
|---------------------------------|-------|--------------------------------------|------------------------|
| <b>Journal</b>                  | No. 3 | Voucher Class : VAT Adjustment Class | 30-Jun-2009<br>Tuesday |
|                                 |       | Used for: Others                     |                        |
| Particulars                     | Debit | Credit                               |                        |
| Dr <b>Tax Paid on Purchases</b> | 60.00 |                                      |                        |
| <i>Cur Bal: 60.00 Dr</i>        |       |                                      |                        |
| Cr <b>Input VAT @ 12.5%</b>     |       | 60.00                                |                        |
| <i>Cur Bal: 315.00 Dr</i>       |       |                                      |                        |
| Narration:                      |       | 60.00                                | 60.00                  |

Figure 8.48 Journal Voucher

5. Press **Y** or **Enter** to accept the screen.

### 8.11.3 Branch Transfer Inwards

A separate ledger account called **Transfer In** is used to account for the stock received from the Branch Office. Purchase Invoices for the same are created using this ledger.

**On 30-6-09 consider the transfer of 5 Surya Lamps @ Rs. 300 per No. from Universal Traders - Hyderabad Branch.**

### Enter the details of the transaction in Purchase Voucher

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchase**.

1. **Party's A/c Name:** Universal Traders – Hyderabad Branch
2. **Purchase Ledger:** Transfer In. The **Consignment/Branch Transfer Inward** will be automatically selected.
3. Select the stock item as per the transaction details.

The completed **Purchase Invoice** appears as shown below:

| Accounting Voucher Creation                             |          | Universal Traders |          | Ctrl + M    |
|---------------------------------------------------------|----------|-------------------|----------|-------------|
| <b>Purchase</b>                                         | No. 10   |                   |          | 30-Jun-2009 |
| Supplier Invoice No. :                                  | Date :   |                   |          | Tuesday     |
| Party's A/c Name : Universal Traders - Hyderabad Branch |          |                   |          |             |
| Current Balance :                                       |          |                   |          |             |
| Purchase Ledger : Transfer In                           |          |                   |          |             |
| VAT/Tax Class : Consignment/Branch Transfer Inward      |          |                   |          |             |
| Name of Item                                            | Quantity | Rate per          | Amount   |             |
| Surya Lamps                                             | 5 Nos    | 300.00 Nos        | 1,500.00 |             |
| J End of List                                           |          |                   |          |             |
| Form to Issue : J Not Applicable                        |          |                   |          |             |
| Show Statutory Details ? No                             |          |                   |          |             |
| Narration:                                              |          | 5 Nos             | 1,500.00 |             |

Figure 8.49 Purchase Invoice

4. Press **Y** or **Enter** to accept the screen.

### 8.11.4 Display VAT Computation Report

Go to **Gateway of Tally > Display > Statutory Reports > VAT Reports > VAT Computation**.

- Press **F12: Configure** and set **Show All VAT Classifications** to **Yes**.

The **VAT Computation** screen appears as shown below:

| VAT Computation                       |  | Universal Traders                              |                 | Ctrl + M        |
|---------------------------------------|--|------------------------------------------------|-----------------|-----------------|
| Particulars                           |  | Universal Traders<br>1-Jun-2009 to 30-Jun-2009 |                 |                 |
|                                       |  | Assessable<br>Value                            | Tax<br>Amount   |                 |
| <b>Sales</b>                          |  |                                                |                 |                 |
| <b>A. Output Tax</b>                  |  |                                                |                 |                 |
| Inter-State Sales                     |  | 8,750.00                                       | 350.00          |                 |
| Output VAT @ 12.5%                    |  | 1,500.00                                       | 187.50          |                 |
| Output VAT @ 4%                       |  | 11,050.00                                      | 442.00          |                 |
| <b>Others (VAT Not Applicable)</b>    |  |                                                |                 |                 |
| Consignment/Branch Transfer Outward   |  | 1,500.00                                       |                 |                 |
| Other Exempt Sales                    |  | 2,500.00                                       |                 |                 |
| <b>Total Output Tax</b>               |  | <b>25,300.00</b>                               | <b>979.50</b>   |                 |
| <b>Purchases</b>                      |  |                                                |                 |                 |
| <b>B. Input Tax</b>                   |  |                                                |                 |                 |
| Excess Input Credit Brought Forward   |  |                                                |                 |                 |
| Input VAT @ 12.5%                     |  | 2,940.00                                       | 315.00          |                 |
| Input VAT @ 4%                        |  | 33,400.00                                      | 1,336.00        |                 |
| Purchases - Capital Goods @ 4%        |  | 15,60,000.00                                   | 2,500.00        |                 |
| <b>Others (VAT Not Applicable)</b>    |  |                                                |                 |                 |
| Consignment/Branch Transfer Inward    |  | 1,500.00                                       |                 |                 |
| Inter-State Purchases                 |  | 10,400.00                                      |                 |                 |
| Purchases - Exempt                    |  | 5,090.00                                       |                 |                 |
| Purchases - From Unregistered Dealers |  | 1,500.00                                       |                 |                 |
| <b>Total Input Credit</b>             |  | <b>16,14,830.00</b>                            | <b>4,151.00</b> |                 |
| <b>VAT Refundable/Carried Forward</b> |  |                                                |                 | <b>3,171.50</b> |

Figure 8.50 VAT Computation



Only the total value will be shown in both the **Transfer Outward** and **Transfer Inward** fields.

## 8.12 VAT Reports

### 8.12.1 VAT Returns

To view a VAT Form,

Go to **Gateway of Tally > Display > Statutory Reports > VAT Reports > VAT Forms > VAT Return Forms > Form VAT 100**

The print preview of **VAT Form 100** appears as shown :

| FORM VAT 100<br>(See Rule 38)                                                                                                                  |                                                               |                                                         |                                    |                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------|------------------------------------|-------------------------------------------------------------------|
| <b>1. General Information:</b>                                                                                                                 |                                                               |                                                         |                                    |                                                                   |
| 1.1) LVO/VSD CODE                                                                                                                              | : 256                                                         | 1.2) Tax Period (Month/ Quarter)                        | : JUNE, 2009                       |                                                                   |
|                                                                                                                                                |                                                               | 1.3) Type of Return                                     | : Original/Corrected/Revised/Final |                                                                   |
|                                                                                                                                                |                                                               | 1.4) Date of filing Return                              | : 15-Jul-2009                      |                                                                   |
| 1.5) TIN No.                                                                                                                                   | :                                                             |                                                         |                                    |                                                                   |
| 1.6) Full Name of the Dealer                                                                                                                   | : Universal Traders                                           |                                                         |                                    |                                                                   |
| 1.7) Address of the Dealer                                                                                                                     | : #45, Raheja Arcade                                          |                                                         |                                    |                                                                   |
|                                                                                                                                                | : Jagdishnagar                                                |                                                         |                                    |                                                                   |
|                                                                                                                                                | : Bangalore                                                   |                                                         |                                    |                                                                   |
| 1.8) Tax Invoices issued in the Month*                                                                                                         | From:                                                         | 1                                                       | To:                                | 8                                                                 |
| <b>PARTICULARS OF TURNOVERS</b>                                                                                                                |                                                               |                                                         |                                    |                                                                   |
| 2.                                                                                                                                             | Total Turnover(Local)                                         | 17,543.50                                               | 3.                                 | Total Turnover(InterState / Exports / Import / Consignment)       |
|                                                                                                                                                |                                                               |                                                         |                                    | 10,600.00                                                         |
| 2.1)                                                                                                                                           | Sales return, discounts, labour charges etc. as per Rule 3(2) | 364.00                                                  | 3.1)                               | Sales return, discounts, labour charges etc. as per Rule 3(2)     |
|                                                                                                                                                |                                                               |                                                         |                                    | Nil                                                               |
| 2.2)                                                                                                                                           | Consignment Sales / C.A.                                      | Nil                                                     | 3.2)                               | Stock Transfers/ Consignment Sales                                |
|                                                                                                                                                |                                                               |                                                         |                                    | 1,500.00                                                          |
| 2.3)                                                                                                                                           | Tax Collected (VAT)                                           | 629.50                                                  | 3.3)                               | Exempted Sales                                                    |
|                                                                                                                                                |                                                               |                                                         |                                    | Nil                                                               |
| 2.4)                                                                                                                                           | Exempted Sales                                                | Nil                                                     | 3.4)                               | Direct Exports                                                    |
|                                                                                                                                                |                                                               |                                                         |                                    | Nil                                                               |
| 2.5)                                                                                                                                           | Others                                                        | 2,500.00                                                | 3.5)                               | Deemed Exports (Against H Form)                                   |
|                                                                                                                                                |                                                               |                                                         |                                    | Nil                                                               |
| 2.6)                                                                                                                                           | Taxable Turnover (local) (Box 2 less (Box 2.1 to Box 2.5))    | 14,050.00                                               | 3.6)                               | Sales in Transit (E-I and E-II)                                   |
|                                                                                                                                                |                                                               |                                                         |                                    | Nil                                                               |
|                                                                                                                                                |                                                               |                                                         | 3.7)                               | Sales in the course of import (High Sea Sales)                    |
|                                                                                                                                                |                                                               |                                                         |                                    | Nil                                                               |
|                                                                                                                                                |                                                               |                                                         | 3.8)                               | CST Collected                                                     |
|                                                                                                                                                |                                                               |                                                         |                                    | 350.00                                                            |
|                                                                                                                                                |                                                               |                                                         | 3.9)                               | Taxable (Interstate) (Box No.3 less (Total of Box No.3.1 to 3.8)) |
|                                                                                                                                                |                                                               |                                                         |                                    | 8,750.00                                                          |
| <b>4. Net Tax Payable</b>                                                                                                                      |                                                               |                                                         |                                    |                                                                   |
|                                                                                                                                                | 4.1)                                                          | Output Tax Payable (Refer Box No. 8.3)                  |                                    | 979.50                                                            |
|                                                                                                                                                | 4.2)                                                          | B/F of Previous month                                   |                                    | Nil                                                               |
|                                                                                                                                                | 4.3)                                                          | Input Tax Credit (Refer Box No.11)                      |                                    | 4,151.00                                                          |
|                                                                                                                                                | 4.4)                                                          | Net Tax Payable [Box No.4.1-(Box No. 4.2 + Box No.4.3)] |                                    | Nil                                                               |
|                                                                                                                                                | 4.5)                                                          | Tax Deducted at Source (Certificate Enclosed)           |                                    | Nil                                                               |
|                                                                                                                                                | 4.6)                                                          | Balance Tax Payable (Box No.4.4 - Box No. 4.5)          |                                    | Nil                                                               |
|                                                                                                                                                | 4.7)                                                          | Refund Yes / No                                         | Rs. Nil                            | 4.8)                                                              |
|                                                                                                                                                | 4.9)                                                          | Net Tax refund as per Incentive Notification            | Rs. Nil                            | Credit Carried Forward Yes / No                                   |
|                                                                                                                                                |                                                               |                                                         |                                    | Rs. 3,171.50                                                      |
| Note: if you exercise option 'YES' in both box numbers 4.7 and 4.8 then the option exercised in respect of box no 4.8 alone will be considered |                                                               |                                                         |                                    |                                                                   |
| <b>5. Tax Payment Details</b>                                                                                                                  |                                                               |                                                         |                                    |                                                                   |
|                                                                                                                                                | Details                                                       | Amount                                                  | Cash/DD/Cheq /Challan No:          | Bank                                                              |
|                                                                                                                                                | 5.1) Tax Payable as per Box No.4.6                            | Nil                                                     |                                    | Date                                                              |
|                                                                                                                                                | 5.2) Interest                                                 | Nil                                                     |                                    |                                                                   |
|                                                                                                                                                | 5.3) Others                                                   | Nil                                                     |                                    |                                                                   |
|                                                                                                                                                | 5.4) Total of Box No.5.1, Box No.5.2 and Box No.5.3           | Nil                                                     |                                    |                                                                   |
| <b>FOR CTD/BANKS USE ONLY</b>                                                                                                                  |                                                               |                                                         |                                    |                                                                   |
|                                                                                                                                                | Date of Receipt of Return : _____                             |                                                         |                                    |                                                                   |
|                                                                                                                                                | Recd. Rs. : _____                                             |                                                         |                                    |                                                                   |
|                                                                                                                                                | In Words : _____                                              |                                                         |                                    |                                                                   |
|                                                                                                                                                | Challan No. : _____ Date : _____                              |                                                         |                                    |                                                                   |
|                                                                                                                                                | Signature and Seal of LVO/VSO                                 |                                                         |                                    |                                                                   |
| *Note: If the serial numbers of Tax Invoices are of different series then it should be mentioned separately.                                   |                                                               |                                                         |                                    |                                                                   |

Figure 8.51 Print Preview of Form VAT 100 (Page 1)

|                                                                                     |                                                                                                               |                     |                                                                      |                 |
|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------|----------------------------------------------------------------------|-----------------|
| <b>6. Details of Local Sales/ URD Purchases and Output Tax/Purchase Tax Payable</b> |                                                                                                               |                     |                                                                      |                 |
| 6.1                                                                                 | Taxable Turnover of sales at rate of 1% Tax                                                                   | Nil                 | 6.8 Output Tax Payable (relating to Box No.6.1)                      | Nil             |
| 6.2                                                                                 | Taxable Turnover of sales at rate of 4% Tax                                                                   | 11,050.00           | 6.9 Output Tax Payable (relating to Box No.6.2)                      | 442.00          |
| 6.3                                                                                 | Taxable Turnover of sales at standard rate of Tax 12.5%                                                       | 1,500.00            | 6.10 Output Tax Payable (relating to Box No.6.3)                     | 187.50          |
| 6.4                                                                                 | Taxable Turnover of sales at standard rate of Tax 20%                                                         | Nil                 | 6.11 Output Tax Payable (relating to Box No.6.4)                     | Nil             |
| 6.5                                                                                 | Taxable Turnover of URD purchases (specify rate of tax)                                                       | 1,500.00            | 6.12 Purchase Tax Payable (relating to Box No.6.5)                   | Nil             |
| 6.6                                                                                 | Others, if any (Please specify)                                                                               | Nil                 | 6.13 Output Tax Payable (relating to Box No.6.6)                     |                 |
| <b>6.7</b>                                                                          | <b>Total (Box No. 6.1 to 6.6)</b>                                                                             | <b>14,050.00</b>    | <b>6.14 Total Output Tax Payable ( Box No 6.8 to 6.13)</b>           | <b>629.50</b>   |
| <b>7. Details of Interstate Sales and CST Payable</b>                               |                                                                                                               |                     |                                                                      |                 |
| 7.1                                                                                 | Taxable Turnover of Inter-State Sales at 1%                                                                   | Nil                 | 7.7 Output Tax Payable (relating to Box No.7.1)                      | Nil             |
| 7.2                                                                                 | Taxable Turnover of Inter-State Sales against C Forms at 2% Tax                                               | Nil                 | 7.8 Output Tax Payable (relating to Box No.7.2)                      | Nil             |
| 7.3                                                                                 | Taxable Turnover of Inter-State Sales without C Forms at 4% Tax                                               | 8,750.00            | 7.9 Output Tax Payable (relating to Box No.7.3)                      | 350.00          |
| 7.4                                                                                 | Taxable Turnover of Inter-State Sales without C Forms at 12.5%                                                | Nil                 | 7.10 Output Tax Payable (relating to Box No.7.4)                     | Nil             |
| 7.5                                                                                 | Others, if any (Please Specify)                                                                               | Nil                 | 7.11 Output Tax Payable (relating to Box No.7.5)                     | Nil             |
| <b>7.6</b>                                                                          | <b>Total (Total of Box Nos. 7.1 to 7.5)</b>                                                                   | <b>8,750.00</b>     | <b>7.12 Total Output Tax Payable (Total of Box Nos. 7.7 to 7.11)</b> | <b>350.00</b>   |
| <b>8. 8.1) Total Output Tax (Total of Box No. 6.14 and Box No. 7.12)</b>            |                                                                                                               |                     |                                                                      | <b>979.50</b>   |
| <b>8.2) Output Tax deferred to Industries as per Incentive Notifications</b>        |                                                                                                               |                     |                                                                      | <b>Nil</b>      |
| <b>8.3) Net Output Tax Payable (Box No. 8.1 Less Box No. 8.2)</b>                   |                                                                                                               |                     |                                                                      | <b>979.50</b>   |
| <b>9. Details of Purchases and Input Tax</b>                                        |                                                                                                               |                     |                                                                      |                 |
| 9.1                                                                                 | Net value of purchases at 1% Tax                                                                              | Nil                 | 9.11 Input Tax (relating to Box No. 9.1)                             | Nil             |
| 9.2                                                                                 | Net value of purchases at 4% Tax                                                                              | 15,93,400.00        | 9.12 Input Tax (relating to Box No. 9.2)                             | 3,836.00        |
| 9.3                                                                                 | Net value of purchases at standard rate of tax at 12.5%                                                       | 2,940.00            | 9.13 Input Tax (relating to Box No. 9.3)                             | 315.00          |
| 9.4                                                                                 | Value of URD purchases to the extent used or sold (specify rate of tax)                                       | Nil                 | 9.14 Input Tax (relating to Box No. 9.4)                             | Nil             |
| 9.5                                                                                 | Others, if any (please specify)                                                                               | Nil                 | 9.15 Input Tax (relating to Box No. 9.5)                             | Nil             |
| 9.6                                                                                 | Value of VAT exempted goods                                                                                   | 5,090.00            |                                                                      |                 |
| 9.7                                                                                 | Purchases from Composition Dealer                                                                             | Nil                 |                                                                      |                 |
| 9.8                                                                                 | Value of goods Imported and / or purchased in the course of Inter - State trade including EI and EII Purchase | 10,400.00           |                                                                      |                 |
| 9.9                                                                                 | Value of goods received by Stock Transfer / Consignment Transfer                                              | 1,500.00            |                                                                      |                 |
| <b>9.10</b>                                                                         | <b>Total Value of Purchases (Total of Box Nos. 9.1 to 9.9)</b>                                                | <b>16,13,330.00</b> | <b>9.16 Total Input Tax (Total of Box Nos. 9.11 to 9.15)</b>         | <b>4,151.00</b> |

Figure 8.52 Print Preview of Form VAT 100 (Page 2)

|                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                        |               |                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|
| 10.                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Ineligible Input Tax Credit</b>                                                                                                                                                                     |               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                            | 10.1 Non-Deductible Input Tax being restricted u/s 11 of VAT Act.                                                                                                                                      |               | Nil             |
|                                                                                                                                                                                                                                                                                                                                                                                                            | 10.2 Non-Deductible Input Tax Pre-registration Purchases u/s 13 of VAT Act.                                                                                                                            |               | Nil             |
|                                                                                                                                                                                                                                                                                                                                                                                                            | 10.3 Non-Deductible Input Tax - under special rebating scheme u/s 14 read with Section 11 of VAT Act.                                                                                                  |               | Nil             |
|                                                                                                                                                                                                                                                                                                                                                                                                            | 10.4 Non-Deductible Input Tax - under partial rebating scheme u/s 17 of VAT Act.                                                                                                                       |               | Nil             |
|                                                                                                                                                                                                                                                                                                                                                                                                            | 10.4.1 Non-deductible input tax on return of goods purchased.                                                                                                                                          |               | Nil             |
|                                                                                                                                                                                                                                                                                                                                                                                                            | 10.5 Others, Please Specify                                                                                                                                                                            |               | Nil             |
|                                                                                                                                                                                                                                                                                                                                                                                                            | 10.3 <b>Total Ineligible Input Tax Credit (Total of box No. 10.1 to Box No. 10.5)</b>                                                                                                                  |               | Nil             |
| 11.                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Eligible Input Tax Credit (Box No. 9.18 - Box No. 10.6)</b>                                                                                                                                         |               | <b>4,151.00</b> |
| <p align="center"><b>DECLARATION</b></p> <p>I / We declare that the particulars furnished above are true and complete in all respects.<br/> I / We hereby declare that I am / We are aware that there are penalties for making false declarations or incomplete Returns.</p> <p>Place : Bangalore Signature :<br/> Date : 15-Jul-2009</p> <p align="right">Name and Designation/Seal : Ramesh<br/> CTO</p> |                                                                                                                                                                                                        |               |                 |
| 12.                                                                                                                                                                                                                                                                                                                                                                                                        | <b>ENTRY TAX</b>                                                                                                                                                                                       |               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                            | (Applicable to dealers who are liable to Tax Under the Karnataka Tax on Entry of Goods ACT, 1979)                                                                                                      |               |                 |
| 12.1                                                                                                                                                                                                                                                                                                                                                                                                       | TOTAL PURCHASES :<br>Value of goods liable for Entry Tax both Local, Interstate and Imports including freight and inward expenses : _____<br>LESS: _____                                               |               |                 |
| 12.2                                                                                                                                                                                                                                                                                                                                                                                                       | Purchases within the Local Area, Purchases against Form 40<br>Purchase Returns, Re-exports : _____                                                                                                     |               |                 |
| 12.3                                                                                                                                                                                                                                                                                                                                                                                                       | Others : _____                                                                                                                                                                                         |               |                 |
| 12.4                                                                                                                                                                                                                                                                                                                                                                                                       | TAXABLE TURNOVER : _____                                                                                                                                                                               |               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                            | <b>CALCULATION OF ENTRY TAX PAYABLE</b>                                                                                                                                                                |               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                            | Description of Goods                                                                                                                                                                                   | Taxable Value | Tax Payable     |
| 12.5                                                                                                                                                                                                                                                                                                                                                                                                       | Goods Taxable @ 1%                                                                                                                                                                                     |               |                 |
| 12.6                                                                                                                                                                                                                                                                                                                                                                                                       | Goods Taxable @ 2%                                                                                                                                                                                     |               |                 |
| 12.7                                                                                                                                                                                                                                                                                                                                                                                                       | Goods Taxable @ 5%                                                                                                                                                                                     |               |                 |
| 12.8                                                                                                                                                                                                                                                                                                                                                                                                       | Goods Taxable (Others)                                                                                                                                                                                 |               |                 |
| 12.9                                                                                                                                                                                                                                                                                                                                                                                                       | TOTAL                                                                                                                                                                                                  |               |                 |
| 12.10                                                                                                                                                                                                                                                                                                                                                                                                      | Tax paid Particulars:- Rs. _____ Cash/DD/Challan No. _____ Date _____ Bank _____                                                                                                                       |               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                            | <p>I/We declare that the particulars furnished above are true and complete in all respects.<br/> Place : Bangalore Signature :<br/> Date : 15-Jul-2009 Name and Designation/Seal : Ramesh<br/> CTO</p> |               |                 |
| 13                                                                                                                                                                                                                                                                                                                                                                                                         | <b>SPECIAL ENTRY TAX</b>                                                                                                                                                                               |               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                            | (Applicable to dealers who are liable to Tax Under the Karnataka Special Tax on Entry of certain Goods Act, 2004)                                                                                      |               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                            | TOTAL PURCHASES :<br>Value of goods liable for KSTECG both Interstate and Imports including freight and inward expenses : _____<br>LESS: _____                                                         |               |                 |
| 13.2                                                                                                                                                                                                                                                                                                                                                                                                       | a) Exemption (Please Specify)<br>b) Purchase Returns<br>c) Re-exports<br>d) Others                                                                                                                     |               |                 |
| 13.3                                                                                                                                                                                                                                                                                                                                                                                                       | TAXABLE TURNOVER : _____                                                                                                                                                                               |               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                            | Description of the Notified Goods                                                                                                                                                                      | Taxable Value | Tax Payable     |
| 13.4                                                                                                                                                                                                                                                                                                                                                                                                       | Goods Taxable @ 4%                                                                                                                                                                                     |               |                 |
| 13.5                                                                                                                                                                                                                                                                                                                                                                                                       | Goods Taxable @ 12.5%                                                                                                                                                                                  |               |                 |
| 13.6                                                                                                                                                                                                                                                                                                                                                                                                       | Goods Taxable (others)                                                                                                                                                                                 |               |                 |

|       |                                                                                                                                                                                                                                                                                                |  |  |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| 13.7  | TOTAL                                                                                                                                                                                                                                                                                          |  |  |
| 13.8  | Less: CST Paid as per Section 4(2) of KSTECG Act.                                                                                                                                                                                                                                              |  |  |
| 13.9  | Balance Tax Payable                                                                                                                                                                                                                                                                            |  |  |
| 13.10 | Tax paid Particulars: Rs. _____ Cash/DD/Challan No. _____ Date _____ Bank _____<br>I/We declare that the particulars furnished above are true and complete in all respects.<br>Place : Bangalore _____ Signature : _____<br>Date : 15-Jul-2009 _____ Name and Designation/Seal : Ramesh<br>CTO |  |  |

Figure 8.54 Print Preview of Form VAT 100 (Page 4)

### 8.12.2 eVAT Returns

The term **e-Filing of Returns** refers to the process of electronically filing your tax returns through the Internet. The salient features of e-filing are:

- ❑ Reduces compliance cost for deductors
- ❑ Offers convenience of time & place to tax payers
- ❑ Reduces interface between assessee and tax officials
- ❑ Helps to correlate deduction of taxes against deposit of the deducted tax in the Government A/c
- ❑ Helps to correlate deduction of tax by the deductors with the corresponding credits claimed by the deductees

To export eVAT Annexures,

Go to **Gateway of Tally > Display > Statutory Reports > VAT Reports > E-VAT Annexures > EVAT Purchases**

| Exporting Karnataka EVAT Purchases                                                   |                           |
|--------------------------------------------------------------------------------------|---------------------------|
| Language                                                                             | : Default (All Languages) |
| Format                                                                               | : XML (Data Interchange)  |
| Output File Name                                                                     | : Purchases.xml           |
| From (blank for beginning) : 1-4-2009<br>To (blank for end) : 30-4-2009              |                           |
| <div style="text-align: right;"> <b>Export ?</b><br/>         Yes or No       </div> |                           |

Figure 8.55 eVAT Purchases Exporting screen

The exported file will be saved in the path specified in the output file name. Similarly, you can export other annexures required for e-filing.



### 8.12.3 Other Related Reports

#### Sales Columnar Register

Go to **Gateway of Tally > Display > Account Books > Sales Register**.

The registers display the Monthly Summary with Transactions and Closing Balances. Select a month and press **Enter** to view the Sales Voucher Register which displays a summary of sales transactions for the particular month. Press **F5: Columnar** register to view the columnar details.

The **Voucher Register** appears as shown below:

| Voucher Register           |                                   | Universal Traders         |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            | Ctrl + M      |              |  |
|----------------------------|-----------------------------------|---------------------------|------------|----------|-------------|------------|-----------------|---------------|--------------------|--------------------|-----------------|---------------|--------------------|--------------------|------------|---------------|--------------|--|
| List of All Sales Vouchers |                                   | 1-Jun-2009 to 30-Jun-2009 |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
| Date                       | Particulars                       | Quantity                  | Rate       | Value    | Gross Total | Sales @ 4% | Output VAT @ 4% | Sales @ 12.5% | Output VAT @ 12.5% | Inter -State Sales | Output VAT @ 4% | Sales @ 12.5% | Output VAT @ 12.5% | Inter -State Sales | Output CST | Sales -Exempt | Transfer Out |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
| 8-Jun-2009                 | Chahak Traders                    |                           |            |          | 3,640.00    | 3,500.00   | 140.00          |               |                    |                    | 140.00          |               |                    |                    |            |               |              |  |
| 15-Jun-2009                | Somi Telicomm                     | 13 Nos                    | 426.92/Nos | 5,550.00 | 5,772.00    | 5,550.00   | 222.00          |               |                    |                    | 222.00          |               |                    |                    |            |               |              |  |
| 16-Jun-2009                | Chahak Traders                    | 3 Nos                     | 550.00/Nos | 1,650.00 | 1,716.00    | 1,650.00   | 66.00           |               |                    |                    | 66.00           |               |                    |                    |            |               |              |  |
| 19-Jun-2009                | Somi Telicomm                     | 15 Nos                    | 150.00/Nos | 2,250.00 | 2,467.50    | 2,250.00   | 90.00           | 1,500.00      | 187.50             |                    | 30.00           | 1,500.00      | 187.50             |                    |            |               |              |  |
| 20-Jun-2009                | Chahak Traders                    | 1 Nos                     | 350.00/Nos | 350.00   | 364.00      | 350.00     | 14.00           |               |                    |                    | 14.00           |               |                    |                    |            |               |              |  |
| 26-Jun-2009                | Business Automation               | 25 Nos                    | 350.00/Nos | 8,750.00 | 9,100.00    |            |                 |               |                    | 8,750.00           |                 |               |                    | 8,750.00           | 350.00     |               |              |  |
| 27-Jun-2009                | J.K. Associates                   | 5 Nos                     | 500.00/Nos | 2,500.00 | 2,500.00    |            |                 |               |                    |                    |                 |               |                    |                    |            | 2,500.00      |              |  |
| 30-Jun-2009                | Universal Traders - Mumbai Branch | 10 Nos                    | 150.00/Nos | 1,500.00 | 1,500.00    |            |                 |               |                    |                    |                 |               |                    |                    |            |               | 1,500.00     |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |
|                            |                                   |                           |            |          |             |            |                 |               |                    |                    |                 |               |                    |                    |            |               |              |  |

Figure 8.56 Sales Columnar Register

#### Purchase Columnar Register

Go to **Gateway of Tally > Display > Account Books > Purchase Register**.

The registers display the Monthly Summary with Transactions and Closing Balances.

- ❑ Select a month and press **Enter** to view the **Purchase Voucher Register** which displays a summary of Purchase transactions for the particular month.
- ❑ Press **F5: Columnar** register to view the columnar details.

| Voucher Register              |                                      |          |            |           |              |               |                |                  |                   |                      |           |                 |                                    |                    | Universal Traders         |  | Ctrl + M |  |
|-------------------------------|--------------------------------------|----------|------------|-----------|--------------|---------------|----------------|------------------|-------------------|----------------------|-----------|-----------------|------------------------------------|--------------------|---------------------------|--|----------|--|
| List of All Purchase Vouchers |                                      |          |            |           |              |               |                |                  |                   |                      |           |                 |                                    |                    | 1-Jun-2009 to 30-Jun-2009 |  |          |  |
| Date                          | Particulars                          | Quantity | Rate       | Value     | Gross Total  | Purchase @ 4% | Input VAT @ 4% | Purchase @ 12.5% | Input VAT @ 12.5% | Inter-State Purchase | Input CST | Purchase Exempt | Purchase From Unregistered Dealers | Laser Marking M /c | Transfer In               |  |          |  |
| 1-Jun-2009                    | Sujan Ltd.                           |          |            |           | 21,840.00    | 21,000.00     | 840.00         |                  |                   |                      |           |                 |                                    |                    |                           |  |          |  |
| 3-Jun-2009                    | Sujan Ltd.                           | 10 Nos   | 300.00/Nos | 3,000.00  | 3,120.00     | 3,000.00      | 120.00         |                  |                   |                      |           |                 |                                    |                    |                           |  |          |  |
| 3-Jun-2009                    | Sujan Ltd.                           | 30 Nos   | 300.00/Nos | 9,000.00  | 9,360.00     | 9,000.00      | 360.00         |                  |                   |                      |           |                 |                                    |                    |                           |  |          |  |
| 5-Jun-2009                    | Sujan Ltd.                           | 20 Nos   | 112.50/Nos | 2,250.00  | 2,467.50     | 750.00        | 30.00          | 1,500.00         | 187.50            |                      |           |                 |                                    |                    |                           |  |          |  |
| 24-Jun-2009                   | Saarthak Enterprises                 | 50 Nos   | 200.00/Nos | 10,000.00 | 10,400.00    |               |                |                  |                   | 10,000.00            | 400.00    |                 |                                    |                    |                           |  |          |  |
| 27-Jun-2009                   | Anil Book Depot                      | 33 Nos   | 154.24/Nos | 5,090.00  | 5,090.00     |               |                |                  |                   |                      |           | 5,090.00        |                                    |                    |                           |  |          |  |
| 28-Jun-2009                   | Payal Travels                        | 10 Nos   | 150.00/Nos | 1,500.00  | 1,500.00     |               |                |                  |                   |                      |           |                 | 1,500.00                           |                    |                           |  |          |  |
| 28-Jun-2009                   | Pandit Engineering                   |          |            |           | 15,60,000.00 |               |                |                  |                   |                      |           |                 |                                    | 15,60,000.00       |                           |  |          |  |
| 30-Jun-2009                   | Sujan Ltd.                           | 10 Nos   | 150.00/Nos | 1,500.00  | 1,687.50     |               |                | 1,500.00         | 187.50            |                      |           |                 |                                    |                    |                           |  |          |  |
| 30-Jun-2009                   | Universal Traders - Hyderabad Branch | 5 Nos    | 300.00/Nos | 1,500.00  | 1,500.00     |               |                |                  |                   |                      |           |                 |                                    |                    | 1,500.00                  |  |          |  |
|                               | Grand Total                          | 168 Nos  |            | 33,840.00 | 16,16,965.00 | 33,750.00     | 1,350.00       | 3,000.00         | 375.00            | 10,000.00            | 400.00    | 5,090.00        | 1,500.00                           | 15,60,000.00       | 1,500.00                  |  |          |  |

Figure 8.57 Purchase Columnar Register

### Practice Exercise

Create a new company called **Aman Motors**, an Automobile dealer and also a manufacturer of Automobile Spare parts. Create the following masters and VAT related transactions:

#### i. Party Ledgers

| Ledger            | Under             | Maintain balances bill-by-bill | Inventory values are affected | Used in VAT Returns |
|-------------------|-------------------|--------------------------------|-------------------------------|---------------------|
| Jyoti Automobiles | Sundry Creditors  | Yes                            | No                            | No                  |
| Joy Autos         | Sundry Creditors  | Yes                            | No                            | No                  |
| Susmit & Son's    | Sundry Creditors  | Yes                            | No                            | No                  |
| Impact Automation | Sundry Debtors    | Yes                            | No                            | No                  |
| Purchases @ 4%    | Purchase Accounts | No                             | Yes                           | Yes                 |
| Sales @ 4%        | Sales Accounts    | No                             | Yes                           | Yes                 |

## ii. VAT Ledgers

| Ledger            | Under          | Type of Duty/Tax | VAT/Tax Class     |
|-------------------|----------------|------------------|-------------------|
| Input VAT @ 4%    | Duties & Taxes | VAT              | Input VAT @ 4%    |
| Output VAT @ 4%   | Duties & Taxes | VAT              | Output VAT @ 4%   |
| Input VAT @ 12.5% | Duties & Taxes | VAT              | Input VAT @ 12.5% |

## iii. Stock Items

| Item                    | Under        | Units | Opening Balance | Rate  | Rate of VAT (%) |
|-------------------------|--------------|-------|-----------------|-------|-----------------|
| Honda Bikes             | Two Wheelers | Nos   | 2 nos           | 50000 | 4               |
| Honda Moped             | Two Wheelers | Nos   | 4 nos           | 30000 | 4               |
| Honda Engine Crank      | Two Wheelers | Nos   | 5 nos           | 4000  | 12.5            |
| Vertical Honing machine | Assets       | Nos   | Nil             | Nil   | 4               |

## Enter the following Transactions

| S.No | Date    | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.   | 5-6-09  | Purchased from Jyoti Automobiles Bangalore. Vide bill no. JA-001, Honda Bikes 10 nos at Rs. 65000 each & Honda Moped 20 nos at Rs. 32000 each, VAT @ 4% was charged additionally.                                                                                                                                                                                                                                                                                            |
| 2.   | 7-6-09  | Sold to Impact Automation Bangalore, Honda Bikes 2 nos at Rs. 75000 & Honda Moped 4 nos at Rs. 45000, all items attract 4% VAT.                                                                                                                                                                                                                                                                                                                                              |
| 3.   | 12-6-09 | Jyoti Automobiles returned 1 no. Honda Bike to Aman Motors                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 4.   | 19-6-09 | Purchased Honda moped 15 nos. at Rs. 30000 each from Unregistered dealer Joy Autos vide Bill No. JY-005                                                                                                                                                                                                                                                                                                                                                                      |
| 5.   | 26-6-09 | Aman Motors purchased Vertical Honing Machine at Rs. 1872000 (VAT @ 4%) from Susmit & Son's. Vide bill no. SS-022. On 26-5-09 Tax authorities allowed a tax credit of Rs. 60000 to be set-off in 12 monthly instalments.<br><i>Hint: Enter the above entry in three transactions, first capitalize the full value in purchase voucher then pass a journal entry for the input credit allowed and finally pass a journal entry for claiming the instalment for the month.</i> |

| S.No | Date    | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6.   | 30-6-09 | Local Purchases of 10 nos Honda Engine crank at Rs. 4000 each from Somitel Motors and Input VAT of 12.5% was applicable. Vide bill no. SM-033 These goods were transferred to a branch outside the state i.e to the Raipur Branch. (Remember being a manufacturing company upto 4% of Input VAT is disallowed)<br><i>Hint: Enter the above entry in three transactions, first pass a local purchase voucher then enter a sales invoice for Branch Transfer and finally pass the journal entry for Adjustment of Input credit on Transfers Outward</i> |
| 7.   | 30-6-09 | Pass the VAT Adjustment Entry.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

### 8.13 VAT for Composite Dealers

All dealers with gross annual turnover above the prescribed limit (e.g. Rs. 5 lakh) are required to be registered under the VAT Act of their respective State. All existing dealers are automatically registered under the VAT Act, while a new dealer is allowed thirty days from the date of liability to get registered.

Small dealers with gross annual turnover not exceeding the prescribed limit (e.g. Rs. 5 lakh) are not liable to pay VAT. This limit may vary from State to State.

Dealers with an annual gross turnover not exceeding a prescribed limit (e.g. Rs. 50 lakh) who are otherwise liable to pay VAT, can opt for a Composition Scheme with the payment of tax at a small percentage of gross turnover. Dealers opting for this scheme are not entitled to Input Tax Credit and are required to submit their VAT Returns in a separate format.

#### 8.13.1 Enabling VAT for Composite Dealers

Tally.ERP 9 offers a VAT facility for regular registered dealers as well for dealers registered under the composition scheme of VAT.

Using this unit, you can print VAT Composite Returns for any State that has implemented VAT. Tally.ERP 9 recognises the Composite rate of VAT based on the turnover automatically. The tax payable is calculated and displayed by default in the Return Form.

Consider the example of United Traders, a confectionery retailer. Assume that the turnover in the preceding financial year was below the threshold limit of Rs. 50 lakh and has opted for the composition scheme of VAT.

1. Enter the details in the company creation screen for United Traders as shown below :

| Company Creation                     |                                                              | Ctrl + M                                                                        |                           |
|--------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------|
| Directory                            | : C:\Tally.ERP9\Data                                         |                                                                                 |                           |
| Name                                 | : United Traders                                             |                                                                                 |                           |
| <b>Mailing &amp; Contact Details</b> |                                                              |                                                                                 |                           |
| Mailing Name                         | : United Traders                                             | Currency Symbol                                                                 | : Rs.                     |
| Address                              | : #56 East End Main Road<br>Jayanagar 9th Block<br>Bangalore | Maintain                                                                        | : Accounts with Inventory |
|                                      |                                                              | Financial Year from                                                             | : 1-4-2009                |
|                                      |                                                              | Books beginning from                                                            | : 1-4-2009                |
| <b>Company Details</b>               |                                                              |                                                                                 |                           |
| Statutory compliance for State       | : India<br>Karnataka                                         | TallyVault Password (if any)                                                    | :                         |
| PIN Code                             | : 560069                                                     | Repeat Password                                                                 | :                         |
| Telephone No.                        | : 080 - 64589658                                             | (WARNING: forgetting your TallyVault password will render your data unusable!!) |                           |
| Mobile No.                           | : 9905865986                                                 | Use Security Control                                                            | : ? No                    |
| E-Mail                               | : sales@united.com                                           | (Enable Security to avail Tally.NET Features)                                   |                           |
| <b>Security Control</b>              |                                                              |                                                                                 |                           |
| <b>Base Currency Information</b>     |                                                              |                                                                                 |                           |
| Base Currency Symbol                 | : Rs.                                                        | Show Amounts in Millions                                                        | : ? No                    |
| Formal Name                          | : Indian Rupees                                              | Put a SPACE between Amount and Symbol                                           | : 2 Yes                   |
| Number of Decimal Places             | : 2                                                          | Decimal Places for Printing Amounts in W                                        | :                         |
| Is Symbol SUFFIXED to Amounts ?      | : No                                                         | Accept ?                                                                        |                           |
| Symbol for Decimal Portion           | : paise                                                      | Yes or No                                                                       |                           |

Figure 8.58 Company Creation — United Traders

2. Press **Y** or **Enter** to accept the company creation screen.
3. Press **F11: Features (Statutory & Taxation Features)** and enter the following settings:
  - ❑ Set **Enable Value Added Tax (VAT)** to **Yes**.
  - ❑ Set **Enable Set /Alter VAT Details** to **Yes** and press **Enter**.
  - ❑ In the VAT details screen that is displayed, select the relevant State (the State by default is selected as Karnataka, as it is defined during company creation. The same can be also configured) and press **Enter**.
  - ❑ Select the **Type of VAT Dealer** as **Composition** from the list.
  - ❑ In the **Composition Scheme Applicable From** field, specify the date of registration as 1-4-2009 under the composition scheme of VAT.
  - ❑ Enter the **Additional Information**
  - ❑ Press **Enter** to accept the screen and return to the Company Operations Alteration screen.
  - ❑ Tab down and specify the Tax Payer's Identification No. in the **VAT TIN (Composition)** field. Tally.ERP 9 automatically skips VAT TIN (Regular) and Local Sales Tax Number field.
  - ❑ Specify the Inter-state Sales Tax Number and the PAN / Income - Tax No. details of the company.

The completed **F11: Features (Statutory & Taxation Features)** screen appears as shown below:

| Company: <b>United Traders</b>                                                                       |               |                                      |                  |
|------------------------------------------------------------------------------------------------------|---------------|--------------------------------------|------------------|
| <b>Statutory &amp; Taxation</b>                                                                      |               |                                      |                  |
| Enable Excise                                                                                        | ? No          | Enable Tax Deducted at Source (TDS)  | ? No             |
| Set/Alter Excise Details<br>(Note : 'Enable Maintain Multiple Godowns'<br>for Multiple Excise Units) | ? No          | Set/Alter TDS Details                | ? No             |
| Follow Excise rules for Invoicing                                                                    | ? No          | Enable Tax Collected at Source (TCS) | ? No             |
| Enable Value Added Tax (VAT)                                                                         | ? Yes         | Set/Alter TCS Details                | ? No             |
| Set/Alter VAT Details                                                                                | ? Yes         | Enable Fringe Benefit Tax (FBT)      | ? No             |
| Enable Service Tax                                                                                   | ? No          | Set/Alter FBT Details                | ? No             |
| Set/Alter Service Tax Details                                                                        | ? No          |                                      |                  |
| <b>Tax Information</b>                                                                               |               |                                      |                  |
| VAT TIN (Composition)                                                                                | : 11203256749 |                                      |                  |
| VAT TIN (Regular)                                                                                    | :             |                                      |                  |
| Local Sales Tax Number                                                                               | :             |                                      |                  |
| Inter-state Sales Tax Number                                                                         | : 065617132   |                                      |                  |
| PAN / Income - Tax No.                                                                               | : BLR154MU69  |                                      |                  |
|                                                                                                      |               |                                      | <b>Accept ?</b>  |
| <b>F1:</b> Accounts <b>F2:</b> Inventory <b>F3:</b> Statutory <b>F5:</b> Audit                       |               |                                      | <b>Yes or No</b> |

Figure 8.59 F11: Features

- Press **Y** or **Enter** to accept the screen.



*If the turnover exceeds the threshold limit of **Rs. 5 lakh** in the current financial year, in that case the dealer is automatically registered as a regular VAT dealer.*

*In such cases, specify the date of application in the **Regular VAT Applicable From** field and the new **TIN number** in the **VAT TIN (Regular)** field.*

### 8.13.2 Composite VAT Classifications

The statutory masters for both Composite and regular VAT dealers get automatically loaded into Tally.ERP 9 when a company is enabled for VAT. VAT Classifications are pre-defined, based on the tax rate. They are categorised on the basis of nature of the business and the type of transaction and are built into the system.

The Tally.ERP 9 system-generated VAT Classifications for the Composite VAT enabled company, United Traders situated in Karnataka, are listed below. The Sales and Purchase transactions are segregated based on the classification selected during ledger creation or voucher entry. The proper selection of VAT class in transactions is vital to accurately ascertain the tax and classification-wise turnover.

Go to **Gateway of Tally > Display > Statutory Info. > VAT Classifications.**

### Classification for Purchases

| Name                                             | Rate | Is Sales | Type of Tax | Used in Composite Returns |
|--------------------------------------------------|------|----------|-------------|---------------------------|
| Purchase from URDs - Taxable Goods (Composition) | 0%   | No       | Exempt      | Yes                       |

The **Purchase from URDs - Taxable Goods (Composition)** screen appears as shown below:

| VAT Classification Display |                                                  | Unit |
|----------------------------|--------------------------------------------------|------|
| Name                       | Purchase From URDs - Taxable Goods (Composition) |      |
| Rate                       | : 0 %                                            |      |
| Is Sales                   | : No                                             |      |
| Type of Tax                | : Exempt                                         |      |
| Sub Type                   | : Not Applicable                                 |      |
| Used in Composite Return   | : Yes                                            |      |

Figure 8.60 VAT Classification Display

### Classification for Sales

Some of the classifications of sales are shown below:

| Name                                                | Rate  | Is Sales | Type of Tax | Used in Composite Return |
|-----------------------------------------------------|-------|----------|-------------|--------------------------|
| Sales - Composition tax @ 1%                        | 1%    | Yes      | VAT         | Yes                      |
| Sales - Imported Goods (Composition) @ 12.5%        | 12.5% | Yes      | VAT         | Yes                      |
| Sales - Purc from other State (Composition) @ 12.5% | 12.5% | Yes      | VAT         | Yes                      |
| Sales - Traded Goods (Composition) @ 4%             | 4%    | Yes      | VAT         | Yes                      |
| Sub Work Contract                                   | 0%    | Yes      | Exempt      | Yes                      |
| Works Contract - Composition Tax @ 4%               | 4%    | Yes      | VAT         | Yes                      |

The **Sales - Composition Tax @ 1%** screen appears as shown below :

| VAT Classification Display |                                | United |
|----------------------------|--------------------------------|--------|
| Name                       | : Sales - Composition Tax @ 1% |        |
| Rate                       | : 1 %                          |        |
| Is Sales                   | : Yes                          |        |
| Type of Tax                | : VAT                          |        |
| Sub Type                   | : Not Applicable               |        |
| Used in Composite Return   | : Yes                          |        |

Figure 8.61 VAT Classification Display



*Only when Composition VAT is enabled in the F11: Features (Statutory & Taxation Features) and **Used in Composite Return** is set to **Yes** in the VAT Classifications, can the classifications be assigned to the ledgers.*

### 8.13.3 Creating Masters

#### i. Purchases Ledger

| Ledger    | Under              | Inventory Values are affected | Used in VAT Returns | VAT/Tax Class  |
|-----------|--------------------|-------------------------------|---------------------|----------------|
| Purchases | Purchases Accounts | Yes                           | Yes                 | Not Applicable |

- On setting **Used in VAT Returns** to **Yes**, only VAT Classifications pertaining to the composition scheme is displayed in the VAT/Tax Class list.



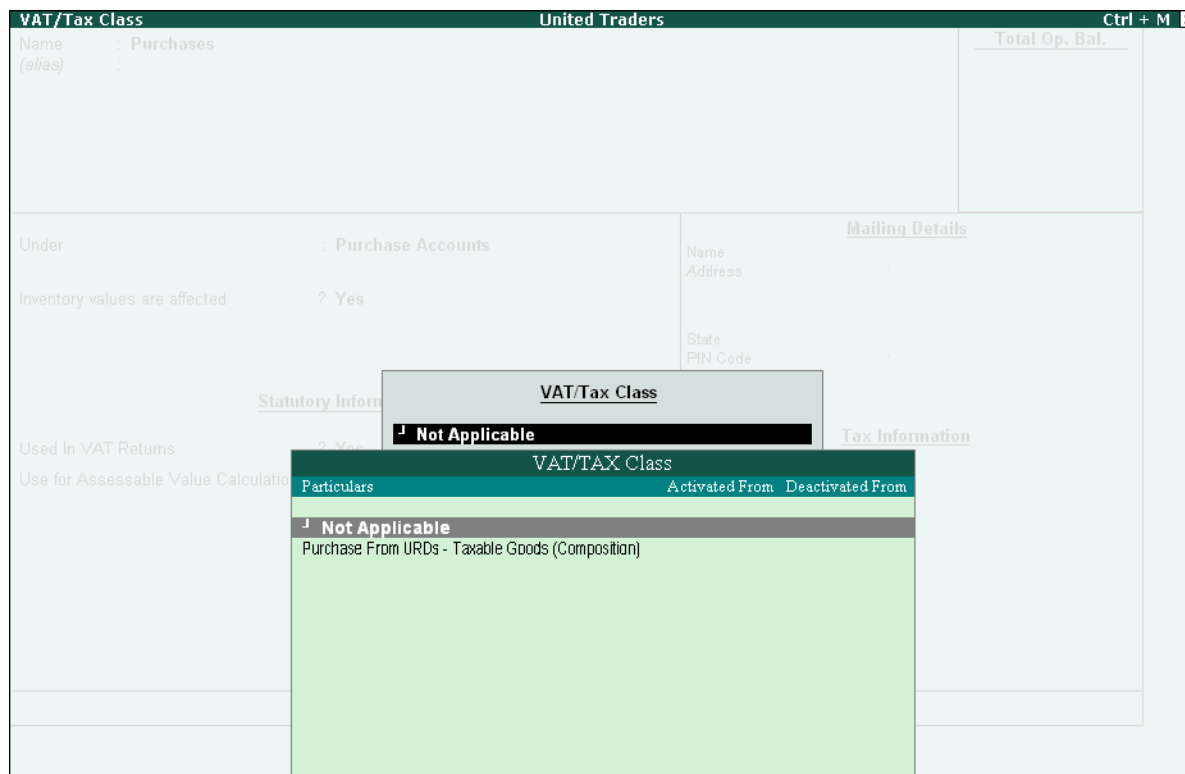


Figure 8.62 VAT/Tax Class

- Press **Enter** to accept the VAT/Tax class and then press **Ctrl+A** to accept the Purchase ledger.



*In case of purchases from unregistered dealers, select the **VAT Classification** as **Purchase from URDs – Taxable Goods (composition)**. Tally.ERP 9 also allows you to select the VAT classification during a voucher entry.*

## ii. Sales Ledger

Create the Sales Ledger with the details given below:

| Ledger | Under          | Inventory values are Affected | Used in VAT Returns | VAT/Tax Class                |
|--------|----------------|-------------------------------|---------------------|------------------------------|
| Sales  | Sales Accounts | Yes                           | Yes                 | Sales - Composition Tax @ 1% |

## iii. VAT Ledgers

For Composite dealers, the VAT charged on purchases is generally grouped under direct Expenses or Purchases as they are not allowed Input Credit on their purchases. Hence, it is appropriated to the purchases cost. Ultimately, a Composite Tax on Sales ledger has to be created under the Indirect Expenses group for the composite tax payable on the total sales turnover.

#### iv. Expense ledger

| Ledger                        | Under             | Inventory values are Affected |
|-------------------------------|-------------------|-------------------------------|
| Composite Tax on Sales Ledger | Indirect Expenses | No                            |

#### v. Stock Item

| Name of Item             | Under   | Units |
|--------------------------|---------|-------|
| Cadburys Hazelnut - 150g | Primary | Nos   |

#### vi. Party Ledgers

| Ledger                 | Under            | Maintain balances bill-by-bill |
|------------------------|------------------|--------------------------------|
| Galaxy Confectioneries | Sundry Creditors | Yes                            |
| Mars Bakery Products   | Sundry Debtors   | Yes                            |

### 8.13.4 Creating Purchases

As per VAT rules, a dealer opting for composition of tax is not allowed to claim input tax on purchases made. Hence, as discussed earlier, the tax paid on purchases is added to the purchase cost and the VAT charge is not separately shown in the Invoice.

The following illustration explains the purchase and Sales transactions of a VAT Composite dealer.

***On 5-4-2009, United Traders purchased the following items from Galaxy Confectioneries vide B.No. 586.***

| Item Description         | Quantity | Rate |
|--------------------------|----------|------|
| Cadburys Hazelnut - 150g | 100 Nos  | 35   |

The rates are inclusive of 4% VAT.

**Enter the details of the transaction in a Purchase Invoice.**

**Setup :**

- In **F12: Configuration**, set **Use common ledger A/c for Item Allocation** to **Yes**.

**Create Purchase Invoice**

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchase**

1. **Date: 5-4-09.**
2. **Party's A/c Name: Galaxy Confectioneries**
3. Press **Enter** to accept the **Supplier Details** screen.
4. **Purchase Ledger: Purchases**
5. **VAT/Tax Class: Not Applicable**
6. **Name of Item: Cadburys Hazelnut - 150g**
7. Specify the **Quantity** as **100** and **Rate** as **35**.
8. In the **Bill-wise Details for: Galaxy Confectioneries** screen:
  - Select **New Ref** as the **Type of Ref** and **Name** as **586**
  - Accept the bill-wise details screen.
9. Type the details of the transaction in the **Narration** field.
10. Press **Enter** to accept the Purchase invoice.

**8.13.5 Creating Sales**

*On 7-4-2009, United Traders sold the following items to Mars Bakery Products, Bangalore.*

| Item Description         | Quantity | Rate |
|--------------------------|----------|------|
| Cadburys Hazelnut - 150g | 45 Nos   | 40   |

**Enter the details of the transaction in a Sales Invoice.**

1. **Date: 7-4-09**
2. **Party's A/c Name: Mars Bakery Products** and press **Enter** to accept the **Despatch Details** screen.
3. **Sales Ledger: Sales** and press **Enter**.
4. **VAT/Tax Class: Sales - Composition Tax @ 1%.**
5. **Name of Item: Cadburys Hazelnut - 150g** and press **Enter**.
6. Specify the **Quantity** as **45** and **Rate** as **40**.
7. In the **Bill-wise Details** screen accept the default bill allocations.

| Accounting Voucher Creation                 |          | United Traders |          | Ctrl + M              |
|---------------------------------------------|----------|----------------|----------|-----------------------|
| <b>Sales</b> No. 1                          |          |                |          | 7-Apr-2009<br>Tuesday |
| Ref. :                                      |          |                |          |                       |
| Party's A/c Name : Mars Bakery Products     |          |                |          |                       |
| Current Balance :                           |          |                |          |                       |
| Sales Ledger : Sales                        |          |                |          |                       |
| VAT/Tax Class: Sales - Composition Tax @ 1% |          |                |          |                       |
| Name of Item                                | Quantity | Rate per       | Amount   |                       |
| Cadburys Hazelnut - 150g                    | 45 nos   | 40.00 nos      | 1,800.00 |                       |
| J End of List                               |          |                |          |                       |
| Show Statutory Details ? No                 |          |                |          |                       |
| Narration:                                  |          | 45 nos         |          | 1,800.00              |

Figure 8.63 Sales Invoice

8. Type the narration and press **Y** or **Enter** to accept the screen.

### 8.13.6 Purchases from Unregistered Dealers

The transaction is treated as exempt from VAT when a VAT composite dealer purchases from an unregistered dealer. The VAT composite dealer has to report this in the VAT return form under Karnataka VAT rules.

Consider the following transaction:

**On 8-4-2009, United Traders purchased the following items from M/s. Arvind Food Products, an unregistered dealer vide B.No. 422.**

| Item Description            | Quantity | Rate |
|-----------------------------|----------|------|
| Cadburys Fruit & Nut - 200g | 100 Nos  | 19   |

**Setup :**

Create the following masters :

**i. Stock Item**

| Item Description            | Group   | Units |
|-----------------------------|---------|-------|
| Cadburys Fruit & Nut - 200g | Primary | Nos   |

**ii. Party Ledger**

| Ledger               | Under            | Maintain Balances<br>bill-by-bill |
|----------------------|------------------|-----------------------------------|
| Arvind Food Products | Sundry creditors | Yes                               |

**Step 1 : Enter the details of the transaction in Purchase Invoice.**

- In **F12: Configure**, set **Allow selection of VAT/Tax class during entry** to **Yes**.

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchase**

The completed **Purchase Invoice** appears as shown below :

| Accounting Voucher Creation                                                                                                                                    |          | United Traders |          | Ctrl + M   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------|----------|------------|
| <b>Purchase</b>                                                                                                                                                | No. 2    |                |          | 8-Apr-2009 |
| Supplier Invoice No. :                                                                                                                                         | Date :   |                |          | Wednesday  |
| Party's A/c Name : Arvind Food Products<br>Current Balance :<br>Purchase Ledger : Purchases<br>VAT/Tax Class: Purchase From UKDs - Taxable Goods (Composition) |          |                |          |            |
| Name of Item                                                                                                                                                   | Quantity | Rate per       | Amount   |            |
| Cadburys Fruit & Nut - 200g                                                                                                                                    | 100 nos  | 19.00 nos      | 1,900.00 |            |
| J End of List                                                                                                                                                  |          |                |          |            |
| Show Statutory Details ? No<br>Narration:                                                                                                                      |          |                |          |            |
|                                                                                                                                                                |          | 100 nos        | 1,900.00 |            |

Figure 8.64 Purchase Invoice

- Type narration and press **Y** or **Enter** to accept the screen.



In the **bill-wise allocation** screen select **New Ref** as the type of reference and type the name as **422**.

## Step 2 : Enter the details of the transaction in a Sales Invoice

On 10-4-2009, United Traders sold the following items to Mars Bakery Products, Bangalore.

| Item Description            | Quantity | Rate |
|-----------------------------|----------|------|
| Cadburys Fruit & Nut - 200g | 65 Nos   | 24   |

- In **F12: Configuration**, set **Allow selection of VAT / Tax class during entry** to **Yes**.

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

The completed **Sales Invoice** appears as shown below:

| Accounting Voucher Creation                 |          | United Traders        |          | Ctrl + M |
|---------------------------------------------|----------|-----------------------|----------|----------|
| <b>Sales</b>                                | No. 2    | 10-Apr-2009<br>Friday |          |          |
| Ref. :                                      |          |                       |          |          |
| Party's A/c Name : Mars Bakery Products     |          |                       |          |          |
| Current Balance : 3,360.00 Dr               |          |                       |          |          |
| Sales Ledger : Sales                        |          |                       |          |          |
| VAT/Tax Class: Sales - Composition Tax @ 4% |          |                       |          |          |
| Name of Item                                | Quantity | Rate per              | Amount   |          |
| Cadburys Fruit & Nut - 200g                 | 65 nos   | 24.00 nos             | 1,560.00 |          |
| J End of List                               |          |                       |          |          |
| Show Statutory Details ? No                 |          |                       |          |          |
| Narration:                                  |          | 65 nos 1,560.00       |          |          |

Figure 8.65 Sales Invoice

- Type the details of the transaction in the **Narration** field and accept the screen.



*In the **bill-wise allocation** screen select **New Ref** as the type of reference and type the Name as **423**.*

### 8.13.7 VAT Reports

Tally.ERP 9 helps the assessee to generate and print VAT Computation Reports and State-specific VAT Composition forms, as prescribed under VAT rules.

#### VAT Composition Computation Report

The VAT Computation Report provides the aggregate of taxable and exempt turnover of the dealer and computes composite tax at the prescribed rate.

Go to **Gateway of Tally > Display > Statutory Reports > VAT Composition Reports > VAT Composition Computation**.

- Press **F12: Configure** and Set **Show Purchase VAT Classifications** to **Yes** to view purchases from unregistered dealers.

The **VAT Composition Computation Report** of **M/s. United Traders** for April 2009, appears as shown below :

| VAT Composition Computation                      |  | United Traders                              |          |               | Ctrl + M     |
|--------------------------------------------------|--|---------------------------------------------|----------|---------------|--------------|
| Particulars                                      |  | United Traders<br>1-Apr-2009 to 30-Apr-2009 |          |               |              |
|                                                  |  | Assessable<br>Value                         | Rate (%) | Tax<br>Amount |              |
| <b>Sales</b>                                     |  |                                             |          |               |              |
| Sales - Composition Tax @ 1%                     |  | 1,800.00                                    | 1 %      | 18.00         |              |
| Sales - Composition Tax @ 4%                     |  | 1,560.00                                    | 4 %      | 62.40         |              |
| <b>Total</b>                                     |  | <b>3,360.00</b>                             |          | <b>80.40</b>  |              |
| <b>Purchases</b>                                 |  |                                             |          |               |              |
| Purchase From URDs - Taxable Goods (Composition) |  | 1,900.00                                    |          |               |              |
| <b>Total</b>                                     |  | <b>1,900.00</b>                             |          |               |              |
| <b>VAT Payable</b>                               |  |                                             |          |               | <b>80.40</b> |

Figure 8.66 VAT Composition Computation

You will find that the computation report shows the Sales turnover taxable at various rates under composition scheme of VAT. In this case, the total sales turnover taxable @ composition 1% and 4% amounts to Rs. 1800 and Rs. 1560 respectively. The composite tax at 1% & 4% is automatically computed on the respective turnover and reported in the tax amount column (i.e. Rs. 18 and Rs. 62.40 respectively). The computation report also displays other items which are non-taxable under the composition scheme i.e purchases made from unregistered dealers during the given period.

The report provides a drill down facility for each item right down to the voucher level. The **VAT Classification Vouchers** for **Sales Composition tax @ 1%** appears as shown below:

| VAT Classification Vouchers                       |                      | United Traders            |              |                |                        | Ctrl + M         |
|---------------------------------------------------|----------------------|---------------------------|--------------|----------------|------------------------|------------------|
| VAT Classification : Sales - Composition Tax @ 1% |                      | 1-Apr-2009 to 30-Apr-2009 |              |                |                        |                  |
| Voucher Date                                      | Particulars          | VAT TIN                   | Voucher Type | Voucher Number | Supplier Inv/ Ref. No. | Assessable Value |
| 7-4-2009                                          | Mars Bakery Products |                           | Sales        | 1              |                        | 1,800.00         |
|                                                   |                      |                           |              |                |                        |                  |

Figure 8.67 VAT Classification Vouchers



- To print the computation report, press **Alt+P**. You can further drill down to the voucher level in the alteration mode by pressing **Enter** on the required voucher listing.

### VAT Composition Returns

In Tally.ERP 9, you can generate and print State-specific monthly, quarterly or annual VAT Composite Returns. In Karnataka, Form VAT 120 is the statutory form used for filing monthly returns by a registered Composite dealer. For VAT Composition Forms in Tally.ERP 9, Go to **Gateway of Tally > Display > Statutory Reports > VAT Composition Reports > VAT Composition Return**.

In the **VAT Composition Return print configuration** screen:

- Type the period of the return as **1-4-09 to 30-4-09**.
- Enter the name of the **person** responsible for filing the return.
- Specify the **Status/ Designation** of the person.
- Specify the name of the **place**.
- Enter the **date of filing** of the return.

|                               |                                      |                   |                                         |
|-------------------------------|--------------------------------------|-------------------|-----------------------------------------|
| <b>Printer</b>                | : HP LaserJet 2300L PCL6 R&D (Net02) | <b>Paper Type</b> | : Letter                                |
| <b>No. of Copies</b>          | : 1                                  |                   |                                         |
| <b>Print Language</b>         | : English                            |                   | (Printing Dimensions)                   |
| <b>Method</b>                 | : Neat Mode                          | <b>Paper Size</b> | : (8.50" x 10.98") or (216 mm x 279 mm) |
| <b>Page Range</b>             | : All                                | <b>Print Area</b> | : (8.19" x 10.71") or (208 mm x 272 mm) |
| <b>Report Titles</b>          |                                      |                   |                                         |
| <b>VAT Composition Return</b> |                                      |                   |                                         |
| (with Print Preview)          |                                      |                   |                                         |
| From (blank for beginning)    | : 1-4-2009                           |                   |                                         |
| To (blank for end)            | : 30-4-2009                          |                   |                                         |
| Remove Retail Invoices        | ? No                                 |                   |                                         |
| Name                          | : Suresh                             |                   |                                         |
| Status/Designation            | : CTO                                |                   |                                         |
| Place                         | : Bangalore                          |                   |                                         |
| Date                          | : 30-4-2009                          |                   |                                         |
|                               |                                      |                   | <b>Print ?</b>                          |
|                               |                                      |                   | Yes or No                               |

Figure 8.68 Print Configuration

- Press **Enter** to accept and print monthly returns.

The **Composition Monthly Return Form VAT 120** of M/s. United Traders for April 2009 appears as shown below:

| <b>FORM VAT 120</b><br>[See Rule 138(4), 139(4) & 140(4)]<br><b>COMPOSITION TAX RETURN UNDER THE VAT ACT, 2003</b><br>(Please fill-up Box No 2/3/4 whichever is applicable) |                                                                                                                                                                                                                                                                                                                   |                                                     |                                                               |                                                                    |                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------|
| <b>1) General Information</b>                                                                                                                                               |                                                                                                                                                                                                                                                                                                                   |                                                     |                                                               |                                                                    |                             |
| 1.1) Name: <b>United Traders</b>                                                                                                                                            |                                                                                                                                                                                                                                                                                                                   | 1.3) TIN : <b>11203256749</b>                       |                                                               |                                                                    |                             |
| 1.2) Address: <b>#56 East End Main Road, Jayanagar 9th Block, Bangalore</b>                                                                                                 |                                                                                                                                                                                                                                                                                                                   | 1.4) Year : <b>1-Apr-2009 to 30-Apr-2009</b>        |                                                               |                                                                    |                             |
|                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                   | 1.5) Type of Return : <b>Original/Revised/Final</b> |                                                               |                                                                    |                             |
|                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                   | 1.6) L.V.D/V.S.O : <b>350</b>                       |                                                               |                                                                    |                             |
| <b>2) For Trader, Manufacturer, Processor, Hoteliers, Restaurateurs, Caterers, SweetMeat Stall, Ice Cream Parlours and Bakery</b>                                           |                                                                                                                                                                                                                                                                                                                   |                                                     |                                                               |                                                                    |                             |
| <b>Particulars</b>                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                   |                                                     |                                                               | <b>Amount in (Rs.)</b>                                             |                             |
| 2.1) Total Turnover/Total consideration in the period                                                                                                                       |                                                                                                                                                                                                                                                                                                                   |                                                     |                                                               | 5,260.00                                                           |                             |
| 2.2) URD Purchase liable to tax u/s 3(2)                                                                                                                                    |                                                                                                                                                                                                                                                                                                                   |                                                     |                                                               | 1,900.00                                                           |                             |
| 2.3) Balance Turnover liable for Composition Tax (Box no.2.1 - Box no.2.2)                                                                                                  |                                                                                                                                                                                                                                                                                                                   |                                                     |                                                               | 3,360.00                                                           |                             |
| <b>SL.No.</b>                                                                                                                                                               | <b>Classification</b>                                                                                                                                                                                                                                                                                             | <b>Rate</b>                                         | <b>Amount(Rs.)</b>                                            | <b>Tax (Rs.)</b>                                                   |                             |
| 2.4)                                                                                                                                                                        | Composition rate of tax at 1%                                                                                                                                                                                                                                                                                     | 1%                                                  | 1,800.00                                                      | 18.00                                                              |                             |
| 2.5)                                                                                                                                                                        | Composition rate of tax at 4%                                                                                                                                                                                                                                                                                     | 4%                                                  | 1,560.00                                                      | 62.40                                                              |                             |
| 2.6)                                                                                                                                                                        | URD purchases liable to tax at 4%                                                                                                                                                                                                                                                                                 | 4%                                                  | Nil                                                           | Nil                                                                |                             |
| 2.7)                                                                                                                                                                        | URD purchases liable to tax at 12.5%                                                                                                                                                                                                                                                                              | 12.5%                                               | Nil                                                           | Nil                                                                |                             |
| 2.8)                                                                                                                                                                        | URD purchases liable to tax at other rates                                                                                                                                                                                                                                                                        |                                                     |                                                               |                                                                    |                             |
| 2.9)                                                                                                                                                                        | Total Tax Due (Total of Box No.2.4 to Box No.2.8)                                                                                                                                                                                                                                                                 |                                                     |                                                               | 80.40                                                              |                             |
| 2.9.1)                                                                                                                                                                      | Tax deducted at source (Certificate enclosed)                                                                                                                                                                                                                                                                     |                                                     |                                                               | Nil                                                                |                             |
| 2.9.2)                                                                                                                                                                      | Balance Tax payable (2.9-2.9.1)                                                                                                                                                                                                                                                                                   |                                                     |                                                               | 80.40                                                              |                             |
| 2.10)                                                                                                                                                                       | Tax Paid                                                                                                                                                                                                                                                                                                          |                                                     |                                                               | Nil                                                                |                             |
| 2.11)                                                                                                                                                                       | Tax Paid Particulars: Ch./DD/Challan No. _____ Date: _____ Bank: _____<br>I/We hereby declare that the particulars furnished above are true and complete in all respects<br>Place: <b>Bangalore</b> Signature: _____<br>Date: <b>30-Apr-2009</b> Name and designation/Seal : <b>Suresh</b><br>Status : <b>CTO</b> |                                                     |                                                               |                                                                    |                             |
| <b>3) For a dealer having mechanised stone crushing unit</b>                                                                                                                |                                                                                                                                                                                                                                                                                                                   |                                                     |                                                               |                                                                    |                             |
|                                                                                                                                                                             | Size of<br>Crushing<br>Machine                                                                                                                                                                                                                                                                                    | Number of<br>Crushing<br>Machine                    | Tax Per Machinery (in case of<br>Granite Metal Crushing Unit) | Tax Per Machinery (in case of non<br>-granite Metal Crushing unit) | Total Tax<br>Liability (Rs) |
| 3.1)                                                                                                                                                                        | 39' X 9'                                                                                                                                                                                                                                                                                                          |                                                     | 16,500.00                                                     | 10,000.00                                                          |                             |
| 3.2)                                                                                                                                                                        | 16' X 9'                                                                                                                                                                                                                                                                                                          |                                                     | 8,250.00                                                      | 5,000.00                                                           |                             |
| 3.3)                                                                                                                                                                        | 12' X 9'                                                                                                                                                                                                                                                                                                          |                                                     | 4,000.00                                                      | 3,000.00                                                           |                             |
| 3.4)                                                                                                                                                                        | <b>Total Tax Due</b>                                                                                                                                                                                                                                                                                              |                                                     |                                                               |                                                                    |                             |
| 3.5)                                                                                                                                                                        | <b>Tax Paid</b>                                                                                                                                                                                                                                                                                                   |                                                     |                                                               |                                                                    |                             |
| 3.6)                                                                                                                                                                        | Tax Paid Particulars: Ch./DD/Challan No. _____ Date: _____ Bank: _____                                                                                                                                                                                                                                            |                                                     |                                                               |                                                                    |                             |
| I/We hereby declare that the particulars furnished above are true and complete in all respects                                                                              |                                                                                                                                                                                                                                                                                                                   |                                                     |                                                               |                                                                    |                             |
| Signature: _____ Name: <b>Suresh</b> Status: <b>CTO</b> Date: <b>30-Apr-2009</b>                                                                                            |                                                                                                                                                                                                                                                                                                                   |                                                     |                                                               |                                                                    |                             |

Figure 8.69 Form VAT 120 (Page 1)

| 4) For Works Contractors who purchases/obtains goods locally as well as from outside the State/Country                     |                                                             |       |                 |           |
|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-------|-----------------|-----------|
| Particulars                                                                                                                |                                                             |       | Amount in (Rs.) |           |
| 4.1) Total Consideration pertaining to works contract including the turnover of traded goods                               |                                                             |       | Nil             |           |
| Less: 4.2) Sub Contractor's turnover                                                                                       |                                                             |       | Nil             |           |
| 4.3) Value of Goods Purchased/Obtained from outside the state /country and transferred in the execution of works contract. |                                                             |       | Nil             |           |
| 4.4) Turnover of Traded goods                                                                                              |                                                             |       | Nil             |           |
| 4.5) Balance turnover of works contract                                                                                    |                                                             |       | Nil             |           |
| SL.No.                                                                                                                     | Classification                                              | Rate  | Amount(Rs.)     | Tax (Rs.) |
| 4.6)                                                                                                                       | Turnover liable for works contract                          | 4%    | Nil             | Nil       |
| 4.7)                                                                                                                       | Turnover of Traded goods                                    | 4%    | Nil             | Nil       |
| 4.8)                                                                                                                       | Turnover of Traded goods                                    | 12.5% | Nil             | Nil       |
| 4.9)                                                                                                                       | Value of goods purchased/Obtained outside the State/Country | 4%    | Nil             | Nil       |
| 4.10)                                                                                                                      | Value of goods purchased/Obtained outside the State/Country | 12.5% | Nil             | Nil       |
| 4.11)                                                                                                                      | Total                                                       |       | Nil             | Nil       |
| 5) Details of Tax Payment                                                                                                  |                                                             |       |                 |           |
| 5.1) Tax Payable                                                                                                           |                                                             |       | Nil             |           |
| 5.2) TDS (Certificate enclosed)                                                                                            |                                                             |       | Nil             |           |
| 5.3) Balance (Box 5.1- 5.2)                                                                                                |                                                             |       | Nil             |           |
| 5.3.1) Refund/Credit carried forward *(strike out whichever is not applicable).                                            |                                                             |       | Nil             |           |
| 5.4) Tax Paid                                                                                                              |                                                             |       | Nil             |           |
| 5.5) Tax Paid Particulars: Ch./DD/Challan No: _____ Date: _____ Bank _____                                                 |                                                             |       |                 |           |
| I/We hereby declare that the particulars furnished above are true and complete in all respects                             |                                                             |       |                 |           |
| Signature: _____ Name: <b>Suresh</b> Status: <b>CTO</b> Date: <b>30-Apr-2009</b>                                           |                                                             |       |                 |           |

Figure 8.70 Form VAT 120 (Page 2)

|      |                                                                                                                   |                                               |                    |
|------|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|--------------------|
| 6    | <b>Entry Tax</b>                                                                                                  |                                               |                    |
|      | (Applicable to dealers who are liable to tax under the Karnataka Tax on Entry of Goods Act, 1979)                 |                                               |                    |
| 6.1  | <b>TOTAL PURCHASES :</b>                                                                                          |                                               |                    |
|      | Value of goods liable for entry tax both Local, Interstate and Imports including freight and inward Expenses      | :                                             | _____              |
|      | <b>LESS:</b>                                                                                                      | :                                             | _____              |
| 6.2  | Purchases within the Local Area, Purchases against Form-40                                                        | :                                             | _____              |
|      | Purchase Returns, Re-exports                                                                                      | :                                             | _____              |
| 6.3  | Others                                                                                                            | :                                             | _____              |
| 6.4  | <b>TAXABLE TURNOVER</b>                                                                                           | :                                             | _____              |
|      | <b>CALCULATION OF Entry Tax PAYABLE</b>                                                                           |                                               |                    |
|      | <b>Description Of Goods</b>                                                                                       | <b>Taxable Value</b>                          | <b>Tax Payable</b> |
| 6.5  | Goods Taxable @ 1%                                                                                                |                                               |                    |
| 6.6  | Goods Taxable @ 2%                                                                                                |                                               |                    |
| 6.7  | Goods Taxable @ 5%                                                                                                |                                               |                    |
| 6.8  | Goods Taxable (Others)                                                                                            |                                               |                    |
| 6.9  | <b>TOTAL</b>                                                                                                      |                                               |                    |
| 6.10 | Tax paid Particulars:- Rs. _____ Cash/DD/Challan No: _____ Date _____ Bank _____                                  |                                               |                    |
|      | I/We declare that the particulars furnished above are true and complete in all respects.                          |                                               |                    |
|      | Place: <b>Bangalore</b>                                                                                           | Signature :                                   |                    |
|      | Date: <b>30-Apr-2009</b>                                                                                          | Name and designation/Seal : <b>Suresh CTO</b> |                    |
|      | Incomplete forms will be deemed to be invalid and penalties relating to non-filing will apply                     |                                               |                    |
|      | Note: If the Return is not applicable then it can be written as 'N.A'                                             |                                               |                    |
| 7    | <b>SPECIAL ENTRY TAX</b>                                                                                          |                                               |                    |
|      | (Applicable to dealers who are liable to tax under the Karnataka Special Tax on Entry of certain Goods Act, 2004) |                                               |                    |
| 7.1  | <b>TOTAL PURCHASES :</b>                                                                                          |                                               |                    |
| 7.2  | Value of goods liable for KSTECG both Local, Interstate and Imports including freight and inward expenses         | :                                             | _____              |
|      | <b>LESS:</b>                                                                                                      | :                                             | _____              |
|      | a) Exemption (please Specify)                                                                                     | :                                             | _____              |
|      | b) Purchase Returns                                                                                               | :                                             | _____              |
|      | c) Re-exports                                                                                                     | :                                             | _____              |
|      | d) Others                                                                                                         | :                                             | _____              |
| 7.3  | <b>TAXABLE TURNOVER</b>                                                                                           | :                                             | _____              |
|      | <b>Description Of Notified Goods</b>                                                                              | <b>Taxable Value</b>                          | <b>Tax Payable</b> |
| 7.4  | Goods Taxable @ 4%                                                                                                |                                               |                    |
| 7.5  | Goods Taxable @ 12.5%                                                                                             |                                               |                    |
| 7.6  | Goods Taxable (others)                                                                                            |                                               |                    |
| 7.7  | <b>Total</b>                                                                                                      |                                               |                    |
| 7.8  | Less: CST Paid as per Section 4(2) of KSTECG Act.                                                                 |                                               |                    |
| 7.9  | <b>Balance Tax Payable</b>                                                                                        |                                               |                    |
| 7.10 | Tax paid Particulars:- Rs. _____ Cash/DD/Challan No: _____ Date _____ Bank _____                                  |                                               |                    |
|      | I/We declare that the particulars furnished above are true and complete in all respects.                          |                                               |                    |
|      | Place: <b>Bangalore</b>                                                                                           | Signature :                                   |                    |
|      | Date: <b>30-Apr-2009</b>                                                                                          | Name and designation/Seal : <b>Suresh CTO</b> |                    |
|      | Incomplete forms will be deemed to be invalid and penalties relating to non-filing will apply                     |                                               |                    |
|      | Note: If the Return is not applicable then it can be written as 'N.A'                                             |                                               |                    |

Figure 8.71 Form VAT 120 (Page 3)

### 8.13.8 Payment of Composite VAT

Use a **Payment Voucher** to record the payment of Composite VAT for April 2009

#### Create Payment Voucher

- Press **F12: Configure** and set **Use Single Entry Mode for Pymt/Rcpt/Contra** to **Yes**.

Go to **Gateway of Tally > Accounting Vouchers > F5: Payment**

1. Press **F2** and change the date to **20-5-09**.
2. Select **HDFC Bank** in the **Account** field and press **Enter**. (Create ledgers if not present).
3. Select **Composite Tax** on **Sales ledger** in the **Particulars** field.
4. Specify **80** as amount (as shown in the VAT Return Form).
5. Specify the cheque details in the **Narration** field.

The completed **Payment Voucher** appears as shown below:

| Accounting Voucher Creation                                          |       | United Traders | Ctrl + M                 |
|----------------------------------------------------------------------|-------|----------------|--------------------------|
| <b>Payment</b>                                                       | No. 1 |                | 20-May-2009<br>Wednesday |
| Account : <b>HDFC</b><br>Cur Bal: 80.00 Dr                           |       |                |                          |
| Particulars                                                          |       |                | Amount                   |
| <b>Composite Tax on Sales Ledger</b><br>Cur Bal: 80.00 Dr            |       |                | 80.00                    |
| Narration:                                                           |       |                |                          |
| Ch. No. :034749 Being Composite VAT paid for the month of April 2009 |       |                | 80.00                    |

Figure 8.72 Payment Voucher

6. Press **Y** or **Enter** to accept the screen.

### Practice Exercise

Create a Company **Alokmal Agency** a famous Tea House in Ooty who is a dealer of Tea and Coffee products. Create the following masters and pass the following transactions for a VAT Composite Dealer:

**i. Party Ledgers**

| Ledger                 | Under             | Maintain balances bill-by-bill | Inventory values are affected | VAT/Tax Class                |
|------------------------|-------------------|--------------------------------|-------------------------------|------------------------------|
| Darjeling Plantation   | Sundry Creditors  | Yes                            | No                            | Not Applicable               |
| BEC Foods              | Sundry Creditors  | Yes                            | No                            | Not Applicable               |
| Chanchal Tea House     | Sundry Debtors    | Yes                            | No                            | Not Applicable               |
| Chennai Tea Hubs       | Sundry Debtors    | Yes                            | No                            | Not Applicable               |
| HDFC Bank              | Bank Account      | No                             | No                            | Not Applicable               |
| Purchases              | Purchase Accounts | No                             | Yes                           | Not Applicable               |
| Sales                  | Sales Accounts    | No                             | Yes                           | Sales - Composition Tax @ 1% |
| Composite Tax on Sales | Indirect Expense  | No                             | No                            | Not Applicable               |

**ii. Stock Items**

| Item       | Under     | Units | Opening Balance | Rate |
|------------|-----------|-------|-----------------|------|
| Tea Bags   | Beverages | Nos   | 60 Nos          | 55   |
| Coffee Tin | Beverages | Nos   | 100 Nos         | 219  |

**iii. Transactions**

| S.No | Date    | Particulars                                                                                                                                                                   |
|------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.   | 6-4-09  | Purchased Tea Bags 100 nos at Rs. 55 each (inclusive of VAT) from Darjeling Plantation vide Bill .No. 786.                                                                    |
| 2.   | 8-4-09  | Sold Tea Bags 50 nos at Rs. 75 each to Chanchal Tea House, VAT/Tax class as Sales-Composition Tax @1%.                                                                        |
| 3.   | 12-4-09 | Purchased Coffee Tin 200 nos at Rs. 219 each from m/s BEC Foods (an Unregistered Dealers) vide bill no.BEC009 Vat/Tax Class as Purchase from URDs-taxable goods (Composition) |
| 4.   | 21-4-09 | Sold Coffee Tin 165 nos to Chennai Tea Hubs at Rs. 254 each (inclusive of VAT), VAT/Tax class as Sales-Composition Tax @4%                                                    |
| 5.   | 29-5-09 | Payment of Composite VAT through HDFC bank vide cheque no.20414263                                                                                                            |

### Points to Remember

- ❑ Value Added Tax (VAT) is an indirect tax on goods, introduced in lieu of sales tax.
- ❑ Tally.ERP 9 provides State specific classification as per VAT Act for all sales and purchase transactions. You can select the classification at the time of ledger creation or at the time of voucher entry.
- ❑ Interstate purchases attract Central Sales Tax (CST), which is not set off against Output VAT on sales within the state or Output CST in inter-state sales. The CST paid is treated as a part of procurement cost.
- ❑ Branch transfer transactions can be both Transfer Inwards and Transfer Outwards. Tally.ERP 9 provides specific VAT classes for these transactions.
- ❑ Tally.ERP 9 calculates VAT Refundable or Payable depending on the Input VAT paid during purchases and the output VAT availed on sales.
- ❑ The dealer whose gross annual turnover does not exceed the prescribed limit can opt for the Composition Scheme of VAT.
- ❑ VAT Composite dealers are not entitled to input tax credit.
- ❑ Tally.ERP 9 provides State specific classifications in VAT Composition scheme for dealers.
- ❑ The VAT Composition computation report as well as VAT Composition Returns Form can be generated and printed in Tally.ERP 9.

## Lesson 9: Central Sales Tax (CST)

### Lesson Objectives

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

- ❑ How to activate CST in Tally.ERP 9.
- ❑ Create ledgers and vouchers using different classifications relating to CST.
- ❑ Record transactions relating to inter-state trade
- ❑ Generate and print reports on the Forms Receivable and Forms Issuable for CST transactions.

Sales Tax is a tax levied on the sale of goods. In India, the law for levying sales tax is provided in the Central Sales Tax Act of 1956 which applies to the entire country.

Generally, the CST Act does not deal with intra-state or import or export sales. However, with respect to certain declared goods such as oil seeds, sugar, pulses, crude oil etc., the CST Act imposes restrictions on the powers of state governments to levy sales tax even in the case of intra-state sales.

Accordingly, sales can broadly be classified into three categories.

- ❑ Intra-State sales, i.e, sales within the state.
- ❑ Sales during import and export.
- ❑ Inter-State sales.

The Act also provides for the levy, collection and distribution of taxes on sale of goods in the course of inter-state trade or commerce.

### 9.1 Basics of Central Sales Tax (CST)

It is important to understand the meaning of certain terms used in the CST Act.



### Inter-State Sale

Inter-state sale is deemed to take place if there is:

- (i) Movement of goods from one state to another or
- (ii) Transfer of documents of title to the goods during their movement from one State to another.

The above two modes are mutually exclusive.

### Declared Goods

Declared Goods means goods declared under Section 14 to be of special importance in inter-state trade or commerce. Some of the important items are cereals, iron and steel, jute, oil seeds, pulses, man-made fabrics etc.

### Registration under CST Act

Every dealer who carries out the inter-state sales is liable to pay Central Sales Tax. As per the CST Act, every dealer who carries out inter-state sales has to be registered with the Sales Tax Authority. Intermediaries like agents and transporters are not required to be registered, since they do not affect sales. Registered dealers can purchase goods at concessional rates by issuing the **C Form**.

### Rate of Central Sales Tax

Different rates are prescribed depending upon the nature of inter-state sale such as:

- a. Sale to registered dealers.
- b. Sale to unregistered dealers.
  - (i) Sale of declared goods to unregistered dealers.
  - (ii) Sale of goods other than declared goods to unregistered dealers.

CST rates to various categories are discussed below:

#### a. Sale to Registered Dealers

Sale to registered dealer is @ 4% or sales tax rate for sale within the State, whichever is lower, if the goods are **eligible** and are specified in the Registration Certificate issued to the purchasing dealer. The Purchasing dealer has to submit the declaration in the prescribed **C Form** to the selling dealer.

#### b. Sale to Unregistered Dealers

The rate is twice the rate applicable to sale or purchase of such goods within the State with regard to declared goods. In case of goods other than declared goods, the rate applicable for sale within the state or 10%, whichever is higher. The purchaser is not required to give any declaration as he is not a registered dealer.

### Forms for Declarations under CST Scheme

A registered dealer has to issue certain declarations in prescribed forms to buyers/ sellers. The Dealer has to issue declarations in the forms such as C, E-I, E-II, F and H which are printed and supplied by the Sales Tax Authorities. These forms are generally in triplicate.

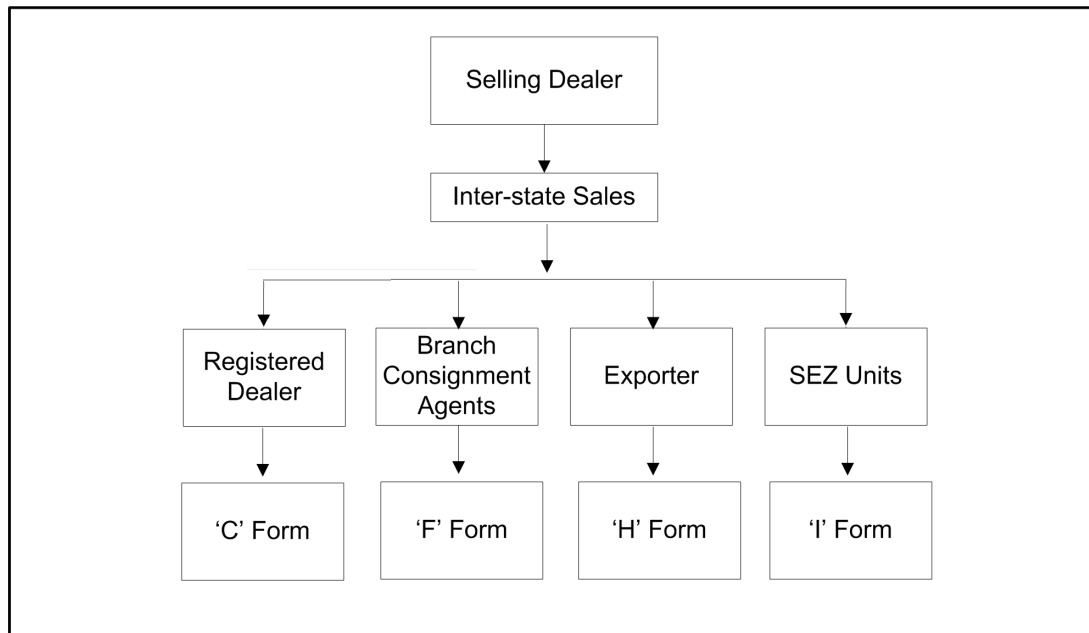


Figure 9.1 Chart Showing Incidence of Various Forms in the Course of Inter-state Trade

### Form C

As per CST Act, sales tax on inter-state sales is 4% or sales tax rate for sale within the state, whichever is lower, is applicable, when the sale is made to a registered dealer and the goods are covered in the registration certificate of the purchasing dealer. Otherwise, the tax is higher, i.e 10% or tax leviable on sale of goods inside the state, whichever is higher. This concessional rate is applicable only if the purchasing dealer submits a declaration in prescribed **C Form**.

One **C Form** covers all the transactions in a whole financial year, irrespective of the total amount or value of transactions during the year. However, for transactions exceeding one financial year separate **C Form** is required for each financial year.

### Forms E1 and E2

According to Section 6(2) of the CST Act, only the first inter-state sale is taxable and the subsequent sale during movement of goods by transfer of documents is exempt from tax, if the purchasing dealer is a registered dealer.

Usually, the transfer of a document refers to the document of title to goods which is endorsed and transferred in favour of the purchaser and is duly signed by the endorser. The document can be further transferred by subsequent endorsements.

The subsequent sellers have to obtain a declaration in **C Form** from the dealers who sold them the goods. The selling dealer has to make a declaration in **E1 Form** in case of the first sale and **E2 Form** in case of subsequent sales.

### Form F

Under CST Act, **F Form** is used for Branch transfers and Consignment transfers. Goods when transferred from one place to another under the same principal, is known as Branch Transfer and when it is transferred to agents, it is termed as Consignment Sale. Here the dealer has to furnish a declaration in **F Form** received from the consignment agent or branch office in another state to prove that the interstate movement of goods is not a sale.

One **F Form** covers all transactions in one month, irrespective of the number of transactions and the total amount.

### Form H

A sale during the course of export is exempt from CST and also the penultimate sale is deemed to be in course of exempt from CST under the CST Act. The dealer exporting the goods must have documents in proof of export such as an airway bill, bill of lading, shipping bill, customs documents, bank certificate etc. However, if the penultimate seller is not having any proof evidencing that the sale is exempt, the actual exporter is required to issue a certificate in **H Form** to the penultimate seller.

### Form I

Special Economic Zone (SEZ) is a specifically delineated duty free enclave and shall be deemed to be foreign territory for the purposes of trade operations, duties and tariffs.

Under the CST Act, supplies made by a registered dealer to a unit in the Special Economic Zone (SEZ) will not be subject to CST, provided such unit furnishes a declaration in **I Form**.

## 9.2 Enabling CST in Tally.ERP 9

Central Sales Tax integrated in Tally.ERP 9 takes care of your inter-state transactions. It eliminates error-prone information and comments on appropriate forms to be issued/ received at the end of the month or a financial year or at any point of time. It takes a one-time configuration in Tally.ERP 9 for Central Sales Tax features to be activated.

### 9.2.1 Company Setup

Create a new company - **Oriental Traders** to understand the CST Feature of Tally.ERP 9.

***Oriental Traders** is a registered dealer under the CST Act and is one of the leading all India distributors of industrial powder paints. It purchases various shades of powder paints from Unique Paints (P) Ltd. Margao, Goa and supplies to registered dealers outside the State on submission of the prescribed formats.*

- Enter the details in the **Company Creation** screen as shown below:

| Company Creation                     |                                 | Ctrl + M                                                                        |                           |
|--------------------------------------|---------------------------------|---------------------------------------------------------------------------------|---------------------------|
| Directory                            | : C:\Tally.ERP9\Data            |                                                                                 |                           |
| Name                                 | : Oriental Traders              |                                                                                 |                           |
| <b>Mailing &amp; Contact Details</b> |                                 | <b>Company Details</b>                                                          |                           |
| Mailing Name                         | : Oriental Traders              | Currency Symbol                                                                 | : Rs.                     |
| Address                              | : 15, Airport Road<br>Bangalore | Maintain                                                                        | : Accounts with Inventory |
|                                      |                                 | Financial Year from                                                             | : 14-2009                 |
|                                      |                                 | Books beginning from                                                            | : 14-2009                 |
| <b>Statutory compliance for</b>      |                                 | <b>Security Control</b>                                                         |                           |
| State                                | : <b>India</b>                  | TallyVault Password (if any)                                                    | :                         |
| PIN Code                             | : <b>Karnataka</b>              | Repeat Password                                                                 | :                         |
| Telephone No.                        | : 560029                        | (WARNING: forgetting your TallyVault password will render your data unusable!!) |                           |
| Mobile No.                           | : 080-25467241                  | Use Security Control                                                            | : ? No                    |
| E-Mail                               | : 9874562589                    | (Enable Security to avail Tally.NET Features)                                   |                           |
|                                      | : sales@oriental.com            |                                                                                 |                           |
| <b>Base Currency Information</b>     |                                 |                                                                                 |                           |
| Base Currency Symbol                 | : Rs.                           | Show Amounts in Millions                                                        | : ? No                    |
| Formal Name                          | : Indian Rupees                 | Put a SPACE between Amount and Symbol                                           | : ? Yes                   |
| Number of Decimal Places             | : 2                             | Decimal Places for Printing Amounts in W                                        |                           |
| Is Symbol SUFFIXED to Amounts ?      | : No                            |                                                                                 |                           |
| Symbol for Decimal Portion           | : paise                         |                                                                                 |                           |
|                                      |                                 |                                                                                 | <b>Accept ?</b>           |
|                                      |                                 |                                                                                 | Yes or No                 |

Figure 9.2 Company Creation — Oriental Traders

- ❑ Press **Y** or **Enter** to accept the company creation screen.
- ❑ Enable **VAT**, by activating **Enable Value Added Tax (VAT)** and **Set/Alter VAT details** in the **F11: Features (Statutory and Taxation Features)**. Once VAT is enabled, Statutory Masters related to VAT and CST are also automatically loaded in Tally.ERP 9.



*The **CST** feature will be available only when **VAT** is activated.*

## 9.2.2 Creating Masters

### i. Purchases and Sales Ledgers

| Ledger        | Under             | Inventory values are affected | Used in VAT returns | VAT/Tax Class        |
|---------------|-------------------|-------------------------------|---------------------|----------------------|
| CST Sales     | Sales Accounts    | Yes                           | Yes                 | Inter-State Sales    |
| CST Purchases | Purchase Accounts | Yes                           | Yes                 | Inter-State Purchase |

**ii. Party Ledgers**

| Ledger                 | Under            | Maintain balances bill-by-bill | Inventory values are affected |
|------------------------|------------------|--------------------------------|-------------------------------|
| Sunrise Industries     | Sundry Debtors   | Yes                            | No                            |
| Unique Paints (P) Ltd. | Sundry Creditors | Yes                            | No                            |

**iii. Output CST Ledger**

| Ledger   | Under            | Type of Duty/Tax | VAT/Tax Class     | Inventory values are affected | Percentage of calculation | Method of calculation |
|----------|------------------|------------------|-------------------|-------------------------------|---------------------------|-----------------------|
| CST @ 4% | Duties and taxes | CST              | Inter-State Sales | No                            | 4                         | On Total Sales        |

**iv. Input CST ledger**

| Ledger    | Under             | Inventory values are affected | Used in VAT Returns | VAT/Tax Class  |
|-----------|-------------------|-------------------------------|---------------------|----------------|
| Input CST | Purchase accounts | Yes                           | Yes                 | Not applicable |

**v. Stock Items**

| Name of Item  | Under   | Units of measure |
|---------------|---------|------------------|
| Black Matt    | Primary | Kgs              |
| Golden Yellow | Primary | Kgs              |
| Metallic Blue | Primary | Kgs              |

**9.3 Recording Interstate Transactions in Tally.ERP 9**

As discussed earlier, in the course of inter-state trade or commerce the dealers have to issue/ submit certain declarations in prescribed forms to buyers/ sellers in order to avail concessional rates when:

- ❑ Sale or Purchase takes place outside a State.
- ❑ Sale or Purchase takes place in the course of imports into India or exports from India.

### 9.3.1 Inter-State Purchases

*On 5-4-2009, M/s. Oriental Traders purchased the following items from M/s. Unique Paints (P) Ltd. Goa, vide Invoice No. 2458/08-09, amounting to Rs. 148500.*

| Product Description | Quantity | Rate |
|---------------------|----------|------|
| Black Matt          | 500 Kgs  | 190  |
| Golden Yellow       | 100 Kgs  | 285  |
| Metallic Blue       | 100 Kgs  | 250  |

Enter the details of the transaction in a Purchase Invoice.

Setup :

- In the **F12: Configuration**, set **Use common ledger A/c for item allocation** to **Yes**.

The completed **Purchase Invoice** appears as shown below:

| Accounting Voucher Creation                        |          | Oriental Traders |                    | Ctrl + M    |
|----------------------------------------------------|----------|------------------|--------------------|-------------|
| <b>Purchase</b>                                    | No. 1    |                  |                    | 5-Apr-2009  |
| Supplier Invoice No. :                             | Date :   |                  |                    | Sunday      |
| Party's A/c Name : Unique Paints (P) Ltd.          |          |                  |                    |             |
| Current Balance :                                  |          |                  |                    |             |
| Purchase Ledger : CST Purchases                    |          |                  |                    |             |
| VAT/Tax Class: Inter-State Purchases               |          |                  |                    |             |
| Name of Item                                       | Quantity | Rate per         | Amount             |             |
| Black Matt                                         | 500 Kgs  | 190.00 Kgs       | 95,000.00          |             |
| Golden Yellow                                      | 100 Kgs  | 285.00 Kgs       | 28,500.00          |             |
| Metallic Blue                                      | 100 Kgs  | 250.00 Kgs       | 25,000.00          |             |
|                                                    |          |                  | <b>1,48,500.00</b> |             |
| J End of List                                      |          |                  |                    |             |
| Form to Issue : C Form      Form No. :      Date : |          |                  |                    |             |
| Show Statutory Details ? No                        |          |                  |                    |             |
| Narration:                                         |          |                  |                    |             |
|                                                    |          |                  | 700 Kgs            | 1,48,500.00 |

Figure 9.3 Purchase Invoice

- Press **Y** or **Enter** to accept the screen.



- ❑ In the **bill-wise details** screen select **New Ref** and type **2458/08-09**.
- ❑ The above **Purchase Invoice** can also be recorded in **Double Entry mode**.

You can also fill the **Form No.** during the Voucher Entry, if the forms are issued at the time of purchase. But usually, they are submitted at the end of the year covering all the transactions from that dealer during the year.

### 9.3.2 Inter-State Sales against C Form

*On 7-4-2009, M/s. Oriental Traders sold the following items to M/s. Sunrise Industries, Delhi against C Form. The freight charges of Rs. 750 were included in the Invoice.*

| Product Description | Quantity | Rate |
|---------------------|----------|------|
| Black Matt          | 100 Kgs  | 240  |
| Golden Yellow       | 20 Kgs   | 365  |
| Metallic Blue       | 10 Kgs   | 290  |

**Enter the details of the transaction in a sales invoice**

**Setup :**

- ❑ Create a ledger **Freight charges** under **indirect expenses**.

The completed **Sales Invoice** appears as shown below:

Figure 9.4 Sales Invoice

- 

- ### 9.3.3 Transit Sales against E1 and E2 Forms

Let us consider the following example :

***On 13-4-2009, M/s. Oriental Traders despatched the following goods to M/s. Star Power Controls, Orissa and raised an Invoice on M/s. Swastik Associates in Madhya Pradesh and charged 4% CST against C Form.***



| Product Description | Quantity | Rate |
|---------------------|----------|------|
| Black Matt          | 300 Kgs  | 240  |
| Chocolate Brown     | 50 Kgs   | 270  |
| P.O. Red            | 50 Kgs   | 245  |

During the movement of goods, **Swastik Associates** subsequently sold the goods to **M/s. Rainbow Colours** in West Bengal and Rainbow Colours ultimately sold the goods to **M/s. Star Power Controls** in Orissa.

On the same day, Oriental Traders received **C Form** vide No. **TC-2K-15023 dt. 13-4-09** from Swastik Associates and issued E1 Form vide no. **TE-1Q-0130 dt. 13-4-09**.

In this case, sale from Swastik Associates to Rainbow Colours and Rainbow Colours to Star Power Controls is by way of transfer of documents. Oriental Traders has to receive C Form from Swastik Associates and will issue an **E1 Form** to Swastik Associates. Later, Swastik Associates will issue **E2 Form** to Rainbow Colours and receive C Form. Finally, Rainbow Colours will issue E2 Form to Star Power Controls and receive the C Form.

Chart showing movement of goods under **E1** and **E2** :

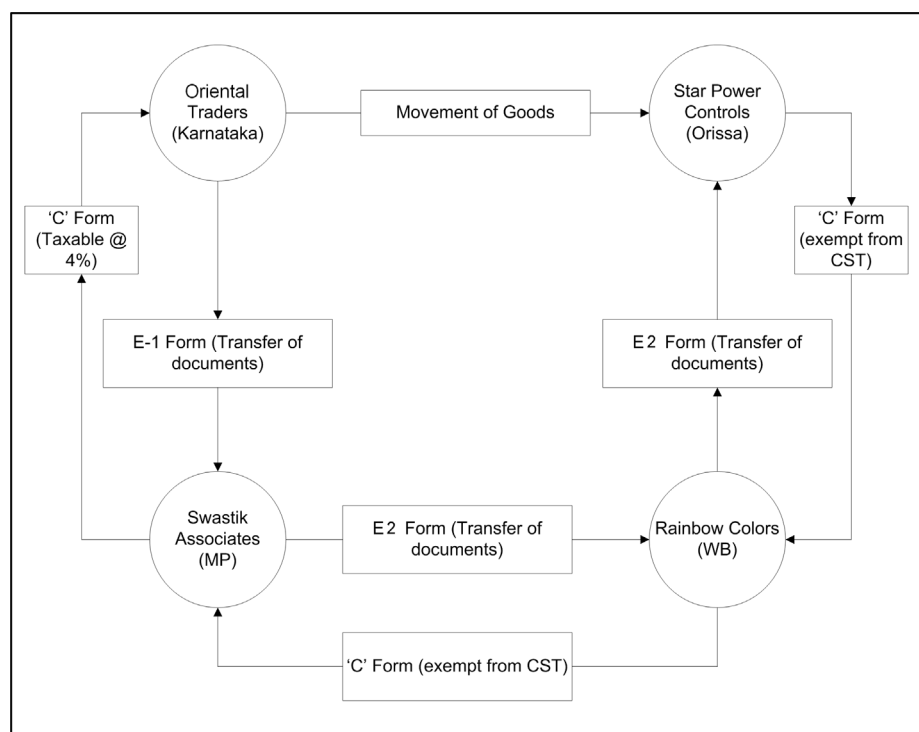


Figure 9.5 Chart Representing Movement of Goods

Create the following Party Ledger

| Ledger             | Under          | Maintain balances bill-by-bill | Inventory values are affected |
|--------------------|----------------|--------------------------------|-------------------------------|
| Swastik Associates | Sundry Debtors | Yes                            | No                            |

The entries to be made in the books of **M/s. Oriental Traders** with regard to the above transaction are given in the following pages.

**Enter the details of the transaction in a Sales Invoice**

**Setup :**

- Press **F12: Configure** and set **Yes** to
  - Allow **separate Buyer Consignee names**
  - Activate **'E1' or 'E2' Transaction**



*The option **'Activate 'E1' or 'E2' Transaction'** is activated as this transaction amounts to the movement of goods by the transfer of documents.*

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales.**

- Change the date to **13-4-09**.
- Select **Swastik Associates** in the **Party's A/c Name** and press **Enter** to view the supplementary details screen.
- In the Buyer details section enter the following details and accept the screen
  - **Consignee: Star Power Controls**
  - **Address: B-3/114, Bhusan Vihar, Bhubaneswar, Orissa**
  - **Buyer: Swastik Associates**
  - **Address: 603, Marvel Complex, Madhya Pradesh**
- Enter the details of the transaction in a **Sales invoice** and accept the default bill allocations in the Bill-wise Details screen.

The completed **Sales Invoice** appears as shown below:

| Accounting Voucher Creation                                                                                                                                                                                                                    |          | Oriental Traders |                    | Ctrl + M              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------------|--------------------|-----------------------|
| <b>Sales</b> No. 2                                                                                                                                                                                                                             |          |                  |                    | 13-Apr-2009<br>Monday |
| Ref. :                                                                                                                                                                                                                                         |          |                  |                    |                       |
| Party's A/c Name : Swastik Associates                                                                                                                                                                                                          |          |                  |                    |                       |
| Current Balance :                                                                                                                                                                                                                              |          |                  |                    |                       |
| Sales Ledger : CST Sales                                                                                                                                                                                                                       |          |                  |                    |                       |
| VAT/Tax Class: Inter-State Sales                                                                                                                                                                                                               |          |                  |                    |                       |
| Name of Item                                                                                                                                                                                                                                   | Quantity | Rate per         | Amount             |                       |
| Black Matt                                                                                                                                                                                                                                     | 300 Kgs  | 240.00 Kgs       | 72,000.00          |                       |
| Chocolate Brown                                                                                                                                                                                                                                | 50 Kgs   | 270.00 Kgs       | 13,500.00          |                       |
| P.O. Red                                                                                                                                                                                                                                       | 50 Kgs   | 545.00 Kgs       | 27,250.00          |                       |
|                                                                                                                                                                                                                                                |          |                  | <b>1,12,750.00</b> |                       |
| J End of List                                                                                                                                                                                                                                  |          |                  |                    |                       |
| <div> <div>Form to Receive : C Form</div> <div>Form No : TC-2K-15023 Date : 13-Apr-2009</div> </div> <div> <div>Form to Issue : E1 Form</div> <div>Form No : TE-1Q-0130 Date : 13-Apr-2009</div> </div> <div>Show Statutory Details ? No</div> |          |                  |                    |                       |
| Narration:                                                                                                                                                                                                                                     |          | 400 Kgs          | <b>1,12,750.00</b> |                       |

Figure 9.6 Sales Invoice

- Press **Y** or **Enter** to accept the screen.



- In the books of **Swastik Traders**, the C Form received from Rainbow Colours has to be entered and E2 Form needs to be selected. This must be issued since it is a subsequent inter-state sales by transfer of title.
- Generally, blank forms are received at the beginning of the year or on the commencement of an inter-state transaction with the respective dealer. However, Tally.ERP 9 gives you the flexibility to update Form Nos. and Date in the Reports Menu.

### 9.3.4 Branch Transfers/ Consignment Sales against F Form

*On 15-4-2009, M/s. Oriental Traders despatches the following goods to their Branch in Uttar Pradesh.*

| Product Description | Quantity | Rate |
|---------------------|----------|------|
| Golden Yellow       | 20 Kgs   | 285  |
| Metallic Blue       | 30 Kgs   | 250  |

#### Setup :

- In **F11: Features (Accounting Features)** set (for Non-Trading A/cs also) under **Maintain Bill-wise details** to **Yes**.
- Create the following Masters
  - **Branch Ledger**

| Ledger                 | Under           | Maintain balances bill-by-bill | Inventory values are affected |
|------------------------|-----------------|--------------------------------|-------------------------------|
| Oriental Traders - U.P | Branch/Division | Yes                            | No                            |

- **Sales Ledger**

| Ledger                   | Under          | Used in VAT returns | VAT/Tax class                          | Inventory values are affected |
|--------------------------|----------------|---------------------|----------------------------------------|-------------------------------|
| Branch Transfers Outward | Sales Accounts | Yes                 | Consignments / Branch Transfer Outward | Yes                           |



*Do not activate **bill-wise details** for the ledger – **Branch Transfers Outward**.*

#### Enter the details of the transaction in a Sales invoice

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**.

- Accept the default bill allocations in the **Bill-wise Details** screen.

The completed **Sales Invoice for Branch Transfer** appears as shown below:

| Accounting Voucher Creation                        |          | Oriental Traders |                  | Ctrl + M                 |
|----------------------------------------------------|----------|------------------|------------------|--------------------------|
| <b>Sales</b> No. 3                                 |          |                  |                  | 15-Apr-2009<br>Wednesday |
| Ref. :                                             |          |                  |                  |                          |
| Party's A/c Name : Oriental Traders - U.P          |          |                  |                  |                          |
| Current Balance :                                  |          |                  |                  |                          |
| Sales Ledger : Branch Transfers Outward            |          |                  |                  |                          |
| VAT/Tax Class: Consignment/Branch Transfer Outward |          |                  |                  |                          |
| Name of Item                                       | Quantity | Rate per         | Amount           |                          |
| Golden Yellow                                      | 20 Kgs   | 285.00 Kgs       | 5,700.00         |                          |
| Metallic Blue                                      | 30 Kgs   | 250.00 Kgs       | 7,500.00         |                          |
|                                                    |          |                  | <b>13,200.00</b> |                          |
| J End of List                                      |          |                  |                  |                          |
| Form to Receive : F Form Form No. : Date :         |          |                  |                  |                          |
| Show Statutory Details ? No                        |          |                  |                  |                          |
| Narration:                                         |          |                  |                  |                          |
|                                                    |          | 50 Kgs           | <b>13,200.00</b> |                          |

Figure 9.7 Sales Invoice

- Press **Y** or **Enter** to accept the screen.



*In the case of consignment sales made to agents, F Form has to be selected.*

### 9.3.5 Exports against H Form

*On 18-4-2009, M/s. Oriental Traders supplied 100 Kgs of Black Matt at Rs. 240 per Kg to M/s. Surya Exports against the submission of H Form vide bill No. 102504 dt. 18-4-09.*

**Setup :**

#### i. Create Party Ledger

| Ledger        | Under          | Maintain balances bill-by-bill | Inventory values are affected |
|---------------|----------------|--------------------------------|-------------------------------|
| Surya Exports | Sundry Debtors | Yes                            | No                            |

## ii. Create Sales Ledger

| Ledger               | Under          | Inventory values are affected | Used in VAT Returns | VAT/Tax Class  |
|----------------------|----------------|-------------------------------|---------------------|----------------|
| Sales deemed Exports | Sales Accounts | Yes                           | Yes                 | Not Applicable |

### Enter the details of the transaction in a Sales invoice

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales.**

- Accept the default bill allocations in the **Bill-wise Details** screen.

The completed **Sale Invoice** appears as shown below:

| Accounting Voucher Creation                                            |          | Oriental Traders |           | Ctrl + M                |
|------------------------------------------------------------------------|----------|------------------|-----------|-------------------------|
| <b>Sales</b>                                                           | No. 4    |                  |           | 18-Apr-2009<br>Saturday |
| Ref. :                                                                 |          |                  |           |                         |
| Party's A/c Name : Surya Exports                                       |          |                  |           |                         |
| Current Balance :                                                      |          |                  |           |                         |
| Sales Ledger : Sales Deemed Exports                                    |          |                  |           |                         |
| VAT/Tax Class: Inter-State Sales                                       |          |                  |           |                         |
| Name of Item                                                           | Quantity | Rate per         | Amount    |                         |
| Black Matt                                                             | 100 Kgs  | 240.00 Kgs       | 24,000.00 |                         |
| J End of List                                                          |          |                  |           |                         |
| Form to Receive : H Form      Form No : 102504      Date : 18-Apr-2009 |          |                  |           |                         |
| Show Statutory Details ? No                                            |          |                  |           |                         |
| Narration:                                                             |          |                  |           |                         |
|                                                                        |          | 100 Kgs          | 24,000.00 |                         |

Figure 9.8 Sales Invoice

- Press **Y** or **Enter** to accept the sales invoice.

### 9.3.6 Sales to SEZ Units against I Form

*On 20-4-2009, M/s. Oriental Traders supplied 50 Kgs of Metallic Blue at Rs. 290 per Kg to M/s. Track Innovations (P) Ltd. a unit in SEZ located at Chennai, against the submission of the I Form.*

Setup :

#### i. Party Ledger

| Ledger                     | Under          | Maintain balances bill-by-bill | Inventory values are affected |
|----------------------------|----------------|--------------------------------|-------------------------------|
| Track Innovations (P) Ltd. | Sundry Debtors | Yes                            | No                            |

#### ii. Sales Account

| Ledger      | Under          | Used in VAT Returns | VAT/Tax Class  | Inventory values are affected |
|-------------|----------------|---------------------|----------------|-------------------------------|
| Sales - SEZ | Sales Accounts | Yes                 | Not Applicable | Yes                           |

Enter the details of the transaction in a Sales invoice

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales.**

- Accept the default bill allocations in the Bill-wise Details screen.

The completed **Sale Invoice** appears as shown below:

| Accounting Voucher Creation                   |          | Oriental Traders |           | Ctrl + M    |
|-----------------------------------------------|----------|------------------|-----------|-------------|
| <b>Sales</b> No. 5                            |          |                  |           | 20-Apr-2009 |
| Ref. :                                        |          |                  |           | Monday      |
| Party's A/c Name : Track Innovations (P) Ltd. |          |                  |           |             |
| Current Balance :                             |          |                  |           |             |
| Sales Ledger : Sales - SEZ                    |          |                  |           |             |
| VAT/Tax Class: Inter-State Sales              |          |                  |           |             |
| Name of Item                                  | Quantity | Rate per         | Amount    |             |
| Metallic Blue                                 | 50 Kgs   | 290.00 Kgs       | 14,500.00 |             |
| J End of List                                 |          |                  |           |             |
| Form to Receive : I Form Form No. : Date :    |          |                  |           |             |
| Show Statutory Details ? No                   |          |                  |           |             |
| Narration:                                    |          |                  |           |             |
|                                               |          | 50 Kgs           | 14,500.00 |             |

Figure 9.9 Sales Invoice

- Press **Y** or **Enter** to accept the sales invoice.

## 9.4 Payment of CST

Central Sales Tax is payable in the State from which the goods are sold. The tax so collected is retained by the state in which it is collected. The State Government Sales Tax Officer who assesses and collects local State Sales Tax also assesses and collects Central Sales Tax.

The returns under General Sales Tax of the appropriate State has to be submitted within the due date. The CST payable should be rounded off to the nearest rupee.

***On 20-5-2009, M/s. Oriental Traders paid an amount of Rs. 7,308 towards CST payable of April 2009 vide Cheque No. 015630 dt. 20-5-09.***

**Create a payment voucher:**

Go to **Gateway of Tally> Accounting Vouchers > F5: Payment**

- **Date:** 20-5-2009.
- **Account:** HDFC Bank Ltd. (Create using Alt+C if it does not exist.)



- ❑ Select **CST @ 4%** and specify amount as **7308**.
- ❑ Type Cheque No. **015630** in the Narration field and press **Enter**.
- ❑ Press **Y** or **Enter** to accept.

## 9.5 CST Reports

Tally.ERP 9 facilitates the generation of CST related reports i.e Forms Receivable and Forms Issuable Reports for any period of time. It also offers the facility of auto-filling the form number for transactions related to the same dealer during the year, which hastens voucher entry and reduces the possibility of errors.

### 9.5.1 Forms Receivable Report

In Tally.ERP 9, you can generate the Forms Receivable Report ledger-wise. This report comments on various forms to be received from the dealer at any time. It displays the date of transaction, CST Sales ledger employed, gross amount inclusive of CST, form types and also contains two additional fields: Form Number and Date. These have to be filled when the prescribed forms are received from the purchasing dealer or the customer.

Usually, this report is generated at the end of a financial year or month end (in specific cases). However, Tally.ERP 9 facilitates the generation of this report at any point of time.

Go to **Gateway of Tally > Display > Statutory Reports > CST Reports > Forms Receivable > Ledger > Sunrise Industries** > press **Enter**.

The Forms Receivable Report of M/s. Sunrise Industries appears as shown below:

| Forms Receivable                |             | Oriental Traders          |         |                  |             |                          | Ctrl + M    |           |
|---------------------------------|-------------|---------------------------|---------|------------------|-------------|--------------------------|-------------|-----------|
| Ledger Name: Sunrise Industries |             | 1-Apr-2009 to 20-Apr-2009 |         |                  |             |                          |             |           |
| Date                            | Particulars | Vch Type                  | Vch No. | Assessable Value | CST Amount  | Invoice Form Amount Type | Form Number | Form Date |
| 7-4-2009                        | CST Sales   | Sales                     | 1       | 34,200.00 Dr     | 1,368.00 Dr | 36,318.00 Dr C Form      |             |           |

Figure 9.10 Forms Receivable

The above report shows that the C Form is to be received from the said customer for the supplies made during the respective period. In this report, you can fill the Form No. and Date when received.

View **M/s. Surya Exports** ledger for the forms to be received from them. You will notice that the report appears blank as the prescribed declaration in H Form was received at the time of sale and entered in the sales invoice during the voucher entry. However, you can view the vouchers for which forms have been received in advance or at the time of transaction.

To view all vouchers, press **F12: Configure** and change the following setting:

- ❑ Set **Show All Vouchers** to **Yes**.
- ❑ Select **H Form** in the **Show Vouchers** field - This feature allows you to view different Forms Receivable from the same dealer, if any. When set to **Not Applicable**, whatever forms are due from the dealer will be displayed.

| Configuration     |               | Form Types       |
|-------------------|---------------|------------------|
| Show All Vouchers | ? Yes         | J Not Applicable |
| Show Vouchers of  | <b>H Form</b> | C Form           |
|                   |               | E1 Form          |
|                   |               | E2 Form          |
|                   |               | F Form           |
|                   |               | <b>H Form</b>    |
|                   |               | I Form           |

Figure 9.11 CST Reports Configuration

The **Forms Receivable** report appears as shown below:

| Forms Receivable                |             | Oriental Traders |         |                  |             |                | Ctrl + M                  |             |             |
|---------------------------------|-------------|------------------|---------|------------------|-------------|----------------|---------------------------|-------------|-------------|
| Ledger Name: Sunrise Industries |             |                  |         |                  |             |                | 1-Apr-2009 to 20-Apr-2009 |             |             |
| Date                            | Particulars | Vch Type         | Vch No. | Assessable Value | CST Amount  | Invoice Amount | Form Type                 | Form Number | Form Date   |
| 7-4-2009                        | CST Sales   | Sales            | 1       | 34,200.00 Dr     | 1,368.00 Dr | 36,318.00 Dr   | C Form                    | 02504       | 18-Apr-2009 |

Figure 9.12 Forms Receivable

- ❑ Press **Alt+P** to print the report.



Press **Alt+F5**, if there are many transactions and type the **Form No.** and **Date** to auto-fill the same in all the transactions pertaining to the related form.

In the same manner, you can view other Forms Receivable from the rest of the dealers during the required period.

## 9.5.2 Forms Issuable Report

In Tally.ERP 9, you can generate the Forms Issuable Report ledger-wise. This report comments on various forms to be issued to the dealer for any given period of time. It displays the date of transaction, CST Purchases ledger employed, gross amount inclusive of CST, form types and also contains two additional fields: Form Number and Date, which can be filled when the prescribed forms are issued to the selling dealer or supplier.

Similar to the Forms Receivable Report, this report is also generated at the end of a financial year or month end (in specific cases) and can be generated at any point of time in Tally.ERP 9.

Go to **Gateway of Tally > Display > Statutory Reports > CST Reports > Forms Issuable > Ledger > Unique Paints (P) Ltd > press Enter.**

The **Forms Issuable Report** of M/s Unique Paints (P) Ltd. appears as shown below:

| Forms Issuable                       |               |          | Oriental Traders |           |                |                           | Ctrl + M   |                          |             |           |
|--------------------------------------|---------------|----------|------------------|-----------|----------------|---------------------------|------------|--------------------------|-------------|-----------|
| Ledger Name : Unique Paints (P) Ltd. |               |          |                  |           |                | 1-Apr-2009 to 20-Apr-2009 |            |                          |             |           |
| Date                                 | Particulars   | Vch Type | Vch No.          | Reference | Effective Date | Assessable Value          | CST Amount | Invoice Form Amount Type | Form Number | Form Date |
| 5-4-2009                             | CST Purchases | Purchase | 1                |           | 5-4-2009       | 1,48,500.00 Cr            |            | 1,48,500.00 Cr C Form    |             |           |

Figure 9.13 Forms Issuable

- As discussed earlier, fill the **Form No.** and **Date**.

View the **Forms Issuable report** of **M/s. Swastik Associates ledger**, where the movement of goods affected the transfer of documents.

Go to **Gateway of Tally > Display > Statutory Reports > CST Reports > Forms Issuable > Ledger > Swastik Associates > press Enter.**

- Press **F12: Configure** and change the following settings:
  - Set **Show All Vouchers** to **Yes**.
  - Select **E1 Form** in the Show Vouchers of field and press **Enter**.

The **Forms Issuable report** appears as shown:

| Forms Issuable                   |             |          |         | Oriental Traders          |                |                  |            | Ctrl + M                 |             |             |
|----------------------------------|-------------|----------|---------|---------------------------|----------------|------------------|------------|--------------------------|-------------|-------------|
| Ledger Name : Swastik Associates |             |          |         | 1-Apr-2009 to 20-Apr-2009 |                |                  |            |                          |             |             |
| Date                             | Particulars | Vch Type | Vch No. | Reference                 | Effective Date | Assessable Value | CST Amount | Invoice Form Amount Type | Form Number | Form Date   |
| 13-4-2009                        | CST Sales   | Sales    | 2       |                           | 13-4-2009      | 1,12,750.00 Dr   |            | 1,12,750.00 Dr E1 Form   | TE-1Q-0130  | 13-Apr-2009 |
|                                  |             |          |         |                           |                |                  |            |                          |             |             |

Figure 9.14 Forms Issuable

Even though the C Form has been received and the transaction has been reflected in the **Forms Receivable Report**, as per the rules the declaration in **Form E1** must be furnished. This is therefore, shown in the Form Issuable report.

### Practice Exercise

**M/s Jaykanth Agency** is a registered dealer under the CST Act and is one of the leading distributors of refractory materials. Create the following masters and pass the following transactions as per the CST Act:

#### i. Party Ledgers

| Ledger                      | Under            | Maintain balances bill-by-bill | Inventory values are affected |
|-----------------------------|------------------|--------------------------------|-------------------------------|
| M/s Bhim Traders            | Sundry Creditors | Yes                            | No                            |
| Kirti Engineering           | Sundry Debtors   | Yes                            | No                            |
| M/s Shobha Fabrication Ltd. | Sundry Debtors   | Yes                            | No                            |
| M/s Virendra Exports        | Sundry Debtors   | Yes                            | No                            |
| HDFC Bank                   | Bank Accounts    | No                             | No                            |
| Freight Charges             | Indirect Expense | No                             | No                            |

#### ii. Sales Account and Purchase Account

| Ledger        | Under             | Used in VAT returns | VAT/Tax Class         | Inventory values are affected |
|---------------|-------------------|---------------------|-----------------------|-------------------------------|
| CST Sales     | Sales Accounts    | Yes                 | Inter-State Sales     | Yes                           |
| CST Purchases | Purchase Accounts | Yes                 | Inter-State Purchases | Yes                           |

#### iii. CST Ledgers

| Ledger   | Under          | Type of Duty/Tax | VAT/Tax Class     | Inventory values are affected | Percentage of Calculation | Method of Calculation |
|----------|----------------|------------------|-------------------|-------------------------------|---------------------------|-----------------------|
| CST @ 4% | Duties & Taxes | CST              | Inter-State Sales | No                            | 4                         | On Total Sales        |

| Ledger    | Under             | Used in VAT Returns | VAT/Tax Class  | Inventory values are affected |
|-----------|-------------------|---------------------|----------------|-------------------------------|
| Input CST | Purchase Accounts | Yes                 | Not Applicable | Yes                           |

**iv. Stock Items**

| Item          | Under       | Units of measures | Opening Balance | Rate  |
|---------------|-------------|-------------------|-----------------|-------|
| Electrodes    | Consumables | Pkt               | 25 Pkt          | 900   |
| Moulding Sand | Consumables | Kgs               | 150 Kgs         | 120   |
| Foundry Oil   | Consumables | Ltrs              | 1,500 Ltrs      | 210   |
| Steel Scrap   | Consumables | Tons              | 20 tons         | 2,210 |

Enter the following transactions:

| S No. | Date    | Particulars                                                                                                                                                         |
|-------|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.    | 4-5-09  | Purchased Electrodes 60 Pkt at Rs. 900/pkt from M/s Bhim Traders vide Invoice. No. 226/09. Input CST paid @ 4%, Vat/Tax Class as Inter-State Purchase.              |
| 2.    | 11-5-09 | Sold Electrodes 45 pkt at Rs. 1200/pkt to Kirti Engineering against C Form, CST @ 4% will be calculated automatically, Freight charges of Rs. 400 to be paid extra. |
| 3.    | 15-5-09 | M/s. Jaykanth Agency sold Moulding Sand 100 Kgs at Rs. 140/kgs to M/s. Shobha Fabrication Ltd Bihar, against CST Form, CST paid @ 4% extra.                         |
| 4.    | 20-5-09 | M/s. Jaykanth Agency despatches 1000 litres of Foundry Oil at Rs. 240/litre to their Branch in Bihar regarding Branch Transfers/ Consignment Sales against F Form.  |
| 5.    | 27-5-09 | Supplied 10 tons of Steel Scrap at Rs. 2500/ton to M/s. Virendra Exports against submission of H Form vide No. 302538 dt. 27-5-09.                                  |
| 6.    | 31-5-09 | M/s. Jaykanth Agency paid an amount of Rs. 2720 towards CST payable of April 2009 vide HDFC Cheque No. 065611 dt. 31-5-09.                                          |

### Points to Remember

- ❑ CST is levied on inter-state sales transactions.
- ❑ Various CST Forms are issued/ received in the course of inter-state trade which are mandatory to be produced while paying tax.
- ❑ Tally.ERP 9 facilitates the creation of invoice for inter-state purchase and sales with an additional field for specifying the type of Forms to be issued/ received while recording transactions.
- ❑ The Forms Receivable and Forms Issuable reports relating to CST for any period can be generated and printed in Tally.ERP 9.

## Lesson 10: Point of Sale (PoS)

### Lesson Objectives

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

- ❑ Configure Tally.ERP 9 to create POS Invoice
- ❑ Create POS invoice with / without voucher class
- ❑ Generate POS Invoice for single and multi-mode payment
- ❑ Enter zero valued entries in POS invoice
- ❑ Record batch-wise details in a POS Invoice
- ❑ Print the POS Invoice
- ❑ Generate and print POS Register

**POS** or **PoS** is an acronym for point-of-sale. Point of Sale can be a retail outlet, a checkout counter in a shop, or any other location where a sale transaction takes place.

POS system is a computerised cash register which adds up the sales totals, calculates the balance to be returned to buyer and automatically adjusts the inventory levels to reflect the quantity sold. The equipment required for POS to work effectively are cash registers, card readers, bar-code scanners and so on.

The Advantages of a **Point of Sale** system are :

- ❑ It helps to calculate sales and manage the cash drawer.
- ❑ It manages inventory and facilitates the barcode scanner operations.
- ❑ It offers a flexible and simpler way of querying your inventory and sales database.
- ❑ It helps you track product movement and the cost to push certain brands over others.
- ❑ It tracks and records the date and time of every sale made at your point of sale.

## 10.1 Features of Point of Sale (PoS) in Tally.ERP 9

The Salient features **Point of Sale (PoS)** in Tally.ERP 9 are as follows :

- ❑ Generates POS Invoice with date and time of the transaction.
- ❑ Generates POS related reports such as Cash Registers, Sales Registers and Inventory reports.
- ❑ Ensures management of gift cards, vouchers, admissions, discounts and so on.
- ❑ Allows multiple mode of payment for a single invoice.
- ❑ Eases Cash and Credit/Debit transactions and tracks balances to be tendered to buyers.
- ❑ Provides quantified tracking of sales and promotions.
- ❑ Allows for real time updation of inventory and the option of quickly matching inventory with floor counts.
- ❑ Helps in identifying consumer-purchasing patterns.
- ❑ Facilitates bar-code scanning of Stock Keeping Units (SKU's) or items.
- ❑ Ensures multi-level security control of cash and Inventory.
- ❑ Increases efficiency and productivity at the point of sale.

Tally.ERP 9's point of sale application can search your inventory database not only on item description or SKU but also by alias name, part number, keywords and so on. Stock summary reports can be used for viewing group-wise, category-wise, godown-wise, batch-wise and supplier-wise details of the stock items.

## 10.2 Configuring Point of Sale in Tally.ERP 9

Tally.ERP 9's Point of Sale module makes it easy to streamline your retail operations by automating the 'Check out' process for your customers. It takes a one-time configuration in Tally.ERP 9 for POS features to be activated.

### Illustration for POS

Consider **M/s. City Super Market**, a leading retail chain, which deals in grocery products.

Create a new company **City Super Market** in Tally.ERP 9, maintaining **Accounts with Inventory**. The completed **Company Creation** screen appears as shown in figure.

### 10.2.1 Company Setup

Go to **Company Info. > Create Company**

- ❑ Create the company with the following details :



| Company Creation                     |                                                                               | Ctrl + M                                                                        |                           |
|--------------------------------------|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------|
| Directory                            | : C:\Tally.ERP9\data                                                          |                                                                                 |                           |
| Name                                 | : City Super Market                                                           |                                                                                 |                           |
| <b>Mailing &amp; Contact Details</b> |                                                                               | <b>Company Details</b>                                                          |                           |
| Mailing Name                         | : City Super Market                                                           | Currency Symbol                                                                 | : Rs.                     |
| Address                              | : No. 15, Block-I, 5th Floor<br>BG Shopping Complex<br>Jayanagar<br>Bangalore | Maintain                                                                        | : Accounts with Inventory |
|                                      |                                                                               | Financial Year from                                                             | : 1-4-2009                |
|                                      |                                                                               | Books beginning from                                                            | : 1-4-2009                |
|                                      |                                                                               | <b>Security Control</b>                                                         |                           |
| Statutory compliance for             | : India                                                                       | TallyVault Password (if any)                                                    | :                         |
| State                                | : Karnataka                                                                   | Repeat Password                                                                 | :                         |
| PIN Code                             | : 560035                                                                      | (WARNING: forgetting your TallyVault password will render your data unusable!!) |                           |
| Telephone No.                        | : 08022216710                                                                 | Use Security Control                                                            | : ? No                    |
| Mobile No.                           | : 9341599801                                                                  | (Enable Security to avail Tally.NET Features)                                   |                           |
| E-Mail                               | : contact@citysupermkt.com                                                    |                                                                                 |                           |
| <b>Base Currency Information</b>     |                                                                               |                                                                                 |                           |
| Base Currency Symbol                 | : Rs.                                                                         | Show Amounts in Millions                                                        | : ? No                    |
| Formal Name                          | : Indian Rupees                                                               | Put a SPACE between Amount and Symbol                                           | : ? Yes                   |
| Number of Decimal Places             | : 2                                                                           | Decimal Places for Printing Amounts in V                                        | : ?                       |
| Is Symbol SUFFIXED to Amounts        | : No                                                                          | <b>Accept ?</b>                                                                 |                           |
| Symbol for Decimal Portion           | : paise                                                                       | Yes or No                                                                       |                           |

Figure 10.1 Company Creation – City Super Market

- Press **Y** or **Enter** to accept.

## 10.2.2 Creating POS Voucher Type

The first step to enable POS Invoicing in Tally.ERP 9 is to create a **POS Invoice Voucher Type**. Using Voucher class, you can pre-define accounts, limit the list of ledgers for selection during voucher entry, automate ledger posting associated with stock items and create auto selection for duties, discounts and rounding off.

Go to **Gateway of Tally > Accounts Info. > Voucher Types > Create**

In the **Voucher Creation** screen,

1. Type the Name of Voucher Type as **POS Invoice**.
2. Select the Voucher Type as **Sales** from the list of voucher types.
3. Type the Abbreviation as **POS**.
4. **Method of Voucher Numbering** is set by default to **Automatic**, but can be set to **Manual** or **None**.
5. Set **Use Advance Configuration** to **Yes**. Tally.ERP 9 displays the **Secondary Voucher Type Creation** screen. Accept the default screen.
6. Set **Use EFFECTIVE Dates for Vouchers** to **No**.
7. Set **Make 'Optional' as Default** to **No**.
8. Set **Use Common narration and Narration for each entry** to **No**.
9. Set **Print after saving Voucher** to **Yes**.

- The completed **POS Invoice Voucher Type** screen appears as shown.

| Voucher Type Creation                                                                                                                                                                                                                           |               | City Super Market                                                                                                                                                                                                                                        |  | Ctrl + M                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------|
| Name                                                                                                                                                                                                                                            | : POS Invoice |                                                                                                                                                                                                                                                          |  |                          |
| (alias)                                                                                                                                                                                                                                         | :             |                                                                                                                                                                                                                                                          |  |                          |
| <div>General</div> <div>Type of Voucher : Sales</div> <div>Abbr. : POS</div> <div>Method of Voucher Numbering ? Manual</div> <div>Prevent Duplicates ? No</div> <div>Use Common Narration ? Yes</div> <div>Narrations for each entry ? No</div> |               | <div>Printing</div> <div>Print after saving Voucher ? Yes</div> <div>Use for POS Invoicing ? Yes</div> <div>Print Message 1 : Thank You</div> <div>Print Message 2 : Visit Again</div> <div>Default Print Title : Invoice</div> <div>Declaration :</div> |  | <div>Name of Class</div> |
| <div>Accept ?</div> <div>Yes or No</div>                                                                                                                                                                                                        |               |                                                                                                                                                                                                                                                          |  |                          |

15. Press **Y** or **Enter** to **Accept**.

Create **sales** and **purchases** ledgers in the books of **M/s. City Super Market**.  
Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

| Ledger    | Under Group       | Inventory Values are Affected |
|-----------|-------------------|-------------------------------|
| Purchases | Purchase Accounts | Yes                           |
| Sales     | Sales Accounts    | Yes                           |



| Stock Item Creation |             | City Super Market      |                         |
|---------------------|-------------|------------------------|-------------------------|
| Name                | : Olive Oil |                        |                         |
| (alias)             | :           |                        |                         |
| Under               | : FMCG      | <b>Tax Information</b> |                         |
| Units               | : Bottle    | Tariff Classification  | : <b>Not Applicable</b> |
| Set Standard Rates  | ? Yes       | Rate of Duty (eg 5)    | : 0                     |
| Opening Balance     | :           | Quantity               | Rate per                |
|                     |             | V                      | Accept ?                |
|                     |             |                        | Yes or No               |

Figure 10.4 Stock Item Creation – Olive Oil

- Press **Y** or **Enter** to accept the stock item creation screen.



- To view the field **Set Standard Rates**, set **Allow Standard Rates for Stock Items** to **Yes** in **F12: Configure**.
- In the **alias** column, the bar code details can be captured by simply scanning the bar code of the stock item using a bar code reader.

## 10.3 Entering POS Transactions

Let us consider the following transactions to illustrate Point of Sale in Tally.ERP 9.

### 10.3.1 Creating Purchase Invoice

**On 1-4-2009, City Super Market purchased the following item.**

| Name of Item | Quantity | Rate | Amount |
|--------------|----------|------|--------|
| Olive Oil    | 100      | 125  | 12,500 |

- i. Make an entry of the transaction in a purchase voucher.



*In **F11: Features (Inventory Features)**, set **Maintain Multiple Godowns** to **Yes**.*

6. **Name of item: Olive Oil**, Tally.ERP 9 displays the **Item Allocation for Olive Oil** screen

- Enter the details as shown in the table.

| Name of Item | Quantity | Rate | Per    | Amount |
|--------------|----------|------|--------|--------|
| Olive Oil    | 100      | 125  | Bottle | 12,500 |

7. Press **Enter**, Tally.ERP 9 displays the **Accounting Details for Olive Oil** screen

8. Accept the default screen.

The completed **Purchase Voucher** creation screen displays as shown.

| Accounting Voucher Creation    |            | City Super Market |        | Ctrl + M                     |
|--------------------------------|------------|-------------------|--------|------------------------------|
| <b>Purchase</b> No. 1          |            | Date :            |        | 1-Apr-2009<br>Wednesday      |
| Supplier Invoice No. :         |            |                   |        |                              |
| Party's A/c Name : <b>Cash</b> |            |                   |        |                              |
| Current Balance :              |            |                   |        |                              |
| Name of Item                   | Quantity   | Rate              | per    | Amount                       |
| Olive Oil                      | 100 Bottle | 125.00            | Bottle | 12,500.00                    |
| [ End of List                  |            |                   |        |                              |
| Narration:                     |            |                   |        | 100 Bottle                   |
|                                |            |                   |        | <b>Accept ?</b><br>Yes or No |

Figure 10.5 Purchase Voucher creation — Completed

9. Press **Y** or **Enter** to accept.

### 10.3.2 Creating POS Invoice with Single Payment Mode

*On 6-4-2009, City Super Market sold the following item :*

| Name of Item | Quantity | Rate | Amount |
|--------------|----------|------|--------|
| Olive Oil    | 9        | 150  | 1,350  |

The customer pays Rs. 1,500 by cash.

**i. Make an entry of the transaction in a sales voucher.**

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

1. Select the voucher type as **POS Invoice**.
2. Click on the button **Single Mode Payment** on the vertical button bar.



*By default, for the first time, the **POS Invoice** screen will appear in **Single Mode Payment**.*

3. Press **F2** and change the date to **6-4-2009**.
4. Enter the **POS Invoice No.**
5. Select the **Godown** as **Main Location**.



*Set **Allow Party Details** in **POS Invoice** to **No** in **POS Invoice Configuration***

6. Select the sales ledger as **Sales**.
7. Select the Name of Item as **Olive Oil**.
8. (Alternatively, the bar code on the stock item can be scanned with the help of the bar code reader and all the details are captured automatically. This is useful when there are numerous stock items and manual entry of each item proves to be a time consuming task.)
9. By default, Tally.ERP 9 displays the rate and amount for one unit of the stock item selected. To change the quantity, use the **backspace** key to shift the cursor on to the quantity column. Type **9** and press **Enter** to update the rate and amount details.



*If **Set Standard Rates** is activated, Tally.ERP 9 does not allow manual entry of rate for stock items.*

10. In the columns pertaining to payment details, Tally.ERP 9 shows the amount receivable, **1,350**. In the field **Cash Tendered**, enter the cash tendered by the customer, which is **1,500**. Tally.ERP 9 automatically calculates and displays the balance amount to be refunded as **150** in the **Balance** field.
11. Enter the narration if required.

The completed **POS Invoice** screen displays as shown.

| Accounting Voucher Creation   |          | City Super Market |                 | Ctrl + M                  |
|-------------------------------|----------|-------------------|-----------------|---------------------------|
| <b>POS Invoice</b> No. CSM-01 |          |                   |                 | 6-Apr-2009<br>Monday      |
| Godown : Main Location        |          |                   |                 |                           |
| Sales Ledger : Sales          |          |                   |                 |                           |
| Name of Item                  | Quantity | Rate per          | Amount          |                           |
| Olive Oil                     | 9 Bottle | 150.00 Bottle     | 1,350.00        |                           |
| [ End of List                 |          |                   |                 |                           |
|                               |          | 9 Bottle          | 1,350.00        |                           |
| Cash                          | Cash     | 1,350.00          | Cash Tendered : | 1,500.00 Balance : 150.00 |
| Narration : Sale of Olive Oil |          |                   |                 |                           |
|                               |          |                   |                 | Accept ?<br>Yes or No     |

Figure 10.6 POS Invoice – Single Mode Payment

12. Press **Y** or **Enter** to accept the screen.
13. On saving the voucher, Tally.ERP 9 asks for a confirmation to print the invoice.
14. Press **N** or **ESC** to reject

### 10.3.3 Creating POS Invoice with Multiple Payment Mode

*On 9-4-2009, City Super Market sold the following item.*

| Name of Item | Quantity | Rate | Amount |
|--------------|----------|------|--------|
| Olive Oil    | 12       | 150  | 1,800  |

The customer pays Rs.900 by credit card, Rs.750 by cheque and Rs.150 by cash

**i. Make an entry of the transaction in a sales voucher.**

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

1. Select the voucher type as **POS Invoice**.
2. Press **F2** and change the date to **9-4-2009**.
3. Enter the **POS Invoice No.**

4. Select the **Godown** as **Main Location**.
5. Click on the button **Multi Mode Payment** on the vertical button bar.
6. Select the sales ledger as **Sales**.
7. Select the Name of Item as **Olive Oil**.
8. **Quantity: 12 Bottles**
9. Tally.ERP 9 calculates and displays the rate and amount details.
10. In the columns pertaining to payment details make the following entries.
  - **Gift Vouchers:** Payment received through gift vouchers is entered here. Select **Not Applicable**.
  - **Credit/Debit Card Payment:** Select the name of the bank with which you have the arrangement for collecting the card receivables.
    - Select **HDFC Bank**. (Press **ALT+C** to create the ledger HDFC Bank - under Bank Accounts).
    - The amount is automatically filled with the amount of the invoice **1,800**, type **900**.
    - This will prompt you to enter the card number. Type **5425051703594662** and press **Enter**.
  - **Cheque:** Enter the name of the bank in which you deposit the cheques.
    - Select **HDFC Bank**. The amount column is automatically filled with the balance amount receivable, Type **750** and press **Enter**.
    - This will take you to the column **Bank Name**. Enter the name of the bank on which the cheque has been drawn.
    - Type **Citibank**. Tally.ERP 9 prompts you to fill in the cheque no. Type **653114** and press **Enter**.
  - **Cash:** Select the ledger **Cash** (pre-defined). Tally.ERP 9 automatically fills the balance amount receivable, **150**.
    - Enter the cash tendered by the customer, which is **200**.
    - Tally.ERP 9 automatically calculates and displays the balance amount to be refunded as **50**.
11. Skip the narration field by pressing **Enter**.

The completed **POS Invoice** screen displays as shown.



| Accounting Voucher Creation           |           | City Super Market                             |                    | Ctrl + M                                 |  |
|---------------------------------------|-----------|-----------------------------------------------|--------------------|------------------------------------------|--|
| <b>POS Invoice</b> No. CSM-02         |           |                                               |                    | 9-Apr-2009<br>Thursday                   |  |
| Godown : Main Location                |           |                                               |                    |                                          |  |
| Sales Ledger : Sales                  |           |                                               |                    |                                          |  |
| Name of Item                          | Quantity  | Rate per                                      | Amount             |                                          |  |
| Olive Oil                             | 12 Bottle | 150.00 Bottle                                 | 1,800.00           |                                          |  |
| [ End of List                         |           |                                               |                    |                                          |  |
|                                       |           |                                               | 12 Bottle 1,800.00 |                                          |  |
| Gift Vouchers : [ Not Applicable      |           | 900.00 Card No : 5425051703594662             |                    | <div>Accept ?</div> <div>Yes or No</div> |  |
| Credit/Debit Card Payment : HDFC Bank |           | 750.00 Bank Name : Citibank                   |                    |                                          |  |
| Cheque : HDFC Bank                    |           | Ch No : 653114                                |                    |                                          |  |
| Cash : Cash                           |           | 150.00 Cash Tendered : 200.00 Balance : 50.00 |                    |                                          |  |
| Narration :                           |           |                                               |                    |                                          |  |

Figure 10.7 POS Invoice – Sales

12. Press **Y** or **Enter** to accept the screen.
13. On saving the voucher, Tally.ERP 9 asks for a confirmation to print the invoice.
14. Click **With Preview** button to see a preview of the invoice and press **Enter**.

The printed **POS Invoice** will appear as shown.

| City Super Market          |             |                |             |
|----------------------------|-------------|----------------|-------------|
| No. 15, Block-I, 5th Floor |             |                |             |
| BG Shopping Complex        |             |                |             |
| Jayanagar                  |             |                |             |
| Bangalore                  |             |                |             |
| Invoice                    |             |                |             |
| Bill No.                   | : CSM-02    | Time           | : 17:30 hrs |
| Date                       | : 9-4-2009  |                |             |
| Sl                         | Description | Qty            | Rate        |
| 1                          | Olive Oil   | 12             | 150.00      |
|                            |             |                | 1800.00     |
| Total                      |             | 12             | 1800.00     |
| Cr/Dr Card                 | :           |                | 900.00      |
| Card No                    | :           | xxxx xxxx xxxx | 4662        |
| Cheque                     | :           |                | 750.00      |
| Cheque No.                 | :           | 653114         | Citibank    |
| Cash                       | :           |                | 150.00      |
| Cash Tendered              | :           |                | 200.00      |
| Balance                    | :           |                | 50.00       |
| Thank You                  |             |                |             |
| Visit Again                |             |                |             |

Figure 10.8 POS – Invoice



- You can configure the printer to alter paper dimensions. The standard paper size for a POS invoice is 4 inches by 11 inches.
- To accelerate the process of recording the sales invoice entries, create a voucher class by specifying the default ledger allocations for the payment details. If voucher classes are defined, Tally.ERP 9 will automatically display the ledger accounts for gift vouchers/ card/ bank/ cash in the POS Invoice.

### 10.3.4 Creating POS Invoice using Voucher Class

On 18-4-2009, City Super Market sold the following item :

| Name of Item | Qty | Rate | VAT   | Amount   |
|--------------|-----|------|-------|----------|
| Milk 500ML   | 10  | 95   | 12.5% | 1,068.75 |

The customer submits Sodexo Gift Voucher worth Rs.250, pays Rs. 600 by credit card and Rs.218.75 by cash

In Tally.ERP 9, you can create a voucher type with voucher class as shown :



*In F11: Statutory and Taxation Features,*

- ❑ *Set **Enable Value Added Tax (VAT)** to **Yes***
- ❑ *Set **Set/Alter VAT Details** to **Yes***

*In the **Company VAT Details** screen,*

- ❑ *Select **State** as **Karnataka***
- ❑ *Type of Dealer as **Regular***
- ❑ ***Regular VAT Applicable from 1-4-2009***
- ❑ *Fill in the **Tax Information** as applicable.*

#### **i. Create Voucher Type → POS Invoice with Class**

Go to **Gateway of Tally > Accounts Info. > Voucher Types > Create**

1. Type the name of the Voucher Type as **POS Invoice with Class**.
2. Select the Voucher Type as **Sales** from the List of Voucher Types.
3. Type the Abbreviation as **POS**.
4. **Method of Voucher Numbering** is set by default to **Automatic**, but can be set to **Manual** or **None**.
5. Set **Use Advance Configuration** to **No**.
6. Set **Use EFFECTIVE Dates for Voucher** to **No**.
7. Set **Make 'Optional' as Default** to **No**.
8. Set **Use Common narration and Narration for each entry** to **No**.
9. Set **Print after saving Voucher** to **Yes**.
10. Set **Use for POS Invoicing** to **Yes** and press **Enter**.
11. You will find two additional fields for messages and can use them as per your requirements. Type **Thank You** and **Visit Again** in the **Print Message 1** and **Print Message 2** fields respectively.
12. Specify the **Default Print Title** as **INVOICE**.
13. Under **Declaration**, you can enter the statutory declaration if applicable. The same will be printed in the Tax Invoice.
14. Mention the **Name of Class** as **POS Invoice** and press **Enter** to view the **Voucher Class** screen.



*The options to enable various **Multi-mode Payment Ledgers** are set to **Yes** by default. But you need to create necessary ledger as applicable. The ledgers **Sodexo Gift Coupons** and **Citibank** have not been created before. You need to create the ledgers **Sodexo Gift Coupons** under **Sundry Debtors** and **Citibank** under **Bank Accounts** in secondary ledger creation mode.*

15. Enter the details as given in the table

| Default Ledger Accounts for POS Invoice | Enable | Ledger Name         |
|-----------------------------------------|--------|---------------------|
| Gift Vouchers                           | Yes    | Sodexo Gift Coupons |
| Credit/Debit Card Payment               | Yes    | Citibank            |
| Cheque/DD                               | Yes    | HDFC Bank           |
| Cash                                    | Yes    | Cash                |

16. Under **Default Accounting Allocations for each Item in Invoice** enter the following details.

- ❑ **Ledger Name:** Create Ledger **Sales @ 12.5%** under **Sales Account** by selecting the appropriate **VAT/Tax Class**.
- ❑ **VAT/Tax Class:** **Sales @ 12.5%**
- ❑ **Percentage %:** **100**
- ❑ The options **Rounding Method** and **Rounding Limit** are automatically skipped.
- ❑ **Override using Item Default:** **No**

17. Under **Additional Accounting Entries to be added in Invoice**, enter the following details.

- ❑ **Ledger Name:** Create ledger **Output VAT @ 12.5%** under **Duties and Taxes**. Select the **Type of Duty/Tax** as **VAT** and **VAT/Tax Class** as **Output VAT @ 12.5%**.
- ❑ **Type of Calculation:** **On VAT Rate**
- ❑ **Value Basis:** **12.5%**
- ❑ **Rounding Method:** **Not Applicable**
- ❑ **Rounding Limit:** **Automatically Skipped**
- ❑ **Remove if Zero:** **Yes**

The resultant screen displays as shown.

| Voucher Type Class                                                                |                                                         | City Super Market   |                 |                 |                  |                               |  | Ctrl + M                                   |
|-----------------------------------------------------------------------------------|---------------------------------------------------------|---------------------|-----------------|-----------------|------------------|-------------------------------|--|--------------------------------------------|
| Name : PO                                                                         | Class : POS Invoice                                     |                     |                 |                 |                  |                               |  | <div>Line of Class</div> <div>Choice</div> |
| (alias) :                                                                         | Default Ledger Accounts for POS Invoice :               |                     |                 |                 |                  |                               |  |                                            |
|                                                                                   | Enable                                                  | Ledger Name         |                 |                 |                  |                               |  |                                            |
| Gift Vouchers                                                                     | : Yes                                                   | Sodexo Gift Coupons |                 |                 |                  |                               |  |                                            |
| Credit/Debit Card Payment                                                         | : Yes                                                   | Citibank            |                 |                 |                  |                               |  |                                            |
| Cheque/DD                                                                         | : Yes                                                   | HDFC Bank           |                 |                 |                  |                               |  |                                            |
| Cash                                                                              | : Yes                                                   | Cash                |                 |                 |                  |                               |  |                                            |
| Type of Voucher                                                                   | Default Accounting Allocations for each Item in Invoice |                     |                 |                 |                  |                               |  |                                            |
| Abbr.                                                                             | Ledger Name                                             | VAT/Tax Class       | Percentage %    | Rounding Method | Rounding Limit   | Override using Item Default ? |  |                                            |
| Method of Voucher                                                                 | Sales @ 12.5%                                           | Sales @ 12.5%       | 100 %           |                 |                  | No                            |  |                                            |
| Use Advance Co                                                                    |                                                         |                     |                 |                 |                  |                               |  |                                            |
| Use Common Narra                                                                  |                                                         |                     |                 |                 |                  |                               |  |                                            |
| Narrations for each                                                               |                                                         |                     |                 |                 |                  |                               |  |                                            |
| Additional Accounting Entries (e.g. Taxes / Other charges) to be added in Invoice |                                                         |                     |                 |                 |                  |                               |  |                                            |
| Ledger Name                                                                       | Type of Calculation                                     | Value Basis         | Rounding Method | Rounding Limit  | Remove if Zero ? |                               |  |                                            |
| Output VAT @ 12.5%                                                                | On VAT Rate                                             | 12.50 %             | Not Applicable  |                 | Yes              |                               |  |                                            |
|                                                                                   |                                                         |                     |                 |                 |                  |                               |  |                                            |

Figure 10.9 Voucher Type Class

18. Accept to save the Voucher Type Class creation screen.
19. Press **Y** or **Enter** to accept the Voucher Type creation screen.

**ii. Create Stock Item → Milk 500ML under FMCG with opening balance of 50 Nos.**

1. **Name: Milk 500ML**
2. **alias:** Leave it blank
3. **Under: FMCG**
4. **Units: Nos**
5. **Alter Standard Rates ? : Yes**
6. The Standard Rates screen for Milk 500ML displays. Set the **Standard Cost** as **Rs.75 per Nos** and **Standard Selling Price** as **Rs.95 per Nos**, all applicable from **April 2009**.
7. Under **Tax Information**, enter the **Rate of VAT(%)** as **12.50**
8. Enter the quantity as **50**.
9. Tally.ERP 9 displays the **Stock Item Allocation of: Milk 500ML**. Select the **Godown** as **Main Location** and **Quantity** as **50 Nos**. Leave the other fields blank.
10. Accept the screen to complete stock item creation.

### iii. Make an entry of the transaction in a Sales Voucher.

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales Voucher**

1. Select the voucher type as **POS Invoice with Class**.

2. Select Voucher Class as **POS INVOICE**

The screen displays as shown.

| Voucher Type |                          |                                         |
|--------------|--------------------------|-----------------------------------------|
| Name         | : POS Invoice with Class | Voucher Class List                      |
| Class        | : POS Invoice            | <input type="checkbox"/> Not Applicable |
|              |                          | <b>POS Invoice</b>                      |

Figure 10.10 Selection of Voucher Class

3. Press **F2** and change the date to **18.4.2009**

4. Tally.ERP 9 displays the **Godown** as **Main Location**.

5. **Name of Item: Milk 500ML**

6. **Quantity: 10 Nos**

Tally.ERP 9 automatically calculates and displays the **Rate, Amount** and **VAT details**.

7. Enter the payment details as follows :

| Ledger              | Amount | Other Details                                                                            |
|---------------------|--------|------------------------------------------------------------------------------------------|
| Sodexo Gift Coupons | 250    |                                                                                          |
| Citibank            | 600    | <b>Card No.:</b> 5712854711219030                                                        |
| HDFC Bank           | -----  | -----                                                                                    |
| Cash                | 218.75 | <b>Cash Tendered:</b> 300 (Tally.ERP 9 calculates and displays the balance amount 81.25) |

The completed **POS Invoice with class** screen displays as shown.

Figure 10.11 POS Invoice with Voucher Class

- The printed **POS Invoice** displays as shown.

|                                                                                                                           |                     |         |         |
|---------------------------------------------------------------------------------------------------------------------------|---------------------|---------|---------|
| <b>City Super Market</b><br>No. 15, Block-I, 5th Floor<br>BG Shopping Complex<br>Jayanagar<br>Bangalore<br><b>INVOICE</b> |                     |         |         |
| Bill No. : 1                                                                                                              | Time : 18:10 hrs    |         |         |
| Date : 18-4-2009                                                                                                          |                     |         |         |
| Sl Description                                                                                                            | Qty                 | Rate    | Amount  |
| 1 Milk 500ML                                                                                                              | 10                  | 95.00   | 950.00  |
| Output VAT @ 12.5%                                                                                                        |                     | 12.50 % | 118.75  |
| Total                                                                                                                     | 10                  |         | 1068.75 |
| VAT @ 12.50 % on                                                                                                          | 950.00              |         | 118.75  |
|                                                                                                                           | Total Tax           |         | 118.75  |
| Gift Voucher :                                                                                                            | 250.00              |         |         |
| Cr/Dr Card :                                                                                                              | 600.00              |         |         |
| Card No :                                                                                                                 | xxxx xxxx xxxx 9030 |         |         |
| Cash :                                                                                                                    | 218.75              |         |         |
| Cash Tendered :                                                                                                           | 300.00              |         |         |
| Balance :                                                                                                                 | 81.25               |         |         |
| Thank You<br>Visit Again                                                                                                  |                     |         |         |

Figure 10.12 POS Invoice with VAT Details – Printed

## 10.4 POS Reports

### 10.4.1 POS Register

POS Register provides the list of Invoices. These Vouchers are collated and listed together for a period to give meaningful information. Each POS Invoice is further drilled down to obtain the lowest level of information.

To view the list of **POS Invoice Statement**,

Go to **Gateway of Tally > Display > Accounts Books > POS Register**

- Click **F1: Detailed**



*POS Register option will appear, only if the option **Use for POS Invoicing** is activated in **Voucher Type** and at least one entry has been made.*



The **POS Register** displays as shown.

POS Register

City Super Market

Ctrl + M

| List of All POS Vouchers |                        |         |               | 1-Apr-2009 to 18-Apr-2009 |        |          |          |
|--------------------------|------------------------|---------|---------------|---------------------------|--------|----------|----------|
| Date                     | Vch Type               | Vch No. | Gift Vouchers | Credit/Debit Card Payment | Cheque | Cash     | Total    |
| 6-4-2009                 | POS Invoice            | CSM-01  |               |                           |        | 1,350.00 | 1,350.00 |
|                          | Sales                  |         | 1,350.00      |                           |        |          |          |
| 9-4-2009                 | POS Invoice            | CSM-02  |               | 750.00                    | 900.00 | 150.00   | 1,800.00 |
|                          | Sales                  |         | 1,800.00      |                           |        |          |          |
| 18-4-2009                | POS Invoice with Class | 1       | 250.00        | 600.00                    |        | 218.75   | 1,068.75 |
|                          | Sales @ 12.5%          |         | 950.00        |                           |        |          |          |
|                          | Output VAT @ 12.5%     |         | 118.75        |                           |        |          |          |
| Total:                   |                        |         | 250.00        | 1,350.00                  | 900.00 | 1,718.75 | 4,218.75 |

Figure 10.13 POS Register - Detailed



*You can also view the inventory details in **POS Register** by setting **Show Inventory Details** also to **Yes** in **F12: Configure**.*

- To print the POS Register, press **Alt+P**.

The printed **POS Register** displays as shown.

| <b>City Super Market</b><br>No. 15, Block-I, 5th Floor<br>BG Shopping Complex<br>Jayanagar<br>Bangalore<br><b>POS Register</b><br>1-Apr-2009 to 18-Apr-2009 |                                      |         |               |                   |          |                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------|---------------|-------------------|----------|-----------------|
|                                                                                                                                                             |                                      |         |               |                   |          | Page 1          |
| Date                                                                                                                                                        | Vch Type                             | Vch No. | Gift Vouchers | Credit/Debit Card | Cheque   | Cash            |
| 6-4-2009                                                                                                                                                    | POS Invoice Sales                    | CSM-01  |               | 1,350.00          |          | 1,350.00        |
|                                                                                                                                                             | Olive Oil                            |         |               | 9 Bottle          | 1,350.00 |                 |
| 9-4-2009                                                                                                                                                    | POS Invoice Sales                    | CSM-02  |               | 750.00            | 900.00   | 150.00          |
|                                                                                                                                                             | Olive Oil                            |         |               | 12 Bottle         | 1,800.00 |                 |
| 18-4-2009                                                                                                                                                   | POS Invoice with Class Sales @ 12.5% | 1       | 250.00        | 600.00            |          | 218.75          |
|                                                                                                                                                             | Milk 500ML                           |         |               | 10 Bottle         | 950.00   |                 |
|                                                                                                                                                             | Output VAT @ 12.5%                   |         |               | 118.75            |          |                 |
| Total:                                                                                                                                                      |                                      |         | 250.00        | 1,350.00          | 900.00   | 1,718.75        |
|                                                                                                                                                             |                                      |         |               |                   |          | <b>4,218.75</b> |

Figure 10.14 POS Register – Printed



**POS Invoicing** can also be used for billing **Pharmaceutical products** in the following manner.

- ❑ Set **Use Security Control** to **Yes** in Company Creation/Alteration screen and create the user login name using the security feature in Tally.ERP 9. The user who logs in to Tally.ERP 9 with the name of the user and password can print the POS Invoice with the user name.
- ❑ Set **Maintain Batch-wise Details** and **Set Expiry Dates for Batches** to **Yes** in the **F11:Features** screen.
- ❑ Set **Use different Actual & Billed Quantities** to **Yes** in **F11: Features** screen to specify the free items.
- ❑ Set **Separate Discount column on Invoices** to **Yes** to specify the discount on any items while making a POS sales invoice.

### Points to Remember

- ❑ POS, an abbreviation for Point-of-Sale can mean a retail shop, a check-out counter in a shop, or a variable location where a sales transaction occurs.
- ❑ Tally allows the generation of POS Invoice with / without the use of a voucher class.
- ❑ In single-mode payment, the POS invoice will consist of only fields pertaining to cash.
- ❑ In multi-mode payment, any number of modes can be created for recording the amount received from the customer.
- ❑ The POS invoice will display the amount allowed as a discount with a negative sign.
- ❑ The POS invoice will display the rate as '0' when the items are given free of cost to the customer.
- ❑ When items with batch details are sold the same is displayed in the POS invoice.

## Lesson 11: Job Costing

### Lesson Objectives

On completion of this lesson, you will be able to

- ❑ Enable and capture job costing details in Tally.ERP 9
- ❑ Record the consumption of materials for each job
- ❑ Generate the report for jobs carried out in multiple godowns
- ❑ Compare and analyse jobs done

Job Costing applies to specific jobs undertaken according to customer requirements and specifications. Tally.ERP 9 enables the tracking of cost and revenue information down to the smallest detail.

In order to determine the actual costs incurred, every job is assigned a job number or a job name. Job costing systems determine the costs separately for each product or service, based on the jobs undertaken.

In a typical job costing environment:

- ❑ Many non-standard (customised) products/ service are produced/ rendered.
- ❑ Orders are executed based on customer requirements.
- ❑ Cost records are maintained for each distinct job.
- ❑ Costs are traced or allocated to jobs.

The advantages of Job Costing are as follows.

- ❑ Costs can be allotted to each element while the job is in progress.
- ❑ On the completion of a job, each element of cost, selling price and profit can be compared with estimates made earlier and other similar jobs.
- ❑ Suitable methods can be used to determine the price on a cost plus contract basis.

## 11.1 Configuring Job Costing In Tally.ERP 9

Let us consider **Computer Associates** to understand the Job Costing feature of Tally.ERP 9. **Computer Associates** supplies computers configured as per customer requirements and upgrades old computers.

### 11.1.1 Company Setup

Create a company called **Computer Associates** as shown below :

The completed **Company Creation** screen appears as shown below:



| Company Creation                     |                                                         | Ctrl + M                                                                       |                           |
|--------------------------------------|---------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------|
| Directory                            | : C:\Tally.ERP9\Data                                    |                                                                                |                           |
| Name                                 | : Computer Associates                                   |                                                                                |                           |
| <b>Mailing &amp; Contact Details</b> |                                                         |                                                                                |                           |
| Mailing Name                         | : Computer Associates                                   | Currency Symbol                                                                | : Rs.                     |
| Address                              | : Level 3, Tech Park-II<br>Hosur Main Road<br>Bangalore | Maintain                                                                       | : Accounts with Inventory |
|                                      |                                                         | Financial Year from                                                            | : 14-2009                 |
|                                      |                                                         | Books beginning from                                                           | : 14-2009                 |
| <b>Security Control</b>              |                                                         |                                                                                |                           |
| Statutory compliance for             | : India                                                 | TallyVault Password (if any)                                                   | :                         |
| State                                | : Karnataka                                             | Repeat Password                                                                | :                         |
| PIN Code                             | : 560068                                                | (WARNING: forgetting your TallyVault password will render your data unusable!) |                           |
| Telephone No.                        | : 080-22234680                                          | Use Security Control                                                           | : ? No                    |
| Mobile No.                           | : 9741432201                                            | (Enable Security to avail Tally.NET Features)                                  |                           |
| E-Mail                               | : sales@computerassociates.com                          |                                                                                |                           |
| <b>Base Currency Information</b>     |                                                         |                                                                                |                           |
| Base Currency Symbol                 | : Rs.                                                   | Show Amounts in Millions                                                       | : ? No                    |
| Formal Name                          | : Indian Rupees                                         | Put a SPACE between Amount and Symbol                                          | : ? Yes                   |
| Number of Decimal Places             | : 2                                                     | Decimal Places for Printing Amounts in V                                       | : ?                       |
| Is Symbol SUFFIXED to Amounts        | : No                                                    |                                                                                |                           |
| Symbol for Decimal Portion           | : paise                                                 |                                                                                |                           |
| Accept ?                             |                                                         |                                                                                |                           |
| Yes or No                            |                                                         |                                                                                |                           |

Figure 11.1 Company Creation screen

- Press **Y** or **Enter** to accept the company creation screen.

**Computer Associates** received two orders from **SimplyC Solutions** to upgrade existing systems and deliver new systems.

The order details are given in the table.

| S.No | Order Description                             | Terms of Contract                                    | Amount   |
|------|-----------------------------------------------|------------------------------------------------------|----------|
| 1.   | Servicing and Upgrading of existing machines. | Lump sum contract, inclusive of replacement of parts | 3,75,000 |
| 2.   | Installing new systems as per specifications  | Rate contract based on requirement of systems        | 20,000   |

### Other Details

- ❑ The company has given the servicing and upgrading job collectively to **Raj** and **Archana**. The Service Charges amounts to Rs. **62,500** and Travel Expenses for visits made onsite are Rs. **25,000**
- ❑ The company has given the job of installing new systems job to **Rajesh**
- ❑ Service Charge Rs. **62,500** and Travel Expenses for visits made onsite-Rs. **25,000**
- ❑ The company has a stores godown and regularly purchases items from **Reliable Computers**.

### 11.1.2 Enabling Job Costing in Tally.ERP 9

In the **F11: Features (Accounting Features)**,

- ❑ Set **Maintain Cost Centres** to **Yes**.
- ❑ Set **Use Cost Centre for Job Costing** to **Yes**.

The **Accounting Features** screen appears as shown below:

| Company: Computer Associates                            |       |                                            |       |
|---------------------------------------------------------|-------|--------------------------------------------|-------|
| Accounting Features                                     |       |                                            |       |
| <b>General</b>                                          |       | <b>Invoicing</b>                           |       |
| Integrate Accounts and Inventory                        | ? Yes | Allow Invoicing                            | ? Yes |
| Income/Expense Statement instead of P & L               | ? No  | Enter Purchases in Invoice Format          | ? Yes |
| Allow Multi-Currency                                    | ? No  | Use Debit/Credit Notes                     | ? No  |
|                                                         |       | Use Invoice mode for Credit Notes          | ? No  |
|                                                         |       | Use Invoice mode for Debit Notes           | ? No  |
| <b>Outstandings Management</b>                          |       | <b>Budgets &amp; Scenario Management</b>   |       |
| Maintain Bill-wise Details (for Non-Trading A/cs also)  | ? Yes | Maintain Budgets and Controls              | ? No  |
| Activate Interest Calculation (use advanced parameters) | ? No  | Use Reversing Journals & Optional Vouchers | ? No  |
| <b>Cost/Profit Centres Management</b>                   |       | <b>Other Features</b>                      |       |
| Maintain Payroll                                        | ? No  | Enable Cheque Printing                     | ? No  |
| Maintain Cost Centres                                   | ? Yes | Set/Alter Cheque Printing Configuration    | ? No  |
| Use Cost Centre for Job Costing                         | ? Yes | Allow Zero valued entries                  | ? No  |
| More than ONE Payroll / Cost Category                   | ? No  |                                            |       |
| Use Pre-defined Cost Centre Allocations during Entry    | ? No  |                                            |       |
| Show Opening Balance for Revenue Items in Reports       | ? No  |                                            |       |

F1: Accounts    F2: Inventory    F3: Statutory

Figure 11.2 Accounting Features screen

- ❑ Press **F2: Inventory Features** and
  - Set **Maintain Multiple Godowns** to **Yes**.

- Set **Track Additional Costs of Purchase** to **Yes**.
- Set **Use Tracking Numbers** to **Yes**.

The **Inventory Features** screen appears as shown below:

| Company: <u>Computer Associates</u>                           |       |                                               |                 |
|---------------------------------------------------------------|-------|-----------------------------------------------|-----------------|
| <u>Inventory Features</u>                                     |       |                                               |                 |
| <u>General</u>                                                |       | <u>Invoicing</u>                              |                 |
| Integrate Accounts and Inventory                              | ? Yes | Allow Invoicing                               | ? Yes           |
| Allow Zero valued entries                                     | ? No  | Enter Purchases in Invoice Format             | ? Yes           |
| <u>Storage &amp; Classification</u>                           |       | Use Debit/Credit Notes                        | ? No            |
| Maintain Multiple Godowns                                     | ? Yes | Use Invoice mode for Credit Notes             | ? No            |
| Maintain Stock Categories                                     | ? No  | Use Invoice mode for Debit Notes              | ? No            |
| Maintain Batch-wise Details<br>(set Expiry Dates for Batches) | ? No  | Separate Discount column on Invoices          | ? No            |
| Use different Actual & Billed Qty                             | ? No  | <u>Purchase Management</u>                    |                 |
| <u>Order Processing</u>                                       |       | Track additional costs of Purchase            | ? Yes           |
| Allow Purchase Order Processing                               | ? No  | <u>Sales Management</u>                       |                 |
| Allow Sales Order Processing                                  | ? No  | Use Multiple Price Levels                     | ? No            |
|                                                               |       | <u>Additional Inventory Vouchers</u>          |                 |
|                                                               |       | Use Tracking Numbers (Delivery/Receipt Notes) | ? Yes           |
|                                                               |       | Use Rejection Inward/Outward Notes            | ? No            |
|                                                               |       |                                               | <b>Accept ?</b> |
| F1: Accounts    F2: Inventory    F3: Statutory                |       |                                               | Yes or No       |

Figure 11.3 Inventory Features screen

- Press **Y** or **Enter** to accept the Inventory Features screen.

## 11.2 Creating Masters for Job Costing

The masters required for Job costing are as follows:

- Cost centres used for job costing.
- Sales or direct income accounts related to job revenue.
- Direct and Indirect expenses related to job costs.
- Suppliers, vendors and other party account.
- Godowns dedicated to specific jobs necessary to assess stock consumption.
- Stock items.
- Voucher types and classes for stock transfer, consumption.

### 11.2.1 Creating Jobs as Job Cost Centres

Each job is identified with a name or number and this is used while creating the cost centre for the job. Create **Upgrading Job** as a Job Cost Centre under Primary.

Go to **Gateway of Tally > Accounts Info. > Cost Centres > Single Cost Centre > Create**

1. Name: **Upgrading Job**
2. (alias): Skip field
3. Under: Select **Primary** from List of Cost Centres
4. Use for Job Costing: **Yes**

The completed **Cost Centre Creation** screen appears as shown below:

**Cost Centre Creation**

Name : **Upgrading Job**

(alias) :

Under : **Primary**

Use for Job Costing ? **Yes**

Figure 11.4 Cost Centre Creation – Upgrading Job

5. Press **Y** or **Enter** to accept the screen

Similarly, create the following Cost Centres

| Name            | Alias      | Under   | Use for Job Costing |
|-----------------|------------|---------|---------------------|
| New Systems Job | Skip Field | Primary | Yes                 |
| Retail Trade    | Skip Field | Primary | No                  |



*The Parallel allocation of cost to regular cost centres takes place when more than one cost category is enabled.*

### 11.2.2 Creating Ledgers

Create the following ledger,

| Name     | Under             | Inventory values are affected | Cost Centres are applicable |
|----------|-------------------|-------------------------------|-----------------------------|
| Purchase | Purchase Accounts | Yes                           | Yes                         |



The completed **ledger creation** screen appears as shown below:

| Ledger Creation                     |  | Computer Associates                                                        | Ctrl +                |
|-------------------------------------|--|----------------------------------------------------------------------------|-----------------------|
| Name : Purchase                     |  |                                                                            | Total Op. Bal.        |
| (alias) :                           |  |                                                                            |                       |
| Under : Purchase Accounts           |  | <b>Mailing Details</b><br>Name :<br>Address :<br><br>State :<br>PIN Code : |                       |
| Inventory values are affected ? Yes |  | <b>Tax Information</b><br>PAN / IT No. :<br>Sales Tax No. :                |                       |
| Cost centres are applicable ? Yes   |  |                                                                            |                       |
| Opening Balance ( on 1-Apr-2009 ) : |  |                                                                            | Accept ?<br>Yes or No |

Figure 11.5 Ledger Creation – Purchases

- Press **Y** or **Enter** to accept the screen.

Similarly, create the following ledgers:

| Name               | Under             | Maintain balances bill-by-bill | Inventory values are affected | Cost Centres are applicable |
|--------------------|-------------------|--------------------------------|-------------------------------|-----------------------------|
| Sales              | Sales Accounts    | —                              | Yes                           | Yes                         |
| Service Charges    | Direct Expenses   | —                              | No                            | Yes                         |
| Travel Expenses    | Indirect Expenses | —                              | No                            | Yes                         |
| Reliable Computers | Sundry Creditors  | Yes                            | No                            | No                          |



Create a **Capital Account** under the **Capital Account** group and enter Rs.10,00,000 as the Opening Balance for the Capital and alter the Cash account to a opening balance of Rs. 10,00,000.

### 11.2.3 Creating Godowns dedicated to jobs

Godowns are geographical locations or persons responsible for stock handling. Whereas, Dedicated Godowns are created to keep track of stocks transferred, consumed and manufactured for each job.



*In this lesson, godowns have been created in the names of persons responsible for stock handling.*

Create a Dedicated Godown allotted to holding stocks for a default job and a normal Godown, used regularly and not assigned to any particular job.

#### Create Stores godown

Go to **Gateway of Tally > Inventory Info. > Godowns > Create**

1. Name: **Stores**
2. (alias): **Skip field**
3. Under: **Primary**
4. Allow Storage of materials: **Yes**
5. Set Job/Project Name for Job Costing: **Not Applicable**

Figure 11.6 Godown Creation – Stores

6. Press **Enter** twice to accept the screen.

Similarly, create the following **Godowns** with the details given below:

| Godown Name | Under   | Allow Storage of materials | Default Job Name |
|-------------|---------|----------------------------|------------------|
| Raj         | Primary | Yes                        | Upgrading Job    |
| Archana     | Primary | Yes                        | Upgrading Job    |
| Rajesh      | Primary | Yes                        | New Systems Job  |

### 11.2.4 Creating Units of Measure

A Unit of Measure is created to measure the stock items. Create **Units of Measure** as **Numbers**

Go to **Gateway of Tally > Inventory Info. > Units of Measure > Create**

- Ensure that the details are as shown in the following screen:

| Unit Creation          |                                            |
|------------------------|--------------------------------------------|
| Type                   | : <b>Simple</b>                            |
| Symbol                 | : <b>Nos</b>                               |
| Formal Name            | : Number                                   |
| Number of Decimal Plac | <b>Accept ?</b><br><b>Yes</b> or <b>No</b> |

Figure 11.7 Unit Creation – Numbers

- Press **Y** or **Enter** to accept the screen.

### 11.2.5 Creating Stock Item

**i. Create stock item as Mother Board**

Go to **Gateway of Tally > Inventory Info. > Stock Items > Create**

1. Name: **Mother Board**
2. (alias): **Skip field**
3. Under: Select **Primary** from List of Groups
4. Units: Select **Nos** from Units list
5. Rate of Duty: **Skip Field**
6. Opening Balance: Do not enter any details

The completed **stock item creation** screen appears as shown below :

| Stock Item Creation |                                    | Computer Associates                                                                                                  |                |
|---------------------|------------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------|
| Name                | : Mother Board                     |                                                                                                                      |                |
| (alias)             | :                                  |                                                                                                                      |                |
| Under               | : <input type="checkbox"/> Primary | <u>Tax Information</u><br>Tariff Classification : <input type="checkbox"/> Not Applicable<br>Rate of Duty (eg 5) : 0 |                |
| Units               | : Nos                              |                                                                                                                      |                |
| Opening Balance :   |                                    | Quantity                                                                                                             | Rate per Value |
|                     |                                    | Accept ?<br>Yes or No                                                                                                |                |

Figure 11.8 Stock Item Creation – Mother Boards

7. Press **Y** or **Enter** to accept the screen.

ii. Similarly, create the following Stock Items.

| Stock Item | Under   | Units |
|------------|---------|-------|
| Hard Disk  | Primary | Nos   |
| Monitor    | Primary | Nos   |
| CPU        | Primary | Nos   |
| Keyboard   | Primary | Nos   |
| Mouse      | Primary | Nos   |

iii. Creating Stock Item with Bill of Materials

Go to **Gateway of Tally > Inventory Info. > Stock Items > Create**

1. Name: **Computers**

2. Press **F12: Stock Item Configuration**,

- Set **Allow Component list details (Bill of Materials)** to **Yes**

The **F12: Stock Item Configuration** screen appears as shown below :

| Stock Item Configuration                         |              |
|--------------------------------------------------|--------------|
| Allow ALIASES along with Names                   | ? Yes        |
| Allow Language ALIASES along with Names          | ? No         |
| Allow ADVANCED entries in Masters                | ? No         |
| Use PART NUMBERS for Stock Items                 | ? No         |
| Use Description for Stock Items                  | ? No         |
| Use REMARKS for Stock Items                      | ? No         |
| Specify Default Ledger Allocation for Invoicing  | ? No         |
| Use ALTERNATE UNITS for Stock Items              | ? No         |
| Allow Std. Rates for Stock Items                 | ? No         |
| Allow Component list details (Bill of Materials) | ? <b>Yes</b> |

Figure 11.9 F12: Configuration

- Accept the screen.
- 3. Under: Select **Primary** from the **List of Groups**
- 4. Units: Select **Nos** from the **Units** list
- 5. Set **Components (BoM)** to **Yes**
- 6. Rate of Duty: **Skip Field**
- 7. In the **List of Components** screen,
  - Define the **Unit of Manufacture** as **1**
  - Type the name of the components and godown details as given in the following table:

| Item     | Godown | Qty<br>(Nos) |
|----------|--------|--------------|
| Monitor  | Rajesh | 1            |
| CPU      | Rajesh | 1            |
| Keyboard | Rajesh | 1            |
| Mouse    | Rajesh | 1            |

The **Components details screen** appears as shown below :

| Components of<br>Unit of manufacture |        | : <b>Computers</b><br>: <b>1 Nos</b> |
|--------------------------------------|--------|--------------------------------------|
| Item                                 | Godown | Quantity                             |
| Monitor                              | Rajesh | 1 Nos                                |
| CPU                                  | Rajesh | 1 Nos                                |
| Keyboard                             | Rajesh | 1 Nos                                |
| Mouse                                | Rajesh | 1 Nos                                |

Figure 11.10 Components List



*New systems jobs are despatched from the **Rajesh Godown**.*

#### 8. Rate of Duty: **Skip Field**

The completed **stock item creation** screen appears as shown below:

| Stock Item Creation                  |  | Computer Associates                             |                         |
|--------------------------------------|--|-------------------------------------------------|-------------------------|
| Name : <b>Computers</b><br>(alias) : |  |                                                 |                         |
| Under : <b>I Primary</b>             |  | <u>Tax Information</u>                          |                         |
| Units : <b>Nos</b>                   |  | Tariff Classification : <b>I Not Applicable</b> |                         |
| Set Components (BoM) ? <b>Yes</b>    |  | Rate of Duty (eg 5) : <b>0</b>                  |                         |
| Opening Balance :                    |  | Quantity                                        | Rate per                |
|                                      |  | Value                                           | Accept ?                |
|                                      |  |                                                 | <b>Yes</b> or <b>No</b> |

Figure 11.11 Stock Item Creation – Computers

9. Press **Y** or **Enter** to accept the screen.

### 11.2.6 Creating Voucher Type with Voucher Class

In Tally.ERP 9, stock journals are used for the following purposes:

- ❑ To record the stages in the manufacturing process.
- ❑ To record the transfer of materials between godowns.
- ❑ To record the consumption of materials for Job Costing.

Create one new Voucher Type and two Voucher Classes to deal with the scenarios in a manufacturing as well as non-manufacturing environment.

#### i. Create Manufacturing Journal Voucher Type

Go to **Gateway of Tally > Inventory Info. > Voucher Types > Create**

1. Enter **Manufacturing Journal** as **Name** of the Voucher Type.
2. Select the **Type of Voucher** as **Stock Journal** from the list of voucher types.
3. Type the **Abbr.** as **Mfg.**
4. Select the **Method of Voucher Numbering** as **Automatic**.
5. By default **Use Common narration** is set to **Yes**.
6. Set **Use as a Manufacturing Journal** to **Yes**.

The completed **Voucher Type creation** screen appears as shown below:

| Voucher Type Creation                                                                                                                                                                                                                                                                                                                            |  | Computer Associates                                       | Ctrl + M              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------|-----------------------|
| Name : <b>Manufacturing Journal</b><br>(alias) :                                                                                                                                                                                                                                                                                                 |  |                                                           |                       |
| <b>General</b><br>Type of Voucher : <b>Stock Journal</b><br>Abbr. : Mfg<br>Method of Voucher Numbering ? <b>Automatic</b><br>Use Advance Configuration ? <b>No</b><br>Use EFFECTIVE Dates for Vouchers ? <b>No</b><br>Make 'Optional' as default ? <b>No</b><br>Use Common Narration ? <b>Yes</b><br>Use as a Manufacturing Journal ? <b>Yes</b> |  | <b>Printing</b><br>Print after saving Voucher ? <b>No</b> | <b>Name of Class</b>  |
|                                                                                                                                                                                                                                                                                                                                                  |  |                                                           | Accept ?<br>Yes or No |

Figure 11.12 Voucher Type Creation – Manufacturing Journal

7. Press **Y** or **Enter** to accept the screen.

## ii. Create Transfer Journal Voucher Type with Voucher Class

Go to **Gateway of Tally > Inventory Info. > Voucher Types > Create**

1. Enter **Transfer Journal** as **Name** of the Voucher Type.
2. Select the **Type of Voucher** as **Stock Journal** from the list of voucher types.
3. Type the **Abbr.** as **Transfer**.
4. Select the **Method of Voucher Numbering** as **Automatic**.
5. By default **Use Common Narration** is set to **Yes**.
6. Set **Use as a Manufacturing Journal** to **No**.
7. Type the **Name of Class** as **Transfer**



**Voucher classes** are available when stock journals are not used as manufacturing journals. The options available are as follows:

- ❑ **Use class for inter Godown transfers** : Create this class to record transfer of materials from one godown to another.
- ❑ **Use class for Job Costing consumption** : Create this class to record the consumption of materials at godown level.



8. Press **Enter** and set **Use Class for Inter-Godown Transfers** to **Yes**.

|                                       |              |
|---------------------------------------|--------------|
| <u>Class : <b>Transfer</b></u>        |              |
| Use Class for Inter- Godown Transfers | ? <b>Yes</b> |
| Use Class for Job Costing Consumption | ? <b>No</b>  |

Figure 11.13 Transfer Class

The completed **Voucher Type Creation screen** appears as shown below:

| Voucher Type Creation                                                                                                                                                     |  | Computer Associates                                       | Ctrl + M E                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------|-----------------------------------------|
| Name : <b>Transfer Journal</b>                                                                                                                                            |  |                                                           |                                         |
| (alias) :                                                                                                                                                                 |  |                                                           |                                         |
| <u>General</u><br>Type of Voucher : <b>Stock Journal</b><br>Abbr. : <b>Transfer</b>                                                                                       |  | <u>Printing</u><br>Print after saving Voucher ? <b>No</b> | <u>Name of Class</u><br><b>Transfer</b> |
| Method of Voucher Numbering ? <b>Automatic</b><br>Use Advance Configuration ? <b>No</b>                                                                                   |  |                                                           |                                         |
| Use EFFECTIVE Dates for Vouchers ? <b>No</b><br>Make 'Optional' as default ? <b>No</b><br>Use Common Narration ? <b>Yes</b><br>Use as a Manufacturing Journal ? <b>No</b> |  |                                                           |                                         |
|                                                                                                                                                                           |  |                                                           | Accept ?<br><b>Yes</b> or <b>No</b>     |

Figure 11.14 Voucher Type Creation Transfer Journal

9. Press **Y** or **Enter** to accept the screen.

### iii. Create Consumption Journal Voucher Type

Go to **Gateway of Tally > Inventory Info. > Voucher Types > Create**

1. Enter **Consumption Journal** as **Name** of the Voucher Type.
2. Select the **Type of Voucher** as **Stock Journal** from the list of voucher types.
3. Type the **Abbr.** as **Consumption**.
4. Select the **Method of Voucher Numbering** as **Automatic**.
5. By default **Use Common Narration** is set to **Yes**.
6. Set **Use as a Manufacturing Journal** to **No**.
7. Type the **Name of Class** as **Consumption**.

8. Press **Enter**. Set **Use Class for Inter-Godown Transfers** to **No** and set **Use Class for Job Costing Consumption** to **Yes**.

| Class : <b>Consumption</b>            |              |
|---------------------------------------|--------------|
| Use Class for Inter- Godown Transfers | ? <b>No</b>  |
| Use Class for Job Costing Consumption | ? <b>Yes</b> |

Figure 11.15 Consumption Class

The completed **Voucher Type Creation** screen appears as shown below :

| Voucher Type Creation                                                                                                                                                                                                                                                                                                                                   |  | Computer Associates                                       | Ctrl + M                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------|-------------------------------------|
| Name : <b>Consumption Journal</b><br>(alias) :                                                                                                                                                                                                                                                                                                          |  |                                                           |                                     |
| <b>General</b><br>Type of Voucher : <b>Stock Journal</b><br>Abbr. : Consumption<br>Method of Voucher Numbering ? <b>Automatic</b><br>Use Advance Configuration ? <b>No</b><br>Use EFFECTIVE Dates for Vouchers ? <b>No</b><br>Make 'Optional' as default ? <b>No</b><br>Use Common Narration ? <b>Yes</b><br>Use as a Manufacturing Journal ? <b>No</b> |  | <b>Printing</b><br>Print after saving Voucher ? <b>No</b> | <b>Name of Class</b><br>Consumption |
|                                                                                                                                                                                                                                                                                                                                                         |  |                                                           | Accept ?<br>Yes or No               |

Figure 11.16 Voucher Type Creation Consumption Journal

9. Press **Y** or **Enter** to accept the screen.

## 11.3 Recording Transactions

On the receipt of orders from **SimplyC Solutions**, **Computer Associates** planned to buy and store the components required for the execution of jobs.

### 11.3.1 Creating Receipt Note

*On 1-4-09, Computer Associates, placed an order with Reliable Computers for the following items :*

| Name of Item  | Quantity | Rate per Unit | Value    |
|---------------|----------|---------------|----------|
| Mother Boards | 12       | 3,000         | 36,000   |
| Hard Disk     | 12       | 4,500         | 54,000   |
| Mointors      | 22       | 7,500         | 1,65,000 |
| CPU           | 22       | 2,750         | 60,500   |
| Keyboard      | 27       | 725           | 19,575   |
| Mouse         | 27       | 250           | 6,750    |

### i. Create Receipt Note



*In the **F11: Inventory Features**, set **Yes** to **Use Tracking Numbers (Delivery/Receipt Notes)** and **Use Rejection Inward/ Outward Notes**.*

**Go to Gateway of Tally > Inventory Vouchers > Alt + F9** to view **Receipt Note** entry screen

1. Press **F2** to change voucher date. Type **1-4-2009**.
2. In the **Party's A/c Name** select **Reliable Computers** from the List of Ledgers Accounts.
3. Press **Enter** to view the order details screen and accept the default screen.
4. In the **Purchase Ledger** field, select **Purchases** from the List of Ledger Accounts.
5. Select **Mother Boards** from **List of Items**.
6. The **Item Allocation** screen appears. Enter the details as shown below:

| Tracking No                              | Godowns | Quantity | Rate  | Amount |
|------------------------------------------|---------|----------|-------|--------|
| Select 1 (from List of Tracking Numbers) | Stores  | 12 Nos   | 3,000 | 36,000 |



### Tracking Numbers

*Many businesses deliver stock with a delivery note or a challan and the bill is raised later. There may be a situation where a bill is raised first and the goods are delivered against it or the goods are received later against a purchase bill.*

*In either case, it is important to 'track' the delivery or receipt of inventory against the bill. Tally.ERP 9 provides a facility called Tracking Numbers to achieve the same.*

The completed **Receipt Note** appears as shown below :

| Inventory Voucher Creation                   |          | Computer Associates |                    | Ctrl + M   |
|----------------------------------------------|----------|---------------------|--------------------|------------|
| <b>Receipt Note</b> No. 1                    |          |                     |                    | 1-Apr-2009 |
| Ref. :                                       |          |                     |                    | Wednesday  |
| Party's A/c Name : <b>Reliable Computers</b> |          |                     |                    |            |
| Current Balance :                            |          |                     |                    |            |
| Name of Item                                 | Quantity | Rate per            | Amount             |            |
| Mother Board                                 | 12 Nos   | 3,000.00 Nos        | 36,000.00          |            |
| Hard Disk                                    | 12 Nos   | 4,500.00 Nos        | 54,000.00          |            |
| Monitor                                      | 22 Nos   | 7,500.00 Nos        | 1,65,000.00        |            |
| CPU                                          | 22 Nos   | 2,750.00 Nos        | 60,500.00          |            |
| Keyboard                                     | 27 Nos   | 725.00 Nos          | 19,575.00          |            |
| Mouse                                        | 27 Nos   | 250.00 Nos          | 6,750.00           |            |
|                                              |          |                     | <b>3,41,825.00</b> |            |
| [ End of List                                |          |                     |                    |            |
| Narration:                                   |          | 122 Nos             |                    | Accept ?   |
|                                              |          |                     |                    | Yes or No  |

Figure 11.17 Receipt Note – April 1, 2009

7. Press **Y** or **Enter** to accept the screen

### 11.3.2 Creating Purchase Invoice

*On 2-4-09, received a purchase bill from Reliable Computers for the supply booked.*

#### Create Purchase Invoice

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchase**

1. Press **F2** and change the date to **2-4-2009**.
2. Enter the **Supplier Invoice No.** and **Date**.
3. In the **Party's A/c Name** select **Reliable Computers** from the List of Ledgers Accounts.
4. In the **Receipt Details** screen, select **1** from the List of Tracking Numbers.
5. In the **Purchase Ledger** field select **Purchases** from the List of Ledgers Accounts.
6. In the **Bill-Wise Details** screen,
  - Select **New Ref**
  - Type the name as **RC1**
  - Enter the amount as **Rs. 341825**

The completed **Purchase Invoice** appears as shown below:

| Accounting Voucher Creation           |          | Computer Associates |     | Ctrl + M    |
|---------------------------------------|----------|---------------------|-----|-------------|
| <b>Purchase</b>                       | No. 1    |                     |     | 2-Apr-2009  |
| Supplier Invoice No. : RC1            |          | Date : 2-Apr-2009   |     | Thursday    |
| Party's A/c Name : Reliable Computers |          |                     |     |             |
| Current Balance :                     |          |                     |     |             |
| Name of Item                          | Quantity | Rate                | per | Amount      |
| Mother Board                          | 12 Nos   | 3,000.00            | Nos | 36,000.00   |
| Hard Disk                             | 12 Nos   | 4,500.00            | Nos | 54,000.00   |
| Monitor                               | 22 Nos   | 7,500.00            | Nos | 1,65,000.00 |
| CPU                                   | 22 Nos   | 2,750.00            | Nos | 60,500.00   |
| Keyboard                              | 27 Nos   | 725.00              | Nos | 19,575.00   |
| Mouse                                 | 27 Nos   | 250.00              | Nos | 6,750.00    |
|                                       |          |                     |     | 3,41,825.00 |
| [ End of List                         |          |                     |     |             |
| Narration:                            |          |                     |     |             |
| 122 Nos                               |          |                     |     | Accept ?    |
|                                       |          |                     |     | Yes or No   |

Figure 11.18 Purchase Invoice – April 2, 2009



*If the Bill-wise Allocation screen does not appear then in F12: Configuration set Use Defaults Bill for Allocations to No.*

7. Press **Y** or **Enter** to accept the screen.

### View Godown Summary

Go to **Gateway of Tally > Display > Statements of Inventory > Godowns**

- Select **Primary**
- Press **Alt+F1** to view the Godown Summary of Stocks.

The **Godown Summary** appears as shown below:

| Godown Summary     |  | Computer Associates                             |          | Ctrl + M           |
|--------------------|--|-------------------------------------------------|----------|--------------------|
| Particulars        |  | Computer Associates<br>1-Apr-2009 to 2-Apr-2009 |          |                    |
|                    |  | Closing Balance                                 |          |                    |
|                    |  | Quantity                                        | Rate     | Value              |
| <b>Stores</b>      |  | 122 Nos                                         | 2,801.84 | 3,41,825.00        |
| CPU                |  | 22 Nos                                          | 2,750.00 | 60,500.00          |
| Hard Disk          |  | 12 Nos                                          | 4,500.00 | 54,000.00          |
| Keyboard           |  | 27 Nos                                          | 725.00   | 19,575.00          |
| Monitor            |  | 22 Nos                                          | 7,500.00 | 1,65,000.00        |
| Mother Board       |  | 12 Nos                                          | 3,000.00 | 36,000.00          |
| Mouse              |  | 27 Nos                                          | 250.00   | 6,750.00           |
| <b>Grand Total</b> |  | <b>122 Nos</b>                                  |          | <b>3,41,825.00</b> |

Figure 11.19 Godown Summary

### 11.3.3 Creating Transfer Journal

**Computer Associates has employed Raj and Archana. The following components have been issued to them on 4-4-2009 for the upgrading job.**

Details of Stock issued to **Raj** :

| Name of Item  | Godown | Quantity | Rate  | Value  |
|---------------|--------|----------|-------|--------|
| Mother Boards | Stores | 6        | 3,000 | 18,000 |
| Hard Disk     | Stores | 6        | 4,500 | 27,000 |

Details of Stock issued to **Archana** :

| Name of Item  | Godown | Quantity | Rate  | Value  |
|---------------|--------|----------|-------|--------|
| Mother Boards | Stores | 6        | 3,000 | 18,000 |
| Hard Disk     | Stores | 6        | 4,500 | 27,000 |

## Create Transfer Journal

Go to Gateway of Tally > Inventory Vouchers > press **Alt + F7**

1. The **Voucher Type** subscreen appears as shown:

|                            |                           |                    |
|----------------------------|---------------------------|--------------------|
| <b><u>Voucher Type</u></b> |                           |                    |
| Name                       | : <b>Transfer Journal</b> | Voucher Class List |
| Class                      | : <b>Transfer</b>         | ▣ Not Applicable   |
|                            |                           | <b>Transfer</b>    |

Figure 11.20 Voucher Type – Transfer Journal

2. Select **Transfer Journal** as **Voucher Type** and **Class** as **Transfer**
3. Press **F2** and change the date to **4-4-2009**.
4. Select **Raj** as the **Destination Godown**
5. Enter the details as shown below :

| Name of Item  | Godown | Quantity | Rate  | Value  |
|---------------|--------|----------|-------|--------|
| Mother Boards | Stores | 6        | 3,000 | 18,000 |
| Hard Disk     | Stores | 6        | 4,500 | 27,000 |

The completed **Transfer Journal** appears as shown below :

| Inventory Voucher Creation             |        | Computer Associates             |              | Ctrl + M               |                       |
|----------------------------------------|--------|---------------------------------|--------------|------------------------|-----------------------|
| <b>Transfer Journal</b> No. 1          |        | Voucher Class : <b>Transfer</b> |              | 4-Apr-2009<br>Saturday |                       |
| Transfer of Materials (Inter- Godown ) |        |                                 |              |                        |                       |
| Destination Godown : <b>Raj</b>        |        |                                 |              |                        |                       |
| Name of Item                           | Godown | Quantity                        | Rate         | Amount                 |                       |
| Mother Board                           | Stores | 6 Nos                           | 3,000.00/Nos | 18,000.00              |                       |
| Hard Disk                              | Stores | 6 Nos                           | 4,500.00/Nos | 27,000.00              |                       |
|                                        |        | 12 Nos                          |              | 45,000.00              |                       |
| Narration:                             |        |                                 |              |                        |                       |
|                                        |        |                                 |              |                        | Accept ?<br>Yes or No |

Figure 11.21 Transfer Journal – April 3, 2009

- The **Rate** and **Amount** are automatically displayed.
- Press **Y** or **Enter** to accept the screen.

Similarly, make an entry in a **Transfer Journal**, selecting **Archana** as the **Destination Godown** and ensure that the date is 4-4-2009.

### 11.3.4 Creating Consumption Journal

*On 5-4-2009, Raj and Archana found that 8 Systems needed a replacement of Mother Boards and Hard Disk. The respective consumption has to be recorded as a job cost.*

| Name of the Item | Godown  | Quantity | Rate  | Value  |
|------------------|---------|----------|-------|--------|
| Mother Boards    | Raj     | 4        | 3,000 | 12,000 |
| Mother Boards    | Archana | 4        | 3,000 | 12,000 |
| Hard Disk        | Raj     | 4        | 1,000 | 4,000  |
| Hard Disk        | Archana | 4        | 1,000 | 4,000  |

### Create Consumption Journal



Go to Gateway of Tally > Inventory Vouchers > press **Alt + F7**

1. Select **Consumption Journal** as **Voucher Type**
2. Select **Consumption** as **Voucher Class**
3. Press **F2** to change the voucher date. Type **5-4-2009**. Ensure that the screen is displayed as shown:

| Inventory Voucher Creation |         |          |              |           | Computer Associates         |                          |          |      |        | Ctrl + M             |  |
|----------------------------|---------|----------|--------------|-----------|-----------------------------|--------------------------|----------|------|--------|----------------------|--|
| Consumption Journal No. 1  |         |          |              |           | Voucher Class : Consumption |                          |          |      |        | 5-Apr-2009<br>Sunday |  |
| Transfer of Materials      |         |          |              |           |                             |                          |          |      |        |                      |  |
| Source (Consumption)       |         |          |              |           |                             | Destination (Production) |          |      |        |                      |  |
| Name of Item               | Godown  | Quantity | Rate         | Amount    | Name of Item                | Godown                   | Quantity | Rate | Amount |                      |  |
| Mother Board               | Raj     | 4 Nos    | 3,000.00/Nos | 12,000.00 | ■ End of List               |                          |          |      |        |                      |  |
| Mother Board               | Archana | 4 Nos    | 4,500.00/Nos | 18,000.00 |                             |                          |          |      |        |                      |  |
| Hard Disk                  | Raj     | 4 Nos    | 4,500.00/Nos | 18,000.00 |                             |                          |          |      |        |                      |  |
| Hard Disk                  | Archana | 4 Nos    | 4,500.00/Nos | 18,000.00 |                             |                          |          |      |        |                      |  |
|                            |         |          |              | 16 Nos    | 66,000.00                   |                          |          |      |        |                      |  |
| Narration:                 |         |          |              |           |                             |                          |          |      |        |                      |  |

Accept ?  
 Yes or No

Figure 11.22 Consumption Journal – April 5, 2009

4. Press **Y** or **Enter** to accept the screen.



- ❑ On recording the above entry, the stock available in the godowns decrease. This value is considered for the consumption of materials during a job work analysis.
- ❑ A **Manufacturing Journal** can also be used to obtain the same result, but in this, a voucher class cannot be used and the voucher should not have any output.

Both direct and indirect expenses can be recorded through accounting vouchers by assigning them to job cost centres.

***On 6-4-09, Computer Associates made a cash payment of Rs. 31,250 as Service Charges and Rs. 20,000 as Travel Expenses, collectively to Raj and Archana. The costs were assigned to Upgrading Job.***

Go to **Gateway of Tally > Accounting Vouchers > F5: Payment**



1. Select **Cash** in the **Account** field.
2. Select **Service Charges** from **List of Ledger Accounts**.
3. Enter **31,250** in the **Amount** field
4. Press **Enter** to view the **Cost Allocations** screen
5. Select **Upgrading Job** from **List of Cost Centres**

[illegible]

Figure 11.23 Cost Allocations for Service Charges

6. Select **Travel Expenses** from **List of Ledger Accounts**, enter **20000** in the **Amount** field and press **Enter** to view the **Cost Allocations** screen.
7. Select **Upgrading Job** from **List of Cost Centres**.
8. Press **Y** or **Enter** to accept the screen.

**Go to Gateway of Tally > Display > Statement of Inventory > Godowns >**

- ❑ Select **Primary**
- ❑ Press **Alt+F1** to view the **Godown summary** in detailed format.
- ❑ In the **F12: Configuration**, set **Show All Items (incl. zero balance)** to **Yes**.

| Godown Summary     |  | Computer Associates                             |          | Ctrl + M           |
|--------------------|--|-------------------------------------------------|----------|--------------------|
| Particulars        |  | Computer Associates<br>1-Apr-2009 to 6-Apr-2009 |          |                    |
|                    |  | Closing Balance                                 |          |                    |
|                    |  | Quantity                                        | Rate     | Value              |
| <b>Archana</b>     |  | 4 Nos                                           | 3,750.00 | 15,000.00          |
| Hard Disk          |  | 2 Nos                                           | 4,500.00 | 9,000.00           |
| Mother Board       |  | 2 Nos                                           | 3,000.00 | 6,000.00           |
| <b>Raj</b>         |  | 4 Nos                                           | 3,750.00 | 15,000.00          |
| Hard Disk          |  | 2 Nos                                           | 4,500.00 | 9,000.00           |
| Mother Board       |  | 2 Nos                                           | 3,000.00 | 6,000.00           |
| <b>Rajesh</b>      |  |                                                 |          |                    |
| <b>Stores</b>      |  | 98 Nos                                          | 2,569.64 | 2,51,825.00        |
| CPU                |  | 22 Nos                                          | 2,750.00 | 60,500.00          |
| Hard Disk          |  |                                                 |          |                    |
| Keyboard           |  | 27 Nos                                          | 725.00   | 19,575.00          |
| Monitor            |  | 22 Nos                                          | 7,500.00 | 1,65,000.00        |
| Mother Board       |  |                                                 |          |                    |
| Mouse              |  | 27 Nos                                          | 250.00   | 6,750.00           |
| <b>Grand Total</b> |  | <b>106 Nos</b>                                  |          | <b>2,81,825.00</b> |

Figure 11.24 Godown Summary

### 11.3.6 Creating Sales Invoice

*On 6-4-2009, Raj and Archana successfully completed the upgrading job at SimplyC Solutions. Computer Associates raised an invoice on 6-4-2009 for the upgrading job.*

**Create Sales Invoice :**

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**



*In the **F12: Configuration**, set **Use Common Ledger A/c for Item Allocation** to **No**.*

1. In the **Party's A/c Name** select **SimplyC Solutions** from the List of Ledger Accounts.
2. Press **Enter** to view the **Despatch Details** screen and accept the default screen.

3. Select **Sales** from **List of Ledger Accounts**, enter **3,75,000** in the **Amount** field and press **Enter** once to view Cost Allocations for the Sales screen.
4. Select **Upgrading Job** from **List of Cost Centres**.
5. In the **Bill-Wise Details** for **SimplyC Solutions**,
  - Select **New Ref**
  - Type the **Name** as **SS-1**
  - Enter the amount as **Rs. 4,25,000**
6. Press **Y** or **Enter** to accept the screen.

### 11.3.7 Creating Stock Journal for Returns of Materials

*On 6-4-2009, Raj and Archana return the remaining components to the stores having completed the job.*

| Name of the Item | Godown  | Quantity | Rate  | Amount |
|------------------|---------|----------|-------|--------|
| Mother Boards    | Raj     | 2        | 3,000 | 6,000  |
| Hard Disk        | Raj     | 2        | 4,500 | 9,000  |
| Mother Boards    | Archana | 2        | 3,000 | 6,000  |
| Hard Disk        | Archana | 2        | 4,500 | 9,000  |

#### Create Stock Journal

- Ensure that the **Voucher Type** is **Transfer Journal** and the **Voucher Class** is **Transfer**.
- Enter the details as shown

| Inventory Voucher Creation                    |         | Computer Associates             |              | Ctrl + M             |                              |
|-----------------------------------------------|---------|---------------------------------|--------------|----------------------|------------------------------|
| <b>Transfer Journal</b> No. 3                 |         | Voucher Class : <b>Transfer</b> |              | 6-Apr-2009<br>Monday |                              |
| <b>Transfer of Materials (Inter- Godown )</b> |         |                                 |              |                      |                              |
| Destination Godown : <b>Stores</b>            |         |                                 |              |                      |                              |
| Name of Item                                  | Godown  | Quantity                        | Rate         | Amount               |                              |
| Mother Board                                  | Raj     | 2 Nos                           | 3,000.00/Nos | 6,000.00             |                              |
| Hard Disk                                     | Raj     | 2 Nos                           | 4,500.00/Nos | 9,000.00             |                              |
| Mother Board                                  | Archana | 2 Nos                           | 3,000.00/Nos | 6,000.00             |                              |
| Hard Disk                                     | Archana | 2 Nos                           | 4,500.00/Nos | 9,000.00             |                              |
|                                               |         |                                 | 8 Nos        | 30,000.00            |                              |
| Narration:                                    |         |                                 |              |                      |                              |
|                                               |         |                                 |              |                      | <b>Accept ?</b><br>Yes or No |

Figure 11.25 Transfer Journal – April 6, 2009

- Press **Y** or **Enter** to accept the screen.



- i. The stock value remains the same, since there is no consumption involved in the process of transfer of material. T
- ii. the job work analysis will indicate a reduction of stock in the Godown from which the transfer was made.

### View Godown Summary

Go to **Gateway of Tally > Display > Statements of Inventory > Godowns**

- Select **Primary**
- Press **Alt+F1** to view the **Godown summary** in detailed format.
- In **F12: Configuration** set **Show All Items (incl. zero balance)** to **Yes**.

| Godown Summary     |  | Computer Associates                             |          | Ctrl + M           |
|--------------------|--|-------------------------------------------------|----------|--------------------|
| Particulars        |  | Computer Associates<br>1-Apr-2009 to 6-Apr-2009 |          |                    |
|                    |  | Closing Balance                                 |          |                    |
|                    |  | Quantity                                        | Rate     | Value              |
| <b>Archana</b>     |  |                                                 |          |                    |
| Hard Disk          |  |                                                 |          |                    |
| Mother Board       |  |                                                 |          |                    |
| <b>Raj</b>         |  |                                                 |          |                    |
| Hard Disk          |  |                                                 |          |                    |
| Mother Board       |  |                                                 |          |                    |
| <b>Rajesh</b>      |  |                                                 |          |                    |
| <b>Stores</b>      |  | 106 Nos                                         | 2,668.73 | 2,81,825.00        |
| CPU                |  | 22 Nos                                          | 2,750.00 | 60,500.00          |
| Hard Disk          |  | 4 Nos                                           | 4,500.00 | 18,000.00          |
| Keyboard           |  | 27 Nos                                          | 725.00   | 19,575.00          |
| Monitor            |  | 22 Nos                                          | 7,500.00 | 1,65,000.00        |
| Mother Board       |  | 4 Nos                                           | 3,000.00 | 12,000.00          |
| Mouse              |  | 27 Nos                                          | 250.00   | 6,750.00           |
| <b>Grand Total</b> |  | <b>106 Nos</b>                                  |          | <b>2,81,825.00</b> |

Figure 11.26 Godown Summary at the end of Upgrading Job

### Practice Exercise

Similarly, let us record transactions for **New Systems Job**.

- On 7-4-2009, the following components are issued to **Rajesh** from the stores. This is for the installation of **New Systems** for **SimplyC Solutions**. The details of Stock issued to **Rajesh** are given below:

| Name of the Item | Godown | Quantity | Rate  | Value    |
|------------------|--------|----------|-------|----------|
| CPU              | Stores | 15       | 2,750 | 41,250   |
| Monitor          | Stores | 15       | 7,500 | 1,12,500 |
| Keyboard         | Stores | 15       | 725   | 10,875   |
| Mouse            | Stores | 15       | 250   | 3,750    |

- Make an entry of the following transaction in Stock Journal.



Ensure that the **Voucher Type** is a **Transfer Journal** and the **Voucher Class** is **Transfer**.

- ❑ Select the **Destination** Godown as **Rajesh**.
- ❑ Ensure the entry is as shown in the following table:

| Name of the Item | Godown | Quantity | Rate  | Value    |
|------------------|--------|----------|-------|----------|
| CPU              | Stores | 15       | 2,750 | 41,250   |
| Monitor          | Stores | 15       | 7,500 | 1,12,500 |
| Keyboard         | Stores | 15       | 725   | 10,875   |
| Mouse            | Stores | 15       | 250   | 3,750    |

2. Using the above components, Rajesh produced 15 computer systems on 8-4-2009. A manufacturing entry was passed when the components were converted into fully assembled computer systems for the job.



Once the entry is passed:

- ❑ The quantities of components get reduced from one godown while the quantity of assembled product increases in another.
- ❑ The aggregate value of the consumed components from each Godown will be taken as the consumption value for job work analysis.
- ❑ The value of the finished product (assembled computer systems) is considered as inward.

#### i. Make an entry of the transaction in a Manufacturing Journal.

Go to **Gateway of Tally > Inventory Vouchers > Alt + F7: Select the Voucher Type as Manufacturing Journal**

- ❑ Enter the details as shown below:

| Inventory Voucher Creation  |        |          | Computer Associates |             |                      | Ctrl + M                |               |               |
|-----------------------------|--------|----------|---------------------|-------------|----------------------|-------------------------|---------------|---------------|
| Manufacturing Journal No. 1 |        |          |                     |             |                      | 8-Apr-2009<br>Wednesday |               |               |
| Manufacture of Materials    |        |          |                     |             |                      |                         |               |               |
| Name of Product : Computers |        |          | Godown: Rajesh      |             | Qty                  | 15 Nos                  |               |               |
| Components (Consumption)    |        |          |                     |             | Cost of Components : |                         | 11,225.00/Nos | 1,68,375.00   |
| Name of Item                | Godown | Quantity | Rate                | Amount      | Type of Addl. Cost   | %age                    |               |               |
| Monitor                     | Rajesh | 15 Nos   | 7,500.00/Nos        | 1,12,500.00 | Service Charges      |                         |               | 31,250.00     |
| CPU                         | Rajesh | 15 Nos   | 2,750.00/Nos        | 41,250.00   | Travel Expenses      |                         |               | 20,000.00     |
| Keyboard                    | Rajesh | 15 Nos   | 725.00/Nos          | 10,875.00   |                      |                         |               |               |
| Mouse                       | Rajesh | 15 Nos   | 250.00/Nos          | 3,750.00    |                      |                         |               |               |
|                             |        |          |                     |             | Total Addl. cost     | :                       |               | 51,250.00     |
|                             |        |          |                     |             | Effective Cost       | :                       |               | 2,19,625.00   |
|                             |        |          |                     |             | Effective Rate       | :                       |               | 14,641.67/Nos |
|                             |        | 60 Nos   |                     | 1,68,375.00 |                      |                         |               |               |
| Narration:                  |        |          |                     |             |                      |                         |               |               |

Figure 11.27 Manufacturing Stock Journal – April 8, 2009

- Press **Y** or **Enter** to accept the screen.

## ii. View Godown Summary

Go to Gateway of Tally > Display > Statements of Inventory > Godowns > Primary

- Press **Alt+F1** to view the report in detailed format.



| Godown Summary     |  | Computer Associates                             |           | Ctrl + M           |
|--------------------|--|-------------------------------------------------|-----------|--------------------|
| Particulars        |  | Computer Associates<br>1-Apr-2009 to 8-Apr-2009 |           |                    |
|                    |  | Closing Balance                                 |           |                    |
|                    |  | Quantity                                        | Rate      | Value              |
| <b>Archana</b>     |  |                                                 |           |                    |
| Hard Disk          |  |                                                 |           |                    |
| Mother Board       |  |                                                 |           |                    |
| <b>Raj</b>         |  |                                                 |           |                    |
| Hard Disk          |  |                                                 |           |                    |
| Mother Board       |  |                                                 |           |                    |
| <b>Rajesh</b>      |  |                                                 |           |                    |
| Computers          |  | 15 Nos                                          | 14,641.67 | 2,19,625.00        |
| CPU                |  | 15 Nos                                          | 14,641.67 | 2,19,625.00        |
| Keyboard           |  |                                                 |           |                    |
| Monitor            |  |                                                 |           |                    |
| Mouse              |  |                                                 |           |                    |
| <b>Stores</b>      |  |                                                 |           |                    |
| CPU                |  | 46 Nos                                          | 2,466.30  | 1,13,450.00        |
| Hard Disk          |  | 7 Nos                                           | 2,750.00  | 19,250.00          |
| Keyboard           |  | 4 Nos                                           | 4,500.00  | 18,000.00          |
| Monitor            |  | 12 Nos                                          | 725.00    | 8,700.00           |
| Mother Board       |  | 7 Nos                                           | 7,500.00  | 52,500.00          |
| Mouse              |  | 4 Nos                                           | 3,000.00  | 12,000.00          |
|                    |  | 12 Nos                                          | 250.00    | 3,000.00           |
| <b>Grand Total</b> |  | <b>61 Nos</b>                                   |           | <b>3,33,075.00</b> |

Figure 11.28 Godown Summary after Manufacturing of Systems

3. On 8-4-2009, **Computer Associates** paid **Rajesh** Service charges of **Rs. 31,250** and Travel Expenses of Rs. 20000.

i. **Make an entry of the transaction in Payment Voucher**

- ❑ Select **Cash** in the **Account** field.
- ❑ Select **Service Charges** and enter the amount as **Rs. 31250**. Press **Enter** once to view Cost Allocation for the Service Charges screen.
- ❑ Select **New Systems Job** from **List of Cost Centres** and press **Enter** once.
- ❑ Select **Travel Expenses** and enter the amount as **Rs. 20000** and press **Enter** once to view Cost Allocation for the Travel Expenses screen.
- ❑ Select **New Systems Job** from **List of Cost Centres**.
- ❑ Press **Y** or **Enter** to accept the screen.

4. On 8-4-2009, Rajesh delivered 15 new systems to SimplyC Solutions. The agreed price was Rs. 20000 per system.

**i. Make an entry of the following transaction in Delivery Note**

Go to **Gateway of Tally > Inventory Vouchers > Alt + F8: Delivery Note**



*In the **F12: Configuration**, set **Use Common Ledger A/c for Item Allocation** to **Yes**.*

- ❑ In the **Party's A/c Name** select **SimplyC Solutions** from the List of Ledger Accounts.
- ❑ Press **Enter** to view the **Order Details** screen and accept the default screen.
- ❑ Select **Computers** from **List of Items** and press **Enter** once to view the Item Allocation screen for computers.
- ❑ Select **Tracking No: 1** and accept the Item Allocation screen. Ensure that the Item Allocation screen for computers is as shown:

| Godown | Quantity | Rate   | Amount   |
|--------|----------|--------|----------|
| Rajesh | 15 Nos   | 20,000 | 3,00,000 |

- ❑ Select **Sales** in the **Sales Ledger** field.
  - ❑ Press **Y** or **Enter** to Accept the Delivery Note.
5. On 8-4-2009, **Computer Associates** raises a sales invoice of **Rs. 3,00,000** at the rate of **Rs. 20,000** per system for **15 New systems** delivered by **Rajesh**.

**i. Make an entry of the transaction in a sales item invoice.**



*In the **F12: Configuration**, set **Common Ledger A/c for Item Allocation** to **No**.*

- ❑ In the **Party's A/c Name** select **SimplyC Solutions** from the List of Ledger Accounts.
- ❑ In the **Despatch Details** screen, select **Delivery Note No. 1** and accept the default details. The Item, Quantity, Rate and Amount fields are updated automatically.
- ❑ Accept the default Item Allocation screen.
- ❑ In the **Accounting details** screen select **Sales** from **List of Ledger Accounts**.

- ❑ In the **Cost Allocation for Sales** screen, select **New Systems Job**.
- ❑ In the **Bill-Wise Details** screen, select the **New Ref** and enter the Name as **SS-2**. Enter the amount as **Rs. 300000**.
- ❑ Press **Y** or **Enter** to accept the screen.

## ii. View Godown Summary

Go to Gateway of Tally > Display > Statements of Inventory > Godowns

- ❑ Select **Primary**
- ❑ Press **Alt+F1** to view the report in detailed format.

| Godown Summary     |  | Computer Associates                             |          | Ctrl + M           | X |
|--------------------|--|-------------------------------------------------|----------|--------------------|---|
| Particulars        |  | Computer Associates<br>1-Apr-2009 to 8-Apr-2009 |          |                    |   |
|                    |  | Closing Balance                                 |          |                    |   |
|                    |  | Quantity                                        | Rate     | Value              |   |
| <b>Archana</b>     |  |                                                 |          |                    |   |
| Hard Disk          |  |                                                 |          |                    |   |
| Mother Board       |  |                                                 |          |                    |   |
| <b>Raj</b>         |  |                                                 |          |                    |   |
| Hard Disk          |  |                                                 |          |                    |   |
| Mother Board       |  |                                                 |          |                    |   |
| <b>Rajesh</b>      |  |                                                 |          |                    |   |
| Computers          |  |                                                 |          |                    |   |
| CPU                |  |                                                 |          |                    |   |
| Keyboard           |  |                                                 |          |                    |   |
| Monitor            |  |                                                 |          |                    |   |
| Mouse              |  |                                                 |          |                    |   |
| <b>Stores</b>      |  |                                                 |          |                    |   |
| CPU                |  | 46 Nos                                          | 2,466.30 | 1,13,450.00        |   |
| Hard Disk          |  | 7 Nos                                           | 2,750.00 | 19,250.00          |   |
| Keyboard           |  | 4 Nos                                           | 4,500.00 | 18,000.00          |   |
| Monitor            |  | 12 Nos                                          | 725.00   | 8,700.00           |   |
| Mother Board       |  | 7 Nos                                           | 7,500.00 | 52,500.00          |   |
| Mouse              |  | 4 Nos                                           | 3,000.00 | 12,000.00          |   |
|                    |  | 12 Nos                                          | 250.00   | 3,000.00           |   |
| <b>Grand Total</b> |  | <b>46 Nos</b>                                   |          | <b>1,13,450.00</b> |   |

Figure 11.29 Godown Summary after completion of New Systems Job

## 11.4 Job Costing Reports

Job Work Analysis can be viewed for jobs resulting in deliverable products in the same way as for jobs resulting in deliverable services. Tally.ERP 9 provides following Job work related reports to analyse cost and revenue accumulated for any particular job at any given stage viz.,

- ❑ Job Work Analysis Report
- ❑ Material Consumption Summary

### 11.4.1 Job Work Analysis Report

Go to **Gateway of Tally > Display > Statement of Accounts > Job Work Analysis**

- Select the **Upgrading Job** to view the **Job Work Analysis report** for **Upgrading Job**

The **Job Work Analysis report** of **Upgrading Job** appears as shown :

| Job Work Analysis            |  | Computer Associates                                              | Ctrl + M    |
|------------------------------|--|------------------------------------------------------------------|-------------|
| Particulars                  |  | Upgrading Job<br>Computer Associates<br>1-Apr-2009 to 6-Apr-2009 |             |
| <u>A. Revenue (Income) :</u> |  |                                                                  |             |
| Sales Accounts               |  |                                                                  | 4,25,000.00 |
|                              |  |                                                                  | 4,25,000.00 |
| <u>B. Cost (Expenses) :</u>  |  |                                                                  |             |
| Consumption                  |  |                                                                  | 66,000.00   |
| Opening Stock                |  |                                                                  |             |
| Add: Inwards                 |  | 90,000.00                                                        |             |
| Less: Outwards               |  | 30,000.00                                                        |             |
| Less: Closing Stock          |  |                                                                  |             |
| Direct Expenses              |  |                                                                  | 31,250.00   |
| Indirect Expenses            |  |                                                                  | 20,000.00   |
|                              |  |                                                                  | 1,17,250.00 |
| Nett Profit: (A - B)         |  |                                                                  | 3,07,750.00 |

Figure 11.30 Job Work Analysis – Upgrading Job

### 11.4.2 Material Consumption Summary

A **Material consumption summary** is a report that reflects the total material consumed from a godown allotted for a job. To arrive at the **Material Consumption Summary**

Go to **Gateway of Tally > Display > Statement of Accounts > Job Work Analysis**

- Press **Enter** on **Consumption**

The **Material Consumption Summary** is displayed as shown below:

| Material Consumption Summary |                                                                  | Computer Associates |             |                 | Ctrl + M      |
|------------------------------|------------------------------------------------------------------|---------------------|-------------|-----------------|---------------|
| Particulars                  | Upgrading Job<br>Computer Associates<br>1-Apr-2009 to 6-Apr-2009 |                     |             |                 |               |
|                              | Opening Value                                                    | Inward Value        | Consumption | Other Transfers | Closing Value |
|                              |                                                                  |                     |             |                 |               |
| Archana                      |                                                                  | 45,000.00           | 36,000.00   | 15,000.00       |               |
| Raj                          |                                                                  | 45,000.00           | 30,000.00   | 15,000.00       |               |
|                              |                                                                  |                     |             |                 |               |
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Figure 11.31 Material Consumption Summary

### 11.4.3 Godown Summary

To view **Godown summary**, press Enter on the required **Godown**

| Material Consumption Stock Summary |                                                                                      | Computer Associates |             |                 |               | Ctrl + M |
|------------------------------------|--------------------------------------------------------------------------------------|---------------------|-------------|-----------------|---------------|----------|
| Particulars                        | Godown : Archana<br>Upgrading Job<br>Computer Associates<br>1-Apr-2009 to 6-Apr-2009 |                     |             |                 |               |          |
|                                    | Opening Value                                                                        | Inward Value        | Consumption | Other Transfers | Closing Value |          |
|                                    |                                                                                      |                     |             |                 |               |          |
| Hard Disk                          |                                                                                      | 27,000.00           | 18,000.00   | 9,000.00        |               |          |
| Mother Board                       |                                                                                      | 18,000.00           | 18,000.00   | 6,000.00        |               |          |
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Figure 11.32 Godown Summary – Archana



*The **Godown Summary** viewed through the menu, displays all godowns whereas the **Godown Summary** viewed by drilling down from **Job Work Analysis report**, displays only the godowns specific to the job.*

To view **Job Work Analysis** report of **New Systems Job**, Go to **Gateway of Tally > Display > Statement of Accounts > Job Work Analysis**

- Select **New Systems Job**

The **Job Work Analysis** report of **New Systems Job** appears as shown :

| Job Work Analysis            |  | Computer Associates                                                | Ctrl + M    |
|------------------------------|--|--------------------------------------------------------------------|-------------|
| Particulars                  |  | New Systems Job<br>Computer Associates<br>1-Apr-2009 to 8-Apr-2009 |             |
| <u>A. Revenue (Income) :</u> |  |                                                                    |             |
| Sales Accounts               |  |                                                                    | 3,00,000.00 |
|                              |  |                                                                    | 3,00,000.00 |
| <u>B. Cost (Expenses) :</u>  |  |                                                                    |             |
| Consumption                  |  |                                                                    | 2,19,625.00 |
| Opening Stock                |  |                                                                    |             |
| Add: Inwards                 |  | 3,88,000.00                                                        |             |
| Less: Outwards               |  | 1,68,375.00                                                        |             |
| Less: Closing Stock          |  |                                                                    |             |
|                              |  |                                                                    | 2,19,625.00 |
| Nett Profit: (A - B)         |  |                                                                    | 80,375.00   |

Figure 11.33 Job Work Analysis – New Systems Job

Similar to the **Upgrading Job**, the **Material Consumption Summary** and the **Godown Summary** can be viewed, by drilling down the report.

#### 11.4.4 Comparative Job Work Analysis

**Computer Associates** would like to compare the total jobs executed by them for **SimplyC Solutions**.

Go to Gateway of Tally > Display > Statement of Accounts > Job Work Analysis > New Systems Job >

- ❑ Select **New Column** from the **Buttons bar** and select the **Upgrading Job**.
- ❑ Select any number of jobs as required.
- ❑ Press **F12: Configuration** and change the settings as shown below:

| Configuration           |                    | Format          |
|-------------------------|--------------------|-----------------|
| Format                  | : <b>Detailed</b>  | Condensed       |
| Show Percentages        | ? <b>No</b>        | <b>Detailed</b> |
| Appearance of Names     | : <b>Name Only</b> |                 |
| Scale Factor for Values | : <b>Default</b>   |                 |

Figure 11.34 Configuration

- Accept the Configuration screen to view the summary of Jobs performed for **SimplyC Solutions**.

| Job Work Analysis            | Computer Associates                                                |                                                                  | Ctrl + M |
|------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------|----------|
| Particulars                  | New Systems Job<br>Computer Associates<br>1-Apr-2009 to 8-Apr-2009 | Upgrading Job<br>Computer Associates<br>1-Apr-2009 to 8-Apr-2009 |          |
| <b>A. Revenue (Income) :</b> |                                                                    |                                                                  |          |
| <b>Sales Accounts</b>        | <b>3,00,000.00</b>                                                 | <b>4,25,000.00</b>                                               |          |
| Sales                        | 3,00,000.00                                                        | 4,25,000.00                                                      |          |
|                              | 3,00,000.00                                                        | 4,25,000.00                                                      |          |
| <b>B. Cost (Expenses) :</b>  |                                                                    |                                                                  |          |
| <b>Consumption</b>           | <b>2,19,625.00</b>                                                 | <b>66,000.00</b>                                                 |          |
| Cost of Sales                | 2,19,625.00                                                        |                                                                  |          |
| Job Consumption              |                                                                    | 66,000.00                                                        |          |
| Opening Stock                |                                                                    |                                                                  |          |
| Add: Inwards                 | 3,88,000.00                                                        | 90,000.00                                                        |          |
| Purchase                     |                                                                    |                                                                  |          |
| Manufacturing Journal        | 2,19,625.00                                                        |                                                                  |          |
| Inter Project Transfer       | 1,68,375.00                                                        | 90,000.00                                                        |          |
| Other Transfer               |                                                                    |                                                                  |          |
| Less: Outwards               | 1,68,375.00                                                        | 30,000.00                                                        |          |
| Manufacturing Journal        | 1,68,375.00                                                        |                                                                  |          |
| Inter Project Transfer       |                                                                    | 30,000.00                                                        |          |
| Other Transfer               |                                                                    |                                                                  |          |
| Less: Closing Stock          |                                                                    |                                                                  |          |
| <b>Direct Expenses</b>       |                                                                    | <b>62,500.00</b>                                                 |          |
| Service Charges              |                                                                    | 62,500.00                                                        |          |
| <b>Indirect Expenses</b>     |                                                                    | <b>40,000.00</b>                                                 |          |
| Travel Expenses              |                                                                    | 40,000.00                                                        |          |
|                              | <b>2,19,625.00</b>                                                 | <b>1,68,500.00</b>                                               |          |
| <b>Nett Profit: (A - B)</b>  | <b>80,375.00</b>                                                   | <b>2,56,500.00</b>                                               |          |

Figure 11.35 Summary of Jobs Performed for SimplyC Solutions



### Points to Remember

- ❑ Job Costing is evaluating the cost of each specific job order.
- ❑ Tally.ERP 9 permits you to create a Godown / Location where you need not store materials but treat it as a virtual godown.
- ❑ Tally.ERP 9 allows a stock journal voucher type to be used as a manufacturing and as a non-manufacturing journal.
- ❑ A Manufacturing journal voucher type is used to track the list of components used, its value and the additional cost of manufacture associated with each product.
- ❑ A stock journal voucher type that is not used as a manufacturing journal, can be used to create voucher classes for the purpose of inter-godown transfers and for job costing consumption records.
- ❑ There are two levels of reports generated in job costing viz., Job Work Analysis and Material Summary Report
- ❑ A Godown summary displays consumption and other transfer details of all the godowns.

## Lesson 12: Multilingual Capabilities

### Lesson Objectives

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

- ❑ The Multilingual capabilities of Tally.ERP 9
- ❑ How to change the Interface for different languages
- ❑ Generating reports and invoices in different languages

The multilingual functionality of Tally.ERP 9, allows you to interact with the software in the language of your choice. It offers you tremendous freedom in communication. You can maintain your accounts in an Indian language, view them in another and print them in yet another Indian language.

All Indic languages are unicode. They are presently supported only on Windows ME/ Windows NT/ Windows 2000 and Windows XP operating systems. You can enable Indic languages support at the operating system level or at the time of installing Tally.ERP 9.

### Salient features of Multilingual Tally.ERP 9

Tally.ERP 9 has the following salient features which makes it the most popular accounting software:

- ❑ Is user-friendly.
- ❑ Is fast and reliable.
- ❑ Offers concurrent multilingual support.
- ❑ Allows a dynamic selection of scripts.
- ❑ Supports flexible data input in the language of the user's choice.
- ❑ Has easy to use keyboards layouts – inscript as well as phonetic.
- ❑ Captures language specific aliases for all masters.

- ❑ Supports user interface in about 10 languages.
- ❑ Provides the facility to switch to the multilingual user interface quickly.
- ❑ Allows effortless transliteration from one Indian language to another within the Indic family of languages.
- ❑ Supports the translation of masters based on predefined aliases.
- ❑ Inbuilt dictionaries provide appropriate language conversion during runtime.
- ❑ Supports Discrete and Combinatorial type uni-directional scripts.
- ❑ Enables comprehensive localised accounting and financial reporting.
- ❑ Allows you to display and print bills, vouchers, invoices, receipts, reports and ledgers in the language of your choice.
- ❑ Generates MIS reports such as confirmation letters, reminder letters in multiple languages.
- ❑ Allows you to cut or copy multilingual text from other applications such as Microsoft Word, WordPad, Instant Messenger, Outlook Express. Press **Ctrl+C** to copy and **Ctrl+Alt+V** to paste in Tally.ERP 9.

## 12.1 Configuring Tally.ERP 9 for Multilingual Capabilities

Tally.ERP 9 provides you with the facility to maintain your books of accounts in any Indian language while the data is accepted, sorted, maintained, displayed and printed in another Indian language.

Follow the steps given below to experience the multilingual capabilities of Tally.ERP 9.

### 12.1.1 Creating a Company

Let us consider **Allgrains Traders**, which is engaged in trading of Groceries for understanding Tally.ERP 9's multilingual capabilities. Create a new company as **Allgrains Traders**

The completed **Company Creation** screen appears as shown below:

| Company Creation                     |                                                | Ctrl + M                                                                        |                              |
|--------------------------------------|------------------------------------------------|---------------------------------------------------------------------------------|------------------------------|
| Directory                            | : C:\Tally.ERP9\Data                           |                                                                                 |                              |
| Name                                 | : Allgrains Traders                            |                                                                                 |                              |
| <u>Mailing &amp; Contact Details</u> |                                                | <u>Company Details</u>                                                          |                              |
| Mailing Name                         | : Allgrains Traders                            | Currency Symbol                                                                 | : Rs.                        |
| Address                              | : No 15, 2nd Cross<br>Koramangala<br>Bangalore | Maintain                                                                        | : Accounts with Inventory    |
|                                      |                                                | Financial Year from                                                             | : 1-4-2009                   |
|                                      |                                                | Books beginning from                                                            | : 1-4-2009                   |
| <u>Statutory compliance for</u>      |                                                | <u>Security Control</u>                                                         |                              |
| State                                | : India                                        | TallyVault Password (if any)                                                    | :                            |
| PIN Code                             | : Karnataka                                    | Repeat Password                                                                 | :                            |
| Telephone No.                        | : 560028                                       | (WARNING: forgetting your TallyVault password will render your data unusable!!) |                              |
| Mobile No.                           | : 080-55258974                                 | Use Security Control                                                            | : ? No                       |
| E-Mail                               | : 9865342441                                   | (Enable Security to avail Tally.NET Features)                                   |                              |
|                                      | : sales@allgrains.com                          |                                                                                 |                              |
| <u>Base Currency Information</u>     |                                                |                                                                                 |                              |
| Base Currency Symbol                 | : Rs.                                          | Show Amounts in Millions                                                        | : ? No                       |
| Formal Name                          | : Indian Rupees                                | Put a SPACE between Amount and Symbol                                           | : ? Yes                      |
| Number of Decimal Places             | : 2                                            | Decimal Places for Printing Amounts in V                                        | :                            |
| Is Symbol SUFFIXED to Amounts        | : No                                           |                                                                                 |                              |
| Symbol for Decimal Portion           | : paise                                        |                                                                                 |                              |
|                                      |                                                |                                                                                 | <b>Accept ?</b><br>Yes or No |

Figure 12.1 Completed Company Creation screen

- Press **Y** or **Enter** to accept the company creation screen.

### 12.1.2 Defining User Interface Language

The user interface language is by default the same as the initial start-up language selected during Tally.ERP 9 installation. However, Tally.ERP 9 allows you to configure the user interface language before or after the creation of a company. Presently, Tally.ERP 9 supports nine Indian languages and Hinglish (colloquial Hindi).

- Hindi
- Marathi
- Gujarati
- Bengali
- Kannada
- Tamil
- Telugu
- Malayalam
- Punjabi

To define user Interface language,

Go to **Gateway of Tally** > press **Alt+G** (Language).

- ▣ Select **Hindi** from the list of languages.

The **Language Configuration** screen appears as shown below:

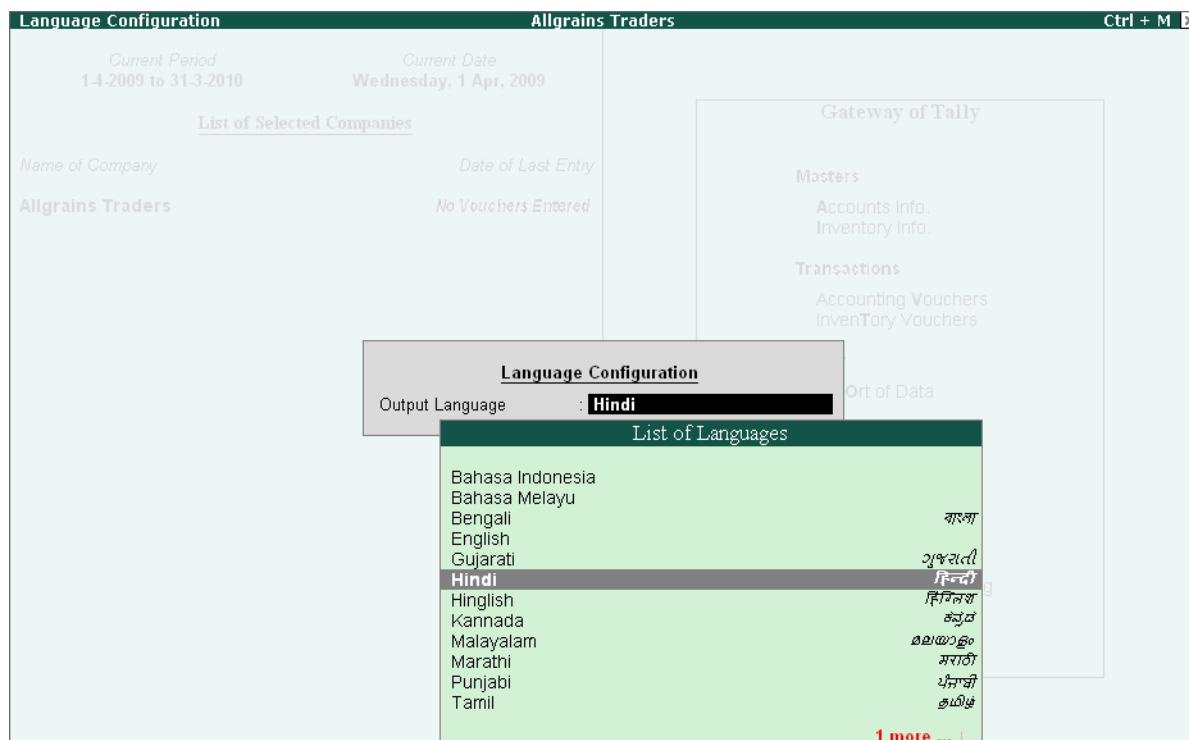


Figure 12.2 Language Configuration

Tally.ERP 9 automatically loads the relevant dictionary for the configured language and the interface (menus and prompts) is accordingly translated into the selected language.

The **Gateway of Tally** screen in Hindi appears as shown below:

| पु: प्रिंट                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | वु: विर्यात                                 | म: ई.मेल                                                                                                                     | ओ: अपलोड                                                                | ब: भाषा    | क: कीबोर्ड | क: Control Centre | रु: Support Centre | रु: सहायता | F1: कंपनी पुने |         |         |         |               |            |                                                    |                                             |                                                                                                                              |                                                                         |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|------------|------------|-------------------|--------------------|------------|----------------|---------|---------|---------|---------------|------------|----------------------------------------------------|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|----------|
| <p><b>गेटवे ऑफ टैली</b></p> <p>वर्तमान अवधि: 14-2009 to 31-3-2010<br/>वर्तमान दिनांक: बुधवार, 1 अप्रैल, 2009</p> <p>चुनी गयी कंपनियों की सूची</p> <p>कंपनी नाम: Allgrains Traders<br/>अंतिम शक्ति दिनांक: कोई मासिक प्रविष्टि नहीं</p> <p><b>मास्टर</b></p> <p>अ: लेखा सूचना<br/>इ: इन्वेंट्री सूचना</p> <p><b>व्यवहार</b></p> <p>व: लेखांकन घंटाघर<br/>त: इन्वेंट्री घंटाघर</p> <p><b>आयात</b></p> <p>ओ: डाटा का आयात</p> <p><b>रिपोर्ट</b></p> <p>ब: बैलेंस शीट<br/>प: लाभ एवं हानि खाते<br/>ख: स्टॉक समीक्षा<br/>र: अनुपलब्ध विवरण</p> <p>द: प्रदर्शन<br/>म: बहु खातों की प्रिंटिंग<br/>क: बाहर</p> |                                             |                                                                                                                              |                                                                         |            |            |                   |                    |            |                |         |         |         |               |            |                                                    |                                             |                                                                                                                              |                                                                         |          |
| <table border="1"> <thead> <tr> <th>Product</th> <th>Version</th> <th>License</th> <th>Configuration</th> <th>Calculator</th> </tr> </thead> <tbody> <tr> <td><b>Tally</b><br/>POWER OF SIMPLICITY<br/>Tally.ERP 9</td> <td>Series A<br/>Release 1.5<br/>Latest<br/>Latest</td> <td>Serial Number: 790003096<br/>Site ID: General/1.5<br/>Account ID: tally@etalsolutions.com<br/>Edition: Gold<br/>Users: Unlimited</td> <td>Stat: 99<br/>Proxy: None<br/>Server Port: 9000<br/>Running as: ODBC Server</td> <td>Ctrl + N</td> </tr> </tbody> </table>                                                |                                             |                                                                                                                              |                                                                         |            |            |                   |                    |            |                | Product | Version | License | Configuration | Calculator | <b>Tally</b><br>POWER OF SIMPLICITY<br>Tally.ERP 9 | Series A<br>Release 1.5<br>Latest<br>Latest | Serial Number: 790003096<br>Site ID: General/1.5<br>Account ID: tally@etalsolutions.com<br>Edition: Gold<br>Users: Unlimited | Stat: 99<br>Proxy: None<br>Server Port: 9000<br>Running as: ODBC Server | Ctrl + N |
| Product                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Version                                     | License                                                                                                                      | Configuration                                                           | Calculator |            |                   |                    |            |                |         |         |         |               |            |                                                    |                                             |                                                                                                                              |                                                                         |          |
| <b>Tally</b><br>POWER OF SIMPLICITY<br>Tally.ERP 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Series A<br>Release 1.5<br>Latest<br>Latest | Serial Number: 790003096<br>Site ID: General/1.5<br>Account ID: tally@etalsolutions.com<br>Edition: Gold<br>Users: Unlimited | Stat: 99<br>Proxy: None<br>Server Port: 9000<br>Running as: ODBC Server | Ctrl + N   |            |                   |                    |            |                |         |         |         |               |            |                                                    |                                             |                                                                                                                              |                                                                         |          |

Figure 12.3 Gateway of Tally – Hindi



*The **Name of the company**, the **Unit of Measure** and the **Currency** are neither translated nor transliterated, but are displayed in the language in which they were created.*

- Press **Alt+G** (Language) and select **English**.

### 12.1.3 Enabling Multilingual Support

Go to **Gateway of Tally**

- Press **F12: Configure**
- Select **General** and press **Enter**
- Set **Show tables with Masters only in Current Language** to **Yes**

| <u>Country Details</u>                                                                           |                                                                                                                  |
|--------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| Use Accounting terminology of                                                                    | : India / SAARC<br>(SAARC countries include India, Pakistan, Sri Lanka, Bangladesh, Nepal, Bhutan and Maldives.) |
| <u>Style of Names</u>                                                                            |                                                                                                                  |
| Default appearance of Names in Reports                                                           | : Name Only                                                                                                      |
| Default appearance of Stock Item Names in Reports                                                | : Name Only                                                                                                      |
| <u>Style of Dates</u>                                                                            |                                                                                                                  |
| Style of Short Date                                                                              | : dd-mm-yy                                                                                                       |
| Separator used in Short Date                                                                     | : -                                                                                                              |
| <u>Configuration of Numbers</u>                                                                  |                                                                                                                  |
| Decimal Character to use                                                                         | : .                                                                                                              |
| Thousands Separator to use                                                                       | : ,                                                                                                              |
| Put Sign before Currency/Unit Symbols                                                            | ? No                                                                                                             |
| Show numbers in Millions (and not Lakhs)                                                         | ? No                                                                                                             |
| <u>Other Options</u>                                                                             |                                                                                                                  |
| Show Monthly reports with Graphs                                                                 | ? Yes                                                                                                            |
| Use separate Menu for Final A/c Statements                                                       | ? No                                                                                                             |
| Ignore errors & continue during data import<br>(Applicable for importing vouchers in XML format) | ? No                                                                                                             |
| Export Base Currency Symbol along with Amount                                                    | ? No                                                                                                             |
| Show tables with Masters only in Current Language                                                | ? <b>Yes</b>                                                                                                     |
| Tally alert using beeps                                                                          | ? Yes                                                                                                            |

Figure 12.4 F12: Configuration – General

**Show tables with Masters only in Current Language** when set to **Yes**, displays the pre-defined and user-defined masters only in the language selected. Otherwise, the pre-defined and user-defined masters are displayed in English or in the selected language along with defined aliases of other languages, if any.



*When **Show tables with Masters only in Current Language** is set to **Yes**, displays the pre-defined and user-defined masters only in the language selected. Otherwise, the pre-defined and user-defined masters are displayed in English or in the selected language along with defined aliases of other languages, if any.*

## 12.2 Creating Masters

Tally.ERP 9 gives you the flexibility to create ledgers/ stock items using phonetic as well as inscript (Operating System) keyboard.

### 12.2.1 Using Phonetic Keyboard Layouts

Generally, a phonetic keyboard is useful for those who speak the language, but cannot type in it. All Indian languages share a common phonetic base which allows a direct comparison of scripts. In a phonetic keyboard, the alphabets are assigned keys on the Standard English keyboard,

based on their nearest phonetic equivalents. Spell the word in English for Tally.ERP 9 to display it in the selected language.

By using Tally.ERP 9, you can now enter data in any Indian language using a phonetic keyboard to generate bills, vouchers, invoices, receipts, reports and ledgers, confirmation letters, reminder letters and so on. These reports are displayed in the language selected after transliteration.

Examples:

| English Word       | Keys to be used for phonetic representation in Indic languages |
|--------------------|----------------------------------------------------------------|
| Purchase           | Parachej                                                       |
| Sales              | Sels                                                           |
| Item               | AiiTam                                                         |
| Inventory          | invenTrii                                                      |
| Conveyance         | Kanveyans                                                      |
| Salary             | Selarii                                                        |
| Postage & Telegram | posTej end Teligram                                            |
| Commission         | Kamiishan                                                      |
| Discount           | DiskaunT                                                       |
| Debtors            | DeTars                                                         |
| Creditors          | kreDiiTars                                                     |
| Capital            | KaipiTal                                                       |
| Ledger             | lejar                                                          |
| Ramjilal           | rAmajiilAl                                                     |
| Cash               | Kaish                                                          |
| Shyamlal           | ShyAmalAl                                                      |
| Godown             | GoDAun                                                         |
| Branch             | Branch                                                         |
| Loan               | lon                                                            |
| Customer           | kasTamar                                                       |
| Supplier           | SapIAYar                                                       |



|          |          |
|----------|----------|
| Company  | Kampanii |
| Accounts | ekaauMTs |

Go to **Gateway of Tally > F12: Configure > Accts/Inventory Info.**

- Set **Allow Language ALIASES along with Names** to **Yes**.

| Master Configuration                    |       |                                                  |      |
|-----------------------------------------|-------|--------------------------------------------------|------|
| Allow ALIASES along with Names          |       | ? Yes                                            |      |
| Allow Language ALIASES along with Names |       | ? <b>Yes</b>                                     |      |
| Accounts                                |       | Inventory                                        |      |
| Allow ADVANCED entries in Masters       | ? Yes | Allow ADVANCED entries in Masters                | ? No |
| Use ADDRESSES for Ledger Accounts       | ? Yes | Use PART NUMBERS for Stock Items                 | ? No |
| Use CONTACT DETAILS for Ledger Accounts | ? No  | Use Description for Stock Items                  | ? No |
| Add NOTES for Ledger Accounts           | ? No  | Use REMARKS for Stock Items                      | ? No |
|                                         |       | Use ALTERNATE UNITS for Stock Items              | ? No |
|                                         |       | Allow Std. Rates for Stock Items                 | ? No |
|                                         |       | Specify Default Ledger Allocation for Invoicing  | ? No |
|                                         |       | Allow Component list details (Bill of Materials) | ? No |
|                                         |       | Use ADDRESSES for Godowns                        | ? No |

Figure 12.5 F12: Configuration

This allows you to create ledger masters and stock items with their respective aliases in Indic languages.

### 12.2.2 Creating Stock Item

Create a stock item **Rice** in Hindi and provide **aliases** for it in different languages.

- Press **Alt+G** (Language) and Select **Hindi**.

Go to **Gateway of Tally > Inventory Info. > Stock Item > Create.**

1. **Name of the Item:** Type as **chaaval** and press **Enter** (Tally.ERP 9 automatically interprets the name in Hindi).

| स्टॉक मद रचना |   | Allgrains Traders       |                |
|---------------|---|-------------------------|----------------|
| हिन्दी        | : |                         |                |
| नाम           | : | चावल                    |                |
| (उर्फ)        | : |                         |                |
|               |   |                         |                |
| अधीन          | : | [ प्राथमिक              | कर सूचना       |
| इकाईयां       | : | [ नामू नहीं             |                |
|               |   | शुल्क वर्गीकरण          | :              |
|               |   | शुल्क की दर (उदाहरण 5 ) | :              |
|               |   |                         |                |
| आरंभिक शेष    | : | मात्रा                  | दर प्रति मूल्य |

Figure 12.6 Stock Item Name in Hindi– Rice

2. Select **Kannada** as the second language and press **Enter**
3. Type the **Name of the Item** as **akki** and press **Enter**.

| स्टॉक मद रचना |   | Allgrains Traders |                              |
|---------------|---|-------------------|------------------------------|
| हिन्दी        | : |                   |                              |
| नाम           | : | चावल              |                              |
| कन्नड़        | : |                   |                              |
| नाम           | : | ಅಕ್ಕಿ             |                              |
| (उर्फ)        | : |                   |                              |
| 1 और ... ↓    |   |                   |                              |
| अधीन          | : | [ प्राथमिक        | कर सूचना                     |
| इकाईयां       | : | [ नाबू नहीं       | शुल्क वर्गीकरण : [ नाबू नहीं |
|               |   |                   | शुल्क की दर (उदाहरण 5) :     |
| आरंभिक शेष    | : | मात्रा            | दर प्रति मूल्य               |

Figure 12.7 Stock Item Name in Kannada – Rice

4. Select **English** as the third language and press **Enter**
5. Type the **Name of the Item** as **Rice** and press **Enter**
6. Select **End of list** and press **Enter**

The User Interface when configured in any Indian language, results in the phonetic keyboard to automatically use that language. However, you can define the phonetic keyboard by pressing **Alt+K** and selecting the phonetic keyboard as shown below:

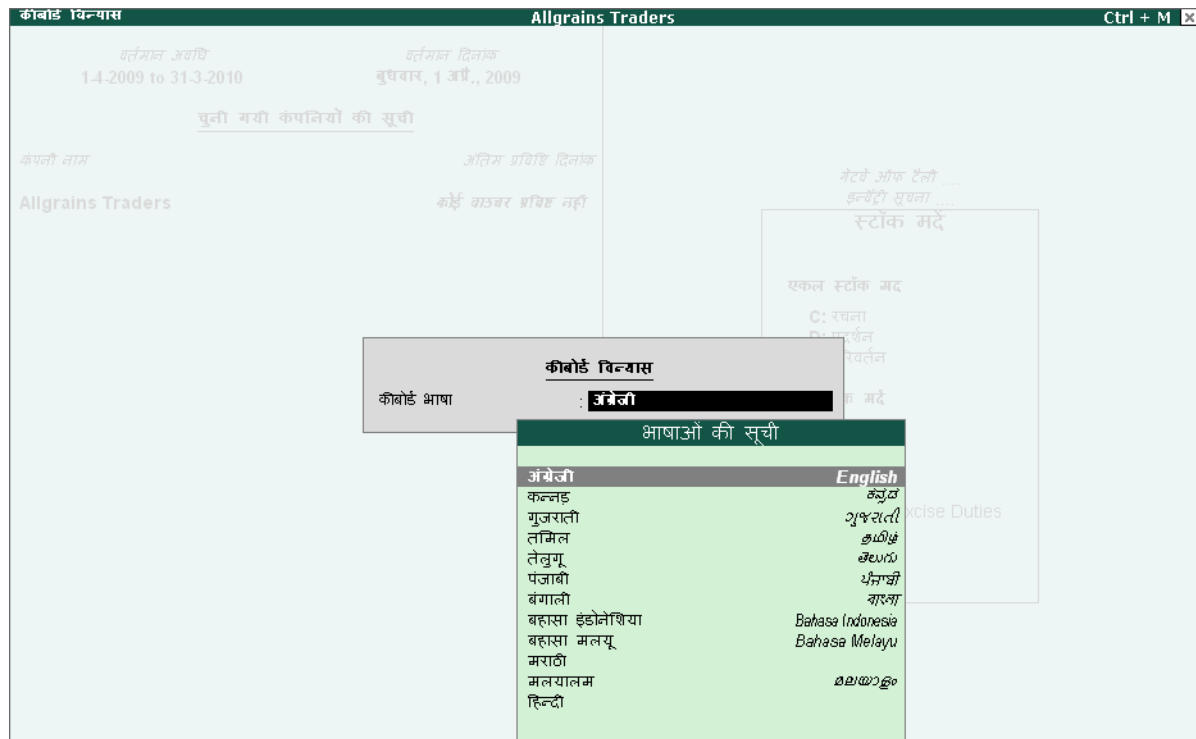


Figure 12.8 Phonetic Key Board

7. Press **Alt+C** in the **Unit of Measurement** field
8. Create the **Units of Measure – sMkhyA** and press **Enter**.

The completed **Unit of Measurement** screen appears as shown below:

| इकाई रचना (माध्यमिक)    |        |
|-------------------------|--------|
| प्रकार :                | साधारण |
| चिन्ह :                 | संख्या |
| औपचारिक नाम :           |        |
| दशमलव स्थानों की संख्या |        |
| स्वीकार करें?           |        |
| हां या नहीं             |        |

Figure 12.9 Units of Measure

9. Press **Enter** to accept the screen.

The completed **Stock Item Creation** screen appears as shown below:

| स्टॉक मद रचना |   | Allgrains Traders |                              |
|---------------|---|-------------------|------------------------------|
| हिन्दी        | : |                   |                              |
| नाम           | : | चावल              |                              |
| कन्नड़        | : |                   |                              |
| नाम           | : | ಛಕ್ಕ              |                              |
| अंग्रेजी      | : |                   |                              |
| नाम           | : | Rice              |                              |
| अधीन          | : | [ प्राथमिक        | कर सूचना                     |
| इकाईयां       | : | संख्या            | शुल्क वर्गीकरण : [ नामू नहीं |
|               |   |                   | शुल्क की दर (उदाहरण 5) : 0   |
| आरंभिक शेष    | : | मात्रा            | दर प्रति                     |
|               |   |                   | स्वीकार करें?                |
|               |   |                   | हां या नहीं                  |

Figure 12.10 Completed Stock Item Creation – Rice

10. Press **Enter** to accept the screen.

Similarly, create the stock item **Soap**:

1. Hindi - **saabun**
2. Kannada - **sOpu**
3. English - **Soap**

The completed **Stock Item – Soap** screen is displayed as shown:

| स्टॉक ब्रद रचना |   | Allgrains Traders |                             |
|-----------------|---|-------------------|-----------------------------|
| हिन्दी          | : |                   |                             |
| नाम             | : | साबुन             |                             |
| कन्लड           | : |                   |                             |
| नाम             | : | सै०१६७            |                             |
| अंग्रेजी        | : |                   |                             |
| नाम             | : | Soap              |                             |
| अधीन            | : | [ प्राथमिक        | कर सूचना                    |
| इकाईयां         | : | संख्या            | शुल्क वर्गीकरण : [ नाम नहीं |
|                 |   |                   | शुल्क की दर (उदाहरण 5) : 0  |
| आरंभिक शेष      | : | मात्रा            | दर प्रति                    |
|                 |   |                   | स्वीकार करें?               |
|                 |   |                   | हां या नहीं                 |

Figure 12.11 Completed Stock Item Creation – Soap

4. Press **Enter** to accept the screen.

### 12.2.3 Creating Ledgers

Create the following ledgers using their regional language aliases, with the help of the phonetic keyboard.

| Ledger Name  | Under Group       | Inventory Values are affected |
|--------------|-------------------|-------------------------------|
| Suma Traders | Sundry Creditors  | No                            |
| Arun Traders | Sundry Debtors    | No                            |
| Sales        | Sales Accounts    | Yes                           |
| Purchases    | Purchase Accounts | Yes                           |

#### Creating Party Ledgers

##### i. Suma Traders Ledger

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

1. In the **Ledger Creation** screen,

- Type **Sumaa TreDrs** as the **Ledger Name**.

- ❑ Select **Kannada** as the second language and type **Suma TrEDrs** as **Ledger Name**.
- ❑ Select **English** as the third language and type **Suma Traders** as **Ledger Name**.
- ❑ Select **End of list** and press **Enter**.

## 2. Under: Sundry Creditors.

The completed **Suma Traders Ledger** is displayed as shown below :

| लेजर रचना                              |   | Allgrains Traders    |                   | Ctrl           |
|----------------------------------------|---|----------------------|-------------------|----------------|
| हिन्दी                                 | : |                      |                   | कुल आरंभिक शेष |
| नाम                                    | : | सुमा ट्रेडर्स        |                   |                |
| कन्सिड                                 | : |                      |                   |                |
| नाम                                    | : | ಸುಮಾ ಟ್ರೇಡರ್ಸ್       |                   |                |
| अंग्रेजी                               | : |                      |                   |                |
| नाम                                    | : | Suma Traders         |                   |                |
| अधीन                                   |   | :                    | विविध लेनदार      |                |
|                                        |   | :                    | (वर्तमान देयताएँ) |                |
| शेष बिल.प्रति.बिल रखना है              | ? | हां                  |                   |                |
| डिफॉल्ट उधार अवधि                      | : |                      |                   |                |
| क्या इन्वेंट्री का मूल्य प्रभावित होगा | ? | नहीं                 |                   |                |
|                                        |   |                      | पत्राचार का विवरण |                |
|                                        |   | नाम                  | :                 | सुमा ट्रेडर्स  |
|                                        |   | पता                  | :                 |                |
|                                        |   | प्रदेश               | :                 | [ नाम नहीं     |
|                                        |   | पिन कोड              | :                 |                |
|                                        |   |                      |                   | कर सूचना       |
|                                        |   | पैन / आर्.टी. नं.    | :                 |                |
|                                        |   | बिक्री कर नं.        | :                 |                |
|                                        |   |                      |                   | स्वीकार करें?  |
|                                        |   |                      |                   | हां या नहीं    |
| आरंभिक शेष                             |   | (1-अप्रै.-2009 को) : |                   |                |

Figure 12.12 Completed Ledger Creation–Suma Traders

3. Press **Enter** to accept.

## ii. Arun Traders Ledger

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

1. In the **Ledger creation** screen:

- ❑ Type **AruN TreDrs** ← in the **Ledger Name**.
- ❑ Select **Kannada** as the second language and type **aruN TrEDrs** as **Ledger Name**.
- ❑ Select **English** as the third Language and type **Arun Traders** as **Ledger Name**.
- ❑ Select **End of list** and press **Enter**.

## 2. Under: Sundry Debtors.

The completed **Arun Traders** ledger appears as shown below:

Figure 12.13 Ledger Creation – Arun Traders

## Creating Purchases & Sales Ledgers

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

1. In Name Field: Type **Sels** for **Hindi**
2. In **Kannada** type **maaraaTa**
3. In **English** type **Sales**

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| लेजर रचना                              |   | Allgrains Traders               |             | Ctrl              |
|----------------------------------------|---|---------------------------------|-------------|-------------------|
| हिन्दी                                 | : |                                 |             | कुल आरंभिक शेष    |
| नाम                                    | : | सेल्स                           |             |                   |
| कन्सट्र                                | : |                                 |             |                   |
| नाम                                    | : | सेल्स                           |             |                   |
| अंग्रेजी                               | : |                                 |             |                   |
| नाम                                    | : | Sales                           |             |                   |
| अधीन                                   |   | :                               | बिक्री खाते |                   |
| क्या इन्वेंट्री का मूल्य प्रभावित होगा |   | :                               | ? हाँ       |                   |
|                                        |   | नाम                             | :           | पत्राचार का विवरण |
|                                        |   | पता                             | :           |                   |
|                                        |   | प्रदेश                          | :           |                   |
|                                        |   | पिन कोड                         | :           |                   |
|                                        |   |                                 |             | कर सूचना          |
|                                        |   | पैन / आर्.टी. नं.               | :           |                   |
|                                        |   | बिक्री कर नं.                   | :           |                   |
|                                        |   |                                 |             |                   |
|                                        |   |                                 |             | स्वीकार करें?     |
|                                        |   | आरंभिक शेष (1-अप्रै.-2009 को) : |             | हाँ या नहीं       |

Figure 12.14 Ledger Creation – Sales Account

4. Press **Enter** to accept the screen.

## ii. Purchase Account

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

1. In the Name Field: Type **Parachej** for **Hindi**
2. Type **kray** for **kannada**
3. Type **Purchase** for **English**

The completed **Purchase Account** appears as shown below:

| लंजर रचना                                    |   | Allgrains Traders |                   | Ctrl           |
|----------------------------------------------|---|-------------------|-------------------|----------------|
| हिन्दी                                       | : | परचेज             |                   | कुल आरंभिक शेष |
| नाम                                          | : |                   |                   |                |
| कन्नेक्ट                                     | : |                   |                   |                |
| नाम                                          | : | अर्थे             |                   |                |
| अंग्रेजी                                     | : | Purchase          |                   |                |
| नाम                                          | : |                   |                   |                |
| अधीन                                         |   | क्रय खाते         | पत्राचार का विवरण |                |
| क्या इन्वेंट्री का मूल्य प्रभावित होगा ? हाँ |   | नाम               | :                 |                |
|                                              |   | पता               | :                 |                |
|                                              |   | प्रदेश            | :                 |                |
|                                              |   | पिन कोड           | :                 |                |
|                                              |   | कर सूचना          | :                 |                |
|                                              |   | पैन / आर.टी. नं.  | :                 |                |
|                                              |   | विक्री कर नं.     | :                 |                |
| आरंभिक शेष (1.अप्रै.2009 को) :               |   |                   |                   | स्वीकार करें?  |
|                                              |   |                   |                   | हाँ या नहीं    |

Figure 12.15 Ledger Creation — Purchase Account

4. Press **Enter** to accept the screen.

## 12.3 Entering Transactions in Multiple Languages

Tally.ERP 9 presently supports 11 uni-directional scripts. Using Tally.ERP 9, you can maintain your accounts in Hindi; send invoices in Marathi to your customers in Bombay; and place purchase orders with suppliers in Tamil Nadu and Kolkatta in Tamil and Bengali, respectively.

### 12.3.1 Creating Purchase Invoice

*On April 1, 2009, Allgrains Traders purchased the following goods from Suma Traders :*

| Item Description | Qty | Rate |
|------------------|-----|------|
| Rice             | 25  | 425  |
| Soap             | 500 | 20   |

**Create Purchase Voucher :**

Go to **Gateway of Tally > Accounting Vouchers > F9: purchase**

1. Press **F2** and change the **Date** to **1-4-09**
2. Select **Suma Traders** in **Party's Name** field and press **Enter**

3. Select **Purchases** ledger
4. Select **Rice** as the first Stock Item, and specify the **Quantity** and **Rate** and press **Enter**
5. Select **Soap** as the second item, and specify the **Quantity** and **Rate** and press **Enter**

The completed **Purchase Voucher** appears as shown below :

| लघाकन वाडचर रचना                     |            | Allgrains Traders |                 | Ctrl + M      |
|--------------------------------------|------------|-------------------|-----------------|---------------|
| क्रय नं. 1                           | दिनांक :   | 1.अप्रै., 2009    |                 | बुधवार        |
| सप्लायर इनवॉइस नं. :                 |            |                   |                 |               |
| ग्राहक के खाते का नाम: सुभा ट्रेडर्स |            |                   |                 |               |
| वर्तमान शेष :                        |            |                   |                 |               |
| क्रय लेजर : पुरचोन                   |            |                   |                 |               |
| मद का नाम                            | मात्रा     | दर प्रति          | राशि            |               |
| चावल                                 | 25 संख्या  | 425.00 संख्या     | 10,625.00       |               |
| साबुन                                | 500 संख्या | 20.00 संख्या      | 10,000.00       |               |
|                                      |            |                   | <hr/> 20,625.00 |               |
| [ सूची का अंत                        |            |                   |                 |               |
| वर्णन:                               |            |                   | 525 संख्या      | स्वीकार करें? |
|                                      |            |                   |                 | हां या नहीं   |

Figure 12.16 Purchase Invoice

6. Press **Enter** to accept.



- All the numbers entered in Tally.ERP 9 will appear in English only (i.e., 1, 2, 3...).

### 12.3.2 Creating Sales Invoice

**On April 15, 2009, Allgrains Traders sells the following goods to Arun Traders :**

| Item Description | Quantity | Rate |
|------------------|----------|------|
| Rice             | 15       | 600  |
| Soap             | 200      | 30   |

### Create Sales Invoice :

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

1. Press **F2** and change the **Date** to **15-4-09**
2. Select **Arun Traders** in the **Party's Name** field and press **Enter**
3. Select **Sales** ledger
4. Select **Chaavaal** as the first stock item, specify **Quantity** and **Rate** and press **Enter**
5. Select **Saabun** as the second item, specify **Quantity** and **Rate** and press **Enter**

The completed **Sales Voucher** appears as shown below:

| नमूना वाउचर रचना                     |            | Allgrains Traders |            | Ctrl + M        |
|--------------------------------------|------------|-------------------|------------|-----------------|
| <b>विक्री</b> नं. 1                  |            |                   |            | 15 अप्रैल, 2009 |
| Ref. :                               |            |                   |            | बुधवार          |
| ग्राहक के खाते का नाम: अरुण ट्रेडर्स |            |                   |            |                 |
| वर्तमान शेष :                        |            |                   |            |                 |
| विक्री लेजर : सेल्स                  |            |                   |            |                 |
| मद का नाम                            | मात्रा     | दर प्रति          | राशि       |                 |
| चावल                                 | 15 संख्या  | 600.00 संख्या     | 9,000.00   |                 |
| साबुन                                | 200 संख्या | 30.00 संख्या      | 6,000.00   |                 |
|                                      |            |                   | 15,000.00  |                 |
| [ सूची का अंत                        |            |                   |            |                 |
| वर्णन:                               |            |                   |            |                 |
|                                      |            |                   | 215 संख्या | स्वीकार करें?   |
|                                      |            |                   |            | हां या नहीं     |

Figure 12.17 Sales Invoice

6. Press **Enter** to accept the screen.

### 12.3.3 Printing Sales Invoice

- Press **Page Up** from the above screen
- Press **Alt+P** to print

| बाउचर प्रिंटिंग             |                       |                     |                                       |
|-----------------------------|-----------------------|---------------------|---------------------------------------|
| प्रिंटर                     | : RnD Printer (Ne01:) | कागज का प्रकार :    | A4                                    |
| प्रतिलिपियों की संख्या      | : 1                   |                     |                                       |
| प्रिंट भाषा                 | : Hindi               |                     | (प्रिंटिंग के लिए आसाम)               |
| पद्धति                      | : नोट मोड             | कागज का आकार :      | (8.27" x 11.69") or (210 mm x 297 mm) |
| पृष्ठ क्रमबद्धीकरण          | : All                 | प्रिंटिंग क्षेत्र : | (7.95" x 11.34") or (202 mm x 288 mm) |
| रिपोर्ट शीर्षक              |                       |                     |                                       |
| उत्पाद शुल्क इनवॉइस         |                       |                     |                                       |
| (प्रिंट पूर्वेदर्शन के साथ) |                       |                     |                                       |
|                             |                       |                     | <b>प्रिंट ?</b><br><b>हां या नहीं</b> |

Figure 12.18 Print Configuration

- Press **Enter** to **print** the Sales Invoice.

The Print Preview of the **Sales Invoice** in Hindi is displayed as shown below:

| उत्पाद शुल्क इनवॉइस                                                                                                                                                                                                                                                                                                                                                                                                                    |              |                         |            |                      |           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------|------------|----------------------|-----------|
| <b>Allgrains Traders</b><br>No. 15, 2nd Cross<br>Koramangala<br>Bangalore<br>ई.मेल : sales@allgrains.com                                                                                                                                                                                                                                                                                                                               |              | इनवॉइस नं.              |            | दिनांकित             |           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                        |              | 1                       |            | 15 अग्रे, 2009       |           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                        |              | सुपुर्दगी नोट           |            | भुगतान के तरीके/शर्त |           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                        |              | सप्लायर का संदर्भ       |            | अन्य संदर्भ          |           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                        |              | खरीददार का ऑर्डर नं.    |            | दिनांकित             |           |
| क्रैल<br><b>अरुण ट्रेडर्स</b>                                                                                                                                                                                                                                                                                                                                                                                                          |              | पेयन दस्तावेज नं.       |            | दिनांकित             |           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                        |              | द्वारा प्रेषित किया गया |            | गन्तव्य              |           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                        |              | सुपुर्दगी की शर्त       |            |                      |           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                        |              |                         |            |                      |           |
| क्रम<br>नं.                                                                                                                                                                                                                                                                                                                                                                                                                            | माल का विवरण | मात्रा                  | दर         | प्रति                | राशि      |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                      | चावल         | 15 संख्या               | 600.00     | संख्या               | 9,000.00  |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                      | साबुन        | 200 संख्या              | 30.00      | संख्या               | 6,000.00  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                        |              | कुल (योग)               | 215 संख्या |                      | 15,000.00 |
| प्रभार राशि (शब्दों में) <span style="float: right;">E. &amp; O.E</span><br>Rs. पंद्रह हजार मात्र                                                                                                                                                                                                                                                                                                                                      |              |                         |            |                      |           |
| <div style="display: flex; justify-content: space-between;"> <div>                         घोषणा<br/>                         हम घोषणा करते हैं कि यह इनवॉइस वर्णित माल के वास्तविक मूल्य को दर्शाता है और सभी विवरण सत्य एवं सही हैं                     </div> <div>                         दिनांक एवं समय : _____<br/> <b>Allgrains Traders के निध</b><br/> <span style="float: right;">अधिकृत हस्ताक्षरकर्ता</span> </div> </div> |              |                         |            |                      |           |
| BANGALORE के अधिकार क्षेत्र के अन्तर्गत<br>This is a Computer Generated Invoice                                                                                                                                                                                                                                                                                                                                                        |              |                         |            |                      |           |

Figure 12.19 Print Preview of Sales Invoice

To Print the invoice in any other language,

- ❑ Press **Alt+L** from the **Printing Configuration** screen
- ❑ Select the required language for printing

| भाषा विन्यास                                                                                                                                                                                              |              | Allgrains Traders |           | Ctrl + M             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------|-----------|----------------------|
| Ref. :                                                                                                                                                                                                    | बिक्री नं. 1 |                   |           | 15.अप्रै.2009 बुधवार |
| ग्राहक के खाते का नाम : अरुण ट्रेडर्स<br>वर्तमान लेख : 15,000.00 ₹<br>बिक्री लेजर : सेल्स                                                                                                                 |              |                   |           |                      |
| मद का नाम                                                                                                                                                                                                 | मात्रा       | दर प्रति          | राशि      |                      |
| बावल                                                                                                                                                                                                      | 15 संख्या    | 600.00 संख्या     | 9,000.00  |                      |
| साबुन                                                                                                                                                                                                     |              | 0.00 संख्या       | 6,000.00  |                      |
|                                                                                                                                                                                                           |              |                   | 15,000.00 |                      |
| बाउचर प्रिंटर : RnD Printer (Ne01:) कागज का इकाई : A4<br>इतिनिधियों की संख्या : 1<br>प्रिंट भाषा : कन्नड (प्रिंट के लिए आवास)<br>पद्धति : or (210 mm x 297 mm)<br>पृष्ठ कमबद्धीकरण : or (202 mm x 298 mm) |              |                   |           |                      |
| प्रिंट भाषा : <b>कन्नड</b>                                                                                                                                                                                |              |                   |           |                      |
| <b>भाषाओं की सूची</b>                                                                                                                                                                                     |              |                   |           |                      |
| अंग्रेजी English<br>कन्नड ಕನ್ನಡ<br>गुजराती ગુજરાતી<br>तमिल தமிழ்<br>तेलुगू తెలుగు<br>पंजाबी ਪੰਜਾਬੀ<br>बंगाली বাংলা<br>बहासा इंडोनेशिया<br>बहासा मलयू<br>मराठी<br>मलयालम മലയാളം<br>हिमिलश<br>हिन्दी        |              |                   |           |                      |
| वर्णन :                                                                                                                                                                                                   |              |                   |           | 15,000.00            |

Figure 12.20 Printing Configuration — Selection of Print Language

- ❑ Select **Kannada** as the language for printing
- ❑ Press **Enter** to view the **Print Preview** of the **Sales Invoice** in **Kannada**

The Print Preview of the **Sales Invoice** in **Kannada** is displayed as shown below :

| ಅಬ್ಬರಾಡಿ ಇನ್ವಾಯ್ಸ್                                                                                                        |                |                        |            |                   |           |
|---------------------------------------------------------------------------------------------------------------------------|----------------|------------------------|------------|-------------------|-----------|
| <b>Allgrains Traders</b><br>No. 15, 2nd Cross<br>Koramangala<br>Bangalore<br>ಇ-ಮೇಲ್: sales@allgrains.com                  |                | ಇನ್ವಾಯ್ಸ್ ಸಂಖ್ಯೆ       |            | ದಿನಾಂಕ            |           |
|                                                                                                                           |                | ನಿರ್ದೇಶಕರ ಹೆಸರು        |            | ಪಾವತಿ ವಿವರ/ವಿವರಣೆ |           |
|                                                                                                                           |                | ಸರಬರಾಜುಕಾರರ ಉಲ್ಲೇಖ     |            | ಇತರೆ ಉಲ್ಲೇಖ(ಗಳು)  |           |
|                                                                                                                           |                | ಖರೀದಿದಾರರ ಆದೇಶ ಸಂಖ್ಯೆ  |            | ದಿನಾಂಕ            |           |
| ಖರೀದಿದಾರರ<br><b>ಅರುಣ್ ಬೇಡೆ</b>                                                                                            |                | ರಜಾನ್ ಇಂಟರ್ ಸಂಖ್ಯೆ     |            | ದಿನಾಂಕ            |           |
|                                                                                                                           |                | (ಈ) ಕಂಪನಿ ರಜಾನ್ ಸಂಖ್ಯೆ |            | ರಜಾನ್ ಸಂಖ್ಯೆ      |           |
|                                                                                                                           |                | ನಿರ್ದೇಶಕರ ವಿವರ         |            |                   |           |
|                                                                                                                           |                |                        |            |                   |           |
| ಕ್ರಮ ಸಂಖ್ಯೆ                                                                                                               | ಸರಬರಾಜು ವಿವರಣೆ | ಪ್ರಮಾಣ                 | ದರ         | ಪ್ರತಿ             | ಮೊತ್ತ     |
| 1                                                                                                                         | ಅಕ್ಕಿ          | 15 ಸಂಖ್ಯೆ              | 600.00     | ಸಂಖ್ಯೆ            | 9,000.00  |
| 2                                                                                                                         | ಮೇಷ            | 200 ಸಂಖ್ಯೆ             | 30.00      | ಸಂಖ್ಯೆ            | 6,000.00  |
|                                                                                                                           |                | ಒಟ್ಟು                  | 215 ಸಂಖ್ಯೆ |                   | 15,000.00 |
| ಇ. ವೆ. ಸಂ. ಸಂ.                                                                                                            |                |                        |            |                   |           |
| ಖರೀದಿದಾರರ<br>ಈ ಇನ್ವಾಯ್ಸ್ ಸರಬರಾಜು ನಿಜವಾಗಿಯೂ, ಖರೀದಿಸುವುದು ಮತ್ತು ಎಲ್ಲಾ ಮಾಹಿತಿಗಳು ಸತ್ಯ ಮತ್ತು ಸರಿಯಾಗಿವೆಯೆಂದು ಪ್ರಮಾಣೀಕರಿಸುವುದು. |                |                        |            |                   |           |
| ದಿನಾಂಕ ಮತ್ತು ಸರಿಯು : _____<br><b>Allgrains Traders</b>                                                                    |                |                        |            |                   |           |
| ಬರೆಯುವ ಸ್ಥಳ : _____<br>BANGALORE ಅರಿಷಾರ್ ವ್ಯಾಪ್ತಿಗೆ ಒಳಪಟ್ಟಿದೆ<br>This is a Computer Generated Invoice                     |                |                        |            |                   |           |

Figure 12.21 Print Preview of Sales Invoice – Kannada



- The Name of the company, the Unit of Measure and the Currency are neither translated nor transliterated, but appear in the language in which they were created.



## 12.4 Transliteration

In Tally.ERP 9, the masters created with aliases in more than one Indic language can be dynamically converted or transliterated. Transliteration is based on the phonetic behaviour of Indian languages. Tally.ERP 9 permits the transliteration of strings across all Indian scripts. However, such transliteration is possible because of the in-built **Language Precedence** feature in Tally.ERP 9.

The order of Language Precedence in Tally.ERP 9 is as follows:

1. English
2. Hindi
3. Gurumukhi (Punjabi)
4. Gujarati
5. Tamil
6. Kannada
7. Malayalam
8. Marathi

For instance, if a master is created in Hindi, with aliases in Kannada, the resultant report displayed will be in the language selected. However, if you want to view the report in another Indic language, then the transliteration of the Name of the Master is in the script selected. The pronunciation is Hindi-based since Hindi precedes Kannada in the language precedence order.

Go to **Gateway of Tally > Display > Day Book**

Figure 12.22 Day Book — Hindi

- The **Day Book** ledger is displayed in **Tamil** as shown below:

Figure 12.23 Day Book – Tamil

## 12.5 Generating Reports

### 12.5.1 Display Stock Summary

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| स्टॉक सारांश Allgrains Traders Ctrl + M |                                                      |
|-----------------------------------------|------------------------------------------------------|
| विवरण                                   | Allgrains Traders<br>1-अप्रै.-2009 से 15-अप्रै.-2009 |
|                                         | अंतिम लेख                                            |
|                                         | मात्रा दर मूल्य                                      |
| चावल                                    | 10 संख्या 425.00 4,250.00                            |
| साबुन                                   | 300 संख्या 20.00 6,000.00                            |
| कुल योग                                 | 310 संख्या 10,250.00                                 |

Figure 12.24 Stock Summary — Hindi

You can view the **Stock Summary** displayed above in the language of your choice, by pressing **Alt+G** and selecting the required language from the list of languages.

- Select **Kannada**

The **Stock Summary** report in **Kannada** appears as shown below :

| ಕಾಪಿಡು ವಾಣಿಜ್ಯ |  | Allgrains Traders                         |        | Ctrl + M  |
|----------------|--|-------------------------------------------|--------|-----------|
| ವಿವರಣೆ         |  | Allgrains Traders                         |        |           |
|                |  | 1-ಏಪ್ರಿಲ್-2009 ರಿಂದ 15-ಏಪ್ರಿಲ್-2009 ವರೆಗೆ |        |           |
|                |  | ಅವಶ್ಯಕ ಶಿಲ್ಕು                             |        |           |
|                |  | ಪ್ರಮಾಣ                                    | ದರ     | ಮೊತ್ತ     |
| ಅಕ್ಕಿ          |  | 10 ಸಂಖ್ಯೆ                                 | 425.00 | 4,250.00  |
| ಸೋಬೆ           |  | 300 ಸಂಖ್ಯೆ                                | 20.00  | 6,000.00  |
| ಒಟ್ಟು ಮೊತ್ತ    |  | 310 ಸಂಖ್ಯೆ                                |        | 10,250.00 |

Figure 12.25 Stock Summary – Kannada

**Masters** and **Ledgers** (i.e., the Stock Item names) are automatically translated into **Kannada** based on the predefined language alias in the masters.

### 12.5.2 Display Profit & Loss Account

Go to **Gateway of Tally > Profit & Loss Account**

| लाल एच हानि खात                |  | Allgrains Traders                                    |  | Ctrl + M                       |  |
|--------------------------------|--|------------------------------------------------------|--|--------------------------------|--|
| विवरण                          |  | Allgrains Traders<br>1-अप्रै.-2009 से 15-अप्रै.-2009 |  | विवरण                          |  |
| विवरण                          |  | Allgrains Traders<br>1-अप्रै.-2009 से 15-अप्रै.-2009 |  | विवरण                          |  |
| <b>Opening Stock</b>           |  |                                                      |  | <b>बिक्री खाते</b>             |  |
| बायल                           |  |                                                      |  | सल्ल                           |  |
| सालुन                          |  |                                                      |  | 15,000.00                      |  |
| <b>क्रय खाते</b>               |  | 20,625.00                                            |  | <b>Closing Stock</b>           |  |
| परचेज                          |  | 20,625.00                                            |  | बायल                           |  |
| <b>सकल लाभ आने ले जाये नये</b> |  | 4,625.00                                             |  | सालुन                          |  |
|                                |  | 25,250.00                                            |  | 6,000.00                       |  |
| <b>शुद्ध लाभ</b>               |  | 4,625.00                                             |  | <b>सकल लाभ आने ले जाये नये</b> |  |
|                                |  |                                                      |  | 4,625.00                       |  |
| <b>कुल(योग)</b>                |  | 4,625.00                                             |  | <b>कुल(योग)</b>                |  |
|                                |  |                                                      |  | 4,625.00                       |  |

Figure 12.26 Profit & Loss Account

### 12.5.3 Printing Confirmation Letters in Multiple Languages

Tally.ERP 9 allows you to print **Confirmation Letters** and **Reminder Letters** in the language of your choice.

Go to **Gateway of Tally > Display > Account Books > Ledger > Select Arun Traders ledger**

- ❑ Press **Alt+P** to print.
- ❑ Press **Backspace**
- ❑ Select the **Confirmation Letter** in the **Type of Report**.

| रिपोर्ट की उत्पात                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    | Allgrains Traders               |           | Ctrl + M      |           |                 |                    |                    |                                 |        |              |                              |       |  |                                |        |  |                            |   |  |                               |             |  |         |             |  |                 |        |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------------|-----------|---------------|-----------|-----------------|--------------------|--------------------|---------------------------------|--------|--------------|------------------------------|-------|--|--------------------------------|--------|--|----------------------------|---|--|-------------------------------|-------------|--|---------|-------------|--|-----------------|--------|--|
| लेजर: अरुण ट्रेडर्स                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                    | 1-अप्रै.-2009 से 15-अप्रै.-2009 |           |               |           |                 |                    |                    |                                 |        |              |                              |       |  |                                |        |  |                            |   |  |                               |             |  |         |             |  |                 |        |  |
| दिनांक                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | विवरण              | वाउचर के प्रकार                 | वाउचर नं. | डेबिट         | क्रेडिट   |                 |                    |                    |                                 |        |              |                              |       |  |                                |        |  |                            |   |  |                               |             |  |         |             |  |                 |        |  |
| 15-4-2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | सेन्स              |                                 |           | 5,000.00      |           |                 |                    |                    |                                 |        |              |                              |       |  |                                |        |  |                            |   |  |                               |             |  |         |             |  |                 |        |  |
| <p><b>लेजर प्रिंटिंग</b></p> <p>प्रिंटर : RnD Printer (Ne01:)      कागज का प्रकार : A4</p> <p>प्रतिनिधियों की संख्या : 1</p> <p>प्रिंट भाषा : हिन्दी      (प्रिंटिंग के लिए आयात)</p> <p>पद्धति : नोट मोड      कागज का आकार : (8.27" x 11.69") or (210 mm x 297 mm)</p> <p>पृष्ठ क्रमबद्धीकरण : All      प्रिंटिंग क्षेत्र : (7.95" x 11.34") or (202 mm x 288 mm)</p>                                                                                                                                                                                                                                                                                                                   |                    |                                 |           |               |           |                 |                    |                    |                                 |        |              |                              |       |  |                                |        |  |                            |   |  |                               |             |  |         |             |  |                 |        |  |
| <p><b>रिपोर्ट की शैली</b></p> <p>अरुण ट्रेडर्स</p> <p>लेजर खता</p> <p>(प्रिंट पूर्वेदर्शन के साथ)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                    |                                 |           |               |           |                 |                    |                    |                                 |        |              |                              |       |  |                                |        |  |                            |   |  |                               |             |  |         |             |  |                 |        |  |
| <table border="1"> <thead> <tr> <th>रिपोर्ट की शैली</th> <th>खातों का पुष्टिकरण</th> <th>खातों का पुष्टिकरण</th> </tr> </thead> <tbody> <tr> <td>कंपनी का पैन/आई.टी. नंबर दिखाएं</td> <td>? नहीं</td> <td>सामान्य लेजर</td> </tr> <tr> <td>Show Party's Contact Details</td> <td>? हाँ</td> <td></td> </tr> <tr> <td>बाहक का पैन/आई.टी. नंबर दिखाएं</td> <td>? नहीं</td> <td></td> </tr> <tr> <td>हस्ताक्षर प्राधिकारी का पद</td> <td>:</td> <td></td> </tr> <tr> <td>वाउचरों को देखने के लिए चुनें</td> <td>: सभी वाउचर</td> <td></td> </tr> <tr> <td>फॉर्मेट</td> <td>: संक्षिप्त</td> <td></td> </tr> <tr> <td>वर्णन भी दिखाएं</td> <td>? नहीं</td> <td></td> </tr> </tbody> </table> |                    |                                 |           |               |           | रिपोर्ट की शैली | खातों का पुष्टिकरण | खातों का पुष्टिकरण | कंपनी का पैन/आई.टी. नंबर दिखाएं | ? नहीं | सामान्य लेजर | Show Party's Contact Details | ? हाँ |  | बाहक का पैन/आई.टी. नंबर दिखाएं | ? नहीं |  | हस्ताक्षर प्राधिकारी का पद | : |  | वाउचरों को देखने के लिए चुनें | : सभी वाउचर |  | फॉर्मेट | : संक्षिप्त |  | वर्णन भी दिखाएं | ? नहीं |  |
| रिपोर्ट की शैली                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | खातों का पुष्टिकरण | खातों का पुष्टिकरण              |           |               |           |                 |                    |                    |                                 |        |              |                              |       |  |                                |        |  |                            |   |  |                               |             |  |         |             |  |                 |        |  |
| कंपनी का पैन/आई.टी. नंबर दिखाएं                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | ? नहीं             | सामान्य लेजर                    |           |               |           |                 |                    |                    |                                 |        |              |                              |       |  |                                |        |  |                            |   |  |                               |             |  |         |             |  |                 |        |  |
| Show Party's Contact Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | ? हाँ              |                                 |           |               |           |                 |                    |                    |                                 |        |              |                              |       |  |                                |        |  |                            |   |  |                               |             |  |         |             |  |                 |        |  |
| बाहक का पैन/आई.टी. नंबर दिखाएं                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | ? नहीं             |                                 |           |               |           |                 |                    |                    |                                 |        |              |                              |       |  |                                |        |  |                            |   |  |                               |             |  |         |             |  |                 |        |  |
| हस्ताक्षर प्राधिकारी का पद                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | :                  |                                 |           |               |           |                 |                    |                    |                                 |        |              |                              |       |  |                                |        |  |                            |   |  |                               |             |  |         |             |  |                 |        |  |
| वाउचरों को देखने के लिए चुनें                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | : सभी वाउचर        |                                 |           |               |           |                 |                    |                    |                                 |        |              |                              |       |  |                                |        |  |                            |   |  |                               |             |  |         |             |  |                 |        |  |
| फॉर्मेट                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | : संक्षिप्त        |                                 |           |               |           |                 |                    |                    |                                 |        |              |                              |       |  |                                |        |  |                            |   |  |                               |             |  |         |             |  |                 |        |  |
| वर्णन भी दिखाएं                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | ? नहीं             |                                 |           |               |           |                 |                    |                    |                                 |        |              |                              |       |  |                                |        |  |                            |   |  |                               |             |  |         |             |  |                 |        |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                    |                                 |           | आरंभिक बैच :  |           |                 |                    |                    |                                 |        |              |                              |       |  |                                |        |  |                            |   |  |                               |             |  |         |             |  |                 |        |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                    |                                 |           | वर्तमान योग : | 15,000.00 |                 |                    |                    |                                 |        |              |                              |       |  |                                |        |  |                            |   |  |                               |             |  |         |             |  |                 |        |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                    |                                 |           | अंतिम बैच :   | 15,000.00 |                 |                    |                    |                                 |        |              |                              |       |  |                                |        |  |                            |   |  |                               |             |  |         |             |  |                 |        |  |

Figure 12.27 Confirmation Letter Configuration

- Press **Enter** to print the **Confirmation Letter**

The **Printed Confirmation Letter** of **Allgrains Traders** appears as shown below:

Figure 12.28 Print Preview of Confirmation Letter

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### Points to Remember

- ❑ You can maintain your accounts in any one of the Indian languages that Tally.ERP 9 supports, view them in another and print the same data in yet another Indian language.
- ❑ Tally.ERP 9 permits the transliteration of strings across all Indian scripts.

## Lesson 13: Technological Advantages of Tally.ERP 9

### Lesson Objectives

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

- ❑ TallyVault a Company
- ❑ Activate Security Control for a Company
- ❑ Create Security Levels and Assign Passwords
- ❑ Activate TallyAudit and View the TallyAudit list of Vouchers/Ledgers
- ❑ Backup and Restore Tally.ERP 9 Data
- ❑ Split Company Data
- ❑ Export and Import Data and Vouchers
- ❑ Export Reports using ODBC
- ❑ Use Web-Enabled, Print Preview and Online Help Features
- ❑ Print Reports and Cheques
- ❑ Tally.NET Features
- ❑ Control Centre Capabilities
- ❑ Advantages of Support Centre

### 13.1 TallyVault

The Security of Data, is always a matter of concern for businesses since most organisations depend on the confidentiality of information. The Tally Vault feature is an enhanced security system which allows for encryption of the company data.

TallyVault ensures that the original information is under no circumstances made available to another user. This technique is similar to **encryption-decryption**, and the decrypted form of data is never stored in the system. Apart from this, it uses the **non-stored password** mechanism. This is done by using highly advanced mechanisms to validate a new user who does not have a prior

knowledge of the original password. The combination of all these facilities makes, TallyVault one of the most secure means of information storage.

### 13.1.1 Using TallyVault Feature

Tally.ERP 9 allows you to encrypt your company data either at the time of creation of the company or in the alteration mode. Let us first encrypt National Traders.

- Ensure that you are at the Gateway of Tally screen is as shown below:

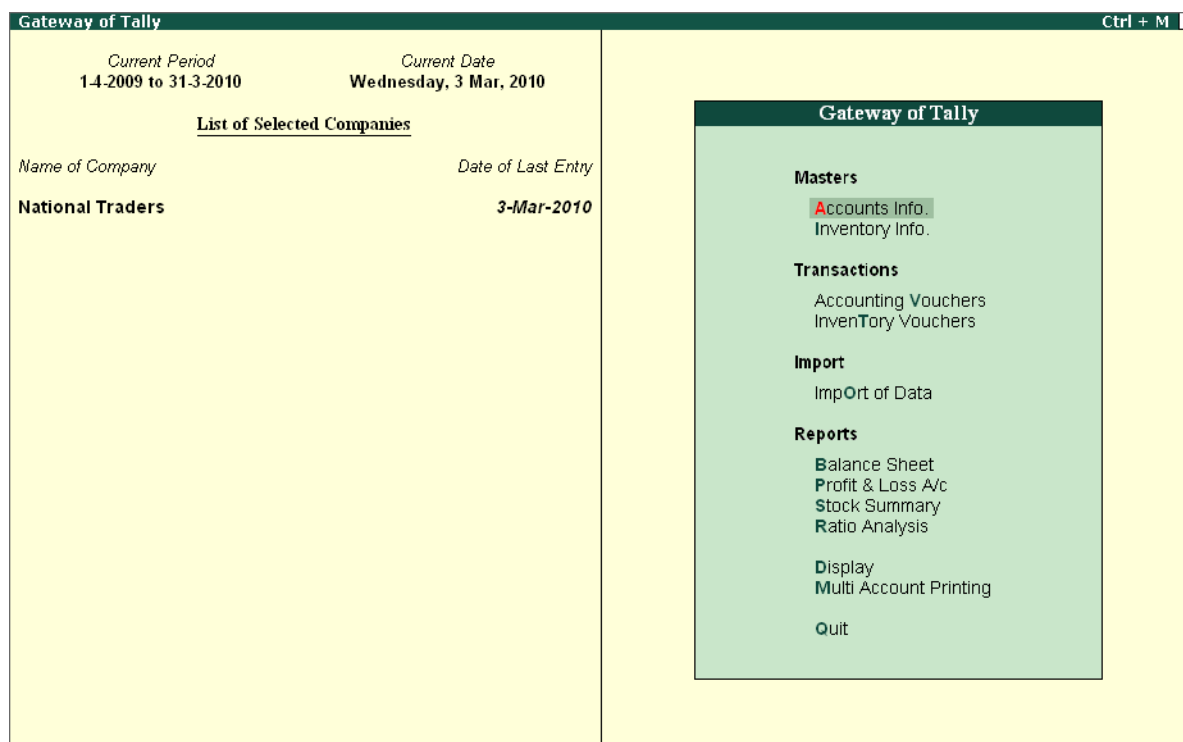


Figure 13.1 Gateway of Tally

- Press **Alt+F3** to view the **Company info.** menu, highlight **Change TallyVault** and press **Enter**.

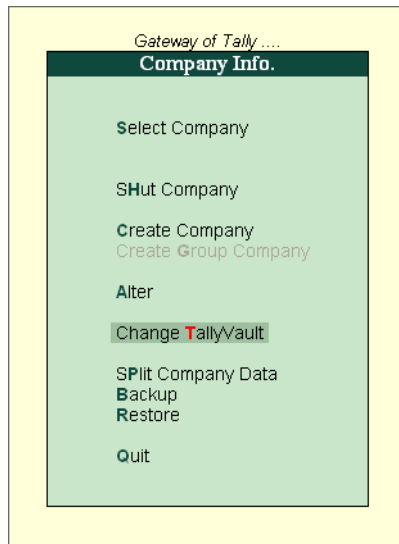


Figure 13.2 Company Info. Menu

- ❑ The **Change TallyVault** screen appears.
  - Select the company once again (this is done when you have loaded multiple companies).
  - The screen appears as shown below:

| Change TallyVault                       |                                                                                       | National Traders | Ctrl + M |
|-----------------------------------------|---------------------------------------------------------------------------------------|------------------|----------|
| Current Period<br>1-4-2009 to 31-3-2010 | <b>Change TallyVault</b><br>Name : <b>National Traders</b>                            |                  |          |
| List of Se                              | New Password : <span style="background-color: black; color: black;">XXXXXXXXXX</span> |                  |          |
| Name of Company<br>National Traders     | Repeat New Password :                                                                 |                  |          |

Figure 13.3 Change TallyVault

- ❑ Enter the Password as **NTC** (all in capitals) in the **New password** field and repeat the same in the **Repeat New Password** field.
- ❑ Press **Enter** to accept.  
Tally.ERP 9 prompts change – **Yes** or **No**.
- ❑ Press **Enter** once again and Tally.ERP 9 displays the Information screen as shown below:

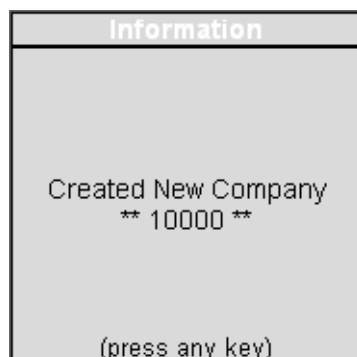


Figure 13.4 Information screen

- ❑ After TallyVaulting a company, Tally.ERP 9 retains the original company and creates a new encrypted company to allow you to decide whether you want to retain the encrypted company or not.
- ❑ The number 10000 is displayed to help you identify your company. This differs based on the number of companies already existing in the data directory.
- ❑ Accept by pressing any key.
- ❑ Tally.ERP 9 brings you back to the Company Info. menu.
- ❑ Use **Alt+F1** to **Shut the Company** and press **Enter** on **Select Company** and the screen appears as shown below

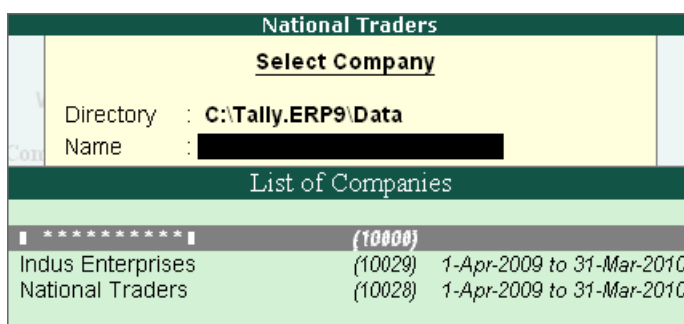


Figure 13.5 List of Companies

- ❑ You cannot see the name of the encrypted or TallyVaulted company. This ensures that nobody has access to your data.
- ❑ Press **Enter** and select the company 10000.
- ❑ Tally.ERP 9 prompts for the **TallyVault Password** as shown below :

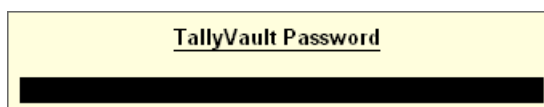


Figure 13.6 TallyVault Password

- ❑ Enter the password as **VCC** to open National Traders.



*Do not forget your **TallyVault password** because the data once lost cannot be retrieved.*

## 13.2 Security Control

Security Control is required in an environment where many people work on accounts using the same computer at different times or the same set of accounts on a network.

Tally.ERP 9 has a variety of management reports that are flexible in nature allowing you to create, alter, display and print any information. The Security Control system of Tally.ERP 9 is used to set the authority rights of the user or user groups. This prevents other users from using the system to create, alter, display and print any data. Tally.ERP 9 has a customised security system where the authority levels are set for users at different levels. Tally.ERP 9 has two security types, one for the Owner by default and the other for Data Entry. Other security types can be created based on these predefined types.

The Owner has full access and rights to Tally.ERP 9, except for **Tally Audit**, which is reserved for the administrator alone. Data Entry has restricted rights. Security control can be activated during company creation or by company alteration. Once this is activated, Tally.ERP 9 asks you to enter the name of the user and the password.

### 13.2.1 Activate Security Control

Go to **Gateway of Tally of National Traders** > press **Alt+F3** > Select **Alter** > press **Enter** and reselect **National Traders** to view the **Company Alteration** screen.

- ❑ Set **Yes to Use Security Control**.
- ❑ An additional field appears asking for the name of the administrator, type **Admin**.
- ❑ In the **Password** field type **Admin** and repeat the password.
- ❑ An option **Use Tally Audit Features** appears, set this to **Yes**.
- ❑ An additional option **Disallow opening in Educational mode** appears, set this to **No**. Accept the screen and return to the Company Info menu.
- ❑ Shut the company and select **National Traders** once again (Do not select the TallyVaulted company).
- ❑ Tally.ERP 9 prompts the user for the user name and password as shown below:

Company : National Traders

Name of User : XXXXXXXXXX

Password (if any) :

Figure 13.7 User and Password screen

- Give the details according to what you had entered in the Company Alteration screen and accept.

Tally.ERP 9 loads the company and displays the Gateway of Tally on entering the correct user name and password. Now that we have activated the Security Control for National Traders, let us create the Security Levels.



*The password is case sensitive. Any variation in the case will not allow you to login to Tally.ERP 9.*

### 13.2.2 Create Security Levels

Go to **Gateway of Tally >** Press **Alt+F3** and view the **Company Info.** menu.

- Press **Enter** on **Security Control** and a sub-menu appears as shown below:

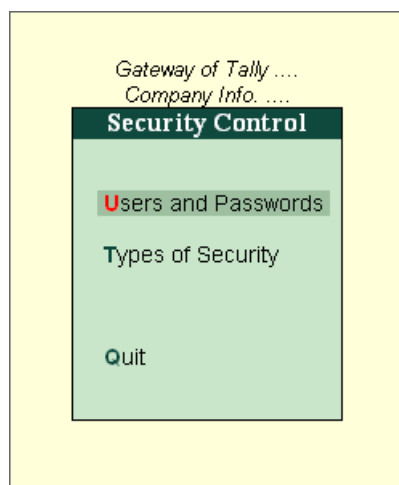


Figure 13.8 Security Control Menu

- The menu allows you to define the security level under the field Types of Security. The user name and password for that access level is defined under the field Users and Passwords.
- Press **Enter** on **Types of Security**.

Figure 13.9 Security Level Definition screen

- ❑ Under **List of Security Levels**, the default value is **Data Entry**, **Tally.NET User** and **Tally.NET Auditor**
- ❑ Press the **Down Arrow Key** to create a new security level.
- ❑ Enter **Manager** in the **List of Security Level** field.
- ❑ Press **Enter** to view the Level definition screen.



### Security Level Definition Screen

The Level definition screen displays the following:

- ❑ **Name of Security Level:** This by default displays the name created.
- ❑ **Use Basic Facilities of:** Select Owner from the security List. However the other option called Data Entry is also available. Press O to get the popup list or revert from the next field for it to pop up. Likewise, a Manager is created at the next level. Select the Owner.
- ❑ **Days Allowed for Back – dated vouchers:** It refers to the number of days the users at this level are allowed to alter Back-Dated Vouchers. For example, specifying 0 will indicate that back – dated vouchers are not allowed and entering 7 will allow the user at this level to insert vouchers going back 7 days. Here enter 0. This is only effective if you disallow back-dated entries in the disallow column.
- ❑ **Cut-off date for Back-dated Vouchers:** Specify the dates before which users of this profile or Security level may not create or alter vouchers. This is useful in cases where the Tax Assessment for a period are complete and no further changes are required in the data for that period. Here, enter 31st December 2009.
- ❑ **Allow to Connect Company:** If this option is set to Yes, the user classified under this security level can connect to a Company with a valid Tally.NET subscription.





- **Use Tally.NET Authentication:** If this option is set to Yes, the user classified under this security level can login remotely with Tally.NET User capabilities.
- **Use Tally.NET Auditor Authentication:** If this option is set to Yes, the auditor can access the client's data remotely and perform an audit. However, a user not having the auditor's license will not be able to perform an audit by setting this option to Yes.

The **Security Levels Definition** screen is displayed as shown below:

| Security Levels                                                                                                                                                                                                                                                                                                              |  | National Traders                                                              |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------|--|
| Name of Security Level : <b>Manager</b>                                                                                                                                                                                                                                                                                      |  |                                                                               |  |
| Use Basic Facilities of : <b>Owner</b>                                                                                                                                                                                                                                                                                       |  |                                                                               |  |
| Days allowed for Back Dated vouchers : <b>0</b>                                                                                                                                                                                                                                                                              |  |                                                                               |  |
| Cut-off date for Back Dated vouchers : <b>31-Dec-2009</b>                                                                                                                                                                                                                                                                    |  |                                                                               |  |
| Allow to Connect Company ? <b>Yes</b>                                                                                                                                                                                                                                                                                        |  |                                                                               |  |
| Use Tally.NET Authentication ? <b>No</b>                                                                                                                                                                                                                                                                                     |  |                                                                               |  |
| Use Tally.NET Auditor                                                                                                                                                                                                                                                                                                        |  |                                                                               |  |
|                                                                                                                                                                                                                                                                                                                              |  | <b>Type of Access</b>                                                         |  |
| <b>Disallow the</b><br>(others)                                                                                                                                                                                                                                                                                              |  | <b>Allow the following Facilities</b><br>(to re-enable disallowed facilities) |  |
| <input type="checkbox"/> End of List<br><input type="checkbox"/> Alter<br><input type="checkbox"/> Create<br><input type="checkbox"/> Create/Alter<br><input type="checkbox"/> Display<br><input type="checkbox"/> Display/Print<br><input checked="" type="checkbox"/> <b>Full Access</b><br><input type="checkbox"/> Print |  | <input type="checkbox"/> End of List                                          |  |

Figure 13.10 Security level Definition screen with Allow and Disallow Facilities

- Once the above details are entered, the screen is divided into two broad columns having two sub – columns. The left side is to disallow access to the various options of the systems. The right side allows the security level, different facilities.
- The sub-columns are **Types of Access** and the **List of Reports** under both **Allow** and **Disallow** facilities **Enter** the type of access you wish to give and the option to be controlled. Once the entry is completed select **End of List** from the **Type of Access** field to complete the allocation.
- Press **Enter** after specifying the cut-off date as 31-Dec-2009 under **Disallow the following Features**
- Select **Full Access** (from the **Type of Access** list):
- Select the **Balance Sheet** from the List of Reports as per this screen:

| Security Levels                                                      |                      | National Traders          |  |
|----------------------------------------------------------------------|----------------------|---------------------------|--|
| Name of Security Level                                               | : <b>Manager</b>     | List of Reports           |  |
| Use Basic Facilities of                                              | : <b>Owner</b>       |                           |  |
| Days allowed for Back Dated vouchers                                 | : <b>0</b>           | Accounts Masters          |  |
| Cut-off date for Back Dated vouchers                                 | : <b>31-Dec-2009</b> | Attendance Vouchers       |  |
| Allow to Connect Company                                             | ? <b>Yes</b>         | Audit Listings            |  |
| Use Tally.NET Authentication                                         | ? <b>No</b>          | Back Dated Vouchers       |  |
| Use Tally.NET Auditor Authentication                                 | ? <b>No</b>          | <b>Balance Sheet</b>      |  |
| <b>Disallow the following Facilities</b><br>(others will be allowed) |                      | Bank Books                |  |
|                                                                      |                      | Bank Reconciliation       |  |
|                                                                      |                      | Cash Flow                 |  |
|                                                                      |                      | Cheque Printing           |  |
|                                                                      |                      | Company Features          |  |
|                                                                      |                      | ConnectCompany            |  |
|                                                                      |                      | Cost Centre Details       |  |
|                                                                      |                      | CST Reports               |  |
|                                                                      |                      | Day Book                  |  |
|                                                                      |                      | Dealer Excise Reports     |  |
|                                                                      |                      | Excise Computation        |  |
|                                                                      |                      | Excise Reports            |  |
|                                                                      |                      | FBT Compliance            |  |
|                                                                      |                      | FBT Reports               |  |
|                                                                      |                      | Funds Flow                |  |
|                                                                      |                      | Group Monthly Summary     |  |
|                                                                      |                      | Group Summary             |  |
|                                                                      |                      | Group Voucher Details     |  |
|                                                                      |                      | Interest Calculations     |  |
|                                                                      |                      | Inventory Masters         |  |
|                                                                      |                      | Invoice Configuration     |  |
|                                                                      |                      | Ledger Monthly Summary    |  |
|                                                                      |                      | Ledger Voucher Details    |  |
|                                                                      |                      | List of Vouchers          |  |
|                                                                      |                      | Location-Wise Summary     |  |
|                                                                      |                      | Order Details             |  |
|                                                                      |                      | Outstandings              |  |
|                                                                      |                      | Override Invoice Class    |  |
|                                                                      |                      | Override Invoice Defaults |  |
|                                                                      |                      | Payroll Masters           |  |
|                                                                      |                      | 25 more ... ↓             |  |
| <b>Full Access</b>                                                   |                      | <b>Balance Sheet</b>      |  |

Figure 13.11 Security Levels Definition screen

- ❑ In order to make any modifications in any of the reports, select the option Back-dated Vouchers under the field **Full Access** select Create/Alter **Back Dated Vouchers**.
- ❑ Verify with the screen shown below:

| Security Levels                                                      |                      | National Traders                                                              |                     |
|----------------------------------------------------------------------|----------------------|-------------------------------------------------------------------------------|---------------------|
| Name of Security Level                                               | : <b>Manager</b>     |                                                                               |                     |
| Use Basic Facilities of                                              | : <b>Owner</b>       |                                                                               |                     |
| Days allowed for Back Dated vouchers                                 | : <b>0</b>           |                                                                               |                     |
| Cut-off date for Back Dated vouchers                                 | : <b>31-Dec-2009</b> |                                                                               |                     |
| Allow to Connect Company                                             | ? <b>Yes</b>         |                                                                               |                     |
| Use Tally.NET Authentication                                         | ? <b>No</b>          |                                                                               |                     |
| Use Tally.NET Auditor Authentication                                 | ? <b>No</b>          |                                                                               |                     |
| <b>Disallow the following Facilities</b><br>(others will be allowed) |                      | <b>Allow the following Facilities</b><br>(to re-enable disallowed facilities) |                     |
| <b>Full Access</b>                                                   | Balance Sheet        | <b>Create/Alter</b>                                                           | Back Dated Vouchers |
| <b>Full Access</b>                                                   | Back Dated Vouchers  |                                                                               |                     |

Figure 13.12 Security Levels screen

Once you accept the above settings you are taken back to the **Security Levels for Company** screen. The cursor rests at the blank field following the recently created one. Follow the same procedure if you require to create another Security level else accept and return from this screen to the Security Control Menu.

### 13.2.3 Users and Passwords

A Security level called Manager uses the basic facilities of the Owner. To set up a user name and password for this level, press **Enter** on Users and Passwords in the Security Control Menu.

#### Create Users and Passwords

Go to **Gateway of Tally > F3: Company Info > Security Control > Select Users and Passwords**

- Tally.ERP 9 prompts you to select the Security Level, Select **Manager** and the screen appears as shown below:

| List of Users for Company     |                                                                                                                                                                             |                   |                     |                 |               |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------------|-----------------|---------------|
| Name: <b>National Traders</b> |                                                                                                                                                                             |                   |                     |                 |               |
| Security Level                | Security List                                                                                                                                                               | Password (if any) | Allow Remote Access | Allow Local TDL | Mobile Number |
|                               | <ul style="list-style-type: none"> <li>End of List</li> <li>Data Entry</li> <li><b>Manager</b></li> <li>Owner</li> <li>Tally.NET Auditor</li> <li>Tally.NET User</li> </ul> |                   |                     |                 |               |

Figure 13.13 List of Users for Company screen

- Enter **Manager** for both the **Name of User** and **Password**.
- By default **Allow Remote Access** and **Allow Local TDL** is set to **No**.

- Enter the user's mobile number in **Mobile Number** field

| List of Users for Company     |                |                   |                     |                 |               |
|-------------------------------|----------------|-------------------|---------------------|-----------------|---------------|
| Name: <b>National Traders</b> |                |                   |                     |                 |               |
| Security Level                | Name of User   | Password (if any) | Allow Remote Access | Allow Local TDL | Mobile Number |
| <b>Manager</b>                | <b>Manager</b> | *****             | <b>No</b>           | <b>No</b>       | 9827159963    |

**Accept ?**  
 Yes or No

Figure 13.14 Users and Password screen

- **Accept** this and return to the Gateway of Tally.

You would need to create different users who belong to one or more different Security Levels or Types of security. Select the option at the Security Control menu to define users, give their passwords and their security levels.



Only the **Administrator** can assign users and their passwords.

### 13.2.4 Alter/ Display a User / Type of Security

There is no separate menu option to alter or display the security options. Use the same menu to display or alter user or security level set-up. To delete a user, simply blank out the user name by pressing Esc/ Spacebar and accept the screen. Do the same for the security level. A user defined under a security level cannot be deleted without deleting the users under it.

### 13.2.5 Loading a Company with a User name

#### Security Level

The Manager Security Level is set by using **Admin** as the user name and password. A password is assigned at this level.

Let us shut **National Traders** and re-select it with the **Manager** user name and password.

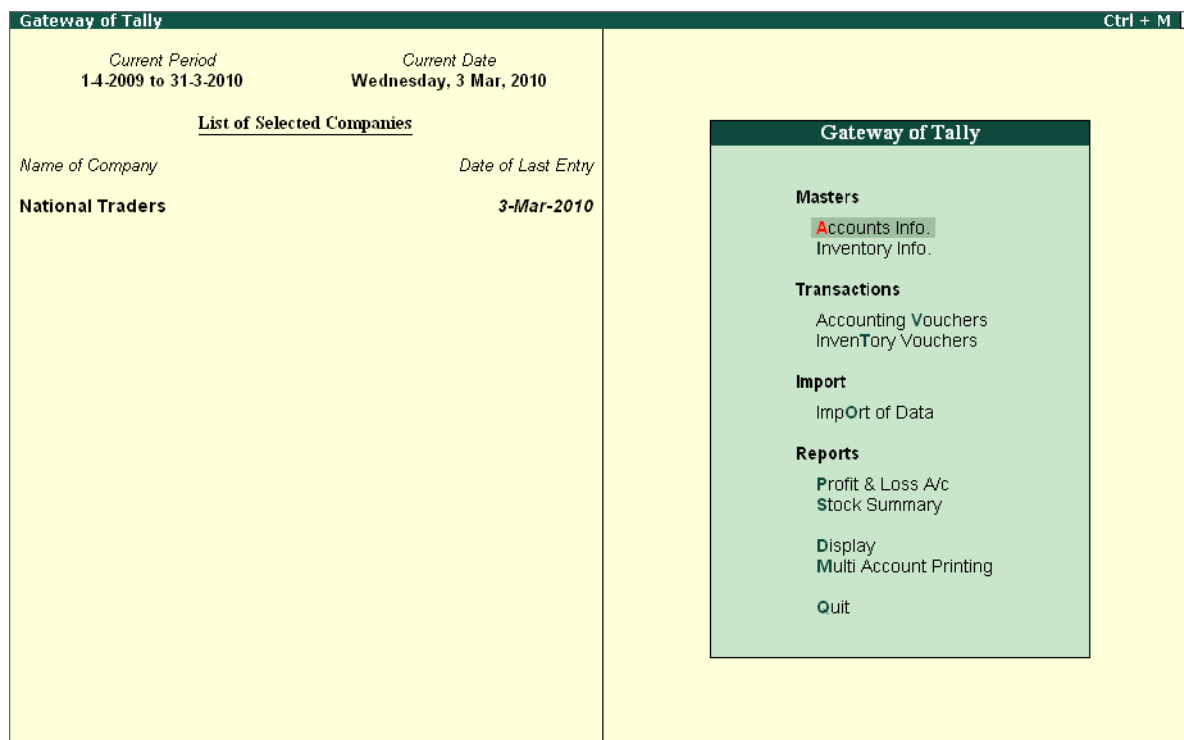


Figure 13.15 Gateway of Tally screen

Notice that the report Balance Sheet is not appearing in the menu. This is because the access was denied while defining the security level. Practice this by disallowing other reports and make your observations.

## 13.3 Tally Audit

Tally.ERP 9 Audit allows the Administrator/ Auditor to track changes in the accounts made subsequent to the earlier review. Changes in two areas are important i.e in the transactions or vouchers and in the ledger masters. Only changes that affect the integrity of a transaction are considered.

Tally.ERP 9 Audit feature is enabled while creating a Company. This option is activated only when the user-levels are defined. In this case, it was already enabled when the Security Control feature was activated and given a user name and password.

### 13.3.1 Using Tally Audit Feature

1. Ensure that you have loaded **National Traders** with Admin as the user name and password. Now, to view the Tally.ERP 9 Audit Lists Go to **Gateway of the Tally > Display > Statements of Accounts > Tally Audit**.

The menu is displayed as shown below:

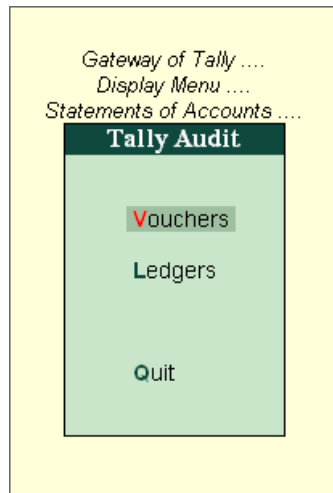


Figure 13.16 Tally Audit Menu

- ❑ You can audit both ledgers and vouchers.
- ❑ Change the period of the report from **1-Apr-2009** to **31-Mar-2010**.
- ❑ Click on **F12: Configure** and enter **Yes** to **Show Entered/Altered By**.

The listing now incorporates the user's name as shown below :

| Tally Audit Listing           |                               | National Traders |         | Ctrl + M                  |               |
|-------------------------------|-------------------------------|------------------|---------|---------------------------|---------------|
| List of New/Modified Vouchers |                               |                  |         | 1-Apr-2009 to 31-Mar-2010 |               |
| Date                          | Particulars                   | Vch Type         | Vch No. | Debit Amount              | Credit Amount |
| 1-4-2009                      | <b>Challenger Systems</b>     | Bank Payment     | 1       | 500.00                    |               |
|                               | Bank Account                  |                  |         | 500.00 Cr                 |               |
|                               | Entered By : Unknown          |                  |         |                           |               |
| 1-4-2009                      | <b>Office Costs</b>           | Petty Cash       | 1       | 150.00                    |               |
|                               | Petty Cash                    |                  |         | 150.00 Cr                 |               |
|                               | Entered By : Unknown          |                  |         |                           |               |
| 2-4-2009                      | <b>Wages</b>                  | Bank Payment     | 2       | 600.00                    |               |
|                               | Bank Account                  |                  |         | 600.00 Cr                 |               |
|                               | Entered By : Unknown          |                  |         |                           |               |
| 5-4-2009                      | <b>Data Link Technologies</b> | Receipt          | 1       |                           | 5,000.00      |
|                               | Bank Account                  |                  |         | 5,000.00 Dr               |               |
|                               | Entered By : Unknown          |                  |         |                           |               |
| 6-4-2009                      | <b>Bank Account</b>           | Contra           | 1       |                           | 200.00        |
|                               | Petty Cash                    |                  |         | 200.00 Dr                 |               |
|                               | Entered By : Unknown          |                  |         |                           |               |
| 6-4-2009                      | <b>Spectrum Computers</b>     | Sales            | 1       | 24,785.00                 |               |
|                               | Sales - Computers             |                  |         | 24,785.00 Cr              |               |
|                               | Entered By : Unknown          |                  |         |                           |               |
| 7-4-2009                      | <b>Silverplus Computers</b>   | Purchase         | 1       |                           | 8,100.00      |
|                               | Purchase - Printers           |                  |         | 8,100.00 Dr               |               |
|                               | Entered By : Unknown          |                  |         |                           |               |
| 10-5-2009                     | <b>Bank Interest</b>          | Receipt          | 2       |                           | 500.00        |
|                               | Bank Account                  |                  |         | 500.00 Dr                 |               |
|                               | Entered By : Unknown          |                  |         |                           |               |
| 11-5-2009                     | <b>Office Costs</b>           | Journal          | 1       | 400.00                    |               |
|                               | Horizon Enterprises           |                  |         | 400.00 Cr                 |               |
|                               | Entered By : Unknown          |                  |         |                           |               |
| 13-5-2009                     | <b>Salary</b>                 | Bank Payment     | 3       | 2,500.00                  |               |
|                               | Bank Account                  |                  |         | 2,500.00 Cr               |               |

191 more ...

191 more ...

Figure 13.17 Tally Audit Listing screen

Only a portion of the actual report has been displayed for your reference. Since the password feature was not activated when these entries were made, the field **Entered By** appears as **Unknown**.

- Place the cursor on the relevant voucher, click on **F7: Accept One** to accept the voucher as valid and remove it from the list.
- Click on **F7: Accept All** option, If you are satisfied that all the vouchers are valid.
- To view the **Ledger Audit list**, select **Ledger** from the **Tally Audit**.

A screen showing the Id, Ledger Names and the Opening Balance is displayed as shown below:

| Tally Audit Listing          |                          | National Traders | Ctrl + M |
|------------------------------|--------------------------|------------------|----------|
| List of New/Modified Ledgers |                          |                  |          |
| Id                           | Name                     | Opening Balance  |          |
| 30                           | Profit & Loss A/c        | 32,070.00        | Cr       |
| 31                           | Petty Cash               | 500.00           | Dr       |
| 1,344                        | Mutual Trust Loan        | 50,000.00        | Cr       |
| 1,345                        | Compu Care Systems       | 5,400.00         | Dr       |
| 1,346                        | Data Link Technologies   | 26,000.00        | Dr       |
| 1,347                        | Spectrum Computers       | 12,400.00        | Dr       |
| 1,348                        | Supreme Computers        | 13,500.00        | Dr       |
| 1,349                        | Buildings                | 75,000.00        | Dr       |
| 1,351                        | Building Accum Deprn     | 8,000.00         | Cr       |
| 1,352                        | Office Equipment         | 25,000.00        | Dr       |
| 1,354                        | Office Equip Accum Deprn | 4,500.00         | Cr       |
| 1,355                        | Tax Deducted at Source   | 4,780.00         | Cr       |
| 1,356                        | Sales Tax                | 13,600.00        | Cr       |
| 1,357                        | Challenger Systems       | 65,650.00        | Cr       |
| 1,358                        | Silverplus Computers     | 45,600.00        | Cr       |
| 1,359                        | Horizon Enterprises      | 44,750.00        | Cr       |
| 1,360                        | Equity Capital           | 2,50,000.00      | Cr       |
| 1,361                        | Bank Account             | 35,000.00        | Dr       |
| 1,362                        | Deposit Account          | 40,000.00        | Dr       |
| 1,365                        | Office Costs             |                  |          |
| 1,366                        | Wages                    |                  |          |
| 1,367                        | Sales - Computers        |                  |          |
| 1,368                        | Purchase - Printers      |                  |          |
| 1,369                        | Bank Interest            |                  |          |
| 1,370                        | Electricity Cost         |                  |          |
| 1,371                        | Salary                   |                  |          |
| 1,372                        | Purchases                |                  |          |
| 1,373                        | Freight Charges          |                  |          |
| 1,374                        | Purchase - Computers     |                  |          |
| 1,375                        | Sales - Printer          |                  |          |
| 1,376                        | Sales- Components        |                  |          |
| 1,377                        | Power Line Computers     |                  |          |
| 1,379                        | FirstCom Solutions       |                  |          |

35 more ...

Figure 13.18 Tally Audit Ledgers screen

Make changes to any two Ledger Accounts these will be shown in the list of new or altered Ledger Accounts. Notice that their Id does not change. Hence it is useful to track them. The user who changed the accounts and when it was done, can be identified. Once you are satisfied with the changes made in the ledger click on **F7: Accept One** or **F7: Accept All**. This would accept the ledger as valid and it will be removed from the list.

## 13.4 Backup and Restore

### 13.4.1 Backup

Tally.ERP 9 has a flexible backup mechanism where in you can virtually take a backup of the data from one storage medium to another. The more commonly used mechanisms are floppy drive, hard disk drive, zip drive, tape drive etc. installed either locally or on a network. In the backup screen, the source and destination of the backup is entered. Tally.ERP 9 will do as required.

- From the **Company Info** screen, select the **Backup** option and the screen appears as shown below:



| Backup Companies on Disk                                                                                                                                                      |  | National Traders                                                       |  | List of Companies                                                                                          |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------------------------------------------------------------|--|------------------------------------------------------------------------------------------------------------|--|
| <b>Select Companies to Backup</b><br>Source : C:\Tally.ERP9\Data<br>Destination : C:\TallyBackup<br>Name of Company : _____ Number : _____<br>Date of Last Entry : 3-Mar-2010 |  | Current Date : Tuesday, 3 Mar, 2010<br>Date of Last Entry : 3-Mar-2010 |  | (10000)<br>Indus Enterprises (10029) Apr-2009 to Mar-2010<br>National Traders (10028) Apr-2009 to Mar-2010 |  |

Figure 13.19 Tally.ERP 9 Company Backup screen

- ❑ Specify the source (where Tally.ERP 9 has to take the data from).
- ❑ Specify the destination (where you want Tally.ERP 9 to store the data backup).
- ❑ Tally.ERP 9 then displays the list of companies created – select one.



### Backup Precautions

As we are already aware, data on a computer is vulnerable to data loss. It is therefore important that we do not overlook the importance of taking a regular backup of data, however strong the database may be. The maintenance of important data can be made continuous and hassle-free with a little planning and forethought.

Depending on the volume of data entry, an appropriate backup mechanism is devised. This can be done by maintaining a backup directory in the local hard disk or server. External storage media such as floppy disks and zip diskettes can also be used. We can have sub-directories for every day of the week under the main backup directory. Regularly data backups, depending on the day of the week can be taken in the following manner:

Monday – C:\TallyBackup\Monday

Tuesday – C:\TallyBackup\Tuesday

Wednesday– C:\TallyBackup\Wednesday and so on till Saturday



- ❑ The Backup option is available only on the **Company Information** screen.
- ❑ In the example, we have used the C drive path, this does not mean that the Tally.ERP 9 backup facility is limited to the Hard Disk drive alone.

The above procedure ensures that there exists a reliable data backup at any given time. The **Restore** option is used to bring back data from the data backup.

### 13.4.2 Restore

Restore literally means 'to bring back'. Tally.ERP 9 allows the restoration of data from one medium to another. In Tally.ERP 9's context, restore means we have a Tally.ERP 9 backup and we want to work on the data backup instead of the current data. This can be done from the Company Info screen by selecting the Restore field.

The **Select Companies to Restore** screen appears as shown below:

| Restore Companies on Disk                                                                                                                                               |                                | National Traders                       |        | List of Companies <span>Ctrl + M</span> |         |                                  |  |                                                                                                                                                                                         |  |             |  |                   |                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------------|--------|-----------------------------------------|---------|----------------------------------|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------|--|-------------------|--------------------------------|
| <b>Select Companies to Restore</b><br>Destination : C:\Tally.ERP9\Data<br>Source : C:\TallyBackup                                                                       |                                | Current Date<br>Wednesday, 3 Mar, 2010 |        |                                         |         |                                  |  |                                                                                                                                                                                         |  |             |  |                   |                                |
| <table border="1"> <thead> <tr> <th>Name of Company</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>National Traders</td> <td>(10028)</td> </tr> </tbody> </table> |                                | Name of Company                        | Number | National Traders                        | (10028) | Date of Last Entry<br>3-Mar-2010 |  | <table border="1"> <thead> <tr> <th colspan="2">End of List</th> </tr> </thead> <tbody> <tr> <td>Indus Enterprises</td> <td>(10029) 17-Sep-2009 (03:31 pm)</td> </tr> </tbody> </table> |  | End of List |  | Indus Enterprises | (10029) 17-Sep-2009 (03:31 pm) |
| Name of Company                                                                                                                                                         | Number                         |                                        |        |                                         |         |                                  |  |                                                                                                                                                                                         |  |             |  |                   |                                |
| National Traders                                                                                                                                                        | (10028)                        |                                        |        |                                         |         |                                  |  |                                                                                                                                                                                         |  |             |  |                   |                                |
| End of List                                                                                                                                                             |                                |                                        |        |                                         |         |                                  |  |                                                                                                                                                                                         |  |             |  |                   |                                |
| Indus Enterprises                                                                                                                                                       | (10029) 17-Sep-2009 (03:31 pm) |                                        |        |                                         |         |                                  |  |                                                                                                                                                                                         |  |             |  |                   |                                |

Figure 13.20 Tally.ERP 9 Company Restoration screen

- ❑ You have to specify the destination (where Tally.ERP 9 has to store the data backup).
- ❑ Then specify the source (where you want Tally.ERP 9 to take the data from).
- ❑ Tally.ERP 9 then displays the list of companies you have in the source. Select the required companies to be restored as desired.



#### Restore Precautions

*It is preferable not to restore a backup on the original data directory primarily to ensure that no data is unintentionally overwritten.*



*The **Restore** option is also available only on the **Company Information** screen.*

### 13.5 Split Company Data

Tally.ERP 9's flexible period-less accounting permits entry of data for any number of years. This in itself has tremendous benefits. However, presence of old data in cases where they are voluminous, causes greater overhead on the system. Splitting financial years enables you to retain most benefits while overcoming this overhead.

On splitting the data, two things happen:

- ❑ New companies are created for the respective split periods.
- ❑ The full data is retained in the original company.



### Important Pre-split Activity

- ❑ Before you split data, ensure that:
  - ❑ All the unadjusted forex-gains/ losses have been fully adjusted by journal entries. Verify that the item does not appear in the Balance Sheet.
  - ❑ There are no pending Purchase Bills/ Sales Bills. Check the Profit & Loss Account and Inventory Statements for the pending Purchase/ Sales Bills. These bills can be accounted for in the respective party accounts or in the 'Bills Pending' Account.
  - ❑ Ensure that a backup of the data exists.

### To Split Company Data,

- ❑ Load **National Traders** with the Admin user name and password.
- ❑ At the **Gateway of Tally.ERP 9 > Select Alt+F3: Cmp Info.**
- ❑ Press **Enter** on Split Company Data.
- ❑ Tally.ERP 9 prompts you to re-select the company name, select National Traders and the screen appears as shown below:

| National Traders                                                                |                                          |
|---------------------------------------------------------------------------------|------------------------------------------|
| <b>Split Company Data</b>                                                       |                                          |
| Name                                                                            | : National Traders                       |
| Split from                                                                      | : <b>1-Sep-2009</b>                      |
| <i>(this date will become the Financial Year Beginning for the new company)</i> |                                          |
| <i>(valid values: 2-Apr-2009 to 1-Apr-2010 : Recommended is 1-Sep-2009 )</i>    |                                          |
| <b>These new companies will be created and opened</b>                           |                                          |
| First Company                                                                   | : National Traders - ( From 1-Apr-2009 ) |
| Second Company                                                                  | : National Traders - ( From 1-Sep-2009 ) |

Figure 13.21 Split Company Data screen

- ❑ Since National Traders has data only for one year (April 1, 2009 to March 31, 2010).The split will take place from the mid-point (September 1, 2009).
- ❑ You can change the date given in the **Split From**.
- ❑ Press **Enter** and accept to the split. Tally.ERP 9 creates two new companies.

## 13.6 Export and Import of Data

We will now learn about Tally.ERP 9's export and import capabilities, which enables Tally.ERP 9 to interact globally. Statements and data from Tally.ERP 9 can be exported to other programs like spreadsheets and databases. Only data from Tally.ERP 9 can be imported and not data from other systems. Importing from other systems involves the usage of 'Tally.ERP 9's Definition Language' TDL and this is outside the scope of this training.

### 13.6.1 Export of Data

You might need to export information for different purposes, viz:

- To re-import data into another company run on Tally.ERP 9.
- To export data out to be used by other programs.

### 13.6.2 Exporting Masters

**Step 1:**

Go to **Gateway of Tally.ERP 9 > Display > List of Accounts > click on Export.**

- Tally.ERP 9 first asks for the export **format**. The different formats are, **ASCII**, **EXCEL**, **HTML** and **XML**. The filename extension will take the default format.

The screenshot shows a dialog box titled "Exporting List of Ledgers". It contains the following fields and options:

- Language**: Default (All Languages)
- Format**: XML (Data Interchange) (This option is highlighted in the dropdown menu)
- Export Location**: C:\Tally.ERP9\
- Output File Name**: Format
- Type of Masters**: Ledgers

The dropdown menu for Format is open, showing the following options: ASCII (Comma delimited), Excel (Spreadsheet), HTML (web-publishing), and XML (data interchange). The XML (data interchange) option is currently selected.

Figure 13.22 Exporting the List of Ledgers screen

- For example, since we have selected XML, the filename displayed will be **Master.xml**

| Exporting List of Ledgers |                           |
|---------------------------|---------------------------|
| Language                  | : Default (All Languages) |
| Format                    | : XML (Data Interchange)  |
| Export Location           | : C:\Tally.ERP9           |
| Output File Name          | : Master.xml              |
| Type of Masters           | : <b>All Masters</b>      |

**Type of Masters**  
 All Acctg. Masters  
 All Inventory Masters  
**All Masters**  
 All Statutory Masters  
 Budgets & Scenarios  
 Cost Categories  
 Cost Centres  
 Currencies  
 Godowns  
 Groups  
 Ledgers  
 Serial Numbers  
 Stock Categories  
 Stock Groups  
 Stock Items  
 Tariff Classifications  
 Units  
 Voucher Types

Figure 13.23 Exporting List of Ledgers

- **Type of Masters** – Any of the mentioned master types can be exported. Select **All Masters** and accept it to Export.

### 13.6.3 Exporting Data for Re-import into another Company

#### Step 1: Exporting Daybook

Go to **Gateway of Tally > Multi Account Printing > Daybook > click on Export.**

| Exporting Day Book                                            |                           |
|---------------------------------------------------------------|---------------------------|
| Language                                                      | : Default (All Languages) |
| Format                                                        | : XML (Data Interchange)  |
| Export Location                                               | : C:\Tally.ERP9           |
| Output File Name                                              | : DayBook.xml             |
| Format                                                        | : Condensed               |
| Show Voucher Numbers also                                     | ? No                      |
| Show Narrations also                                          | ? No                      |
| Show Billwise Details also                                    | ? No                      |
| Show Cost Centre Details also                                 | ? No                      |
| Show Inventory Details also                                   | ? No                      |
| Select vouchers to show                                       | : All Vouchers            |
| Show Forex Transactions                                       | ? No                      |
| <div> <b>Export ?</b><br/>           Yes or No         </div> |                           |

Figure 13.24 Exporting Day Book

- ❑ Tally.ERP 9 first asks for the language. Select **Default (All Languages)**, then convert it into the export format. The different formats are: ASCII, EXCEL, HTML and XML. The filename extension will take the default format. For example: Selecting **ASCII**, results in the filename being displayed as **Daybook.txt**.
- ❑ Specify the other details as desired.
- ❑ **Accept** to export, Data exported from a company can be imported into another.

### 13.6.4 Import of Data

#### Step 1: Importing Masters

- ❑ Return to the **Gateway of Tally**.
- ❑ Shut National Traders and load **Indus Enterprises** (Ensure that it has the same financial year as the current company National Traders).
- ❑ Select **Import of Data > Masters**
- ❑ Type in the file name. The name and path of the source file should match. In this case the current directory is in use, hence you do not need to give the path.

| Import of Data                                                                                                                                                                                                               |                                        | National Traders | Behaviour <span>Ctrl + M</span>               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|------------------|-----------------------------------------------|
| Current Period<br>1-4-2009 to 31-3-2010                                                                                                                                                                                      | Current Date<br>Wednesday, 3 Mar, 2010 |                  | Combine Opening Balances<br>Ignore Duplicates |
| List of Selected Companies                                                                                                                                                                                                   |                                        |                  | <b>Modify with new data</b>                   |
| Name of Company<br>National Traders                                                                                                                                                                                          | Date of Last Entry<br>3-Mar-2010       |                  |                                               |
| <div> <div>Import of Masters</div> <div>(Only Tally (XML) Format is Supported)</div> <div> Import File Name (XML) : <b>Master.xml</b><br/> Treatment of entries already existing : <b>Modify with New Data</b> </div> </div> |                                        |                  |                                               |

Figure 13.25 Import of Masters screen

The opening balance can be modified from the exported source file. Carefully select, **Modify with new data**.



*Data can be imported from the previous version, provided the Import filename is in the XML format, since Tally.ERP 9 supports only the XML format.*

- ❑ Verify that the import is completed successfully.

## Step 2: Importing Vouchers

- ❑ Return to the Gateway of Tally.
- ❑ Select **Import of Data > Vouchers**.
- ❑ Give the filename **Daybook.xml**.
- ❑ Check the statistics after import.

### 13.6.5 Export to Excel

Tally.ERP 9 now comes with the functionality, wherein all reports can be exported to Microsoft Excel spreadsheet. This feature enables you to export any report generated by Tally.ERP 9 into Excel.

To export the Trial Balance,

Go to **Gateway of Tally > Display > Trial Balance**

- ❑ Click on **Export**.

|                       |           |                  |           |  |             |             |                           |                   |          |  |
|-----------------------|-----------|------------------|-----------|--|-------------|-------------|---------------------------|-------------------|----------|--|
| P: Print              | E: Export | M: E-Mail        | O: Upload |  | G: Language | K: Keyboard | K: Control Centre         | H: Support Centre | H: Help  |  |
| Trial Balance         |           | National Traders |           |  |             |             |                           |                   | Ctrl + M |  |
| P a r t i c u l a r s |           |                  |           |  |             |             | National Traders          |                   |          |  |
|                       |           |                  |           |  |             |             | 1-Apr-2009 to 31-Mar-2010 |                   |          |  |
|                       |           |                  |           |  |             |             | Closing Balance           |                   |          |  |
|                       |           |                  |           |  |             |             | Debit                     | Credit            |          |  |
|                       |           |                  |           |  |             |             |                           |                   |          |  |
| Capital Account       |           |                  |           |  |             |             |                           | 2,50,000.00       |          |  |
| Loans (Liability)     |           |                  |           |  |             |             |                           | 53,033.33         |          |  |
| Current Liabilities   |           |                  |           |  |             |             |                           | 14,46,450.50      |          |  |
| Fixed Assets          |           |                  |           |  |             |             | 1,00,000.00               | 12,500.00         |          |  |
| Current Assets        |           |                  |           |  |             |             | 44,78,232.20              |                   |          |  |
| Sales Accounts        |           |                  |           |  |             |             |                           | 42,13,647.50      |          |  |
| Purchase Accounts     |           |                  |           |  |             |             | 14,27,875.00              |                   |          |  |
| Direct Incomes        |           |                  |           |  |             |             |                           | 1,000.00          |          |  |
| Direct Expenses       |           |                  |           |  |             |             | 1,370.00                  |                   |          |  |
| Indirect Incomes      |           |                  |           |  |             |             |                           | 5,439.70          |          |  |
| Indirect Expenses     |           |                  |           |  |             |             | 10,663.83                 | 4,000.00          |          |  |
| Profit & Loss A/c     |           |                  |           |  |             |             |                           | 32,070.00         |          |  |
| Grand Total           |           |                  |           |  |             |             | 60,18,141.03              | 60,18,141.03      |          |  |

Figure 13.26 Export Option in Tally.ERP 9

- ❑ Select **Restricted** (ASCII only).
- ❑ Select **Excel (Spreadsheet)** in Format.

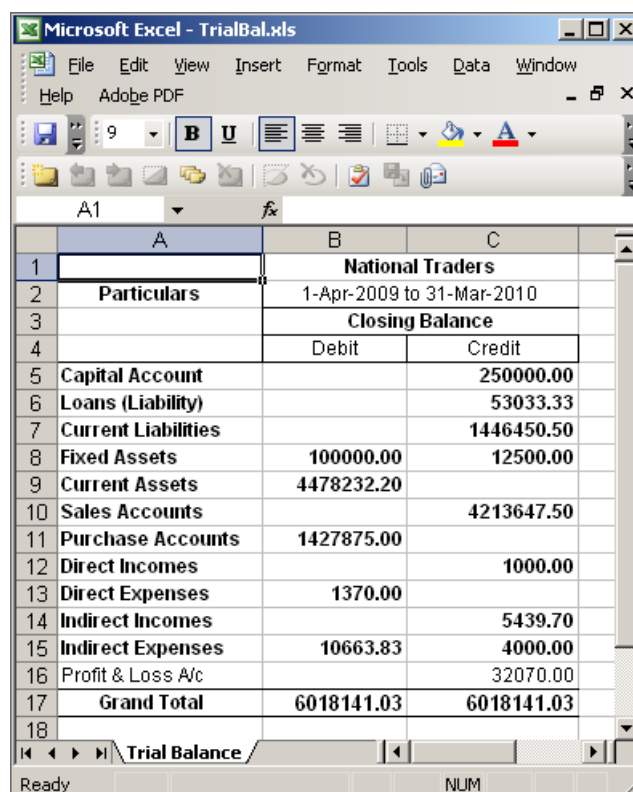
- ❑ Type the name of file for **Output File Name** as required.
- ❑ Specify other details.

| Exporting Trial Balance                    |                              | Format                     |
|--------------------------------------------|------------------------------|----------------------------|
| Language                                   | : Restricted (ASCII Only)    | ASCII (Comma delimited)    |
| Format                                     | : <b>Excel (Spreadsheet)</b> | <b>Excel (Spreadsheet)</b> |
| Export Location                            | : C:\Tally.ERP9              | HTML (web-publishing)      |
| Output File Name                           | : TrialBal.xls               | XML (data interchange)     |
| Output Sheet Name                          | : Trial Balance              |                            |
| Update existing file                       | : Yes                        |                            |
| Excel (Spreadsheet) Formatting with Colour | : No                         |                            |
| Scale Factor for Values                    | : Default                    |                            |
| Show Opening Balances                      | ? No                         |                            |
| Show transactions                          | ? No                         |                            |
| Show Closing Balances                      | ? Yes                        |                            |
| Show Percentages                           | ? No                         |                            |
| Method of information                      | : Grouped                    |                            |
| Format                                     | : Condensed                  |                            |
| Expand all levels in Detailed Format       | ? No                         |                            |
| Show ALL Accounts (incl. Empty A/cs)       | ? No                         |                            |

Figure 13.27 Report Generation Screen for Excel

- ❑ Click **Yes** for Export.
- ❑ By default, the exported report in **Excel format** is saved in the Tally.ERP 9 folder. **Open** this file using MS-Excel to view the report.





| National Traders          |                   |                   |
|---------------------------|-------------------|-------------------|
| 1-Apr-2009 to 31-Mar-2010 |                   |                   |
| Closing Balance           |                   |                   |
|                           | Debit             | Credit            |
| Capital Account           |                   | 250000.00         |
| Loans (Liability)         |                   | 53033.33          |
| Current Liabilities       |                   | 1446450.50        |
| Fixed Assets              | 100000.00         | 12500.00          |
| Current Assets            | 4478232.20        |                   |
| Sales Accounts            |                   | 4213647.50        |
| Purchase Accounts         | 1427875.00        |                   |
| Direct Incomes            |                   | 1000.00           |
| Direct Expenses           | 1370.00           |                   |
| Indirect Incomes          |                   | 5439.70           |
| Indirect Expenses         | 10663.83          | 4000.00           |
| Profit & Loss A/c         |                   | 32070.00          |
| <b>Grand Total</b>        | <b>6018141.03</b> | <b>6018141.03</b> |

Figure 13.28 Report in Excel Imported from Tally.ERP 9

## 13.7 ODBC Connectivity

ODBC is expanded as Open database Connectivity and is used to merge the imported data with the existing data. In short, Tally.ERP 9 uses ODBC to exchange data.

Tally.ERP 9 ODBC extracts data from Tally.ERP 9 and submits the reports in MS Excel format.

A brief exercise will explain the process. We wish to send greeting cards to all our customers. The customer (local debtors) database exists in Tally.ERP 9. These names and addresses can be printed out on MS Excel.



*Ensure that **MS-Query** is installed on the computer in which you will be installing Tally.ERP 9. This enables ODBC as soon as Tally.ERP 9 is installed.*

The **steps** to be followed are:

- ❑ Start Tally.ERP 9 and select **National Traders**
- ❑ Ensure that the words **ODBC Server** is visible in the **Information Panel** under **Configuration** section of Tally.ERP 9 screen.
- ❑ Ensure that Tally.ERP 9 is running and is minimized
- ❑ Start **MS Excel** > click on **Data > Import External Data > New Database Query** from the menu.
- ❑ Select **TallyODBC** (Example: TallyODBC 9000\*) from the **Choose Data Source** dialog box.
- ❑ The screen appears as shown below:

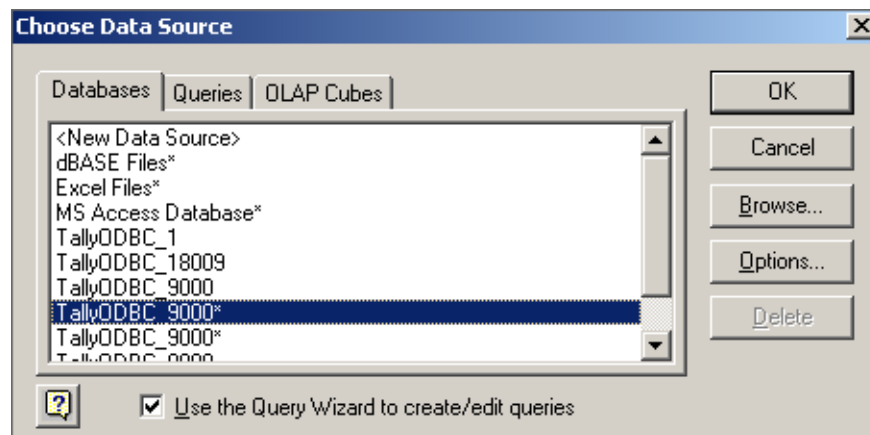


Figure 13.29 Choose Data Source screen

- ❑ Let the option **Use the Query Wizard to create/edit queries** remain checked.
- ❑ The Query Wizard displays the Tally.ERP 9 fields that are selected. You can also give filter conditions to limit the data to only those that match your criteria

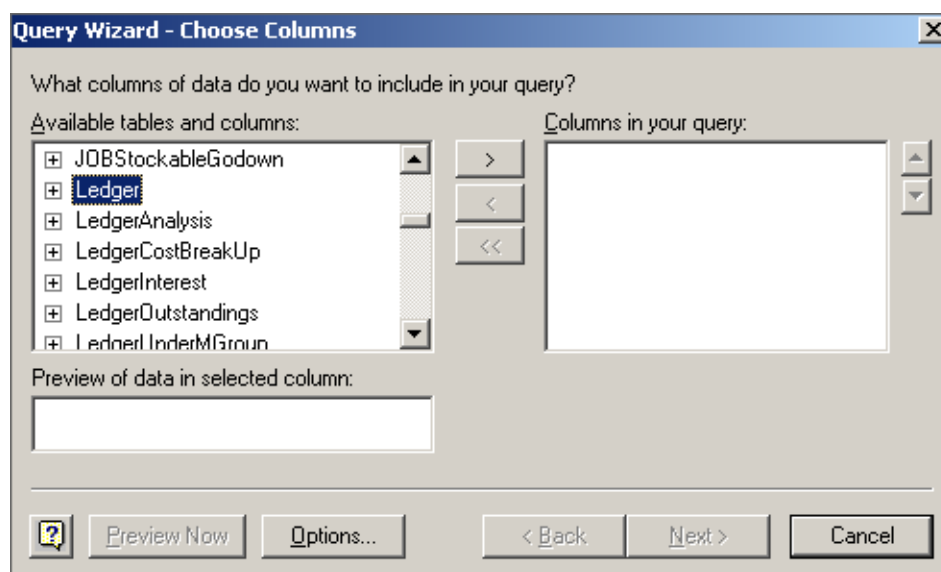


Figure 13.30 Query Wizard — Choose Columns screen

- Select the ledger and move it by clicking the > button to the right of the following fields:
  - \$Name, \$Parent, \$Address (move all the other address fields as well.)
- Click on **Next**.

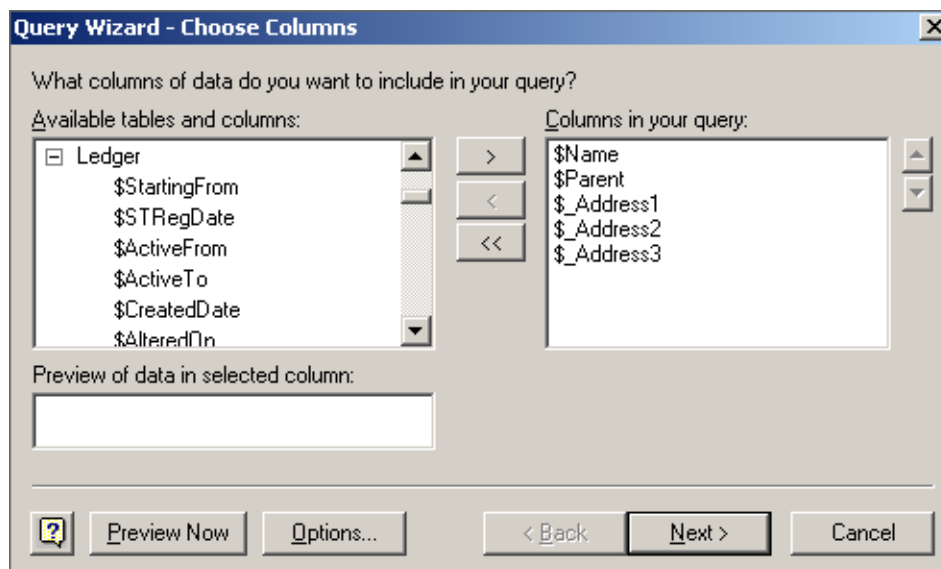


Figure 13.31 Query Wizard — Choose Columns screen

- Then in the next Query Wizard Screen, filter the data to limit all ledger accounts belonging to the group that contains the name **Sundry Debtors**. We want to print the List of Sundry Debtors only.

Figure 13.32 Query wizard — Filter Data

- Click **Next**, If any sorting is required select the sorting

Figure 13.33 Query wizard — Sort Data

- Select **Return Data to Microsoft Excel** from the last window of the Query Wizard and click on **Finish**. Then the process in the domain of MS-Excel is complete.

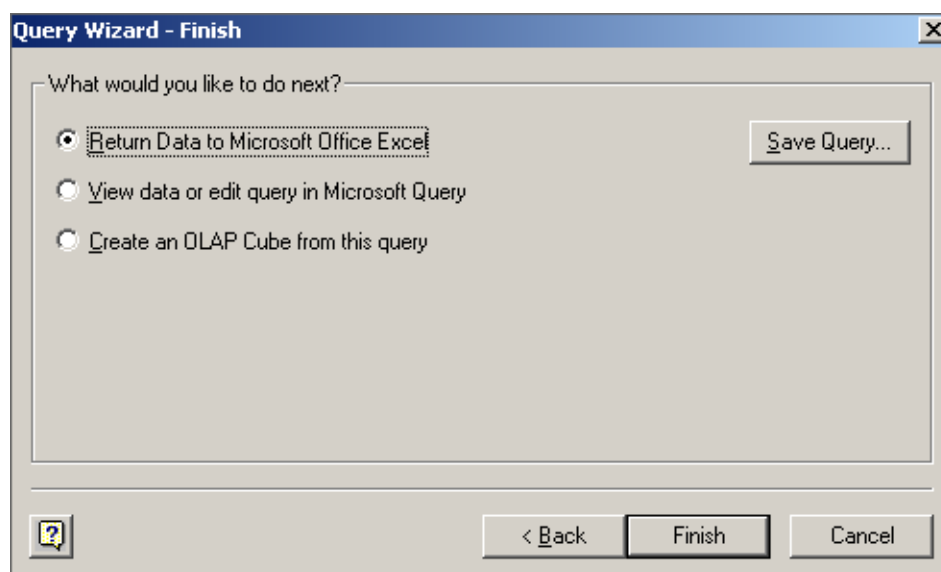


Figure 13.34 Query wizard — Finish

- Click **OK** in the **Import Data** window to import the data to Excel

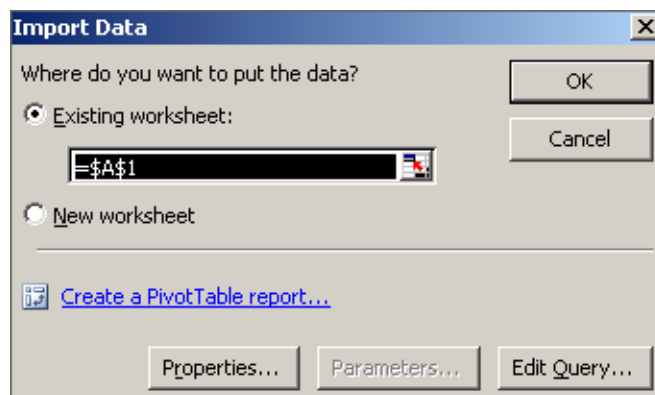


Figure 13.35 Import Data in Excel

## 13.8 Web Enabled, Print Preview and Online Help

Tally.ERP 9 is web enabled, has a Print Preview facility and online help.

### 13.8.1 Web Enabled

Email and Internet Publishing are the Web enabled features available in Tally.ERP 9. This facility of Tally.ERP 9 reduces the paper work. Reports, Reminder letters, Statement of Accounts, Invoices and Purchase Orders can be e-mailed directly from Tally.ERP 9. Thus, the user does not have to send printed invoice or purchase orders. This feature helps you to save on postage and valuable time.

## E-mailing Customer's Outstanding Statement

Select a customer's Outstandings Statement from the following path:

Go to **Gateway of Tally > Display > Statements of Accounts > Outstandings > Ledger >** click the **E-mail** button.

The **Mailing Ledger Outstanding** screen appears as shown below :

| Mailing Ledger Outstanding                                                                                                                                                                                                                                                                                                                        |                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| E-Mail Server : smtp.tallysolutions.com<br>(Name:Port, Default Port is 25)                                                                                                                                                                                                                                                                        | To E-Mail Address : supreme@gmail.com           |
| From : National Traders                                                                                                                                                                                                                                                                                                                           | CC To (if any) : <b>I None</b>                  |
| From E-Mail Address : sales@national.com                                                                                                                                                                                                                                                                                                          | Subject : Supreme Computers (Bill-wise Details) |
| Authentication User Name:<br>(Only if required)                                                                                                                                                                                                                                                                                                   | Additional Text (if any) :                      |
| Password :                                                                                                                                                                                                                                                                                                                                        |                                                 |
| Use SSL : <b>No</b>                                                                                                                                                                                                                                                                                                                               | Information sent : <b>As Attachment</b>         |
| Format : HTML (Web-Publishing)                                                                                                                                                                                                                                                                                                                    |                                                 |
| Resolution : 800 x 600                                                                                                                                                                                                                                                                                                                            |                                                 |
| <p>Include Post-Dated Transactions? <b>No</b></p> <p>Show overdue using Bill Date? <b>No</b></p> <p>Range of Bills to show : <b>Pending Bills</b></p> <p>Format : <b>Condensed</b></p> <p>Show Qty Info in Detailed Format? <b>No</b></p> <p>Show bills of following type : <b>All Bills</b></p> <p>Show Bills in Foreign Exchange? <b>No</b></p> |                                                 |
| <div style="text-align: right;"> <b>Mail ?</b><br/> <b>Yes or No</b> </div>                                                                                                                                                                                                                                                                       |                                                 |

Figure 13.36 Mailing Ledger Outstanding screen

There are various options that are automatically filled in provided the information had been supplied in the master records. Check if the details are all right. Select **Yes**, If they are, and if not select **No** to change the options. The cursor first goes to the **To E-mail address** field as it saves time by skipping standard information. However, to change the standard information, use a backspace and retype.



The fields that appear in the **Mailing Outstanding Ledger** screen is briefed below:

- **E-mail Server:** Give the name of your E-mail SMTP server, e.g. mail.btinternet.com. It should be a valid and compatible SMTP server to send your mail. Ask your Internet Service Provider or network administrator for help, if required. This information is entered only once and thereafter use it by default.
- **From:** Your Company name is picked up from the Company Information Master records.
- **From E-Mail Address:** Your own e-mail address. Tally.ERP 9 picks up the address given in the Company Information master data. Fill this option, if it does not exist.



- **Format:** There are three formats available:
  - **ASCII (Comma delimited):** This is plain text format where data is separated by commas. This format does not have any special formatting or fonts. This is the most common e-mail format are compatible with all mail programs. ASCII data can be easily worked upon by other programs.
  - **HTML (Web-publishing):** Reports are attractive and retain their formatting and fonts. They can be read by an HTML enabled mail program. It can also be read by using a browser like the Microsoft Internet Explorer.
  - **XML (data interchange):** Stands for Extensible Mark-up Language, it is an extension of HTML but the data is capable of being imported by other XML compatible systems. Using XML, Tally enables you to exchange information even with non-Tally systems. An XML output will have an XML envelope and is formatted with XML tags to enable import into other systems. Therefore, Your Tally invoice in XML format can be imported by another system without difficulty reducing data entry time and errors. This language is fast emerging as the de-facto standard for information exchange all over the world and with it Tally gives you the means to collaborate with others and share information like never before.

Select the one required by your recipient. An explanation on each format is given below:

- **Resolution:** This is required only in the case of HTML formats and refers to the resolution of graphic images in terms of pixels. This is a feature that is used to format a report since it affects the quality of output. Higher resolutions are generally recommended to obtain clear prints. Tally recommends a standard pixel resolution size of 1024x768.
- **To E-Mail Address (Mandatory field):** This is for the recipient's e-mail address. A valid e-mail address is required.
- **CC: (if any):** For sending the same mail to another recipient.
- **Subject:** This is pre-filled for you. This can be changed to any other subject, according to your requirements.
- **Additional Text:** The text in this will appear as the first lines in the message body of the recipient's mail program. The other options are the same as in Print option and are self-explanatory.

### 13.8.2 Internet Publishing

Tally.ERP 9 makes commercial use of your web space by uploading reports and documents on the website. For this purpose, it creates reports in the web-language HTML, that is directly put on the website. You can use this feature to inform customers of the latest business offers. The data used for transmission is encrypted.

### 13.8.3 Upload

Any report, statement or data can be published on the internet. Publishing is carried out by uploading the report to an Internet Server that has been configured to accept files in specific protocols. A Site is basically a specific directory space allotted on that server. Protocols are sets of rules and specifications on how data and files are transferred over a network. It covers all aspects of communication between computers including the content, its formatting and error control.

For example: You want to publish your **Price List** on your Website. Select the Price List from Inventory Information. Click the Upload button. The first time you upload, fill up the dialogue box with the information required. Select **No** initially, in the upload window to edit information on the screen.

|                    |                                |                              |
|--------------------|--------------------------------|------------------------------|
| Upload to          | : <b>Web Page (HTTP/HTTPS)</b> | Upload to                    |
| URL                | :                              | FTP Site                     |
| Secure Server      | ? No                           | <b>Web Page (HTTP/HTTPS)</b> |
| User Name (if any) | :                              |                              |
| Password (if any)  | :                              |                              |
| Format             | : XML (Data Interchange)       |                              |

Figure 13.37 Upload screen



The fields that appear in the **Upload screen** are briefed below:

- **Upload to FTP Site:** FTP or File Transfer Protocol, is the most common choice of transferring data or files of any type to an Internet site. An FTP site is a directory space in a server that accepts FTP connections called the FTP Server. If you know that your server is set up for HTTP/HTTPS, then use this option, else choose FTP.
- **Upload to Web Page – HTTP/HTTPS:** HTTP - short for Hyper Text Transfer Protocol is a standard for the transfer of HTML files over the internet. HTTP Servers are pre-programmed to accept HTTP connections. HTTPS sites are Servers that are configured to accept secure connections. They conform to standard security protocols (e.g. SSL and SET) to ensure that your data and files are not tampered.





- **URL:** Stands for Universal Resource Locator, identifies the server address where you want your report to be published. In order to use FTP you will need to know the FTP server name and directory path. The FTP server name is the domain name of the Web server to which you are publishing (for example, ftp.server.com). The directory path is the folder on the server where your web page is stored (for example, /public\_html). For a web page, an URL will typically be in the form www.myweb.com/public\_html.
- **Secure Server:** In order to upload a Web Page a secure connection is required. Select **Yes**, in this option if you think your data is sensitive. A secure site is one that has an 's' prefixed with http. You will know it is a secure site when you see in your browser URL like: <https://www.mybank.com/myaccount/stats.htm>.
- **User Name and Password:** The Internet server would require an Id proof before allowing you to upload data and files on site. Contact your Internet service provider if you have forgotten your user name, password or FTP location.
- **File Name:** A file name is given to an FTP Site to where the content is uploaded. Accept it as it is or modify it, if necessary.
- **Format:** There are four formats that have already been explained earlier under the e-mail section.

#### 13.8.4 Print Preview

Tally.ERP 9, provides you with the facility to check report formats and layouts, before the actual printing takes place. The same can also be e-mailed.

For example, to see the print preview of the Trial Balance.

Go to **Gateway of Tally > Display > Trial Balance >** Click on **Print** and click on the button **With Preview**.

The screen now appears as shown below:

---

| National Traders<br>No 24, Phase 1,<br>Peenya Industrial Area<br>Bangalore |                     |                     |
|----------------------------------------------------------------------------|---------------------|---------------------|
| Trial Balance<br>1-Apr-2009 to 31-Mar-2010                                 |                     |                     |
|                                                                            | Page 1              |                     |
|                                                                            | Closing Balance     |                     |
|                                                                            | Debit               | Credit              |
| Capital Account                                                            |                     | 2,50,000.00         |
| Loans (Liability)                                                          |                     | 53,033.33           |
| Current Liabilities                                                        |                     | 14,46,450.50        |
| Fixed Assets                                                               | 1,00,000.00         | 12,500.00           |
| Current Assets                                                             | 44,78,232.20        |                     |
| Sales Accounts                                                             |                     | 42,13,647.50        |
| Purchase Accounts                                                          | 14,27,875.00        |                     |
| Direct Incomes                                                             |                     | 1,000.00            |
| Direct Expenses                                                            | 1,370.00            |                     |
| Indirect Incomes                                                           |                     | 5,439.70            |
| Indirect Expenses                                                          | 10,663.83           | 4,000.00            |
| Profit & Loss A/c                                                          |                     | 32,070.00           |
| <b>Grand Total</b>                                                         | <b>60,18,141.03</b> | <b>60,18,141.03</b> |

Figure 13.38 Print Preview of Trial Balance



The button **With Preview** toggles with **No Preview** and the last saved setting is retained.

### 13.8.5 Local / Online Help

This is a Local help system, which displays the help screen relevant to the topic, by just clicking on the help button provided in Tally.ERP 9.

For example: For information on Cash Flow or Funds Flows, press Alt+H.

Go the **Gateway of Tally** >select **Display** > **Cash/Funds Flow** >**Cash Flow** and click on the Help button (or use Alt + H) and the following screen appears:

| Help Options              |              | Help Options |             |
|---------------------------|--------------|--------------|-------------|
| Search in                 | : Local Help | Local Help   | Online Help |
| ( Press enter to search ) |              |              |             |

Figure 13.39 Help Options screen

- Select **Local Help** to access the relevant topics in the Tally.ERP 9 Reference Manual.

The screenshot shows the Tally.ERP 9 Online Help screen. The main window displays the 'Cash Flow' report for 'National Traders' for the period '1-Apr-2009 to 3-Mar-2010'. The report is structured as follows:

| Particulars | Cash Movement |         | Nett Flow    |
|-------------|---------------|---------|--------------|
|             | Inflow        | Outflow |              |
|             |               |         | 3,750.00     |
|             |               |         | 7,500.00     |
|             |               |         | (-)14,288.93 |
|             |               |         | (-)1,905.00  |
|             |               |         | 35,975.00    |
|             |               |         | (-)900.00    |
|             |               |         | 30,131.07    |

The left pane shows the 'Tally.ERP 9 Reference Manual' with a tree view of reports. The right pane displays the 'Cash Flow in Tally.ERP 9' section, which includes instructions on how to view the Cash Flow report and a sample report for 'ABC Company' for the period '1-Apr-2008 to 30-Sep-2008'.

To view **Cash Flow**:

- Go to **Gateway of Tally > Display > Cash/Funds Flow > Cash Flow**
- Press **ALT+F2**, change the period - From: 1-4-2008 to 30-9-2008.

The **Cash flow statement** is displayed as shown:

| Particulars        | Cash Movement       |                     | Nett Flow           |
|--------------------|---------------------|---------------------|---------------------|
|                    | Inflow              | Outflow             |                     |
| April              | 8,79,000.00         | 7,02,625.00         | 1,76,375.00         |
| May                | 12,00,000.00        | 73,050.00           | 11,26,950.00        |
| June               | 4,95,000.00         | 30,300.00           | 4,64,700.00         |
| July               | 15,00,000.00        | 13,59,100.00        | 1,40,900.00         |
| August             | 46,250.00           |                     | 46,250.00           |
| September          |                     |                     |                     |
| <b>Grand Total</b> | <b>41,20,250.00</b> | <b>21,65,075.00</b> | <b>19,55,175.00</b> |

Figure 13.40 Online Help screen

The Tally.ERP 9 Reference Manual, displays the content for the particular screen. This facility is available on all screens in Tally.ERP 9.

## 13.9 Printing of Reports and Cheques

In this chapter, we will examine the different issues involved in printing a desired report quickly and easily.

There are two types of printing:

- Display and Print.
- Multi-Account Printing menu.

Both will yield the same output. The display and print method is more flexible where you can see on screen the details required. However, the Multi-Account prints without an on-screen display.

### 13.9.1 Display and Print

You can obtain a printed version of the screen currently being displayed by selecting **Print** from the button bar menu. This brings up the *Print Configuration* screen for the report, which asks

**Print? Yes or No.** The report will be printed using the options specified on the screen on selecting **Yes**. However, the options before printing can be changed by selecting **No**, if required.



There are two types of print configuration options. They are **Common Printing Options** and **Dynamic– Report Specific Options**.

#### **Common printing options**

Common printing options affect the printing of all reports and are changed by selecting the appropriate button which are explained below as follows:

- ❑ **Print Language:** Reports can be printed in the language supported by Tally.ERP 9.
- ❑ **With Preview:** To view the report in print preview mode before actual printing.
- ❑ **Titling:** To change the title of the report.
- ❑ **Page Nos.:** To specify the page number range.
- ❑ **Pre - Printed / Plain Paper:** Toggle to make the selection.
- ❑ **Print Format:** A pop-up list displays the printing formats available in Tally.ERP 9. The formats provided are, Dot-Matrix Format, Neat Format and Quick (Draft) Format.
- ❑ **With Colour:** This option is only relevant if you have a colour printer.
- ❑ **Copies:** To specify the number of pages to be printed.
- ❑ **Printer:** To change the printer. This also displays the default paper size that you have set for the printer.

#### **Dynamic - Report specific options**

Options specific to a report, are displayed in a sub-screen when you select to print it. You are permitted to change various options before you finally print. Tally.ERP 9 supports printing of reports in various languages.

Notice the Standard Options in the button bar on the right hand side. The specific options for printing the Balance Sheet appears in the sub-screen.

| Printing Balance Sheet                       |                        |                   |                                                                      |
|----------------------------------------------|------------------------|-------------------|----------------------------------------------------------------------|
| <b>Printer</b>                               | : RnD Printer (Ne01:)  | <b>Paper Type</b> | : A4                                                                 |
| <b>No. of Copies</b>                         | : 1                    |                   |                                                                      |
| <b>Print Language</b>                        | : English              | <b>Paper Size</b> | : (8.27" x 11.69") or (210 mm x 297 mm) <i>(Printing Dimensions)</i> |
| <b>Method</b>                                | : Neat Mode            | <b>Print Area</b> | : (7.95" x 11.34") or (202 mm x 288 mm)                              |
| <b>Page Range</b>                            | : All                  |                   |                                                                      |
| Report Titles                                |                        |                   |                                                                      |
| <b>Balance Sheet</b>                         |                        |                   |                                                                      |
| (with Print Preview)<br>Without Page Numbers |                        |                   |                                                                      |
| Scale Factor for Values                      | : Default              |                   |                                                                      |
| Format                                       | : Detailed             |                   |                                                                      |
| Show Vertical Balance Sheet                  | ? No                   |                   |                                                                      |
| Profit or Loss, both as Liability            | ? No                   |                   |                                                                      |
| Show Percentages                             | ? No                   |                   |                                                                      |
| Show Working Capital figures                 | ? No                   |                   |                                                                      |
| Method of showing Balance Sheet              | ? Liabilities / Assets |                   |                                                                      |
|                                              |                        |                   | <b>Print ?</b><br>Yes or No                                          |

Figure 13.41 Printing Balance Sheet

### 13.9.2 Print Format

Print Format is a button which appears on the Print screen (after pressing Alt+P or click on the Print button). By clicking on the Print Format button,

Tally.ERP 9 displays a list of Print Formats as follows:

| Print Mode                    | Print Mode        |
|-------------------------------|-------------------|
| Print Mode : <b>Neat Mode</b> | Dot Matrix Format |
|                               | <b>Neat Mode</b>  |
|                               | Quick / Draft     |

Figure 13.42 Print Mode — Neat Mode

**Neat Mode** and **Quick/Draft Mode** print formats are compatible with most of the printer drivers installed on the Windows Operating System. Dot Matrix Format in Tally.ERP 9 is a special print format which allows you to print Tally.ERP 9 reports in text format using the Blazing speed of Dot Matrix printers.

In today's hi-technology software environment, most GUI-based softwares do not provide Dot Matrix printing capabilities. On the selection of a Dot- Matrix Format, the screen appears as shown below :

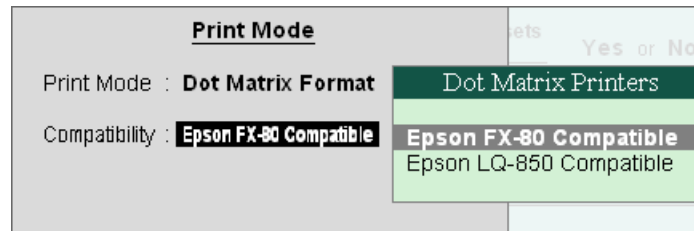


Figure 13.43 Print Mode — Epson

The Epson printer drivers have been defined by default. You may install Epson Printer drivers in Windows for any Dot Matrix printer and use this format for faster report printing.



*Any Dot Matrix printer may be used, but ONLY the Epson printer drivers (LQ and FX series) should be used for the Dot Matrix Format printing of Tally.ERP 9.*

### 13.9.3 Multi-Account Printing

#### Gateway of Tally > Multi-Account Printing

Principally geared towards printing all the Primary Books of Accounts, like the Cash and Bank Books, Account Ledgers, Sales and Purchase Registers etc. can be printed as: **One Account at a time**, **All Accounts**, or **All Accounts in a selected Group**. Before printing, the date range and other selections may also be set up.

The current mechanism of printing used by Tally.ERP 9, require that for large company accounts, choose each ledger account is printed on separate pages.

### 13.9.4 Draft Mode Printing (Quick Format)

Almost every report except for cheques can be printed in a Draft Mode. In Tally.ERP 9, the Neat print format functions by default. However, this may be altered by pressing **Alt+F** just before printing. All subsequent reports will be printed in Quick Format, until **Alt+F** is pressed again. (The button equivalent for this is marked Quick Format).

Draft mode brings in additional restrictions in the printing, which you will quickly learn by experimentation. After selecting the Draft mode or Quick Format, click on Alt+S – to select the option **Print to a File**. Specify the name of the File to output the data and select the Printer whose dimensions are to be used.

### 13.9.5 Cheque Printing

A Cheque is a written order to the bank to pay the stated sum of money. Cheques are usually handwritten. In order to automate the entire cheque printing process, Tally.ERP 9 allows cheques

to be printed directly. Cheques are printed only when printing a Payment Voucher. Since the cheque formats differ from bank to bank, Tally.ERP 9 facilitates cheque printing according to user defined cheque dimensions.

Let us activate the Cheque Printing capability in the **F11: Features (Accounting Feature)**.

### Activating Cheque Printing

- ❑ Ensure that you are on the Gateway of Tally of **Indus Enterprises** (shut National Traders)
- ❑ Create a ledger namely > **Canara Bank** under the **Group Bank Accounts** (accept all other defaults) and return to the Gateway of Tally
- ❑ Click on the button **F11: Features (Accounting Features)** and set **Enable Cheque Printing** to **Yes** as shown below:

| Company: <u>Indus Enterprises</u>                    |       |                                            |              |
|------------------------------------------------------|-------|--------------------------------------------|--------------|
| <u>Accounting Features</u>                           |       |                                            |              |
| <u>General</u>                                       |       | <u>Invoicing</u>                           |              |
| Integrate Accounts and Inventory                     | ? Yes | Allow Invoicing                            | ? Yes        |
| Income/Expense Statement instead of P & L            | ? No  | Enter Purchases in Invoice Format          | ? Yes        |
| Allow Multi-Currency                                 | ? No  | Use Debit/Credit Notes                     | ? Yes        |
|                                                      |       | Use Invoice mode for Credit Notes          | ? No         |
|                                                      |       | Use Invoice mode for Debit Notes           | ? No         |
| <u>Outstandings Management</u>                       |       | <u>Budgets &amp; Scenario Management</u>   |              |
| Maintain Bill-wise Details                           | ? Yes | Maintain Budgets and Controls              | ? No         |
| (for Non-Trading A/cs also)                          | ? No  | Use Reversing Journals & Optional Vouchers | ? No         |
| Activate Interest Calculation                        | ? Yes |                                            |              |
| (use advanced parameters)                            | ? Yes |                                            |              |
| <u>Cost/Profit Centres Management</u>                |       | <u>Other Features</u>                      |              |
| Maintain Payroll                                     | ? No  | Enable Cheque Printing                     | ? Yes        |
| Maintain Cost Centres                                | ? Yes | Set/Alter Cheque Printing Configuration    | ? <b>Yes</b> |
| Use Cost Centre for Job Costing                      | ? No  | Allow Zero valued entries                  | ? No         |
| More than ONE Payroll / Cost Category                | ? No  |                                            |              |
| Use Pre-defined Cost Centre Allocations during Entry | ? Yes |                                            |              |
| Show Opening Balance for Revenue Items in Reports    | ? No  |                                            |              |
| F1: Accounts    F2: Inventory    F3: Statutory       |       |                                            |              |

Figure 13.44 F11: Accounting Features screen

- ❑ Press **Enter** after setting the feature **Set Alter Cheque Printing Configuration** to **Yes**.

Tally.ERP 9 displays the **Company Cheque Details** screen according to this screen:

| Company Cheque Details   |                                                                                                                  |
|--------------------------|------------------------------------------------------------------------------------------------------------------|
| Company Name on Cheque : |                                                                                                                  |
| Names of Banks :         | <div>Bank Accounts</div> <div>End of List</div> <div>Deposit Account</div> <div><b>State Bank of India</b></div> |

Figure 13.45 Company Cheque Details screen

- **Company Name on Cheque:** Many banks give cheques with the company name already printed on it. To print Tally.ERP 9 on the cheque beneath the signature, give the name e.g. **Indus Enterprises** to print the name, or leave the option blank if you don't want to utilise this option.
- **Name of Banks:** Press the space bar and you will get a pop-up list of the bank ledger accounts created in the company. There are two ledgers viz. the **Deposit Account** and the **State Bank of India**.
  - Select the bank for which you want to specify the user-defined cheque dimensions. Here select **State Bank of India** and press **Enter**.

You can now fill in the dimensions of the cheque in the **Cheque Printing Configuration** screen.

| Cheque Printing Configuration                           |                               |
|---------------------------------------------------------|-------------------------------|
| (All Dimensions in mm only)                             |                               |
| Width of Cheque                                         | : 204                         |
| Height of Cheque                                        | : 92                          |
| Distance of Date Line from Top Edge                     | : 9                           |
| Starting Location of Date from Left Edge                | : 160                         |
| Distance of Party's Name Line from Top Edge             | : 20                          |
| Starting Location of Name from Left Edge                | : 14                          |
| Width of Name area                                      | : 170                         |
| Distance of 2nd Amt-in-words Line from Top Edge         | : 40.50                       |
| Height (gap) of Amt-in-words Line                       | : 6                           |
| Starting Location of Amt-in-words from Left Edge        | : 33                          |
| Width of Amt-in-words area                              | : 100                         |
| Distance of Amt-in-figures Line from Top Edge           | : 36                          |
| Starting Location of Amt-in-figures from Left Edge      | : 153                         |
| Width of Amt-in-figures area                            | : 39                          |
| Distance of Company Signature Bottom Line from Top Edge | : 65                          |
| Starting Location of Signature from Left Edge           | : 140                         |
| * Width of Signature area                               | : 50                          |
| * Height of Signature area                              | : 19                          |
| ( * mandatory to save configuration)                    |                               |
| Salutation of 1st Signatory (if 2 signatories)          | :                             |
| Salutation of 2nd or Single Signatory                   | : <b>Authorised Signatory</b> |

Figure 13.46 Cheque Printing Configuration screen



The cheque will be printed as shown :

### For National Traders

#### Authorized Signatory

In case of a cheque with two signatories, both can be specified. Both could be the same salutation or different, e.g., one could be Director, the other could be Secretary.

Give whatever you currently use. Many banks pre-print both the company name and the salutation.



*Take the bank's cheque book and measure the dimensions of a cheque carefully in millimetres and fill the form. You may need to correct it after trying out a couple of cheques so that the positioning is accurate. The placing of the cheque in the printer also determines the printing. Trials could be made on photocopies of a cheque before using an actual cheque leaf.*

*All the fields are self-explanatory. The Salutation fields, are for signatures and naturally follow the Company name (that you might have chosen to print), e.g. Director.*

### 13.9.6 Printing Cheques

Go to **Gateway of Tally > Accounting Vouchers > F5: Payment**

- The **Cheque printing** option is available only from the Payment Voucher when the concerned Bank account (State Bank of India) is credited. Make a payment entry as shown below :

| Accounting Voucher Creation                                                                                                                                                      |             | Indus Enterprises                      |  | Ctrl + M                     |          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------------------------------|--|------------------------------|----------|
| <b>Payment</b> No. 6                                                                                                                                                             |             | Cost Centre/Classes : ■ Not Applicable |  | 4-Dec-2009 Friday            |          |
| Particulars                                                                                                                                                                      |             | Debit                                  |  | Credit                       |          |
| Dr <b>New Stockers</b>                                                                                                                                                           |             | 4,000.00                               |  |                              |          |
| Cur Bal: 26,000.00 Cr                                                                                                                                                            |             |                                        |  |                              |          |
| Advance Advance'001                                                                                                                                                              | 4,000.00 Dr |                                        |  |                              |          |
| Cr <b>State Bank of India</b>                                                                                                                                                    |             |                                        |  | 4,000.00                     |          |
| Cur Bal: 21,500.00 Dr                                                                                                                                                            |             |                                        |  |                              |          |
| Name on Cheque : <b>National Traders</b><br>Cross cheque using ? <b>A/c Payee</b><br>Narration:<br>Ch. No. : 523451 Paid National Traders as advance towards purchase of Monitor |             |                                        |  | 4,000.00                     | 4,000.00 |
|                                                                                                                                                                                  |             |                                        |  | <b>Accept ?</b><br>Yes or No |          |

Figure 13.47 Payment Voucher

Here, after crediting the State Bank of India account, two additional fields appear. They are: Name on Cheque and Cross Cheques explained below:

- ❑ **Name on the Cheque:** On selection of the Party Account, the Name on the cheque is filled with the Party's account name. Thus, instead of the Party Account, if any other expense head is selected, the expense head will not appear as the name on the cheque.
- ❑ **Cross Cheque using:** This is filled in by the most common words used - Account payee. However, you can change it.

After accepting the voucher, Tally.ERP 9 immediately prompts you to print the cheque! Click on the button **Print Preview** and then accept the print command to view the printed cheque.



- ❑ Check the dimensions given in the F11: Features. Ensure that you have not left any field, other than the salutation fields, blank.
- ❑ Trial and error is the only way to get the printing in the right positions. Therefore do not panic if some words do not print in the correct positions. Change the set-up a couple of times to set it right. This is necessary to be able to print on the many different cheque styles used by different banks.

### Points to Remember

- ❑ Tally.ERP 9 has a customisable security control for company's data.
- ❑ Tally.ERP 9 has a flexible backup mechanism where in you can take a backup of the data and can restore the same data.
- ❑ Tally.ERP 9 Audit provides the capability to the administrator/auditor to track changes in the accounts.
- ❑ Data exported to a spreadsheet can be reorganised and used for statutory presentations.
- ❑ ODBC (Open Database Connectivity) compliance allows other programs to use data from Tally.ERP 9 directly.
- ❑ E-mail, internet publishing and web browser are the web-enabled features available in Tally.ERP 9.
- ❑ Tally.ERP 9 provides an online help system, which is context sensitive.
- ❑ TallyVault feature is an enhanced security system
- ❑ Tally.ERP 9 Print Preview facility helps you check printed report formats and layouts before actual printing takes place.
- ❑ Tally.ERP 9 allows us to print cheques directly.

## Lesson 14: Tally.NET and Remote Capabilities

### Lesson Objectives

On completion of this lesson, you will learn how to

- ❑ Configure Tally.NET Features
- ❑ Connect Company on Tally.NET
- ❑ Create and Authorise Remote Users
- ❑ Access Company data Remotely

### 14.1 Overview of Tally.NET

Tally.NET is an enabling framework which establishes a connection through which the remote user can access the Client's data without copying / transferring the data. In other words, the remote user can access the company data, provided the Company is open and connected on Tally.NET.

Using Tally.NET features, the user can create remote users (ids), authorize & authenticate them for accessing the connected (available) companies. The remote users can be mapped to a particular user and assigned security controls based upon their security levels (viz., Tax Auditor / Administrator, Standard User etc.). The remote user can further create sub-ids under him to assign tasks based on their security levels.

The user making the company available and a person accessing the data behave as clients to Tally.NET, thereby rendering a secure exchange system.

#### Tally.NET Features

Tally.NET is a default feature available in the product and provides the following host of capabilities.

- ❑ Connect companies from Tally.ERP 9
- ❑ Create and maintain Remote Users
- ❑ Synchronization of data (via Tally.NET)

- Remote access of data by authorised Remote User(s)
- Use online help and support from Tally or the browser
- Use Control Centre for centralised Account Management
- Remote availability of Auditors' Edition of Tally License

As discussed above, Tally.NET is enabled in Tally.ERP 9 but however, certain configurations are required to be setup for enabling Company data to get connected. Follow the steps given below :

1. Configuring Tally.NET features
2. Creating and Authorising Remote Users

## 14.2 Configure Tally.NET Features

To configure Tally.NET follow the steps shown:

Go to **Gateway of Tally > F11: Features > F4: Tally.NET Features**

- The **Tally.NET Features** screen appears.
- In the **Registration Details** section:
  - In the **Connect Name** field provide a specific name with which the company is displayed on **Tally.NET** servers.
  - Provide the name of the contact person in the field **Contact Person Name**.
  - Provide the Mobile/Telephone numbers of contact person in the field **Contact Number**
- The name of the contact person and the contact number are published alongwith **Company Name**, **Account ID** and **Serial Number** in the **List of Companies** screen.
- In the **Connect for Remote Access** section,
  - **Allow to Connect Company** is set to **Yes**, in case you want the company to be connected for remote access.
  - **Contact on Load** is set to **Yes**, when you want the company to be connected for remote access on loading.
  - Press **Enter** to accept.

The completed **Tally.NET Features** screen is displayed as shown:

Company: Alfa Associates

Tally.NET Features

Registration Details

Connect Name

: Alfa Associates

Contact Person Name

: Jacob

Contact Number

: 9900012345

Connect for Remote Access

Allow to Connect Company

? Yes

Connect on Load

? Yes

Accept ?

F1: Accounts
F2: Inventory
F4: Tally.NET

Yes or No

Figure 14.1 Tally.NET Features

- **Accept** to save the Configurations



- You must set **Security Controls** to **Yes** while creating/altering a company, in order to enable **Tally.NET** in **Tally.ERP 9**.

## 14.3 Connect Company on Tally.NET

To connect the company on **Tally.NET**,

Go to **Gateway of Tally** > press **F4: Connect**.

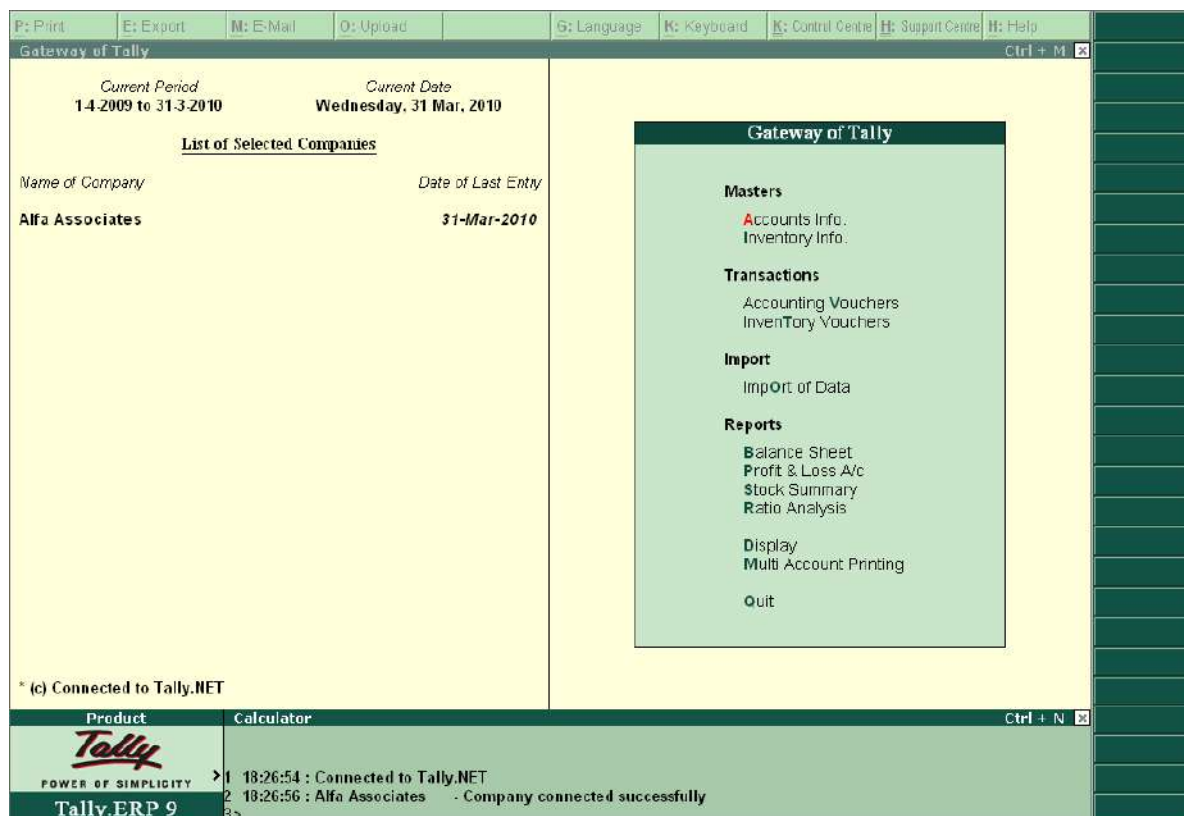


Figure 14.2 Connected to Tally.NET

A message **Company connected successfully** is displayed in the **Calculator** panel. In the same way to disconnect a Company from Tally.NET,

Go to **Gateway of Tally**,

- Press **F4: Disconnect**

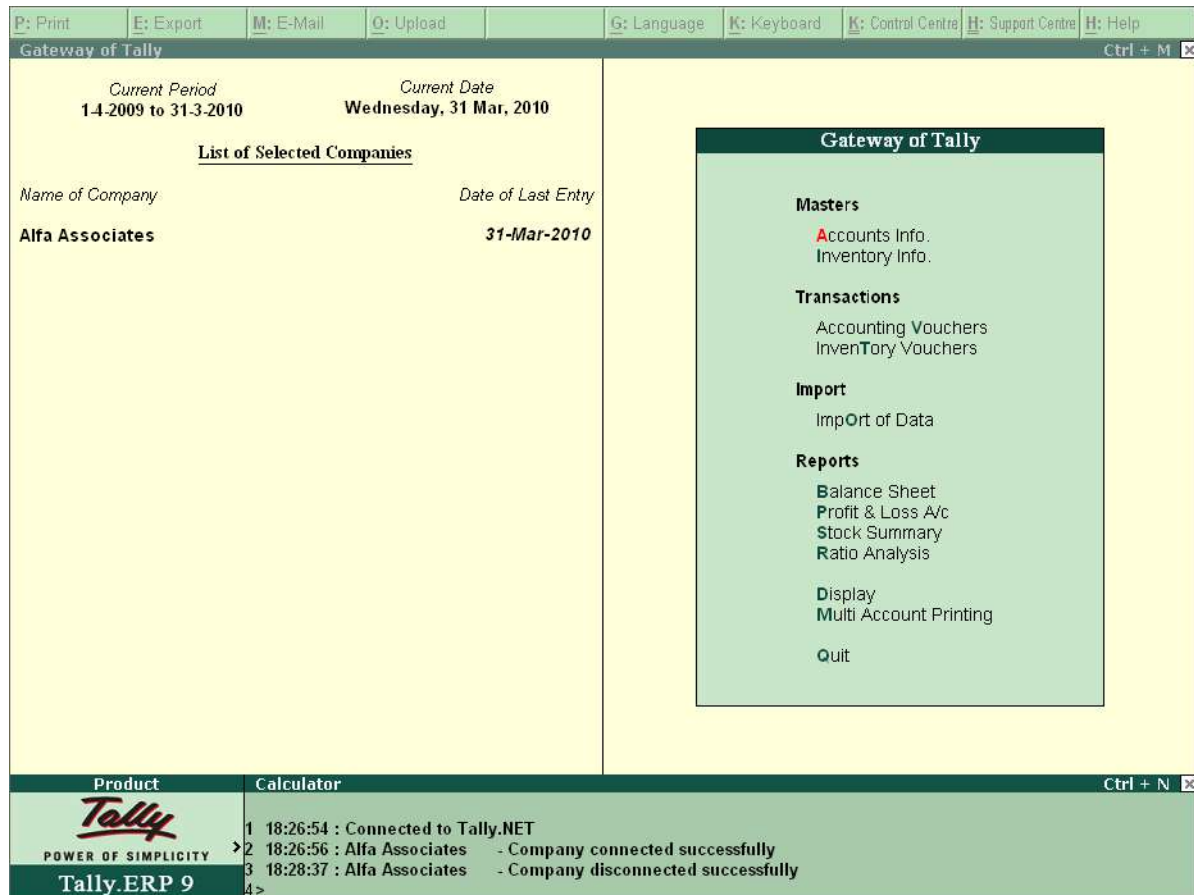


Figure 14.3 Disconnected from Tally.NET

A message **Company disconnected successfully** is displayed in the **calculator** panel.

## 14.4 Create Remote Users

**Tally.ERP 9** allows you to connect from a remote location and access your data. The Remote users are broadly classified into two security levels, namely:

- ❑ **Tally.NET User:** can access data from a remote location.
- ❑ **Tally.NET Auditor:** can audit data from a remote location, subject to using Auditor's Edition of **Tally.ERP 9**.

To create the remote users:

Go to **Gateway of Tally**

- ❑ Click **K: Control Centre** or press **Ctrl + K**.
- ❑ The **Login as Remote Tally.NET User** screen is displayed.



- Enter the required **Account ID** in the **Your E-Mail ID** field and Password in **Your Tally.NET Password** field. The password is sent by e-mail separately to the email address provided while activating **Tally.ERP 9**.



**Login As Remote Tally.NET User**

Your E-Mail ID : tallynetnormal1@tallysolutions.com

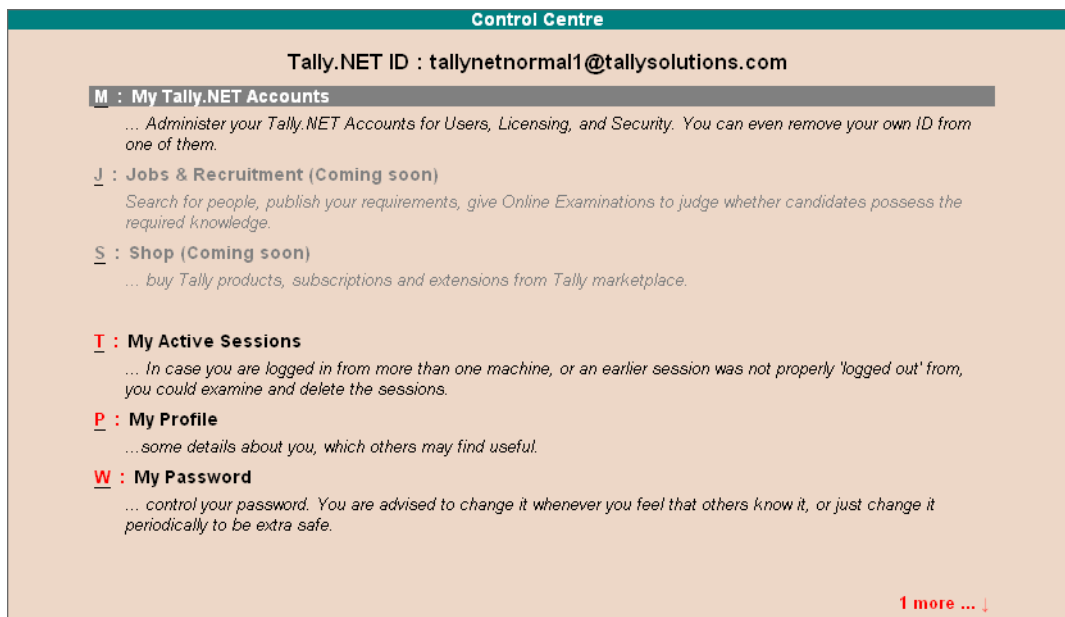
Your Tally.NET Password :

(if you have forgotten your Tally.NET Password, please press F5:Reset Password.  
A new password will be sent to your E-Mail address, and you can then login).

Figure 14.4 Login as Tally.NET User

- Press **Enter**

The **Control Centre** screen appears as shown:



**Control Centre**

Tally.NET ID : tallynetnormal1@tallysolutions.com

**M : My Tally.NET Accounts**  
... Administer your Tally.NET Accounts for Users, Licensing, and Security. You can even remove your own ID from one of them.

**J : Jobs & Recruitment (Coming soon)**  
Search for people, publish your requirements, give Online Examinations to judge whether candidates possess the required knowledge.

**S : Shop (Coming soon)**  
... buy Tally products, subscriptions and extensions from Tally marketplace.

**T : My Active Sessions**  
... In case you are logged in from more than one machine, or an earlier session was not properly 'logged out' from, you could examine and delete the sessions.

**P : My Profile**  
...some details about you, which others may find useful.

**W : My Password**  
... control your password. You are advised to change it whenever you feel that others know it, or just change it periodically to be extra safe.

1 more ...

Figure 14.5 Control Centre

- Select **My Tally.NET Accounts**, the **My Tally.NET Accounts** screen appears

My Tally.NET Accounts

Alfa Associates

Ctrl + M

My Tally.NET Accounts

Tally.NET ID : tallynetnormal1@tallysolutions.com

| S.No. | Account ID                    | Security Level | Tally.NET User | Site ID | Admin | Status |
|-------|-------------------------------|----------------|----------------|---------|-------|--------|
| 1     | tally1@tallysolutions.com     | Standard User  | Yes            | Primary | No    | Active |
| 2     | tallyberhampur@rediffmail.com | Owner          | Yes            |         | No    | Active |

Figure 14.6 List of Tally.NET Users

- ❑ Select the required **Account ID** and press **Enter**.
- ❑ The **Control Centre** for the selected **Account ID** screen appears

To view **User Management** screen, select **User Management** and press **Enter**

To create **Remote Users**, execute the following steps:

- ❑ Select **Standard User** from the list of **Security Level**.
- ❑ Enter **user@tallysolutions.com** in the **Tally.NET ID** field and press **Enter**.
- ❑ Set **Yes** to **Tally.NET User** in case you want this user to access data remotely
- ❑ Based on your requirement, select the required status from the list of **Status**.
- ❑ Similarly you can create the required **Tally.NET User**.

User Management

Alfa Associates

Ctrl + M

User Management

Account ID : tallyberhampur@rediffmail.com

| S.No. | Security Level | Tally.NET ID                       | Tally.NET User | Status    |
|-------|----------------|------------------------------------|----------------|-----------|
| 1     | Owner          | tirumulainfobam@sify.com           | Yes            | Active    |
| 2     | Owner          | mihir1a@rediffmail.com             | Yes            | In-Active |
| 3     | Owner          | drajeswarraodora1@rediffmail.com   | Yes            | Active    |
| 4     | Owner          | tallynetnormal1@tallysolutions.com | Yes            | Active    |
| 5     | Owner          | tallynetauditor@tallysolutions.com | Yes            | Active    |
| 6     | Standard User  | user@tallysolutions.com            | Yes            | Active    |
| 7     | Owner          | tallyberhampur@rediffmail.com      | Yes            | Active    |
| 8     | Owner          | sibani.mohapatra@gmail.com         | Yes            | Deleted   |

6 Tally.NET user(s) out of 10

Accept ?

Yes or No

Figure 14.7 User Management

- Accept to save the new **Tally.NET User** that has been created



- The company's system administrator should authorise the **Tally.NET User ID** and connect to **Tally.NET** and allow remote access.
- A brief write-up about each feature of the **Control Centre** is discussed under the section **Features of the Control Centre**

## 14.5 Authorise Remote Users

Once the Company is registered and connected, the system administrator can authorise users created under **Tally.NET User** security level to access by logging in from a remote location. To authorise the remote users to login follow the steps shown:

### Authorise Remote User

Go to **Gateway of Tally** > Press **Alt + F3**

- The **Company Info.** menu appears
- Select **Security Control > Users and Password**

The **List of Users for Companies** screen is displayed as shown.

| List of Users for Company |                                                                                                    |                   |                     |                 |               |
|---------------------------|----------------------------------------------------------------------------------------------------|-------------------|---------------------|-----------------|---------------|
| Name: Alfa Associates     |                                                                                                    |                   |                     |                 |               |
| Security Level            | Security List                                                                                      | Password (if any) | Allow Remote Access | Allow Local TDL | Mobile Number |
|                           | <input type="checkbox"/> End of List<br>Data Entry<br>Owner<br>Tally.NET Auditor<br>Tally.NET User |                   |                     |                 |               |

Figure 14.8 List of Users for Company

- ❑ Select **Tally.NET User** from the list of **Security List**.
- ❑ Enter **user@tallysolutions.com** in **Name of User** field.
- ❑ Set **Allow Remote Access** to **Yes**, in order to allow Tally.NET User created earlier to access data from a remote location
- ❑ Set **Allow Local TDLs** to **No** so that the local TDL available in the remote users machine will not be loaded.
- ❑ Enter **9980699332** in **Mobile Number** field.
- ❑ Select **End of List**.

| List of Users for Company |                         |                   |                     |                 |               |
|---------------------------|-------------------------|-------------------|---------------------|-----------------|---------------|
| Name: Alfa Associates     |                         |                   |                     |                 |               |
| Security Level            | Name of User            | Password (if any) | Allow Remote Access | Allow Local TDL | Mobile Number |
| Tally.NET User            | user@tallysolutions.com |                   | Yes                 | No              | 9980699332    |

Accept ?  
 Yes or No

Figure 14.9 Creation of Users

- Accept to **Authorise the Tally.NET User**.

## 14.6 Remote Access

**Tally.ERP 9** provides remote capabilities to access the data from anywhere. The account administrator can create user id's, authorise and authenticate them to access data remotely.

The Remote users created under the security level **Tally.NET Auditor** or **Tally.NET User** can login, audit and access data from a remote location using another instance of **Tally.ERP 9** running in Licensed or Educational mode.

The data is transferred between the remote location and the server is transferred using a secured mechanism called encryption.

### 14.6.1 Login as Remote User

- Start **Tally.ERP 9** at the remote location

In the **Company Info** screen

- Select **Login as Remote User** or
- Select **Login as Remote Tally.NET User** in the **Startup** screen.

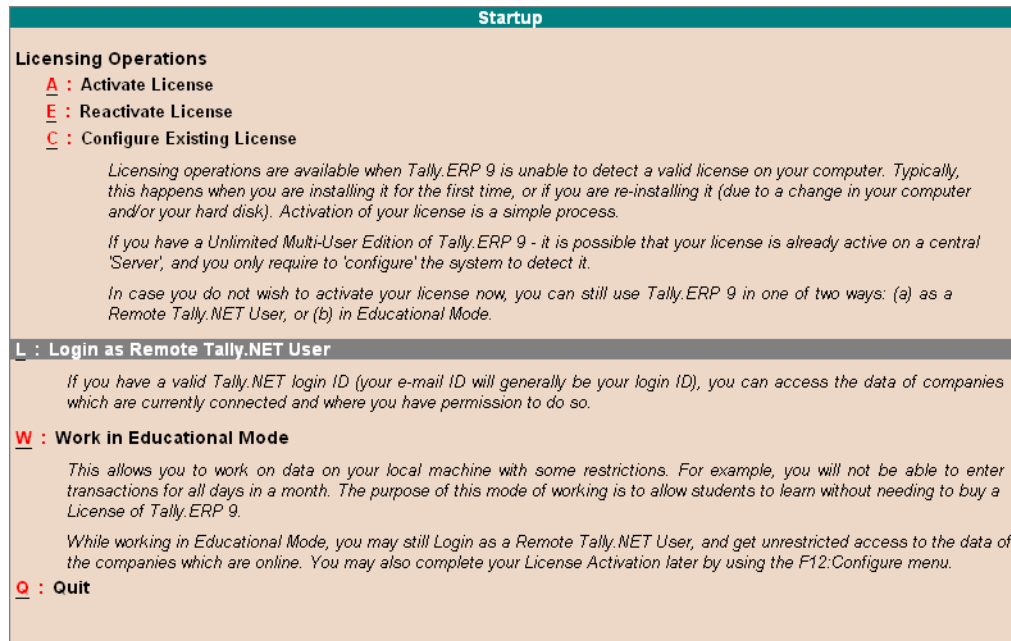


Figure 14.10 Login as Remote Tally.NET User

- Press **Enter**, the **Login As Remote Tally.NET User** screen is displayed.
  - Enter your email address in the **Your Email ID** field.
  - Enter the password in **Your Tally.NET Password** and Press **Enter**.
- The **Select Remote Company** screen is displayed, showing the list of remote companies accessible by the remote user.

| List of Remote Companies |                                |               |                |                | Ctrl + M |
|--------------------------|--------------------------------|---------------|----------------|----------------|----------|
| Current Period           |                                | Current Date  |                |                |          |
| List of Remote Companies |                                |               |                |                |          |
| Company Name             | Account ID                     | Serial Number | Contact Person | Contact Number |          |
| Online Companies         |                                |               |                |                |          |
| ABC Company Ltd          | tally1@tallysolutions.com      | 790003098     | Harish Sohani  | 9902016227     |          |
| ABC Company Pvt. Ltd.    | tally1@tallysolutions.com      | 780003099     | Rajeev         | 9909968555     |          |
| Alfa Associates          | tally1@tallysolutions.com      | 790003098     | Jacob          | 9900012345     |          |
| Offline Companies        |                                |               |                |                |          |
| ABC Company Ltd          | gururajan.k@tallysolutions.com | 763123644     | Gururajan K    | 99020 16187    |          |
| ABC Company Ltd          | tirumulainfobam@sify.com       | 771063489     | Rajesh         | 9437261304     |          |

Figure 14.11 List of Remote Companies

- Select the required company and press **Alt+O** or click **O:Open** or press **Enter**.
- The **Gateway of Tally** for the selected company appears displaying the **Remote User Details**



*In the **Select Remote Company** screen, the companies that are **Offline** does not appear against the Company Name when the company is connected to Tally.NET Servers.*

| Gateway of Tally                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |              |                                                |                                               | Ctrl + M                       |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------------------------------------------|-----------------------------------------------|--------------------------------|----------|------------------|---------|---------|---------------|----------------|----------|-----------------------------------------------------------|----------|---------------|------------------------|---------|--------|---------------------|--------|--------------------------|--|------------------|--|--|--|----------------------|--|--|--|----------------|--|--------------------------------------|-------|----------------|--|---------|------|-----------------------------------------------|--------------------------------|--|--|------------------------|-----------|--|--|------|--|--|--|
| Current Period<br><b>1-4-2009 to 31-3-2010</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              | Current Date<br><b>Wednesday, 31 Mar, 2010</b> |                                               |                                |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
| <b>Remote Company</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |              |                                                |                                               |                                |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
| Name of Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              | Date of Last Entry                             |                                               |                                |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
| <b>Alfa Associates</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |              | <b>31-Mar-2010</b>                             |                                               |                                |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
| <b>Remote User Details</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |              |                                                |                                               |                                |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
| My Remote ID                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |              | : tallynetnormal1@tallysolutions.com           |                                               |                                |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
| My Remote Login Time                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |              | : 29-Jan-2010 05:04:50                         |                                               |                                |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
| <table border="1"> <thead> <tr> <th colspan="4">Gateway of Tally</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Masters</b></td> </tr> <tr> <td colspan="4">Payroll Info.</td> </tr> <tr> <td colspan="4"><b>Transactions</b></td> </tr> <tr> <td colspan="4">Payroll Vouchers</td> </tr> <tr> <td colspan="4"><b>Import</b></td> </tr> <tr> <td colspan="4">Import of Data</td> </tr> <tr> <td colspan="4"><b>Reports</b></td> </tr> <tr> <td colspan="4">Display</td> </tr> <tr> <td colspan="4">Multi Account Printing</td> </tr> <tr> <td colspan="4">Quit</td> </tr> </tbody> </table>                                                                                                                                                                                                                                                                                                                                                                  |              |                                                |                                               |                                |          | Gateway of Tally |         |         |               | <b>Masters</b> |          |                                                           |          | Payroll Info. |                        |         |        | <b>Transactions</b> |        |                          |  | Payroll Vouchers |  |  |  | <b>Import</b>        |  |  |  | Import of Data |  |                                      |       | <b>Reports</b> |  |         |      | Display                                       |                                |  |  | Multi Account Printing |           |  |  | Quit |  |  |  |
| Gateway of Tally                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |              |                                                |                                               |                                |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
| <b>Masters</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              |                                                |                                               |                                |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
| Payroll Info.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |              |                                                |                                               |                                |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
| <b>Transactions</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |              |                                                |                                               |                                |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
| Payroll Vouchers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |              |                                                |                                               |                                |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
| <b>Import</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |              |                                                |                                               |                                |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
| Import of Data                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              |                                                |                                               |                                |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
| <b>Reports</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              |                                                |                                               |                                |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
| Display                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |              |                                                |                                               |                                |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
| Multi Account Printing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |              |                                                |                                               |                                |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
| Quit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |              |                                                |                                               |                                |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
| <table border="1"> <thead> <tr> <th>Product</th> <th>Version</th> <th>License</th> <th>Configuration</th> <th>Calculator</th> <th>Ctrl + N</th> </tr> </thead> <tbody> <tr> <td rowspan="2"> <b>Tally</b><br/>POWER OF SIMPLICITY<br/><b>Tally.ERP 9</b> </td> <td>Series A</td> <td>Latest</td> <td>Serial Number 79000096</td> <td>Stat 94</td> <td>Latest</td> </tr> <tr> <td>Release 1.01</td> <td>Latest</td> <td>Remote Serial (Multiple)</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Site ID General 1.52</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Account ID tally1@tallysolutions.com</td> <td>Proxy</td> <td>None</td> </tr> <tr> <td></td> <td>Edition</td> <td>Gold</td> <td>Tally.NET Subscription valid till 31-Mar-2010</td> <td>Running as Client without ODBC</td> <td></td> </tr> <tr> <td></td> <td>Users</td> <td>unlimited</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> |              |                                                |                                               |                                |          | Product          | Version | License | Configuration | Calculator     | Ctrl + N | <b>Tally</b><br>POWER OF SIMPLICITY<br><b>Tally.ERP 9</b> | Series A | Latest        | Serial Number 79000096 | Stat 94 | Latest | Release 1.01        | Latest | Remote Serial (Multiple) |  |                  |  |  |  | Site ID General 1.52 |  |  |  |                |  | Account ID tally1@tallysolutions.com | Proxy | None           |  | Edition | Gold | Tally.NET Subscription valid till 31-Mar-2010 | Running as Client without ODBC |  |  | Users                  | unlimited |  |  |      |  |  |  |
| Product                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Version      | License                                        | Configuration                                 | Calculator                     | Ctrl + N |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
| <b>Tally</b><br>POWER OF SIMPLICITY<br><b>Tally.ERP 9</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Series A     | Latest                                         | Serial Number 79000096                        | Stat 94                        | Latest   |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Release 1.01 | Latest                                         | Remote Serial (Multiple)                      |                                |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              |                                                | Site ID General 1.52                          |                                |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              |                                                | Account ID tally1@tallysolutions.com          | Proxy                          | None     |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Edition      | Gold                                           | Tally.NET Subscription valid till 31-Mar-2010 | Running as Client without ODBC |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Users        | unlimited                                      |                                               |                                |          |                  |         |         |               |                |          |                                                           |          |               |                        |         |        |                     |        |                          |  |                  |  |  |  |                      |  |  |  |                |  |                                      |       |                |  |         |      |                                               |                                |  |  |                        |           |  |  |      |  |  |  |

Figure 14.12 Remote Company

To view or print the reports select the required options available.



### Points to Remember

- ▣ Tally.NET allows to access Company data Remotely

## Lesson 15: Application Management and Controls

### Lesson Objectives

On completion of this lesson, you will learn how to

- ❑ Access Control Centre
- ❑ Manage Accounts using Control Centre

### 15.1 Concept of Control Centre

**Tally.ERP 9** provides a powerful feature named **Control Centre** to its users, which works as an interface between the user and Tally.ERP 9 installed at different sites, it enables the user to centrally configure and administer Site/User belonging to an account.

#### 15.1.1 Features of Control Centre

The Control Centre encompasses the following features

- ❑ Manage Licenses
- ❑ Central Configuration
- ❑ Manage Users
- ❑ Manage Company Profile
- ❑ Manage Accounts (using My Tally.NET Accounts)
- ❑ Change Passwords
- ❑ Activity History
- ❑ Jobs and Recruitments (Coming Soon)
- ❑ Shop (Coming Soon)

#### 15.1.2 Advantages of Control Centre

With the help of Control Centre, you will be able to

- Create users with predefined Security levels
- Centrally Configure & manage your Tally.ERP 9
- Surrender, Confirm or Reject activation of a Site
- Maintain Account related information
- Manage Licenses and Activity History

### **Create users with predefined Security levels**

Using the Control Centre feature, the Account Administrator can create users and map them to a predefined security level and authorise them to access a Site/Location linked to that Account. And further the system administrator can also create Remote users and allow / disallow them to remotely access the data.

The predefined security levels in Tally.ERP 9 are:

- Owner
- Standard User
- Tally.NET User
- Tally.NET Auditor

### **Centrally Configure and manage your Tally.ERP 9**

The Control Centre provides the flexibility to make changes to product configurations in the Tally.ini (Configuration file) and apply them to immediate effect without restarting the application.

The following master configurations set can be made from the Control Centre

- Add/Modify the Tally.ini parameters
- Assign TDL's to a site or all the sites under an Account
- Permit or Deny changes to the local configurations

The master configurations set created is applied initially to the Account centrally which is inherited by the site(s) on updation of license, based on the site level permissions by the Account Administrator.

### **Surrender, Confirm or Reject activation of a Site**

The Account Administrator is authorised to surrender, confirm a site license or Reject the request received on activation from another site.

### **Maintain Account related information**

Allows you to maintain information about the organisation. Based on the requirements, the Account Administrator can merge multiple accounts into one or split an account into multiple account for easy and better management.

Before we start using Control Centre in Tally.ERP 9, it is recommended to understand the process of installation of Tally.ERP 9 as explained.

## 15.2 Installing & Activating Tally.ERP 9

Tally.ERP 9 software installation is a simple and one time activity. You can install program files on any drive (if the hard disk has partitions) or specify a directory for installation. You can also specify the location of the data directory.

### 15.2.1 Installing Tally.ERP 9

To install Tally.ERP 9:

- ❑ Insert the **Tally.ERP 9 Installation CD** in the computer's CD drive
- ❑ Select **My Computer** on Desktop
- ❑ Select **CD drive**
- ❑ Run **Install.exe** > Specify Path (for Program files and data directory)
- ❑ Click **Install**
- ❑ After Installation a message **Installation Successful** is displayed. Click **OK**.

On successful installation of Tally.ERP 9, a shortcut is placed on the desktop, a folder titled Tally.ERP 9 is created in the selected drive and all the files required to run Tally.ERP 9 are stored in this default folder.

In the same way, you can install Tally.ERP 9 Multi-User. In Multi-User installation, select the required programs (Tally.ERP 9 / License Server) to install at Server and client locations and specify other required details.

### 15.2.2 Activating Tally.ERP 9 License

On successful installation of Tally.ERP 9, the **Licensing Operations** Startup screen appears on your computer, once you start Tally.ERP 9.

#### Step 1 : Activate License

To activate license, follow the steps given below :

The **Startup** screen appears as shown:

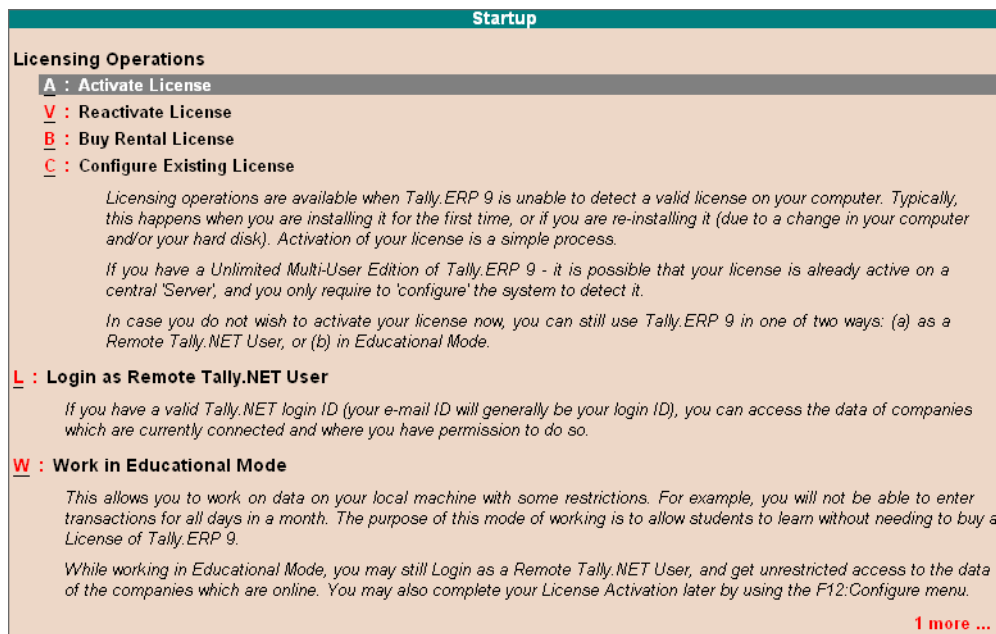


Figure 15.1 Startup screen

- Select **Activate License**, the **Activate License** screen appears as below

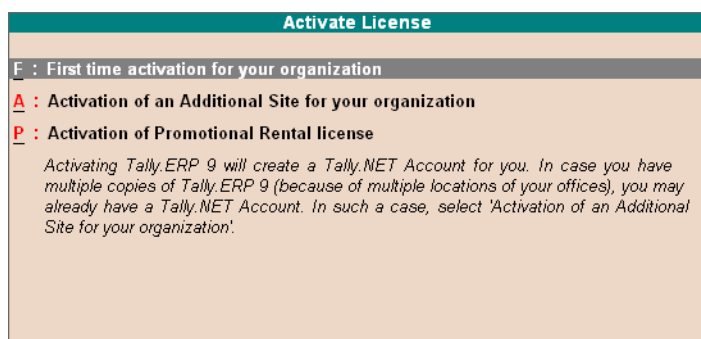


Figure 15.2 Activate License

The **Activate License** has three options which allows you to activate the license based on your requirements.

1. **First time activation for your organization:** allows you to activate a single site license.
2. **Activation of an additional Site for your organization:** allows you to activate the next or consecutive site licenses for your organization.
3. **Activation of Promotional Rental License :** allows you to activate promotional rental license.
  - Select **First time activation for your organization**

- ❑ The **Activate License** Form appears, **Enter** the required **License Serial Number** in the **Serial Number** field
- ❑ Enter the required Activation Key in the **Activation Key** field
- ❑ Enter your E-Mail ID in the **E-Mail ID of Administrator** field
- ❑ Repeat the Email-ID in the **Repeat (E-Mail ID of Administrator)** field

**Activate License**

Serial Number : 730004072  
Activation Key : AHP7MCN2P

E-Mail ID of Administrator : tally1@tallysolutions.com  
Repeat (E-Mail ID of Administrator) : tally1@tallysolutions.com

*Activating your License is a simple two-step process. Once your Serial Number and Activation Key are confirmed, you will receive an E-Mail giving you some important details:*

1. Your Tally.NET Account ID (which you may later modify)
2. An Unlock License Key (which you will require to complete the Activation process)
3. Details on how to access your Tally.NET Account and use it effectively for your organization.

*Please remember that the Activation process can be completed only with the 'Unlock License Key' which is sent in the E-Mail to the Administrator. It is important, therefore, that a valid E-Mail is given.*

Figure 15.3 Activation Form

An unique account identification is created using this E-Mail Id and the license serial number is linked to this account. The **License Key**, **Password** and **Account** related information are mailed to the E-Mail Id provided in the activation form.

- ❑ Press **Enter**, Tally.ERP 9 searches for the availability of Internet Connectivity on your computer.
- ❑ If Internet Connection is Available, Tally.ERP 9 displays a message **Congratulation! Your activation Request has been processed.**
- ❑ The **Tally\_lic.lic** file is created and placed in the default **Tally.ERP 9** directory.

You can also **Activate License** in Offline Mode, if Internet Connection is not Available. To activate License in Offline Mode, generate the License File Offline and paste the license file onto the system where internet is available and Tally.ERP 9 is installed, go to the **licensing menu**, select **send External request**, the license file will be generated, copy the file and paste it where the license is to activated.

## Step 2 : Unlock License File

- ❑ Access your mail and retrieve the unlock key
- ❑ In the **Startup** screen, select **Unlock License**
- ❑ Type the **Unlock Key** in unlock field and press **Enter**
- ❑ On successfully unlocking the license file, Tally.ERP 9 displays the message **Congratulations! Your License is successfully activated.**

- Start Tally.ERP 9, the License Serial Number and Account ID are displayed under the Version and Licensing sections of the information panel respectively.

In the same way, you can **activate license** for **Multi-Site**, by selecting **Activation of an Additional Site for your Organisation** in the Activate License screen and providing **Site Name**, **Site Administrator Email ID** and other related details.

### 15.2.3 Launch Tally.ERP 9

Start **Tally.ERP 9** by choosing any one of the methods discussed earlier. On starting **Tally.ERP 9** the **Gateway of Tally** screen appears displaying the **Edition** and **Users** under **Version** block, **Serial Number** and **Account ID** under **License** block and Stat version and ODBC details in **Configuration** block of the Information panel.

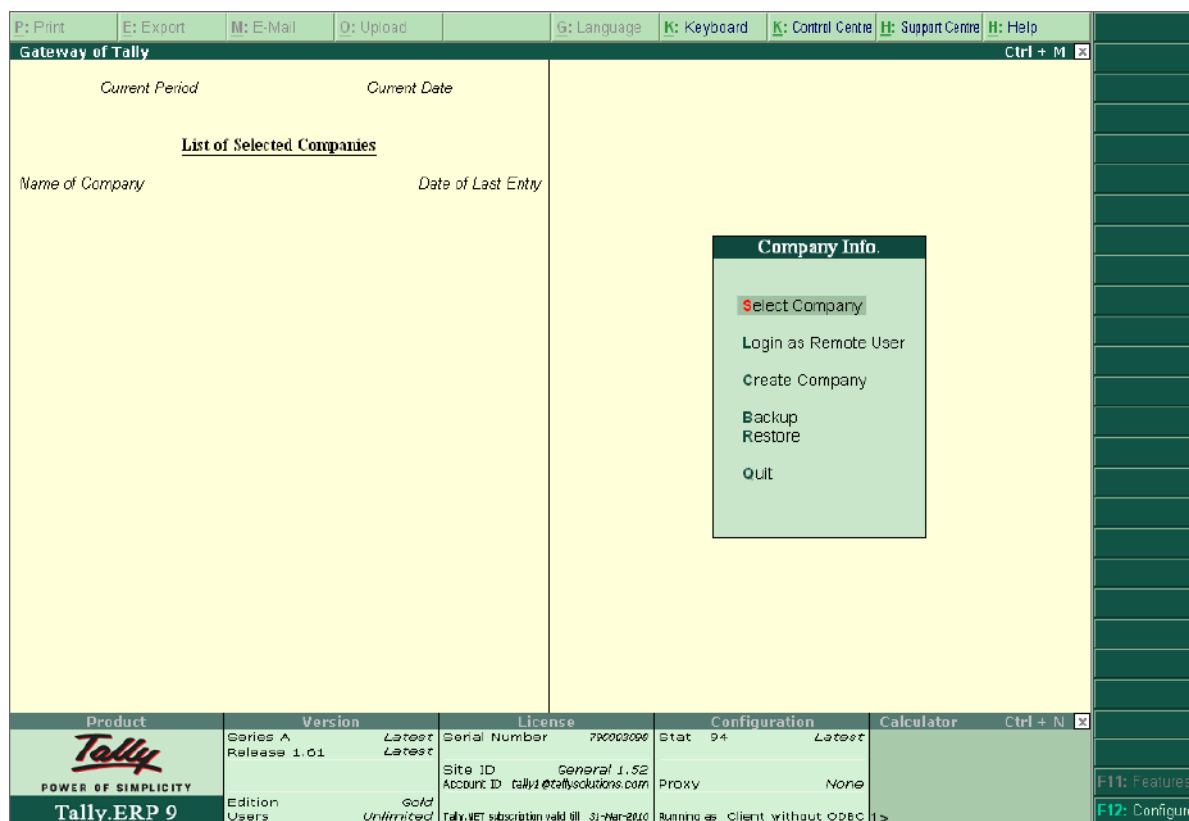


Figure 15.4 Gateway of Tally

## 15.3 Logging to Control Centre

To start Control Centre follow the steps shown:

Go to **Company Info** menu or **Gateway of Tally**

- Press **K**: Control Centre or press **Ctrl + K**



Figure 15.5 Start Control centre

- The **Login As Remote Tally.NET User** screen appears
  - Enter the **User ID** in Your **E-Mail ID** field.
  - Enter the password emailed in **Your Tally.NET Password** field.

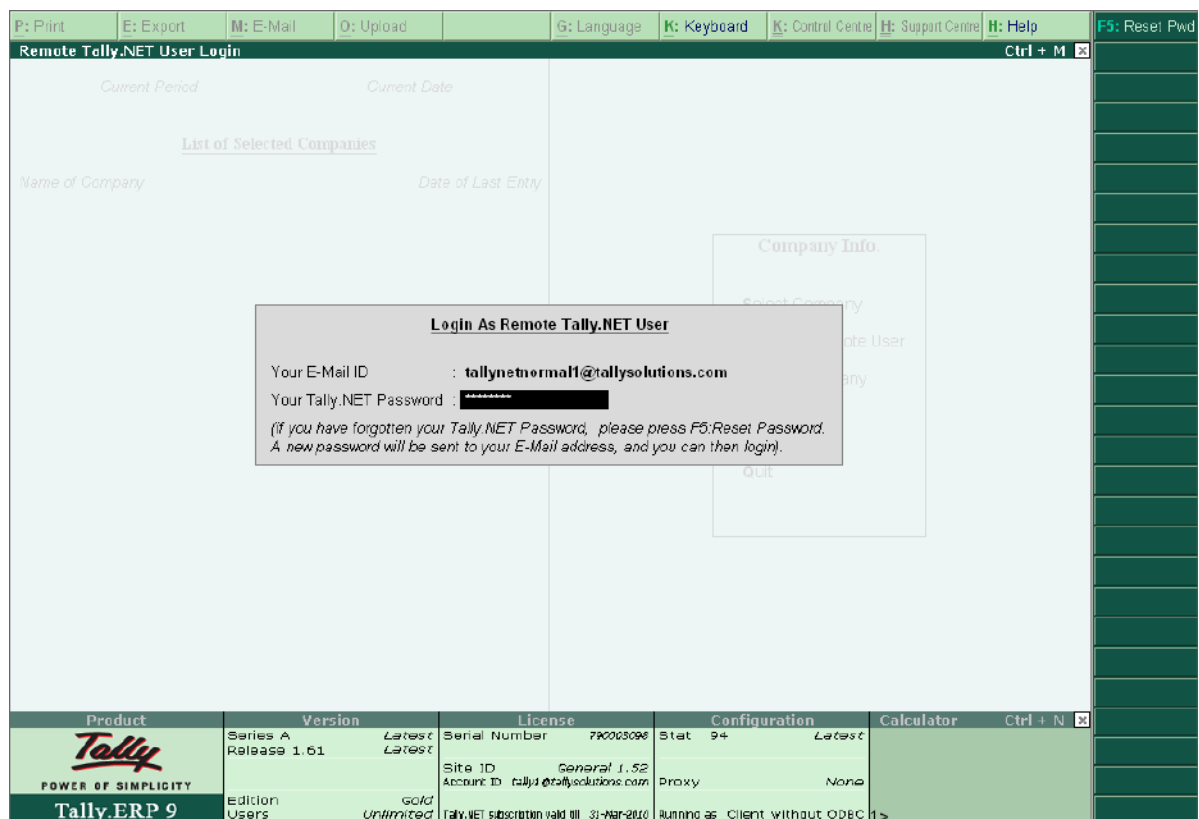


Figure 15.6 Start Control Centre

Based on the authentication received from **Tally.NET** you can access the **Control Centre**.





- Depending on the requirement, you can enter the **Account/Site Administrator's Id** to administer an **Account** and **Site** respectively. You can also provide the other User Id to access the support centre and access other areas of the control centre based on the permissions assigned.
- Incase, you have Forgotten the **Password**, provide the **Account/Site/ User ID** in Your **E-Mail ID** and press **F5**. The new password will be emailed to the respective **E-Mail ID**.

## 15.4 Managing Accounts using Control Centre

After logging in, the **Control Centre** screen will appear as shown :

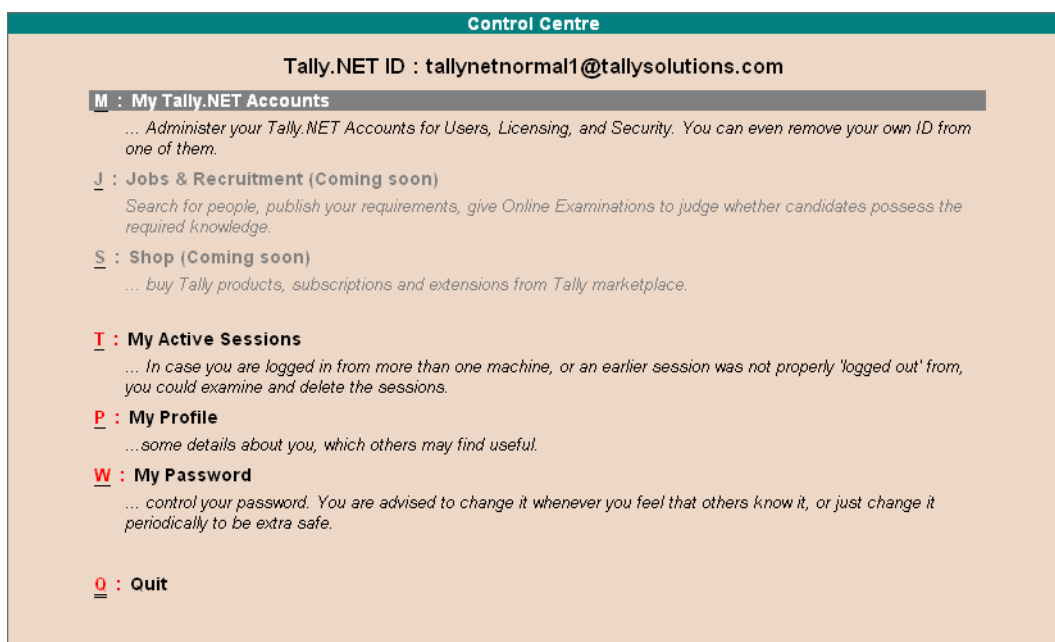


Figure 15.7 Control centre

The **Control Centre** screen displays the options available which are briefly described below

- **My Tally.NET Account** use this option to configure, activate / deactivate sites, create users and assign security levels and manage your Account details. The My Tally.NET Account has the following sub-options:
  - **Licensing & Configuration** enables you to configure and surrender a site belonging to an account. The configuration set can be created for each site by the Account / Site administrator. Further, the Account Administrator may allow or restrain the site administrator from making any changes to the configuration set locally.

- **User Management** enables you to administer users belonging to an account by assign security levels with predefined permissions to enable remote access, assign users to a site and maintain the active users as required.
- **Profile Management** enables you to enter the essential information related to the **Account/Site ID**.
- **Change Account Admin** enables you to change the Account Administrator's ID. To change the account id, the account administrator should provide the existing account id and the new account id.
- **My Active Sessions** displays the number of active session for a logged in user. You can analyse and delete the required session in case you have logged in from more than one machine or improperly logged out or did not logout from the previous session.
- **My Profile** enables you to manage the Tally.NET User's profile by providing the required details for further communications.
- **My Password** this option enables you to change password at your convenience.

#### 15.4.1 My Tally.NET Accounts

- Select **My Tally.NET Accounts** and press **Enter**
- On selecting **My Tally.NET Accounts**, the **My Tally.NET Accounts** screen appears as shown.

My Tally.NET Accounts

Alfa Associates

Ctrl + M

My Tally.NET Accounts

Tally.NET ID : tallynetnormal1@tallysolutions.com

| S.No. | Account ID                    | Security Level | Tally.NET User | Site ID | Admin | Status |
|-------|-------------------------------|----------------|----------------|---------|-------|--------|
| 1     | tally1@tallysolutions.com     | Standard User  | Yes            | Primary | No    | Active |
| 2     | tallyberhampur@rediffmail.com | Owner          | Yes            |         | No    | Active |

Figure 15.8 My Tally.NET Accounts

The **My Tally.NET Accounts** screen displays the **User ID** against **Tally.NET ID** field, the **Account ID**, **Security Level**, permission to access **Tally.NET**, **Site ID** (for Multi Site only), permission to administer the **Account** and the account **status**. It also displays the **Account IDs** associated with your **Account**, based on your requirement you may disassociate your **Account ID**.



- ❑ *Site ID will not appear when you have a **Single Site Account**.*
  - ❑ *To disassociate from another account, select the required **Account ID** and press **Alt+D**.*
  - ❑ *The **Account/Site Administrator ID** cannot be disassociated from associated accounts.*
- ❑ Select the required Site **Account ID** and press **Enter**, the **Control Centre** of an **Account** appears

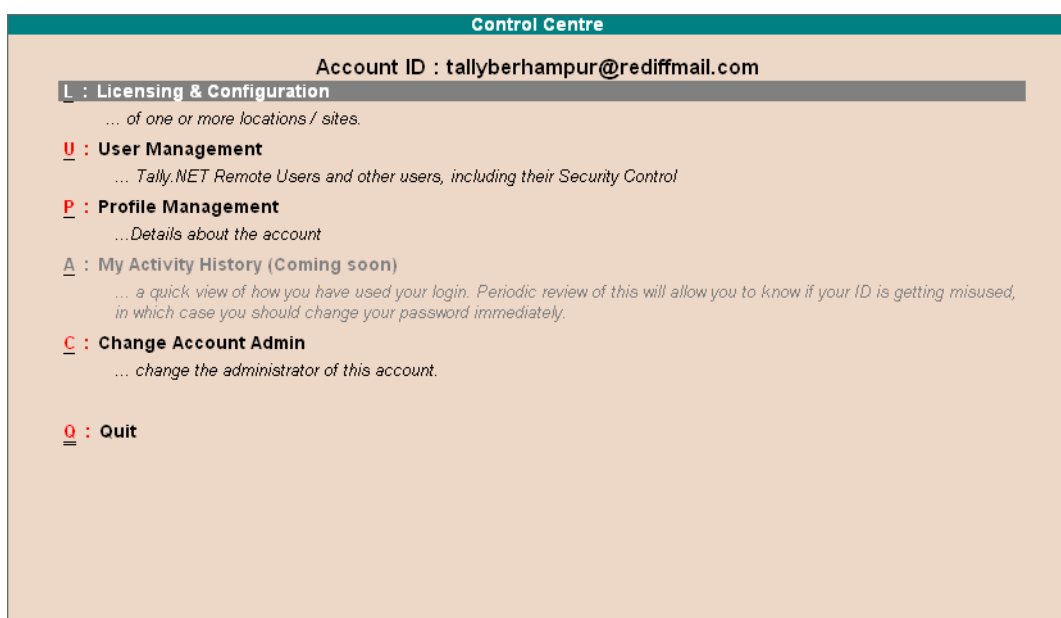


Figure 15.9 Control Centre of an Account

You can use this option to configure, activate / deactivate sites, create users and assign security levels and manage your **Account** details. The options available are briefly explained below :

- ❑ **Licensing & Configuration:** Allows you to configure and activate/ deactivate a site
- ❑ **User Management:** You can create Remote Users and assign security controls
- ❑ **Profile Management:** Maintain details related to your account
- ❑ **My Activity History:** Display the list of accounts where your ID is used
- ❑ **Change Account Admin:** Allows the Account Administrator to change the Account Administrator's User ID

## Licensing & Configuration

The Account administrator can configure and surrender a site belonging to an account. The configuration set can be created for each site by the Account/Site administrator. Further, the Account administrator can allow or restrain the site administrator from making any changes to the configuration set locally.

The **Licensing & Configuration** screen displaying the information related to each site / license serial number and the date on which the site was created.

| Licensing & Configuration                                                                      |               |                  |        |
|------------------------------------------------------------------------------------------------|---------------|------------------|--------|
| Alfa Associates                                                                                |               |                  |        |
| Ctrl + M                                                                                       |               |                  |        |
| Licensing & Configuration                                                                      |               |                  |        |
| Account ID : tallyberhampur@rediffmail.com                                                     |               |                  |        |
| S.No.                                                                                          | Serial Number | Date of Creation | Status |
| 1                                                                                              | 771063489     | 06-Jan-2006      | Active |
| Number of Site(s) = 1, Active = 1, Pending for Confirmation = 0, Not Used = 0, Surrendered = 0 |               |                  |        |
| Q: Quit                                                                                        | A: Accept     |                  |        |

Figure 15.10 Licensing & Configuration

By default, the status is **Active**, based on your requirement you can surrender the license by selecting **Surrender** from the list of Status. The license status are briefly explained for your benefit:

- **Active:** indicates that the site is in operation
- **Surrender:** indicates that the site has been surrendered



*The Licensing & Configuration screen displayed above is for **Single Site Account**. The **Site ID** will be displayed for **Multi-Account Site**.*



- The **Licensing & Configuration** screen of **Multi-Site Account** will display the information for the sites associated with the selected account :
- To view the **Site Profile**, press **Enter** on the required **Site ID**
- A brief explanation on each **Status** types for **Multi-Site Account** are given below :
  - **Active** : Is displayed when the site is in use and the account administrator has confirmed the activation of a site within the stipulated period or the site is not surrendered.
  - **Surrendered** : Is displayed when the Tally.ERP 9 license of the respective site is given up.
  - **Pending for Confirmation** : Is displayed after the activation of a site and awaits a confirmation from the account administrator.
  - **Confirm** : The account administrator selects this option to confirm the activation of a site.
  - **Reject** : The account administrator selects this option to reject the activation of a site.

### General Configuration

To create configuration set for a Site, follow the steps given below

In the **Licensing & Configuration** screen

- Click on **F6: Show Config** or press **F6**
- The **General Config** and **TDL Config** fields appear

| Licensing & Configuration                                                                      |               |                  |        |                |                         |
|------------------------------------------------------------------------------------------------|---------------|------------------|--------|----------------|-------------------------|
| Alfa Associates                                                                                |               |                  |        |                |                         |
| Licensing & Configuration                                                                      |               |                  |        |                |                         |
| Account ID : tallyberhampur@rediffmail.com                                                     |               |                  |        |                |                         |
| S.No.                                                                                          | Serial Number | Date of Creation | Status | General Config | List of General Configs |
| 1                                                                                              | 771063489     | 06-Jan-2006      | Active |                | Not Applicable          |
| Number of Site(s) = 1, Active = 1, Pending for Confirmation = 0, Not Used = 0, Surrendered = 0 |               |                  |        |                |                         |

Figure 15.11 Licensing & Configuration

- In the **General Config** field, press **Alt+C** to create configuration
  - The **General Configuration Management** screen appears
  - Enter the required configuration name in **Name of Configuration** field. The configuration parameters are saved with the configuration name provided in the account.
  - Set **Want to set client/server configuration** to **Yes** to create a fresh set of configuration.
  - In **Tally is Acting as** field, select the required behaviour from the list of **Client/Server** list. **Tally.ERP 9** will act as **Server/Client/Both/None** based on the parameter selected.
  - Set **Enable ODBC Server** to **Yes**, when you want to transfer data from any third party application to **Tally.ERP 9** or Vice Versa.
  - Enter the required port number in **Port** field.
  - Set **Can be overridden locally** to **Yes**, when you want the above parameters to changed / modified by the site administrator locally.
  - In **Disallow Request** section, specify the required Server Name/ IP Address/URL in **From** field to deny a request from the Server/IP Address/URL.
  - Similarly, specify the required **Server Name/ IP Address/URL** in **To** field to deny a request to Server/IP Address/URL
  - In **Allow Request** section, specify the required Server Name/ IP Address/URL in **From** field to allow a request from the Server/IP Address/URL.
  - Similarly, specify the required **Server Name/ IP Address/URL** in **To** field to allow a request to Server/IP Address/URL.

| General Configuration Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |               | Alfa Associates      |                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------|------------------------------|
| <b>General Configuration Management</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |               |                      |                              |
| Account ID : tallyberhampur@rediffmail.com                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |               |                      |                              |
| Name of Configuration                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | : ConfigPack1 |                      |                              |
| <b>Want to set client/server configuration? Yes</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |               |                      |                              |
| Tally is acting as                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | : Both        |                      |                              |
| Enable ODBC server                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | ? Yes         |                      |                              |
| Port                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | : 9000        |                      |                              |
| Can be overridden locally                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ? Yes         |                      |                              |
| <b>Disallow Request</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |               | <b>Allow Request</b> |                              |
| From                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | To            | From                 | To                           |
| 192.168.5.120                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 192.168.5.250 | 192.168.5.99         | 192.168.5.172                |
| <small>(This can be used to control Tally's access as a server and client. Tally as a server can receive request from other applications. You can specify the IPs from which Tally as a server can accept these request or reject it using 'Request From'. Similarly Tally can access other servers and you can control the same by specifying it in 'Request To'. Leaving them empty means all requests are allowed. For example you want to allow request from 202.168.100.2 or you want to specify all IPs of this network like 202.168.100.*)</small> |               |                      |                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |               |                      | <b>Accept ?</b><br>Yes or No |

Figure 15.12 Licensing &amp; Configuration

- Press **Enter** to save the **General Configuration**
- Select the specified configuration package in the **General Configuration** field.

### To View/Alter General Configuration

In the **Licensing & Configuration** screen

- Click **F7: Gen Config List** or press **F7**

The **Select Item** screen appears

Figure 15.13 Licensing & Configuration

- 

Similarly, you can also create a TDL configuration pack by pressing **Alt+C** in **TDL Config** field.

In the **Control Centre** screen

- 423



- By default, the **Security Level** for the **User ID**, **Permission to access Tally.NET** and the **Status** is displayed.
- To create the required user:
  - Select the required **Security Level** from the list of Security Level

*The options which appear in the **Security Level** field are explained below :*



- **Owner:** has the capability to manage **Sites/Users** belonging to an account. The **Owner** is not permitted to change **Account/Site Admin ID**, **Site Status** and **Account Profile**.
- **Standard User:** Created with predefined permissions. All users other than the **Owner** are created under this security level.

- Enter the required E-Mail ID in the **Tally.NET ID** field. Using the E-Mail ID provided a Tally.NET ID is created and the Password is emailed.
- Set **Tally.NET User** field to **Yes** when you want the user to access data from a anywhere using **Tally.NET**.
- In the **Status** field, select the required status from list of **Status**

*The options which appear in the **Status** field are explained below :*



- **Active:** Set the status to active when you want the user to be in operational mode.
- **Deleted:** Set the status to deleted when you want the user to be removed permanently.
- **In-active:** Set the status to In-active when you want the user to be non-operational mode. You can change the status to Active as required.

User Management

Alfa Associates

Ctrl + M

User Management

Account ID : tallyberhampur@rediffmail.com

| S.No. | Security Level | Tally.NET ID                       | Tally.NET User | Status    |
|-------|----------------|------------------------------------|----------------|-----------|
| 1     | Owner          | tirumulainfobam@sify.com           | Yes            | Active    |
| 2     | Owner          | mihir1a@rediffmail.com             | Yes            | In-Active |
| 3     | Owner          | drajeswarraodora1@rediffmail.com   | Yes            | Active    |
| 4     | Owner          | tallynetnormal1@tallysolutions.com | Yes            | Active    |
| 5     | Owner          | tallynetauditor@tallysolutions.com | Yes            | Active    |
| 6     | Standard User  | user@tallysolutions.com            | Yes            | Active    |
| 7     | Owner          | tallyberhampur@rediffmail.com      | Yes            | Active    |
| 8     | Owner          | sibani.mohapatra@gmail.com         | Yes            | Deleted   |

6 Tally.NET user(s) out of 10

Accept ?  
Yes or No

Figure 15.14 User Management

- **Accept** to save the user created.



- Default users such as **Account Administrator** or **Site Administrator** are assigned the security levels of **Owner**. However, based on the requirements, you can change the security level.
- From the above screen, you can change the **Tally.NET ID** for any user other than **Account/Site Administrators**. However, you will not be able to change the status to **Delete** or **In-Active** for **Account/Site Administrator**.
- To change the **User ID**, type the new user id in the **Tally.NET ID** field.

The **User Management** screen also displays the number of **Tally.NET Users** created for an account. To view in **Detailed mode**,

In the **User Management** screen,

- Click **F1: Detailed** or press **Alt+F1**
- The **User Management** screen appears displaying the user details as shown

| User Management                            |                                                            | Alfa Associates                    |                | Ctrl + M  |  |
|--------------------------------------------|------------------------------------------------------------|------------------------------------|----------------|-----------|--|
| User Management                            |                                                            |                                    |                |           |  |
| Account ID : tallyberhampur@rediffmail.com |                                                            |                                    |                |           |  |
| S.No.                                      | Security Level                                             | Tally.NET ID                       | Tally.NET User | Status    |  |
| 1                                          | Owner<br>Name : D.Rajeswar Rao Dora<br>Mobile : 9437261304 | tirumulainfobam@sify.com           | Yes            | Active    |  |
| 2                                          | Owner                                                      | mihir1a@rediffmail.com             | Yes            | In-Active |  |
| 3                                          | Owner                                                      | drajeswarraodora1@rediffmail.com   | Yes            | Active    |  |
| 4                                          | Owner<br>Name : Deepak Maitry<br>Mobile : 9741432201       | tallynetnormal1@tallysolutions.com | Yes            | Active    |  |
| 5                                          | Owner<br>Name : Mr Imran<br>Mobile : 9902016139            | tallynetauditor@tallysolutions.com | Yes            | Active    |  |
| 6                                          | Standard User                                              | user@tallysolutions.com            | Yes            | Active    |  |
| 7                                          | Owner<br>Name : D Rajeswar Rao Dora<br>Mobile : 9437261304 | tallyberhampur@rediffmail.com      | Yes            | Active    |  |
| 8                                          | Owner                                                      | sibani.mohapatra@gmail.com         | Yes            | Deleted   |  |
| 6 Tally.NET user(s) out of 10              |                                                            |                                    |                | Accept ?  |  |
|                                            |                                                            |                                    |                | Yes or No |  |

Figure 15.15 User Management Detailed



*In case of Multi-Site Account, press **F3**: Sitewise to display the users under each site.*

### To view the Security Level List

In the **User Management** screen

- ❑ Click **F8:Sec Level List** or press **F8**
- ❑ The **Select Items** screen appears, select the required security level from the **List of Security Levels**

The **Security Levels** screen appears as shown

| Select Item |                                                            |           | Alfa Associates         |  | Ctrl + M              |
|-------------|------------------------------------------------------------|-----------|-------------------------|--|-----------------------|
|             |                                                            |           | Name of Security Level  |  |                       |
|             |                                                            |           | Account                 |  | Tally.com             |
| S.No.       | Security Level                                             | Tally.NET | List of Security Levels |  | Tally.NET User Status |
|             |                                                            |           | Standard User           |  |                       |
| 1           | Owner<br>Name : D.Rajeswar Rao Dora<br>Mobile : 9437261304 | tirumula  |                         |  | Yes Active            |
| 2           | Owner                                                      | mihir1ag  |                         |  | Yes In-Active         |
| 3           | Owner                                                      | drajeswa  |                         |  | Yes Active            |
| 4           | Owner<br>Name : Deepak Maitry<br>Mobile : 9741432201       | tallynetn |                         |  | Yes Active            |
| 5           | Owner<br>Name : Mr Imran<br>Mobile : 9902016139            | tallynetn |                         |  | Yes Active            |
| 6           | Standard User                                              | user@ta   |                         |  | Yes Active            |
| 7           | Owner<br>Name : D Rajeswar Rao Dora<br>Mobile : 9437261304 | tallyberh |                         |  | Yes Active            |
| 8           | Owner                                                      | sibani.m  |                         |  | Yes Deleted           |
|             |                                                            |           |                         |  |                       |
|             |                                                            |           |                         |  |                       |

Figure 15.16 Security Levels

- By default, the **Standard User** is authorised to access the **Support Centre** only, based on your requirement select the access controls from the list of **Access Rights** as shown.

Figure 15.17 Access Rights

- ## Create Security Levels

To create a security level and assign access controls follow the steps shown:

- 428

Figure 15.18 Create Security Levels

- 

- ## Profile Management

The user can enter the essential information related to the Account/Site ID in Profile Management. To enter the details regarding the organisation follow the steps shown:

- ❑ Select **Profile Management** and press **Enter**
- ❑ The **Profile Management** screen appears
  - By default the E-Mail ID of the Account Administrator appears in the **Account ID** field.
  - Select the required account type from the list of **Account Types**
  - Enter the details related to the **Account** as shown.

| Profile Management                        |                     | Alfa Associates                          |                          | Ctrl + M   |  |
|-------------------------------------------|---------------------|------------------------------------------|--------------------------|------------|--|
| <b>Profile Management</b>                 |                     |                                          |                          |            |  |
| Account ID: tallyberhampur@rediffmail.com |                     |                                          |                          |            |  |
| Account ID                                | :                   | tallyberhampur@rediffmail.com            |                          |            |  |
| Account Type                              | :                   | Organization                             |                          |            |  |
| Name of the Organization                  | :                   | Tirumula Infotech                        |                          |            |  |
| Address                                   | :                   | Bada Christian Street<br>Near MAV School |                          |            |  |
| Country                                   | :                   | India                                    |                          |            |  |
| State                                     | :                   | Orissa                                   |                          |            |  |
| City                                      | :                   | Behrampur                                |                          |            |  |
| Postal Code                               | :                   | 760005                                   |                          |            |  |
| Landline1                                 | :                   | 0680 (STD/Area Code)                     | 2204512                  |            |  |
| Landline2                                 | :                   | 0680 (STD/Area Code)                     | 2203399                  |            |  |
| Fax                                       | :                   | 0680 (STD/Area Code)                     | 2207272                  |            |  |
| Website                                   | :                   | www.alfaassociates.com                   |                          |            |  |
| <b>Contact Person(s)</b>                  |                     |                                          |                          |            |  |
| Salutation                                | Person Name         | Job Title                                | Email                    | Mobile     |  |
| Mr.                                       | D.Rajeswar Rao Dora | M.D                                      | tirumulainfobam@sify.com | 9437261304 |  |
| Q: Quit    A: Accept                      |                     |                                          |                          |            |  |

Figure 15.19 Profile Management

- ❑ **Accept** to save the information.

### Change Account Admin

This feature allows you to change the **Account Administrator's ID** for an account.

To change the **Account Administrators ID** follow the steps shown:

In the **Control Centre** screen

- ❑ Select **Change Account Admin**
- ❑ The **Change Account Admin** screen appears

| Change Account Admin                       |   |
|--------------------------------------------|---|
| Account ID : tallyberhampur@rediffmail.com |   |
| Old Account Admin ID                       | : |
| New Account Admin ID                       | : |

Figure 15.20 Change Account Admin

- ❑ Enter the required **Account Administrators ID** in the **Old Account Admin ID** field
- ❑ Enter the new **Account Administrators ID** in the **New Account Admin ID** field
- ❑ Accept the create a new **Account Administrators ID**



*The new **Account Administrators ID** can be created only by an existing account administrator.*

### 15.4.2 My Active Sessions

This option displays the number of active session for a logged in user. You can analyse and delete the required session in case you have logged in from more than one machine or improperly logged out or did not logout from the previous session.

To display the Active Session(s) for an user,

In the **Control Centre** screen,

- ❑ Select **My Active Sessions** or press **Alt+T**

The **My Account Active Sessions** screen appears as shown:



Active Sessions

Alfa Associates

Ctrl + M

My Account Active Sessions

Tally.NET ID : tallynetnormal1@tallysolutions.com

| S.No. | From                     | Start Time             | Last Activity          | Status |
|-------|--------------------------|------------------------|------------------------|--------|
| 1     | TALLYDT9 (192.168.1.178) | 22-Feb-2010 4:44:39 PM | 22-Feb-2010 4:44:39 PM | Active |

Figure 15.21 My Active Session

To delete the required session,

- Press **Space** and select the required session
- Press **Alt+D** to delete a Session



*You cannot delete an active session.*

### 15.4.3 My Profile

You can manage the Tally.NET User's profile by providing the required details for further communications. To change the user profile the user has to follow the steps shown:

In the **Control Centre** screen

- Select **My Profile** or press **Alt+P**
- The **My Profile** screen appears displaying the **Tally.NET ID**
- In the **Salutation** field select the required salutation from the list of **Salutation**.
- Enter the required name in the **Name** field.

- Enter the required Mobile Number in the **Mobile** field.

**Change My Profile**

Change My Profile

Tally.NET ID : tallynetnormal1@tallysolutions.com

**Profile Details**

Salutation : Mr.

Name : Deepak M

Mobile : 9826851832

**Accept ?**

Yes or No

Figure 15.22 Change Profile

- **Accept** to save the profile.

#### 15.4.4 My Password

This options allows the user to change the password as required.

To change the Password follow the steps shown:

In the **Control Centre** screen

- Select **My Password** or press **Alt+W**,

**Control Centre**

Tally.NET ID : tallynetnormal1@tallysolutions.com

**M : My Tally.NET Accounts**  
... Administer your Tally.NET Accounts for Users, Licensing, and Security. You can even remove your own ID from one of them.

**J : Jobs & Recruitment (Coming soon)**  
Search for people, publish your requirements, give Online Examinations to judge whether candidates possess the required knowledge.

**S : Shop (Coming soon)**  
... buy Tally products, subscriptions and extensions from Tally marketplace.

**I : My Active Sessions**  
... In case you are logged in from more than one machine, or an earlier session was not properly 'logged out' from, you could examine and delete the sessions.

**P : My Profile**  
...some details about you, which others may find useful.

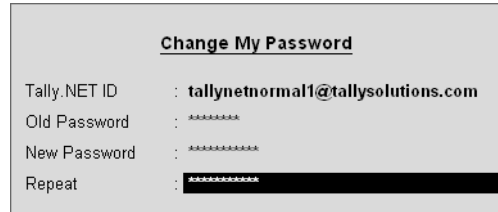
**W : My Password**  
... control your password. You are advised to change it whenever you feel that others know it, or just change it periodically to be extra safe.

**Q : Quit**

Figure 15.23 My Password

The **Change My Password** screen appears with the **Username**

- ❑ Enter the current password in **Old Password** field.
- ❑ Enter the new password in **New Password** field.
- ❑ Repeat the new password in **Repeat** field for the purpose of confirmation.



|                           |                                      |
|---------------------------|--------------------------------------|
| <b>Change My Password</b> |                                      |
| Tally.NET ID              | : tallynetnormal1@tallysolutions.com |
| Old Password              | : *****                              |
| New Password              | : *****                              |
| Repeat                    | : *****                              |

Figure 15.24 Change Password

- ❑ **Accept** to change the password.

### Points to Remember

- Control Centre allows us to manage and centrally configure Tally.ERP 9.

## Lesson 16: Online Help and Support

### Lesson Objectives

On completion of this lesson, you will learn how to

- ❑ Access Support Centre
- ❑ Use Support Centre

**Tally.ERP 9** provides a new capability to its users known as **Support Centre**, wherein a user can directly post his support queries on the functional and technical aspects of the Product. Using Support Centre feature, the user can view all the support queries reported via Support Centre and also through other modes viz., Email, Chat, Calls, etc.

The Support Centre features facilitates viewing queries for a activated license alongwith the Status i.e., Closed / Pending and Ticket Summary. The report is viewed based on Date, Status and Location and so on.

### 16.1 Features of Support Centre

- ❑ **Faster reach for help and support** :The Support Centre feature makes it easy and convenient to reach out to Tally.ERP 9 service partner and Tally-support team for any product help and support, by click of a button from within the product.
- ❑ **Access solutions to your problems any time** : This feature facilitates instant reference to the solutions provided for your queries at any point of time.
- ❑ **Avoid repeated explanations** : Availability of information on the issues, interactions and resolutions, to Tally Service Partners and Tally Support Team, largely reduces the possibilities of repeated explanations on the issues/support queries and thereby ensures quality help and support.
- ❑ **Track your issues on real-time basis** : The Support Centre makes available the status of your queries including the full chain of interactions irrespective of the mode of communication. i.e., if you have posted a query onto the Support Centre feature in Tally.ERP 9 and

then interacted over phone, even in such cases, the complete discussion will be available to you.

- ❑ **Access issues of any Location/Site** : In Multi-site License, using the Support Centre feature you can view details of issues of any location /site from any of your Location(s).
- ❑ **Reach out to your nearest Service Partner instantly** : You can search for a service partner and post your queries instantly.
- ❑ **Access your Support Centre remotely from any Tally.ERP 9** : The Support Centre feature can also be accessed remotely from any Tally.ERP 9 from anywhere with Tally.ERP 9 installed and activated or in **Educational** mode, as an authorised Tally.NET user.

## 16.2 Accessing the Support Centre

Support Centre can be accessed locally from your machine as well from another remote location where Tally.ERP 9 is installed and activated or in **Educational** mode.

### 16.2.1 Local Access

To access the Support Centre locally:

- ❑ Start **Tally.ERP 9**
- ❑ From the **Company Info** menu or **Gateway of Tally**, click **H: Support Centre** or press **Ctrl + H**.

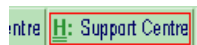


Figure 16.1 Support Centre Button

The **Support Centre** screen appears as shown:

P: Print

E: Export

M: E-Mail

O: Upload

G: Language

K: Keyboard

K: Control Centre

H: Support Centre

H: Help

Ctrl + M

Support Centre

Account ID : tallycustomer@tallysolutions.com

Date wise

User : Suresh Kumar

28-Feb-2009 to 7-Mar-2009

| Date                                                         | Subject                            | From                              | Mode    | Status  | Ticket Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------|------------------------------------|-----------------------------------|---------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 07-Mar-2009                                                  | Re:TDS with Service Tax            | tallycustomer@tallysolutions.c... | Direct  | Pending | <p><b>Ticket</b> : TLY-6166249-7750926</p> <p><b>Account</b> : tallycustomer@tallysolutions.com ...</p> <p><b>Reported On</b> : 06-Mar-2009</p> <p><b>Current Owner</b> : Tally Solutions Pvt Ltd.</p> <p><b>Current Status</b> : Pending</p> <p><b>Ticket Interactions :</b></p> <p>TDS with Service Tax</p> <p>Re:TDS with Service Tax</p> <p>Re:TDS with Service Tax</p> <p><b>Date</b> : 07-Mar-2009</p> <p><b>Subject</b> : Re:TDS with Service Ta ...</p> <p><b>From</b> : tallycustomer@tallysolutions.c ...</p> <p><b>To</b> : Tally Solutions Pvt Ltd.</p> <p>Dear Sir,</p> <p>This is with regard to your response on the above. The document forwarded by you along with the illustrations, on handling TDS with Service Tax is really helpful. All my doubts on the same has been clarified now. Thank you very much for the quick help and support.</p> <p>Regards.</p> |
| 07-Mar-2009                                                  | Re:TDS with Service Tax            | Tally Solutions Pvt Ltd.          | Email   | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 07-Mar-2009                                                  | Re:Co. Name & Address not prin ... | Tally Solutions Pvt Ltd.          | Email   | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 07-Mar-2009                                                  | Synchronization                    | tallycustomer@tallysolutions.c... | Telcall | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 06-Mar-2009                                                  | Re:Unable to restore the backu ... | tallycustomer@tallysolutions.c... | Direct  | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 06-Mar-2009                                                  | Co. Name & Address not printin ... | tallycustomer@tallysolutions.c... | Direct  | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 06-Mar-2009                                                  | TDS with Service Tax               | tallycustomer@tallysolutions.c... | Direct  | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 06-Mar-2009                                                  | Re:E-TDS Report                    | Tally Solutions Pvt Ltd.          | Email   | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 06-Mar-2009                                                  | Re:E-TDS Report                    | tallycustomer@tallysolutions.c... | Direct  | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 06-Mar-2009                                                  | E-TDS Report                       | tallycustomer@tallysolutions.c... | Telcall | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 9 rows more, show next 9 rows                                |                                    |                                   |         |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| (All the issues in 'BLUE' are the ones posted on 7-Mar-2009) |                                    |                                   |         |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

F1: Condensed

F2: Period

F3: Group by

F4: Thread View

N: New Issue

R: Reply

C: Close

Z: Zoom in list

Z: Zoom in content

B: Go to Browser

L: Login

S: Select Account

F9: Status Filter

F10: Page Size(10)

F12: Configure

F12: Range

Q: Quit

R: Refresh

Figure 16.2 Support Centre

- ❑ To exit the **Support Centre**, press the **Esc** or press **Ctrl + Q**.



- ❑ The **Support Centre** appears blank for newly activated Tally.ERP 9.
- ❑ When you log on to the Support Centre from **Gateway of Tally** and select a company, the **Username** is displayed on the top right corner of the screen. The **Username** does not appear when you log on to the Support Centre from **Company Info.** menu
- ❑ Issues posted on the current date appear in **Blue**.

## 16.2.2 Remote Access

To access the Support Centre from any remote location you can use the **Login** option available. To login remotely follow the steps shown::

Go to **Company Info** menu or **Gateway of Tally**

- ❑ Click **H: Support Centre** or press **Ctrl + H**

The **Support Centre** screen appears

- Click **L: Login** or press **Alt + L**.

The **Login As Remote Tally.NET User** screen appears:

- Enter your **Tally.NET ID** in **Your E-Mail ID** field
- Enter the Password in **Your Tally.NET Password** field.

**Login As Remote Tally.NET User**

Your E-Mail ID : **tallynetnormal1@tallysolutions.com**

Your Tally.NET Password : **\*\*\*\*\***

*(if you have forgotten your Tally.NET Password, please press F5:Reset Password. A new password will be sent to your E-Mail address, and you can then login).*

Figure 16.3 Login As Remote User

- Press **Enter**
- The **Select Account** appears displays the list of **User Accounts**. The list of **User Accounts** will appear when your E-mail ID is linked to one or more accounts.

|                               |                                        |                                    |
|-------------------------------|----------------------------------------|------------------------------------|
| <b>Select Account</b>         |                                        | Test                               |
| Account                       | : <b>Tallyberhampur@rediffmail.Com</b> |                                    |
| User Accounts                 |                                        |                                    |
| Account Id                    | UserName                               |                                    |
| tally1@tallysolutions.com     | (Local)                                | alfa                               |
| tally1@tallysolutions.com     | (Remote)                               | tallynetnormal1@tallysolutions.com |
| tallyberhampur@rediffmail.com | (Remote)                               | tallynetnormal1@tallysolutions.com |

Figure 16.4 Select Account

- Select the required User Account and press **Enter**
- The **Support Centre** for the account selected will be appear as shown:



| P: Print                                                      | E: Export                           | M: E-Mail                | Q: Upload | G: Language | K: Keyboard                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | K: Control Centre | H: Support Centre | H: Help    | F1: Condensed     |
|---------------------------------------------------------------|-------------------------------------|--------------------------|-----------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|------------|-------------------|
| <b>Support Centre</b>                                         |                                     |                          |           |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                   |                   |            | F2: Period        |
| Account ID : Tirumulainfobam@sify.Com                         |                                     |                          |           |             | User : tallynetnormal1@tallysolutions.com                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                   |                   |            | F3: Group by      |
| Date wise                                                     |                                     |                          |           |             | 27-Oct-2009 to 26-Nov-2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                   |                   |            | F4: Thread View   |
| Date                                                          | Subject                             | From                     | Mode      | Status      | Ticket Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                   |                   |            |                   |
| 20-Nov-2009                                                   | Re: vat                             | Tally Solutions Pvt Ltd. | Telcall   | Pending     | <p><b>Ticket</b> : TLY-8409815-2263027</p> <p><b>Account</b> : Tirumulainfobam@sify.Com</p> <p><b>Reported On</b> : 19-Nov-2009</p> <p><b>Current Owner</b> : Tally Solutions Pvt Ltd.</p> <p><b>Current Status</b> : Pending</p> <p><b>Ticket Interactions :</b></p> <p>vat</p> <p>Re: vat</p> <p><b>Date</b> : 20-Nov-2009</p> <p><b>Subject</b> : Re: vat</p> <p><b>From</b> : Tally Solutions Pvt Ltd.</p> <p><b>To</b> : Tirumula Infotech</p> <p>Query: Spoke to Mr. Rajeshwar Rao on 9437261304 and he told he passed the purchase invoice, against to that he passed the debit note (in accounting invoice mode) by selecting the flag as return of goods, after passing the debit note which ever the balance amount is getting in vat computation the same amount is not reflect in vat return form, page number 2 column number 8.</p> <p>Response: Informed the customer Orissa vat return form page number 2 column number 8 is a purchase of goods at 4% tax rate on tax</p> |                   |                   |            |                   |
| 19-Nov-2009                                                   | vat                                 | Tirumula Infotech        | Telcall   | Pending     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                   |                   |            |                   |
| 12-Nov-2009                                                   | Re: Fwd: Rectify the TDS Factor ... | Tally Solutions Pvt Ltd. | Email     | Pending     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                   |                   |            |                   |
| 10-Nov-2009                                                   | Fwd: Rectify the TDS Factor.        | Tirumula Infotech        | Email     | Pending     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                   |                   |            |                   |
| 10-Nov-2009                                                   | Re: Re: Your Tally.NET Passwo ...   | Tally Solutions Pvt Ltd. | Email     | Pending     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                   |                   |            |                   |
| 10-Nov-2009                                                   | Re: Reactivate license sl.no. - ... | Tally Solutions Pvt Ltd. | Email     | Pending     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                   |                   |            |                   |
| 10-Nov-2009                                                   | Re: Re: Your Tally.NET Passwo ...   | Tirumula Infotech        | Email     | Pending     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                   |                   |            |                   |
| 10-Nov-2009                                                   | Re: Your Tally.NET Password is ...  | Tally Solutions Pvt Ltd. | Email     | Pending     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                   |                   |            |                   |
| 10-Nov-2009                                                   | Re: Your Tally.NET Password is ...  | Tirumula Infotech        | Email     | Pending     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                   |                   |            |                   |
| 10-Nov-2009                                                   | Re: Your Tally.NET Password is ...  | Tirumula Infotech        | Email     | Pending     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                   |                   |            |                   |
| 7 rows more, show next 7 rows                                 |                                     |                          |           |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                   |                   |            |                   |
| (All the Issues in 'BLUE' are the ones posted on 26-Nov-2009) |                                     |                          |           |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                   |                   |            | F5: Status Filter |
| Q: Quit                                                       |                                     |                          |           |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                   |                   | R: Refresh | F9: Page Size(10) |
|                                                               |                                     |                          |           |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                   |                   |            | F12: Configure    |
|                                                               |                                     |                          |           |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                   |                   |            | F12: Range        |

Figure 16.5 Support Centre

- Press **Alt + L** or click on **L: Logout** button, if you wish to logout from the Support Centre.



- The selected **Account ID** will be displayed on the top left hand corner of the screen and your **User ID** will be displayed in the top right hand corner of the screen.
- Using **Alt + L**, you can toggle between **Login/ Logout**.
- In case you forget the **Tally.NET Password**, click on **F5: Reset Password** or press **F5**. The new password will be sent to your E-mail address.

## 16.3 Using Support Centre

- Go to **Company Info** menu or **Gateway of Tally**
- Click **H: Support Centre** or press **Ctrl + H**
- By default, the Support Centre screen will display the queries raised during the the **last 7 days**.

Support Centre

Account ID : tally1@tallysolutions.com

Site : General 1.52

User : tallynetnormal1@tallysolutions.com

Date wise

27-Oct-2009 to 26-Nov-2009

| Date                            | Subject                            | From                     | Mode   | Status  | Ticket Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------|------------------------------------|--------------------------|--------|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 24-Nov-2009                     | Test Mail                          | Tally India Pvt Ltd      | Direct | Pending | <i>Ticket</i> : TLY-8397214-7900456<br><i>Account</i> : Tally1@tallysolutions.Com<br><i>Reported On</i> : 18-Nov-2009<br><i>Current Owner</i> : Tally Solutions Pvt Ltd.<br><i>Current Status</i> : Pending<br><br><b>Ticket Interactions :</b><br><br>TCP files of NHDC.<br><br><i>Date</i> : 18-Nov-2009<br><i>Subject</i> : TCP files of NHDC.<br><i>From</i> : Tally Solutions Pvt Ltd.<br><i>To</i> : Tally India Pvt Ltd<br><br>Dear Sir,<br><br>This is with reference to the telecon we had today at 5:00 p.m., regarding the TCP files of NHDC.<br><br>We suggest you to forward us all TCP files of NHDC Coimbatore Data (Both Server and Client instances) compiled to Tally Serial number 780003099.<br><br>(All the issues in "BLUE" are the ones posted on 26-Nov-2009)<br><br>As this will enable us synchronize the data |
| 23-Nov-2009                     | Re:Test mail                       | Tally India Pvt Ltd      | Direct | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 18-Nov-2009                     | TCP files of NHDC                  | Tally Solutions Pvt Ltd. | Email  | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 12-Nov-2009                     | [Training (Onsite)]: Remote Ac ... | Finnigan Technologies    | Task   | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 12-Nov-2009                     | Re:Onsite Visit                    | Finnigan Technologies    | Direct | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 12-Nov-2009                     | Onsite Visit                       | Tally India Pvt Ltd      | Direct | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 26 rows more, show next 10 rows |                                    |                          |        |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

Figure 16.6 Support Centre - Query List



- Issues posted on the current date are in **Blue**.
- Click on **R: Refresh** button or press **Ctrl + R** to refresh the query list, as required.



The screen displays the following information in different views:

**Query List :**

The default page size is set to 10 queries per page. Click **There are 10 rows more, show next 10 rows** to view the next set of 10 queries. An option to view **10 more** or **show previous 10 rows** is displayed above the list of queries.

**Ticket Summary :**

The Ticket Summary column displays the **Ticket** number of the query, **Account ID** of the user, the date on which the query was **Reported On**, the **Current Owner** of the query, the **Current Status** of the query (Pending or Closed) and the **Ticket Interactions**. It also displays the **Date**, **Subject** of the query, **From** indicates the name of the person who posted the query, **To** to whom the query was addressed and **Description** of the query.

You can also view the content in **zoom in content** mode which gives an expanded view of the Ticket Summary.

To view the query/ issue horizontally:

- ❑ Highlight the required query/ issue and press **Enter**.
- ❑ The detailed query appears in the bottom part of the Support Centre screen
- ❑ You can also click **B: Go to Browser** to browse the **Ticket View** in detail.

### 16.3.1 Adding a New Issue/ Query

You can post your query for any support required on the functional and technical aspects of the Product.

To add a New Issue/ Query:

Go to **Company Info** menu or **Gateway of Tally**

- ❑ Click **H:Support Centre** or press **Ctrl + H**
- ❑ Click **N: New Issue** or press **Alt+N**
- ❑ The form entitled **Post Your Support Query** is appears, enter the required details in the fields provided:

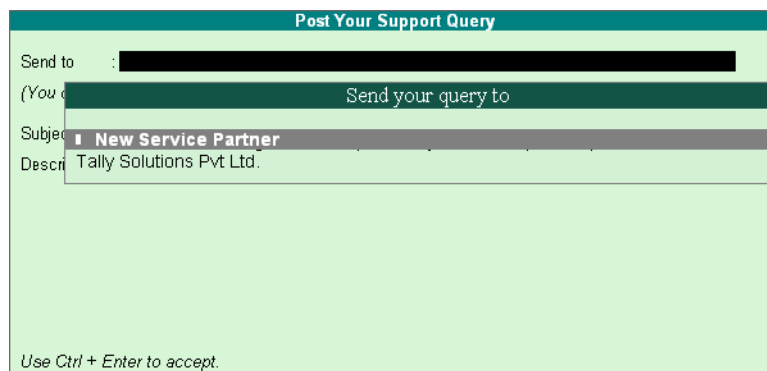


Figure 16.7 Post Your Support Query



**Send to:** Select a **New Service Partner** or **Tally Solutions Pvt Ltd.**

- ❑ **New Service Partner** the query is directed to the Service Partner.
- ❑ **Tally Solutions Pvt Ltd.**, the query is directed to Tally (Customer) Support.

- ❑ Select **New Service Partner** from **Send your query to**, the **New Service Partner** screen appears. Enter the Partner Account ID or Name in the **Tally Service Partner** field



Figure 16.8 New Service Partner

To search for a service partner based on the **Location**:

- ❑ In **Search by** field, select the **Location** from the list of **Searching Methods**
- ❑ In the **Location** field, enter the name of the location and press **Enter**
- ❑ The **New Partner Details** screen will appear displaying the **Name of the Partner** along with the **Distance**
- ❑ Select the required **Partner** and press **Enter**

To search for a service partner by **Name**:

- ❑ In the **Search by** field, select **Name** from the list of **Searching Methods**
- ❑ In the **Name Containing** field, enter the name of the service partner and press **Enter**

- ❑ The **New Partner Details** screen will appear displaying the **Name of the Partner**
- ❑ Select the required **Partner** and press **Enter**



Press **Alt + F1** or click on **F1: Detailed** button to view the contact details of the partners.

If you have selected **Tally Solutions Pvt. Ltd.** under **Send to**, the **Post Your Support Query** form will be displayed as shown:

| Post Your Support Query                  |                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Send to                                  | : Tally Solutions Pvt Ltd.<br><i>(You can post your queries to the nearest service partner by specifying a service partner above)</i>                                                                                                                                                                                           |
| Subject                                  | : Outstanding report party-wise bill-wise with totals                                                                                                                                                                                                                                                                           |
| Description                              | : Dear Sir,<br>I would like to take print out of the outstanding statement of all my debtors account along with bill-wise details and the total of each party. I was unable to get this specific option while trying to print from Multi-Account Printing.<br><br>Please assist me on the same at the earliest.<br><br>Regards. |
| Use Ctrl + Enter to accept.              |                                                                                                                                                                                                                                                                                                                                 |
| <div>Accept ?</div> <div>Yes or No</div> |                                                                                                                                                                                                                                                                                                                                 |

Figure 16.9 Post Your Support Query



When you login remotely the **Send to** field will display the E-mail address of the account to which you have logged in, under the **Send your query to** list.

- ❑ **Accept** the query and despatch to the required sender
- ❑ An updated query list will appear as shown:

| Support Centre                                |                                     |                                    |                                                  |         | Ctrl + M                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------|-------------------------------------|------------------------------------|--------------------------------------------------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Account ID : <b>tally1@tallysolutions.com</b> |                                     |                                    | User : <b>tallynetnormal1@tallysolutions.com</b> |         |                                                                                                                                                                                                                                                                                                                                                  |
| Site : <b>General 1.52</b>                    |                                     |                                    |                                                  |         |                                                                                                                                                                                                                                                                                                                                                  |
| Date wise                                     |                                     |                                    |                                                  |         | 27-Oct-2009 to 26-Nov-2009                                                                                                                                                                                                                                                                                                                       |
| Date                                          | Subject                             | From                               | Mode                                             | Status  | Ticket Summary                                                                                                                                                                                                                                                                                                                                   |
| 26-Nov-2009                                   | Outstanding report party-wise b ... | tallynetnormal1@tallysolutions ... | Direct                                           | Pending | <b>Ticket</b> : TLY-8342619-8960694<br><b>Account</b> : Tally1@tallysolutions.Com<br><b>Reported On</b> : 12-Nov-2009<br><b>Current Owner</b> : Finnigan Technologies<br><b>Current Status</b> : Pending                                                                                                                                         |
| 24-Nov-2009                                   | Test Mail                           | Tally India Pvt Ltd                | Direct                                           | Pending |                                                                                                                                                                                                                                                                                                                                                  |
| 23-Nov-2009                                   | Re:Test mail                        | Tally India Pvt Ltd                | Direct                                           | Pending |                                                                                                                                                                                                                                                                                                                                                  |
| 18-Nov-2009                                   | TCP files of NHDC.                  | Tally Solutions Pvt Ltd.           | Email                                            | Pending |                                                                                                                                                                                                                                                                                                                                                  |
| 12-Nov-2009                                   | [Training (Onsite)]: Remote Ac ...  | Finnigan Technologies              | Task                                             | Pending |                                                                                                                                                                                                                                                                                                                                                  |
| 12-Nov-2009                                   | Re:Onsite Visit                     | Finnigan Technologies              | Direct                                           | Pending | <b>Ticket Interactions :</b><br><br>Onsite Visit<br>Re:Onsite Visit<br>[Training (Onsite)]: Remo ...                                                                                                                                                                                                                                             |
| 12-Nov-2009                                   | Onsite Visit                        | Tally India Pvt Ltd                | Direct                                           | Pending |                                                                                                                                                                                                                                                                                                                                                  |
|                                               |                                     |                                    |                                                  |         | <b>Date</b> : 12-Nov-2009<br><b>Subject</b> : Onsite Visit<br><b>From</b> : Tally India Pvt Ltd<br><b>To</b> : Finnigan Technologies<br><br>Hi,<br><br>Please send me one of the executive to our office, provide training on Remote Access.<br><br>Inform us the time and date for the session.<br><br>Regards,<br><br>Harish.<br><br>Infomatic |

(All the Issues in 'BLUE' are the ones posted on 26-Nov-2009)

Figure 16.10 Support Centre



Subsequently when you send a **New Query**, the **Send to** field in the **Post Your Support Query** form will display the service partner selected earlier in the **Send your query to** list suffixed with **Preferred service partner** in brackets.

### 16.3.2 Reply to an Issue/Query

You can respond or seek clarification/additional information from the Customer Centre or a Service Partner to a query raised. You can also forward the queries received with status Pending or Closed by selecting the required query from the list.

To reply to a query:

Go to **Company Info** menu or **Gateway of Tally**

- Click **H** : **Support Centre** or press **Ctrl + H**
- Select the query that has to be replied/forwarded
- Click **R**: **Reply** or press **Alt + R**

- ❑ The **Post Your Response** screen appears, in the **Description** field, type the response to the query posted.

Figure 16.11 Reply to an Issue/Query

- ❑ **Accept** the reply to the query raised.

The reply to the query is updated in the Query List as shown:

Support Centre

Account ID : tally1@tallysolutions.com

Site : General 1.52

User : tallynetnormal1@tallysolutions.com

Date wise27-Oct-2009 to 26-Nov-2009

| Date                                                          | Subject                             | From                               | Mode   | Status  | Ticket Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------|-------------------------------------|------------------------------------|--------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 26-Nov-2009                                                   | Re:Outstanding report party-wis ... | tallynetnormal1@tallysolutions ... | Direct | Pending | <p><i>Ticket</i> : TLY-8467351-2348664</p> <p><i>Account</i> : Tally1@tallysolutions.Com</p> <p><i>Reported On</i> : 26-Nov-2009</p> <p><i>Current Owner</i> : Tally India Pvt Ltd</p> <p><i>Current Status</i> : Pending</p> <p><b>Ticket Interactions :</b></p> <p>Outstanding report party-w ...</p> <p>Re:Outstanding report part ...</p> <p>Re:Outstanding report part ...</p>                                                                                                                                                                   |
| 26-Nov-2009                                                   | Re:Outstanding report party-wis ... | tallynetnormal1@tallysolutions ... | Direct | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 26-Nov-2009                                                   | Outstanding report party-wise b ... | tallynetnormal1@tallysolutions ... | Direct | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 24-Nov-2009                                                   | Test Mail                           | Tally India Pvt Ltd                | Direct | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 23-Nov-2009                                                   | Re:Test mail                        | Tally India Pvt Ltd                | Direct | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 18-Nov-2009                                                   | TCP files of NHDC.                  | Tally Solutions Pvt Ltd.           | Email  | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 12-Nov-2009                                                   | [Training (Onsite)]; Remote Ac ...  | Finnigan Technologies              | Task   | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 12-Nov-2009                                                   | Re:Onsite Visit                     | Finnigan Technologies              | Direct | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 12-Nov-2009                                                   | Onsite Visit                        | Tally India Pvt Ltd                | Direct | Pending |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| (All the issues in "BLUE" are the ones posted on 26-Nov-2009) |                                     |                                    |        |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                               |                                     |                                    |        |         | <p><i>Date</i> : 26-Nov-2009</p> <p><i>Subject</i> : Re:Outstanding report p ...</p> <p><i>From</i> : tallynetnormal1@tallysolutions ...</p> <p><i>To</i> : Tally India Pvt Ltd</p> <p>Dear Sir,</p> <p>Thank Your for using Tally.ERP 9</p> <p>Please follow the steps mentioned below:</p> <p>1. Go to Gateway of Tally &gt; Multi Account Printing &gt; Outstanding Statements &gt; Ledger &gt; Group of Accounts &gt; Sundry Debtor/Other Sub Debtor Group</p> <p>2. Set the other options, such as From/To Date, Range of Bills to Show etc.</p> |

Figure 16.12 Support Centre

As the query is linked to the reply using the ticket number, you can view the reply along with the query raised.

To view the query and its reply select the subject under **Ticket Interaction** or **Thread View** or **Zoom in Content** or **Go to Browser**



- ❑ The **ticket number** of the query/ issue to which a reply has been posted, will automatically be displayed on top of the form, as shown in the image.
- ❑ When the **Reply** button is pressed, the cursor will blink at the **Description** field automatically in the **Post Your Response** form.
- ❑ The **Send to** and **Subject** fields will automatically be pre-filled with the recipient address and the subject, respectively. You may change the same by pressing back-space if required.
- ❑ You may also select the required **Subject** under **Ticket Interactions** available in the **Zoom Out Content mode** (default query list) or in the **Zoom in Content** mode and press **Enter**, to **Reply**.





### 16.3.4 Other Functions

To view support centre information in Detailed/ Condensed mode,

Go to **Company Info** menu or **Gateway of Tally**

- ❑ Click **H** : **Support Centre** or press **Ctrl + H**
- ❑ Click **F1: Detailed/Condensed** or press **F1**

You can toggle between the detailed and the condensed mode by pressing the F1 button. It is active when you opt to view the list in **Status wise** or **Site wise** mode. The **Detailed** report displays a list of queries whereas the **Condensed** report displays the **count** of queries based on their **Status**.

#### Period

By default, the query listing is displayed for the last 7 days. To change the period follow the steps shown:

Go to **Company Info** menu or **Gateway of Tally**

- ❑ Click **H** : **Support Centre** or press **Ctrl + H**
- ❑ Click **F2: Period** or press **F2**

Enter the number of **Days/Weeks/Months/Years** in the **Default Period** field to display the query listing for the mentioned period.

#### Group by

To view the query list by organising them based on the **Date**, **Site** and **Status**, you can also set the **Default Grouping** using this option.

Go to **Company Info** or **Gateway of Tally**

- ❑ Click **H** : **Support Centre** or press **Ctrl + H**
- ❑ Click **F3: Group by** or press **F3**

Select any one of the following options to group

- ❑ **Group by Date**: Allows you to view the list of queries based on the Date
- ❑ **Group by Site**: Allows you to view the query list based on the **Site/Location**
- ❑ **Group by Status**: Allows you to view the query list based on their Status

#### List/ Thread View

To view the Support queries in the **List View** mode or in the **Thread View** mode follow the steps shown:

Go to **Company Info** menu or **Gateway of Tally**

- ❑ Click **H** : **Support Centre** or press **Ctrl + H**
- ❑ Click **F4: Thread View/List View** or press **F4**

A brief description for the modes are as below:

- ❑ **List View** displays the queries individually in a detail
- ❑ **Thread View** displays the entire chain of interaction

### Zoom In/ Zoom Out List

To view the query list with other column details, in an enlarged mode follow the steps shown:

Go to **Company Info** menu or **Gateway of Tally**

- ❑ Click **H** : **Support Centre** or press **Ctrl + H**
- ❑ Click **Z: Zoom In List/ Zoom Out List** or press **Alt + Z**

Press **Alt + Z** to toggle between the **Zoom In** and **Zoom Out** view

### Zoom In Content/ Zoom Out Content

To view the selected query in an enlarged mode follow the steps shown:

Go to **Company Info** menu or **Gateway of Tally**

- ❑ Click **H** : **Support Centre** or press **Ctrl + H**
- ❑ Click **Z: Zoom In Content/ Zoom Out Content** or press **Ctrl + Z**

Press **Ctrl + Z** to toggle between the **Zoom In Content** and **Zoom Out Content** view.

### Browser View

The **Browse** mode displays all the additional information that is not displayed in the **Zoom In Content** option, such as **Reported by**, **Issue type**, **Priority**, **Product**, **Product Serial No.**, **Status**, etc., under **Ticket Summary**

Similarly, the content area in the Support Centre is limited and when the content displayed exceeds the limit, the **Browse Issue** mode will display the entire content and their properties under interaction details .

To view the content in **Browse** mode, click **B: Go to Browser** or press **Alt + B**.

### Site Filter

You can use the site filter to view the queries posted for each on a site. To arrange the queries based on each site follow the steps shown:

Go to **Company Info** menu or **Gateway of Tally**

- ❑ Click **H** : **Support Centre** or press **Ctrl + H**
- ❑ Click **F8: Site Filter** or press **F8**
- ❑ Select the required site from the list of **Sites** or Select **All** to displays queries/ issues related to all Sites/Locations.

## Status Filter

You can view the queries posted based on their status,

Go to **Company Info** menu or **Gateway of Tally**

- ❑ Click **H** : **Support Centre** or press **Ctrl + H**
- ❑ Click **F9: Status Filter** or press **F9**
- ❑ Select the required status from the list of **Default Status** available.

The **Status** are briefly explained for your benefit:

- ❑ **All**: will display all the queries/ issues irrespective of their status.
- ❑ **Pending**: will display all the **Pending** queries/issues
- ❑ **Closed**: will display all the **Closed** queries/ issues.

## Page Size

You can use this option to set the page size or the number of queries that can be displayed per screen, by default the page size is set to display 10 queries per screen.

Go to **Company Info** menu or **Gateway of Tally**

- ❑ Click **H** : **Support Centre** or press **Ctrl + H**
- ❑ Click **F10: Page Size** or press **F10**
- ❑ The **Configuration** screen appears
- ❑ In the **Page Size** field enter the required number, so as to display the number of queries per page.

## F12: Configure

Allows the user to configure the support centre based on their requirement. The configuration settings are also as buttons on the horizontal toolbar.

Go to **Company Info** menu or **Gateway of Tally**

- ❑ Click **H** : **Support Centre** or press **Ctrl + H**
- ❑ Click **F12: Configure** or press **F12**

The **Configuration** screens appears as shown :

| Configuration                                       |                             |
|-----------------------------------------------------|-----------------------------|
| Default Period                                      | <b>7 Days</b>               |
| <i>(Enter period in Days/ Weeks/ Months/ Years)</i> |                             |
| From                                                | 27-2-2009                   |
| To                                                  | 6-3-2009                    |
| Default Grouping                                    | Status                      |
| Default Status                                      | Pending                     |
| Default View                                        | List                        |
| Default View Mode                                   | Detailed                    |
| Default Page Size                                   | 10 <i>(Range: 10 - 100)</i> |

Figure 16.14 Configuration

The **F12: Configuration** options are explained as below :



#### Default Period

You can re-set the default Period to display the queries as per your requirement. For instance, you can select **Last 15 Days** from the **Default Period** list to display the queries listed for the past 15 days. Similarly, you can also choose other options from the **Default Period** list to display the queries for the respective period.

#### Default Grouping

This option allows you to view the list of queries based on the **Grouping** options selected.

- ❑ **Default Grouping - Date** : In cases where **Date** is selected from the **Default Grouping** list, the queries are displayed in a chronological order (Date wise).
- ❑ **Default Grouping - Site** : In cases where the **Site** option is selected from the **Default Grouping** list, the queries are displayed **Site/ Location wise**. The option **Site** under **Default Grouping** will not be listed for Single Site users.
- ❑ **Default Grouping - Status** : In cases where the **Status** is selected from the **Default Grouping** list, the queries are displayed on the basis of the Status (All / Pending / Closed).

**Default Status** : This option allows you to set the default Status, i.e., All, Closed or Pending, for any **Group by option** selected.

#### Default View

You can opt to view the list of queries either in a **List View** or in a **Thread View** mode.

- ❑ **Default View - List** : In cases where the option **List View** is selected, the query list can be viewed in List View mode.



**Default View - Thread** : In cases where the option **Thread View** is selected, the query list can be viewed in Thread View mode.

#### **Default View Mode**

You can opt to view the list of queries in either a **Detailed** or **Condensed** mode.

- ❑ **Default View Mode - Detailed** : The **Detailed View Mode** displays the list of queries in **Detail** based on the **Status** (All/ Pending/ Closed) selected.
- ❑ **Default View Mode - Condensed** : The **Condensed View Mode** displays only the counts of queries based on the **Status** (All/ Pending/ Closed) selected. The **Default View Mode** option will be disabled in case **Date** is selected under **Default Grouping** option.

#### **Default Page Size**

This option allows you to define the number of queries/ issues to be listed in the Support Centre screen, for instance: 15, 20, 25, and so on.

The **default Page Size is 10**. i.e., the Support Centre screen displays 10 queries in a screen at a time. The next set of 10 queries can be viewed by clicking on '**X rows more, show next x rows**' available below the list.

The **Page Size** can be set to display between **10** and **100** rows.

You can change the configuration as required in the **Configuration** screen or individually click on the required buttons available on the Horizontal tool bar.



The configuration setting options available in **F12: Configuration** are also available in the button bar viz., **F1: Detailed/Condensed**, **F2: Period**, **F3: Group by**, **F9: Status Filter**, **F4: Thread/List View** and **F10 Page Size**.

### Points to Remember

- Support Centre features facilitate viewing queries for a activated license along with the Status.

## Lesson 17: Service Tax

### Lesson Objectives

On completion of this lesson, you will be able to

- ❑ Enable Service Tax in Tally.ERP 9
- ❑ Create the masters necessary for Service Tax transactions
- ❑ Record Service Tax transactions
- ❑ Generate Service Tax reports and challans in Tally.ERP 9

Service Tax is a tax on services rendered. The person, one who renders the service, is liable to pay service tax. Service tax was imposed for first time in 1994 and its scope is increasing every year.

### 17.1 Basics of Service Tax

Let us understand the following definitions and terminologies used in Service Tax :

#### Features of service tax

- ❑ Service tax is payable on gross amount charged for service provided or to be provided, excluding material cost. Tax is also payable on reimbursement of expenses which form part of service. However, payments made by service provider as 'pure agent' of service receiver is kept outside the purview of Service Tax.
- ❑ In cases, where the value of Service provided is not ascertainable the valuation is done on the basis of similar service or on basis of cost.
- ❑ Gross amount charged is considered as inclusive of service tax and then tax is back calculated.
- ❑ Service tax is payable only when bill amount is received from service receiver. However, in case of service provided to associated enterprises, service tax is payable on booking such entry.



### Taxable Service

Service tax is payable on '**taxable service**'. The definition of taxable service is different for each class of services, e.g. in case of advertising agency, any service provided to a client, by an advertising agency in relation to advertisement, in any manner will be '**taxable service**'.

### Value of Taxable Service

Service tax is payable on '**value of services**'. Value of Service shall be the gross amount charged by the service provider for such service rendered by him.

### Service Provider

As defined u/s 65(105) a service provider is one who provides taxable service.

### Person liable to pay service tax

Every person providing taxable service to any person has to pay service tax at the prescribed rates. In few cases, tax is payable by service receiver, under reverse charge method.

### Exemption from service tax

- ❑ Small service providers whose total value of services provided (including exempt and non-taxable services) is less than Rs 10 lakhs in previous year are not required to pay service tax in current financial year till they reach turnover of Rs 10 lakhs.
- ❑ Services provided to SEZ units or developer for consumption within SEZ are exempt.
- ❑ Refund is eligible for specified services utilised for export.
- ❑ Services provided by RBI are exempt but service provided to RBI are not exempt.

### Rate of Service Tax

According to Section 66 of Finance Act, 1994 there shall be levied a tax at the rate of 10% of value of taxable services referred in section 65(105) of Finance Act, 1994. In addition, education cess @ 2% and Secondary Higher Education cess @ 1% is payable. Thus, total service tax is 10.3%.

Let us consider the following example to understand how Service Tax is calculated :

|    | Particulars                          | Rs.           |
|----|--------------------------------------|---------------|
| a. | Charge on service (i.e. Bill amount) | 10,000        |
| b. | Service Tax @ 10%                    | 1,000         |
| c. | Cess on Service Tax @ 2%             | 20            |
| d. | Sec Cess on Service Tax @ 1%         | 10            |
|    | <b>Total invoice amount</b>          | <b>11,030</b> |

Assuming the buyer pays the seller only Rs. 5,000 the Service Tax payable is calculated as below:

|    | Particulars                                               | Rs.             |
|----|-----------------------------------------------------------|-----------------|
| a. | Charge paid on service $(10,000 \times 5,000)/11,030$     | 4,533           |
| b. | Service Tax on Rs.5000/- is $(1,000 \times 5,000)/11,030$ | 453             |
| c. | Cess on Service Tax is $(20 \times 5,000)/11,030$         | 9               |
| d. | Sec Cess on Service Tax is $(10 \times 5,000)/11,030$     | 5               |
|    | <b>Total Payment Received</b>                             | <b>5,000.00</b> |

### Abatements

Abatement refers to the percentage of tax exemption provided by the government on the value to be considered for calculation of Service Tax. It is either a percentage of the service charges or a lump sum amount.

|    | Particulars                                                                                  | Rs.    |
|----|----------------------------------------------------------------------------------------------|--------|
| a. | Charge on Service                                                                            | 10,000 |
| b. | An abatement of 30% amounts to:                                                              | 3,000  |
| c. | Here, the assessable value is (a-b)                                                          | 7,000  |
|    | <b>Therefore, Service Tax @ 10% on Rs. 7,000, Cess @ 2% and Sec Cess @ 1% on Service Tax</b> |        |

### Cenvat Credit

Service provider can avail Cenvat credit of service tax paid on input services and excise duty paid on inputs and capital goods. The credit can be utilised for payment of service tax on output services. However, in cases where the assessee is providing both taxable and exempt services and if input services are common, Cenvat credit can either be taken on proportionate basis or 8% 'amount' is required to be paid on exempted services.

### Payment of Service Tax

when the assessee is a corporate, service tax is payable on a monthly basis by the 5th of the following month. For example, service tax has to be paid by January 5, for the month of December.

Non-corporate bodies such as individuals, proprietary firms and partnership firms pay service tax for the fiscal quarter. The payment is to be made by the 5th day of the month, following the quarter. For example, service tax for the quarter ending June 30, is to be paid by July 5th. For the month of March though, corporate and non-corporate bodies, have to pay the service tax by March 31.

The service tax assessee must use a GAR 7 Challan to pay tax in the bank nominated by the commissionerate. The payment must be rounded off to the nearest rupee. It is advisable to use separate GAR 7 Challans for different categories of service.

## 17.2 Configuring Tally.ERP 9 for Service Tax

It is a one time configuration for Service Tax features to be enabled in Tally.ERP 9.

### 17.2.1 Salient Features of Service Tax compliant Tally.ERP 9

- ❑ Tally.ERP 9 tracks the details bill-wise and automatically calculates the Service Tax payable and Input Credit on each bill while offering the flexibility to make adjustments later.
- ❑ It has a built-in assessable value feature on which Service Tax is calculated. It also accounts for abatement and expenses.
- ❑ It maintains information on Service Tax category-wise which is mandatory for filing the Service Tax returns.
- ❑ It also makes a provision for exemption notification details.
- ❑ Eliminates error-prone information, incorrect remittances.
- ❑ It generates reports in the government suggested formats like GAR-7 Challans, ST3 Report, Management Information Services (MIS) reports and Service Tax Payable Reports.

Create a company called **FirstC Services** to understand the Service Tax feature of Tally.ERP 9.

### 17.2.2 Company Setup

#### Create a company

Go to **Gateway of Tally > Alt + F3: Company Info. > Create Company**

In the **Company Creation** screen,

- ❑ Specify **FirstC Services** as the **Company Name** and **Address details**
- ❑ Select **India** in the **Statutory Compliance** for field
- ❑ Specify the **State, Pin code & Accounts with Inventory** details
- ❑ Specify **Financial Year From & Books beginning from** date as **1-4-2009**

The completed **Company Creation** screen is displayed as shown below :

| Company Creation                     |                                                                      | Ctrl + M                                                                        |                           |
|--------------------------------------|----------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------|
| Directory                            | : C:\Tally.ERP9\Data                                                 |                                                                                 |                           |
| Name                                 | : FirstC Services                                                    |                                                                                 |                           |
| <b>Mailing &amp; Contact Details</b> |                                                                      | <b>Company Details</b>                                                          |                           |
| Mailing Name                         | : FirstC Services                                                    | Currency Symbol                                                                 | : Rs.                     |
| Address                              | : No. 23 & 24,<br>Block-D, Tech Park<br>Hosur Main Road<br>Bangalore | Maintain                                                                        | : Accounts with Inventory |
|                                      |                                                                      | Financial Year from                                                             | : 1-4-2009                |
|                                      |                                                                      | Books beginning from                                                            | : 1-4-2009                |
|                                      |                                                                      | <b>Security Control</b>                                                         |                           |
| Statutory compliance for             | : India                                                              | TallyVault Password (if any)                                                    | :                         |
| State                                | : Karnataka                                                          | Repeat Password                                                                 | :                         |
| PIN Code                             | : 560068                                                             | (WARNING: forgetting your TallyVault password will render your data unusable!!) |                           |
| Telephone No.                        | : 080-55692337                                                       | Use Security Control                                                            | : No                      |
| Mobile No.                           | : 9827926282                                                         | (Enable Security to avail Tally.NET Features)                                   |                           |
| E-Mail                               | : sales@firstcservices.com                                           |                                                                                 |                           |
| <b>Base Currency Information</b>     |                                                                      |                                                                                 |                           |
| Base Currency Symbol                 | : Rs.                                                                | Show Amounts in Millions                                                        | : No                      |
| Formal Name                          | : Indian Rupees                                                      | Put a SPACE between Amount and Symbol                                           | : Yes                     |
| Number of Decimal Places             | : 2                                                                  | Decimal Places for Printing Amounts in V                                        | : No                      |
| Is Symbol SUFFIXED to Amounts        | : No                                                                 |                                                                                 |                           |
| Symbol for Decimal Portion           | : paise                                                              |                                                                                 |                           |
|                                      |                                                                      |                                                                                 | <b>Accept ?</b>           |
|                                      |                                                                      |                                                                                 | Yes or No                 |

Figure 17.1 Company Creation screen

### 17.2.3 Enabling Service Tax

In the **F11: Features (Statutory & Taxation Features)**,

- ❑ Set **Enable Service Tax** to **Yes**.
- ❑ Enable **Set/Alter Service Tax Details** to **Yes**.

The **Company Operations Alteration** screen appears as shown below:

**Company Operations Alteration** Ctrl + M

---

Current Period:      Current Date:

Company: **FirstC Services**

**Statutory & Taxation**

|                                                                       |              |                                      |      |
|-----------------------------------------------------------------------|--------------|--------------------------------------|------|
| Enable Excise                                                         | ? No         | Enable Tax Deducted at Source (TDS)  | ? No |
| Set/Alter Excise Details                                              | ? No         | Set/Alter TDS Details                | ? No |
| (Note : 'Enable Maintain Multiple Godowns' for Multiple Excise Units) |              |                                      |      |
| Follow Excise rules for Invoicing                                     | ? No         | Enable Tax Collected at Source (TCS) | ? No |
| Enable Value Added Tax (VAT)                                          | ? No         | Set/Alter TCS Details                | ? No |
| Set/Alter VAT Details                                                 | ? No         | Enable Fringe Benefit Tax (FBT)      | ? No |
| Set/Alter FBT Details                                                 | ? No         | Set/Alter FBT Details                | ? No |
| Enable Service Tax                                                    | ? <b>Yes</b> |                                      |      |
| Set/Alter Service Tax Details                                         | ? <b>Yes</b> |                                      |      |

**Tax Information**

Local Sales Tax Number :  
Inter-state Sales Tax Number :  
PAN / Income - Tax No. :

F1: Accounts      F2: Inventory      F3: Statutory

Figure 17.2 Company Operations Alterations

- Press **Enter** to view the **Company Service Tax Details** screen and enter the details as shown below:

**Company Service Tax Details**

|                              |                                  |                        |               |
|------------------------------|----------------------------------|------------------------|---------------|
| Service Tax Registration No. | : FSKAR072BB4518                 | <b>Division</b>        |               |
| Date of Registration         | : 15-Apr-2008                    | Code                   | : 0901        |
| Assessee Code                | : AGR672KAR192F95                | Name                   | : BANGALORE-I |
| Premises Code No.            | : 7539512                        | <b>Range</b>           |               |
| Type of Organisation         | : Registered Private Ltd Company | Code                   | : 090111      |
| Is Large Tax Payer           | ? Yes                            | Name                   | : K.R. PURAM  |
| Large Tax Payer Unit         | : Hosur                          | <b>Commissionerate</b> |               |
|                              |                                  | Code                   | : 09          |
|                              |                                  | Name                   | : BANGALORE-I |

Figure 17.3 Company Service Tax Details

The fields that appears in the **Company Service Tax Details** screen are briefed below:

1. **Service Tax Registration No.:** Enter the registration number allotted to you by the Service Tax Department.

2. **Date of Registration:** Enter the date of registration of Service Tax for your service.
3. **Assessee Code:** Enter the code given to your company by the Service Tax Department.
4. **Premises Code No.** – Enter the Premises code/Location code. It is the identification number provided to the service tax payers.
5. **Type of Organisation:** Select the type of your organisation from the **List of Organisations** menu.



Figure 17.4 List of Organisations

6. **Is Large Tax Payer** – This field is set to Yes/No base on the amount of tax paid by the assessee.



***Large Tax payers** are those assesses who pay large amount of Tax. They are the eligible taxpayer for the purposes of being served by the LTU. For e.g.: Rs.5,00,00,000.*

7. **Large Tax payer Unit** : Enter the name of the unit where the large tax payers pay tax.
8. **Division:** Enter the code and name of the division your company falls under.
9. **Range:** Enter the code and name of the range your company falls under.
10. **Commissionerate:** Enter the code and name of the Commissionerate of Service Tax Department, under which the address of your Company's registered office is located.

#### 17.2.4 Service Tax Statutory Masters

Before creating masters, the following Statutory Master is loaded into Tally.ERP 9. To view the **Service Category**,

Go to **Gateway of Tally > Display > Statutory Info. > Service Categories > Advertising Agency**

| Service Category              |               | FirstC Services  |                      |               |                   |
|-------------------------------|---------------|------------------|----------------------|---------------|-------------------|
| Name : Advertising Agency     |               |                  |                      |               |                   |
| Applicable to Country : India |               |                  |                      |               |                   |
| Code                          |               | 00440016         |                      |               |                   |
| Accounting Code               |               | 00440013         |                      |               |                   |
| Category Code                 |               | ADV              |                      |               |                   |
| Sub-Clause No.                |               | e                |                      |               |                   |
| Service Tax Details           |               |                  |                      |               |                   |
| Applicable From               | Abatement (%) | Notification No. | Service Tax Rate (%) | Cess Rate (%) | Sec Cess Rate (%) |
| 1-4-2005                      |               |                  | 10 %                 | 2 %           |                   |
| 18-4-2006                     |               |                  | 12 %                 | 2 %           |                   |
| 11-5-2007                     |               |                  | 12 %                 | 2 %           | 1 %               |
| 24-2-2009                     |               |                  | 10 %                 | 2 %           | 1 %               |

Figure 17.5 Service Category

- ❑ The **Service Category** screen has a **Name** field showing the category, followed by the **Country Code**, **Accounting Code**, **Category Code** and **Sub-Clause No.** fields.
- ❑ The **Applicable From** column displays the date from which the **Abatement (%)**, **Service Tax Rate (%)**, **Cess Rate (%)** and **Secondary Cess Rate (%)** are applicable.

Each service category has a predefined master in Tally.ERP 9 which can also be updated for statutory changes from the Tally website ([www.Tallysolutions.com](http://www.Tallysolutions.com)). You can view the values for each of these categories in Tally.ERP 9.

### 17.3 Creating Masters

Let us create the following ledger masters related to Service Tax :

- ❑ Sundry Creditors
- ❑ Sundry Debtors
- ❑ Duties and Taxes
- ❑ Sales Accounts
- ❑ Purchase Accounts

### i. Create Sundry Creditor Ledger

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

1. Enter the Name as **KrazyCool Agencies**.
2. Select **Sundry Creditors** from the **List of groups** in the **Under** field.
3. Set **Maintain balances bill-by-bill** to **Yes**.
4. **Default Credit Period**: Leave the field blank
5. The **Inventory Values are affected?** field is set by default to **No**
6. Set **Is Service Tax Applicable** to **Yes**.
7. In the **Exemption Detail** screen enter the details as shown below:

| Exemption Details      |             |
|------------------------|-------------|
| Type of Classification | : Exempt    |
| Notification No.       | : KAR/09/72 |

Figure 17.6 Service Tax Exemption Details Screen

8. Under **Mailing Details** enter the **Address, State** and **PIN Code** details
9. Under **Tax Information** enter the **PAN/IT No.**
10. Enable the field **Set/Alter Service Tax Details** to **Yes**

| Ledger Creation                                   |  | FirstC Services                                          | Ctrl + |
|---------------------------------------------------|--|----------------------------------------------------------|--------|
| Name : KrazyCool Agencies<br>(alias) :            |  | Total Op. Bal.                                           |        |
| Under : Sundry Creditors<br>(Current Liabilities) |  | Mailing Details                                          |        |
| Maintain balances bill-by-bill : ? Yes            |  | Name : KrazyCool Agencies                                |        |
| Default Credit Period :                           |  | Address : Shop No. 05,<br>Jayanagar Complex<br>Bangalore |        |
| Inventory values are affected : ? No              |  | State : Karnataka                                        |        |
|                                                   |  | PIN Code : 560034                                        |        |
| Statutory Information                             |  | Tax Information                                          |        |
| Is Service Tax Applicable : ? Yes                 |  | PAN / IT No. : AGFRR5240B                                |        |
|                                                   |  | Sales Tax No. :                                          |        |
|                                                   |  | Set/Alter ServiceTax Details? <b>Yes</b>                 |        |
| Opening Balance ( on 1-Apr-2009) :                |  |                                                          |        |

Figure 17.7 Ledger Creation

11. In **Service Tax Details** screen enter the Service Tax Registration details



- In the **Service Tax No.** field enter the service tax registration number of the party
- In the **Service Tax Reg. Date** field enter the service tax registration date

| Service Tax Details                               |  | FirstC Services |                                                          | Ctrl + M |  |
|---------------------------------------------------|--|-----------------|----------------------------------------------------------|----------|--|
| Name : KrazyCool Agencies<br>(alias) :            |  |                 | Total Op. Bal.                                           |          |  |
| Under : Sundry Creditors<br>(Current Liabilities) |  |                 | Mailing Details                                          |          |  |
| Maintain balances bill-by-bill : ? Yes            |  |                 | Name : KrazyCool Agencies                                |          |  |
| Default Credit Period : :                         |  |                 | Address : Shop No. 05,<br>Jayanagar Complex<br>Bangalore |          |  |
| Inventory values are affected : ? No              |  |                 | State : Karnataka                                        |          |  |
|                                                   |  |                 | PIN Code : 560034                                        |          |  |
| Statutory Inf                                     |  |                 | Service Tax Details                                      |          |  |
| Is Service Tax Applicable : ? Yes                 |  |                 | Service Tax No. : 35623                                  |          |  |
|                                                   |  |                 | Service Tax Reg. Date : 1-Apr-2008                       |          |  |
|                                                   |  |                 | Tax Information                                          |          |  |
|                                                   |  |                 | Sales Tax No. : AGFRR5240B                               |          |  |
|                                                   |  |                 | Set/Alter ServiceTax Details? Yes                        |          |  |
| Opening Balance ( on 1-Apr-2009) :                |  |                 |                                                          |          |  |

Figure 17.8 Service Tax Details

12. Accept the **Service Tax Details** screen

The completed **Ledger Creation** screen appears as shown below:

| Ledger Creation                                   |  | FirstC Services                                          | Ctrl + |
|---------------------------------------------------|--|----------------------------------------------------------|--------|
| Name : KrazyCool Agencies<br>(alias) :            |  | Total Op. Bal.                                           |        |
| Under : Sundry Creditors<br>(Current Liabilities) |  | Mailing Details                                          |        |
| Maintain balances bill-by-bill : ? Yes            |  | Name : KrazyCool Agencies                                |        |
| Default Credit Period : ? No                      |  | Address : Shop No. 05,<br>Jayanagar Complex<br>Bangalore |        |
| Inventory values are affected : ? No              |  | State : Karnataka                                        |        |
| Is Service Tax Applicable : ? Yes                 |  | PIN Code : 560034                                        |        |
| Statutory Information                             |  | Tax Information                                          |        |
| PAN / IT No. : AGFRR5240B                         |  | Sales Tax No. :                                          |        |
| Set/Alter ServiceTax Details? Yes                 |  |                                                          |        |
| Opening Balance (on 1-Apr-2009) :                 |  | Accept ?                                                 |        |
|                                                   |  | Yes or No                                                |        |

Figure 17.9 Ledger Creation — KrazyCool Agencies

13. Press **Y** or **Enter** to accept the screen.

## ii. Create Sundry Debtor Ledger

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

1. Enter the Name as **Computech Systems**.
2. Select **Sundry Debtors** from the **List of groups**.
3. Set **Maintain balances bill-by-bill** to **Yes**.
4. The **Inventory Values are affected** field is set by default to **No**.
5. Set **Is Service Tax Applicable** to **Yes**.
6. In the **Exemption Detail** screen, enter the details as shown below:

| Exemption Details      |              |
|------------------------|--------------|
| Type of Classification | : Exempt     |
| Notification No.       | : KAR/025/81 |

Figure 17.10 Service Tax Exemption Details Screen

7. Under **Mailing Details** enter the **Address**, **State** and **PIN Code** details

8. Under **Tax Information** enter the **PAN/IT No.**
9. Enable the field **Set/Alter Service Tax Details** to **Yes**
10. In **Service Tax Details** screen enter the Service Tax Registration details

| Service Tax Details                        |  | FirstC Services |                                   | Ctrl + M |  |
|--------------------------------------------|--|-----------------|-----------------------------------|----------|--|
| Name : Computech Systems<br>(alias) :      |  |                 | Total Op. Bal.                    |          |  |
| Under : Sundry Debtors<br>(Current Assets) |  |                 | Mailing Details                   |          |  |
| Maintain balances bill-by-bill ? Yes       |  |                 | Name : Computech Systems          |          |  |
| Default Credit Period :                    |  |                 | Address : No. 135, 9th Main       |          |  |
| Inventory values are affected ? No         |  |                 | Jayanagar 7th Block               |          |  |
|                                            |  |                 | Bangalore                         |          |  |
|                                            |  |                 | State : Karnataka                 |          |  |
|                                            |  |                 | PIN Code : 560081                 |          |  |
| Statutory Info                             |  |                 | Tax Information                   |          |  |
| Is Service Tax Applicable ? Yes            |  |                 | Service Tax No. : 56241           |          |  |
|                                            |  |                 | Service Tax Reg. Date : 10.5.2000 |          |  |
|                                            |  |                 | Sales Tax No. :                   |          |  |
|                                            |  |                 | Set/Alter ServiceTax Details? Yes |          |  |
| Opening Balance ( on 1-Apr-2009) :         |  |                 |                                   |          |  |

Figure 17.11 Service Tax Details

11. Accept the **Service Tax Details** screen

The completed **Ledger Creation** screen appears as shown below:

| Ledger Creation                                                                                           |  | FirstC Services                                                                                                                                                 | Ctrl |
|-----------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| Name : Computech Systems<br>(alias) :                                                                     |  | Total Op. Bal.                                                                                                                                                  |      |
| Under : Sundry Debtors<br>(Current Assets)                                                                |  | <b>Mailing Details</b><br>Name : Computech Systems<br>Address : No. 135, 9th Main<br>Jayanagar 7th Block<br>Bangalore<br>State : Karnataka<br>PIN Code : 560081 |      |
| Maintain balances bill-by-bill : ? Yes<br>Default Credit Period :<br>Inventory values are affected : ? No |  | <b>Tax Information</b><br>PAN / IT No. :<br>Sales Tax No. :<br>Set/Alter ServiceTax Details? Yes                                                                |      |
| <b>Statutory Information</b><br>Is Service Tax Applicable : ? Yes                                         |  | <b>Accept ?</b><br>Yes or No                                                                                                                                    |      |
| Opening Balance ( on 1-Apr-2009 ) :                                                                       |  |                                                                                                                                                                 |      |

Figure 17.12 Ledger Creation — Computech Systems

12. Press **Y** or **Enter** to accept the ledger creation screen.

Similarly, create a ledger for **Global Business House** under the **Sundry Debtors** group.



*A Service Tax Ledger is used to predefine the rate of **Service Tax** and the rate of **Cess** on each transaction. Tally.ERP 9 gives you the option to predefine these values or directly select them during voucher entry.*

### iii. Create Service Tax Ledger

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

1. Enter the Name as **Input Service Tax**.
2. Select **Duties & Taxes** from the **List of groups** in the **Under** field.
3. In the **Type of Duty/ Tax** field select **Service Tax** from the **Type of Duty/Tax** list
4. In the Category Name, select **Advertising Agency** from the **List of Service Tax Categories**
5. Set **Inventory values are affected** to **No**.

The completed **Ledger Creation** screen appears as shown below :

| Ledger Creation                                 |  | FirstC Services                                                            | Ctrl                  |
|-------------------------------------------------|--|----------------------------------------------------------------------------|-----------------------|
| Name : Input Service Tax                        |  |                                                                            | Total Op. Bal.        |
| (alias) :                                       |  |                                                                            |                       |
| Under : Duties & Taxes<br>(Current Liabilities) |  |                                                                            |                       |
| Type of Duty/Tax : Service Tax                  |  |                                                                            |                       |
| Category Name : Advertising Agency              |  |                                                                            |                       |
| Inventory values are affected ? No              |  |                                                                            |                       |
|                                                 |  | <b>Mailing Details</b><br>Name :<br>Address :<br><br>State :<br>PIN Code : |                       |
|                                                 |  | <b>Tax Information</b><br><br>PAN / IT No. :<br><br>Sales Tax No. :        |                       |
| Opening Balance ( on 1-Apr-2009) :              |  |                                                                            | Accept ?<br>Yes or No |

Figure 17.13 Ledger Creation – INPUT Service Tax

6. Press **Y** or **Enter** to accept the screen.

### Practice Exercise

Create the following ledgers.

| Ledger                  | Under          | Type of Duty/Tax | Category Name      | Opening Balance |
|-------------------------|----------------|------------------|--------------------|-----------------|
| Output Service Tax      | Duties & Taxes | Service Tax      | Advertising Agency | Nil             |
| Input ST-TELEPHONE CHRG | Duties & Taxes | Service Tax      | Telephone Service  | Nil             |
| HSBC                    | Bank Accounts  | -                | -                  | 5,00,000        |

#### iv. Create Sales Ledger for Services

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**.

1. Enter the **Name** as **Consultancy Services**.
2. Select **Sales Accounts** from the **List of Groups** menu in the **Under** field.

3. Set **Inventory values** are affected to **No**.
4. Set **Is Service Tax Applicable** to **Yes**.
5. In the **Category Name**, select **Advertising Agency** from the list.
6. Set **Is Abatement Applicable** to **No**.

The completed **Ledger Creation** screen appears as shown below:

| Ledger Creation                     |  | FirstC Services        | Ctrl |
|-------------------------------------|--|------------------------|------|
| Name : Consultancy Services         |  | Total Op. Bal.         |      |
| (alias) :                           |  | 5,00,000.00 Dr         |      |
|                                     |  | Difference             |      |
|                                     |  | 5,00,000.00 Dr         |      |
| Under : Sales Accounts              |  | <b>Mailing Details</b> |      |
| Inventory values are affected ? Yes |  | Name :                 |      |
|                                     |  | Address :              |      |
|                                     |  | State :                |      |
|                                     |  | PIN Code :             |      |
| <b>Statutory Information</b>        |  | <b>Tax Information</b> |      |
| Is Service Tax Applicable ? Yes     |  | PAN / IT No. :         |      |
| Is Abatement Applicable ? No        |  | Sales Tax No. :        |      |
|                                     |  | <b>Accept ?</b>        |      |
| Opening Balance ( on 1-Apr-2009 ) : |  | Yes or No              |      |

Figure 17.14 Ledger Creation — Consultancy Services

7. Press **Y** or **Enter** to accept the screen.

#### v. Create Purchase Ledger for Services

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

1. Enter the **Name** as **Professional Services**.
2. Select **Purchases Accounts** from the **List of Groups**.
3. Set **Inventory Values** are affected to **Yes** if service is purchased as an item.
4. Set **Is Service Tax Applicable** to **Yes**.
5. In the **Category Name**, select **Advertising Agency** from the list.
6. Set **Is Abatement Applicable** to **No**.

The completed **Ledger Creation** screen appears as shown below:

| Ledger Creation                     |  | FirstC Services | Ctrl           |
|-------------------------------------|--|-----------------|----------------|
| Name : Professional Services        |  |                 | Total Op. Bal. |
| (alias) :                           |  |                 | 5,00,000.00 Dr |
|                                     |  |                 | Difference     |
|                                     |  |                 | 5,00,000.00 Dr |
| Under : Purchase Accounts           |  | Mailing Details |                |
| Inventory values are affected ? Yes |  | Name :          |                |
|                                     |  | Address :       |                |
|                                     |  | State :         |                |
|                                     |  | PIN Code :      |                |
|                                     |  | Tax Information |                |
| Is Service Tax Applicable ? Yes     |  | PAN / IT No. :  |                |
| Is Abatement Applicable ? No        |  | Sales Tax No. : |                |
| Statutory Information               |  |                 |                |
| Opening Balance ( on 1-Apr-2009) :  |  | Accept ?        |                |
|                                     |  | Yes or No       |                |

Figure 17.15 Ledger Creation — Professional Services

7. Press **Y** or **Enter** to accept the screen.



*If the field **Is Abatement Applicable** is set to **Yes** in the **Income/Expenses** or **Sales/Purchase** ledger masters, the **Abatement Details** screen appears, in which **Notification No.** and **Percentage** can be entered, which is captured in the invoice and can be altered.*

## 17.4 Entering Transactions

Tally.ERP 9 allows the user to record the Service Tax transactions in **Accounting Invoice** Mode or **Voucher** Mode. Enter the invoice using the **Accounting Invoice** Mode. This allows the Service Tax amount to be displayed automatically in the invoices, on selection of the Service Tax ledger. Tally.ERP 9 also supports purchase or sale of a service, as an item.

### 17.4.1 Creating Purchase Invoice

**On 15-4-09, FirstC Services received Professional Services from KrazyCool Agencies worth Rs. 1,75,000. The payment for the services was made on 16-4-2009.**

### Step1: Create Purchase Invoice

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchase**

1. Press **F2** and change the date to **15-4-2009**.
1. Enter the **Supplier Invoice No.** and **Date** as desired.
2. In the **Party's A/c Name**, select **KrazyCool Agencies** from the List of Ledger Accounts.
3. Select the **Name of Ledger** as **Professional Services** from the List of Ledger Accounts.
4. Enter the amount **Rs. 175000**.
5. Select the **Input Service Tax** ledger from the List of Ledger Accounts.

The **Service Tax Details** sub-form appears as shown below:

| Service Tax Computations                                    |                         | FirstC Services |                          | Ctrl + M           |
|-------------------------------------------------------------|-------------------------|-----------------|--------------------------|--------------------|
| Purchase                                                    | No. 1                   | Date :          | 15-Apr-2009<br>Wednesday |                    |
| Supplier Invoice No. :                                      |                         |                 |                          |                    |
| Party's A/c Name : KrazyCool Agencies                       |                         |                 |                          |                    |
| Current Balance :                                           |                         |                 |                          |                    |
| Particulars                                                 |                         | Rate            | per                      | Amount             |
| Professional Services                                       |                         |                 |                          | 1,75,000.00        |
| Input Service Tax                                           |                         | 10 %            |                          | 18,025.00          |
| (Cess 2 %, Sec Cess 1 %)                                    |                         |                 |                          |                    |
| <b>Service Tax-Bill Wise Detail for :</b>                   |                         |                 |                          |                    |
| Service Ledger                                              | : Professional Services |                 |                          |                    |
| Service Amount                                              | : 1,75,000.00           |                 |                          |                    |
| Is Pure Agent Service                                       | ? No                    |                 |                          |                    |
| Less :                                                      |                         |                 |                          |                    |
| Abatement Notification No. :                                |                         |                 |                          |                    |
| Abatement                                                   | : @                     | 0 %             |                          |                    |
| Expense                                                     |                         |                 |                          |                    |
| Assessable Value                                            | :                       |                 | <u>1,75,000.00</u>       |                    |
| Service Tax                                                 | : @                     | 10 %            |                          | 17,500.00          |
| Cess                                                        | : @                     | 2 %             |                          | 350.00             |
| Sec Cess                                                    | : @                     | 1 %             |                          | 175.00             |
| Total Service Tax                                           | :                       |                 | <u>18,025.00</u>         |                    |
| <b>Service Tax-Bill Wise Detail for : Input Service Tax</b> |                         |                 |                          |                    |
| Type of Ref                                                 | Name                    | Amount          | Dr/                      | Cr                 |
| New Ref                                                     | Purc/1                  | 18,025.00       | Dr                       |                    |
|                                                             |                         |                 |                          | <u>1,93,025.00</u> |

Figure 17.16 Service Tax Details screen



*Tally.ERP 9 allows you to make the necessary changes in the **Service Tax Details** screen.*

6. In The **Bill-wise Details** screen, select **New Ref** and type the Name as **KC-1**.
  - Select **INPUT Service Tax** from the List of Service Tax Ledgers.



The **Completed Bill-wise Details** appears as shown below:

| Bill-wise Details                          |                |                             | FirstC Services    |                |           | Ctrl + M                |  |  |
|--------------------------------------------|----------------|-----------------------------|--------------------|----------------|-----------|-------------------------|--|--|
| Purchase No. 1                             |                |                             |                    |                |           | 15-Apr-2009             |  |  |
| Supplier Invoice No. :                     |                | Date :                      |                    | Wednesday      |           |                         |  |  |
| Party's A/c Name : KrazyCool Agencies      |                |                             |                    |                |           |                         |  |  |
| Current Balance :                          |                |                             |                    |                |           |                         |  |  |
| Bill-wise Details for : KrazyCool Agencies |                |                             |                    |                |           | Rate per                |  |  |
| Upto: Rs. 1,93,025.00 Cr                   |                |                             |                    |                |           | Amount                  |  |  |
| Type of Ref                                | Name           | Due Date, or<br>Credit Days | Service Tax Ledger | Amount         | Dr/<br>Cr | 1,75,000.00             |  |  |
|                                            | Method of Adj. | f. 15-4-2009)               |                    |                |           | 18,025.00               |  |  |
|                                            | Advance        |                             |                    |                |           | (Cess 2 %, Sec Cess1 %) |  |  |
| New Ref                                    | Agst Ref       |                             | Input Service Tax  | 1,93,025.00    | Cr        |                         |  |  |
|                                            | New Ref        |                             |                    |                |           |                         |  |  |
|                                            | On Account     |                             |                    |                |           |                         |  |  |
|                                            |                |                             |                    |                |           | 1,93,025.00             |  |  |
|                                            |                |                             |                    | 1,93,025.00 Cr |           |                         |  |  |

Figure 17.17 Bill wise Details for: KrazyCool Agencies

The Completed **Purchase Invoice** appears as shown below:

| Accounting Voucher Creation                  |                          | FirstC Services | Ctrl + M    |
|----------------------------------------------|--------------------------|-----------------|-------------|
| <b>Purchase</b>                              | No. 1                    |                 | 15-Apr-2009 |
| Supplier Invoice No. :                       | Date :                   |                 | Wednesday   |
| Party's A/c Name : <b>KrazyCool Agencies</b> |                          |                 |             |
| Current Balance :                            |                          |                 |             |
| Particulars                                  | Rate                     | per             | Amount      |
| Professional Services                        |                          |                 | 1,75,000.00 |
| Input Service Tax                            |                          | 10 %            | 18,025.00   |
|                                              | (Cess 2 %, Sec Cess 1 %) |                 |             |
| Narration:                                   |                          |                 | Accept ?    |
|                                              |                          |                 | Yes or No   |

Figure 17.18 Purchase Invoice

7. Press **Y** or **Enter** to accept the screen.

## Step 2: Create Payment Voucher

Go to **Gateway of Tally > Accounting Vouchers > F5: Payment**



*In the **F12: Configuration**, set **Use Single Entry mode for Pymt/Rcpt/ Contra** to **Yes**.*

1. Press **F2** and change the date to **16-4-2009**.
2. In the **Account** field, select **HSBC** from the List of Ledger Accounts.
3. In the **Particulars** field select **KrazyCool Agencies** from the List of Ledger Accounts.
4. Enter **Rs. 1,93,025** in the **Amount** field.
5. In the **Bill-wise Details** screen, select **Agst Ref**.

The **Bill-wise details** screen appears as shown below:

| Bill-wise Details                                 |       | FirstC Services             |                    | Ctrl + M                 |                          |
|---------------------------------------------------|-------|-----------------------------|--------------------|--------------------------|--------------------------|
| Payment                                           | No. 1 |                             |                    | 15-Apr-2009<br>Wednesday |                          |
| Account : HSBC                                    |       |                             |                    |                          |                          |
| Cur Bal: 3,06,975.00 Dr                           |       |                             |                    |                          |                          |
| Bill-wise Details for : <b>KrazyCool Agencies</b> |       |                             |                    | Amount                   |                          |
| Upto: <b>Rs. 1,93,025.00 Dr</b>                   |       |                             |                    | 1,93,025.00              |                          |
| Type of Ref                                       | Name  | Due Date, or<br>Credit Days | Service Tax Ledger | Amount                   | Dr/<br>Cr                |
| List of Pending Bills                             |       |                             |                    |                          |                          |
| Agst Ref                                          |       |                             |                    |                          |                          |
|                                                   |       |                             | <b>KC-1</b>        | <b>15-Apr-2009</b>       | <b>1,93,025.00 Cr</b>    |
|                                                   |       |                             |                    |                          | <b>Input Service Tax</b> |
|                                                   |       |                             |                    | 1,93,025.00              |                          |

Figure 17.19 Bill-wise Details for KrazyCool Agencies

- Select **KC-1** from the List of Pending Bills and accept the Bill-wise Details screen.

6. Enter **Narration**, if any.

The completed **Payment Voucher** appears as shown below:

| Accounting Voucher Creation                                    |  | FirstC Services | Ctrl + M                |
|----------------------------------------------------------------|--|-----------------|-------------------------|
| <b>Payment</b> No. 1                                           |  |                 | 16-Apr-2009<br>Thursday |
| Account : <b>HSBC</b><br>Cur Bal: 3,06,975.00 Dr               |  |                 |                         |
| Particulars                                                    |  |                 | Amount                  |
| <b>KrazyCool Agencies</b><br>Cur Bal: 0.00 Dr<br>Agst Ref KC-1 |  |                 | 1,93,025.00             |
| 1,93,025.00 Dr Input Service Tax                               |  |                 |                         |
| Narration:<br>Ch. No. : 321475                                 |  |                 | 1,93,025.00             |
|                                                                |  |                 | Accept ?                |
|                                                                |  |                 | Yes or No               |

Figure 17.20 Payment Voucher

7. Press **Y** or **Enter** to accept the Payment voucher.

### 17.4.2 Creating Sales Invoice

**On 20-4-2009, Consultancy Services worth Rs. 7,00,000 was provided to Computech Systems and the amount was received on 25-4-2009.**

#### Step 1: Create Sales Invoice

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

1. Press **F2** and change the date to **20-4-2009**.
2. In the **Party's A/c Name**, select **Computech Systems** from the List of Ledger Accounts.
3. Press **Enter** to view the **Despatch Details** and accept the default details.
4. Select **Consultancy Services** from the List of Ledger Accounts.
5. Enter the amount as **Rs. 700000**.
6. Select **Output Service Tax** from the List of Ledger Accounts.

The resultant **Service Tax Details** appears as shown below:

| Service Tax Computations                                     |                        | FirstC Services          | Ctrl + M              |
|--------------------------------------------------------------|------------------------|--------------------------|-----------------------|
| Sales                                                        | No. 1                  |                          | 20-Apr-2009<br>Monday |
| Ref. :                                                       |                        |                          |                       |
| Party's A/c Name : Computech Systems                         |                        |                          |                       |
| Current Balance :                                            |                        |                          |                       |
| Particulars                                                  |                        | Rate per                 | Amount                |
| Consultancy Services                                         |                        |                          | 7,00,000.00           |
| Exemption Notification No. : KAR/025/81                      |                        |                          |                       |
| <b>Service Tax-Bill Wise Detail for :</b>                    |                        | 10 %                     | 72,100.00             |
|                                                              |                        | (Cess 2 %, Sec Cess 1 %) |                       |
| Service Ledger                                               | : Consultancy Services |                          |                       |
| Service Amount                                               | : 7,00,000.00          |                          |                       |
| Is Pure Agent Service                                        | ? No                   |                          |                       |
| Less :                                                       |                        |                          |                       |
| Abatement Notification No. :                                 |                        |                          |                       |
| Abatement                                                    | : @ 0 %                |                          |                       |
| Expense                                                      | :                      |                          |                       |
| Assessable Value                                             | : 7,00,000.00          |                          |                       |
| Service Tax                                                  | : @ 10 %               | 70,000.00                |                       |
| Cess                                                         | : @ 2 %                | 1,400.00                 |                       |
| Sec Cess                                                     | : @ 1 %                | 700.00                   |                       |
| Total Service Tax                                            | : 72,100.00            |                          |                       |
| <b>Service Tax-Bill Wise Detail for : Output Service Tax</b> |                        |                          |                       |
| Type of Ref                                                  | Name                   | Amount                   | Dr/<br>Cr             |
| New Ref                                                      | Sale/1                 | 72,100.00                | Cr                    |
|                                                              |                        |                          | 7,72,100.00           |

Figure 17.21 Service Tax Details screen

7. The **Bill-wise Details** screen, select **New Ref** from the **Method of Adj.**

Bill-wise Details

FirstC Services

Ctrl + M

Sales

No. 1

20-Apr-2009

Monday

Ref. :

Party's A/c Name : Computech Systems

Current Balance :

Bill-wise Details for : Computech Systems

Upto: Rs. 7,72,100.00 Dr

| Type of Ref | Name | Due Date, or<br>Credit Days<br>(wef: 20-4-2009) | Service Tax Ledger | Amount      | Dr/<br>Cr |
|-------------|------|-------------------------------------------------|--------------------|-------------|-----------|
| New Ref     | 1    |                                                 | Output Service Tax | 7,72,100.00 | Dr        |
|             |      |                                                 |                    | 7,72,100.00 | Dr        |

Rate per

Amount

7,00,000.00

10 %

72,100.00

(Cess 2 %, Sec Cess1 %)

7,72,100.00

7,72,100.00

Figure 17.22 Bill-wise Details for Computech Systems

8. Enter the Name as **1** and select the Service Tax ledger as **Output Service Tax**.

The completed **Sales Invoice** appears as shown below:

| Accounting Voucher Creation             |                          | FirstC Services | Ctrl + M              |
|-----------------------------------------|--------------------------|-----------------|-----------------------|
| <b>Sales</b>                            | No. 1                    |                 | 20-Apr-2009<br>Monday |
| Ref. :                                  |                          |                 |                       |
| Party's A/c Name : Computech Systems    |                          |                 |                       |
| Current Balance :                       |                          |                 |                       |
| Particulars                             | Rate                     | per             | Amount                |
| Consultancy Services                    |                          |                 | 7,00,000.00           |
| Exemption Notification No. : KAR/025/81 |                          |                 |                       |
| Output Service Tax                      |                          | 10 %            | 72,100.00             |
|                                         | (Cess 2 %, Sec Cess 1 %) |                 |                       |
| Narration:                              |                          |                 |                       |
|                                         |                          |                 | Accept ?<br>Yes or No |

Figure 17.23 Sales Invoice

9. Press **Y** or **Enter** to accept the Sales Invoice.

## Step 2: Create Receipt Voucher

Go to **Gateway of Tally > Accounting Vouchers > F6: Receipt**



*In the **F12: Configuration**, set **Use Single Entry mode for Pymt/Rcpt/Contra** to **No**.*

1. Press **F2** and change the date to **25-4-2009**.
2. Select **Computech Systems** in the **Credit** field and enter the amount as **Rs. 772100**.
3. In the Bill-wise Details screen, select **Agst Ref** from **Method of Adj**.

The **Bill-wise Details** screen appears as shown below:

| Bill-wise Details                                                                                                                                                                                              |      |                             |                    | FirstC Services |                    | Ctrl + M                |          |  |   |             |                |                    |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------------------------|--------------------|-----------------|--------------------|-------------------------|----------|--|---|-------------|----------------|--------------------|--|
| Receipt No. 1                                                                                                                                                                                                  |      |                             |                    |                 |                    | 25-Apr-2009<br>Saturday |          |  |   |             |                |                    |  |
| Particulars                                                                                                                                                                                                    |      |                             |                    | Debit           | Credit             |                         |          |  |   |             |                |                    |  |
| Bill-wise Details for: <b>Computech Systems</b><br>Upto: <b>Rs. 7,72,100.00 Cr</b>                                                                                                                             |      |                             |                    |                 |                    | 7,72,100.00             |          |  |   |             |                |                    |  |
| Type of Ref                                                                                                                                                                                                    | Name | Due Date, or<br>Credit Days | Service Tax Ledger | Amount          | Dr/<br>Cr          |                         |          |  |   |             |                |                    |  |
| <div> <div>List of Pending Bills</div> <table border="1"> <tr> <td>Agst Ref</td> <td></td> <td>1</td> <td>20-Apr-2009</td> <td>7,72,100.00 Dr</td> <td>Output Service Tax</td> <td></td> </tr> </table> </div> |      |                             |                    |                 |                    |                         | Agst Ref |  | 1 | 20-Apr-2009 | 7,72,100.00 Dr | Output Service Tax |  |
| Agst Ref                                                                                                                                                                                                       |      | 1                           | 20-Apr-2009        | 7,72,100.00 Dr  | Output Service Tax |                         |          |  |   |             |                |                    |  |
|                                                                                                                                                                                                                |      |                             |                    |                 |                    | 7,72,100.00             |          |  |   |             |                |                    |  |

Figure 17.24 Bill-wise Details for Computech Systems

4. Select the **Sales Voucher** from the List of Pending Bills to default **Service Tax Ledger** and **Amount**.
5. Accept the **Bill-wise Details** screen.
6. In Debit field select **HSBC Bank** from the List of Ledger Accounts, Amount is defaulted automatically.
7. In **Narration** field enter the Cheque Number.

The completed **Receipt Voucher** is displayed as shown:



| Accounting Voucher Creation |             | FirstC Services         | Ctrl + M    |
|-----------------------------|-------------|-------------------------|-------------|
| <b>Receipt</b> No. 1        |             | 25-Apr-2009<br>Saturday |             |
| Particulars                 | Debit       | Credit                  |             |
| Cr <b>Computech Systems</b> |             | 7,72,100.00             |             |
| Cur Bal: 0.00 Cr            |             |                         |             |
| Agst Ref 1                  | 7,72,100.00 | Cr Output Service Tax   |             |
| Dr <b>HSBC</b>              |             | 7,72,100.00             |             |
| Cur Bal: 10,79,075.00 Dr    |             |                         |             |
| Narration:                  |             |                         |             |
| Ch. No. : 552166            |             |                         |             |
|                             |             | 7,72,100.00             | 7,72,100.00 |
|                             |             | Accept ?                |             |
|                             |             | Yes or No               |             |

Figure 17.25 Receipt Voucher

8. Press **Y** or **Enter** to accept the Receipt Voucher.



*Tally.ERP 9 calculates the **Service Tax liability** based on the amount received against serviced rendered i.e., Sales Invoice amount.*

### Step 3 : Display Service Tax Payables Report

Go to **Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Service Tax Payables**.

The **Service Tax Payables report** displays the pending service tax payables for the selected period.

| Service Tax Payable |          |                   |                    |                          |                |          |                          |                           |                 |
|---------------------|----------|-------------------|--------------------|--------------------------|----------------|----------|--------------------------|---------------------------|-----------------|
| FirstC Services     |          |                   |                    |                          |                |          |                          |                           |                 |
| Service Tax Payable |          |                   |                    |                          |                |          |                          |                           |                 |
| as at 25-Apr-2009   |          |                   |                    |                          |                |          |                          |                           |                 |
| Date                | Ref. No. | Partys' Name      | Category Name      | Bill Value               |                |          | Realised Value           |                           |                 |
|                     |          |                   |                    | Assessa-<br>ble<br>Value | Service<br>Tax | Cess     | Assessa-<br>ble<br>Value | Service<br>Tax<br>Payable | Cess<br>Payable |
| 20-Apr-2009         | Sale/1   | Computech Systems | Advertising Agency | 7,00,000.00              | 70,000.00      | 2,100.00 | 7,00,000.00              | 70,000.00                 | 2,100.00        |
| Total               |          |                   |                    | 7,00,000.00              | 70,000.00      | 2,100.00 | 7,00,000.00              | 70,000.00                 | 2,100.00        |
|                     |          |                   |                    | 72,100.00                |                |          |                          |                           |                 |

Figure 17.26 Service Tax Payable

The **Service Tax payable report** displays **Rs. 72,100** as the Service Tax due

## 17.5 Accounting for Advance Receipts

As mentioned earlier, Service tax is not applicable on the receipt of advance for a service until the invoice is raised. Service tax is to be paid on the amount received on the invoice value including the advance received.

*On 27-4-09, FirstC Services receives an advance of Rs. 70,000 for a service rendered by it from Global Business House as on 29-4-2009.*

*On 29-4-2009, FirstC Services, completed the contract and raised an invoice on Global Business House towards Advertising Agency Services with 10% Service Tax, 2% Education Cess and 1% Secondary Education Cess for a total amount of Rs 1,70,000 of which Rs 70,000 was received as an advance. Service tax, Education Cess and Secondary Cess is calculated on the total assessable value of Rs. 1,70,000.*

### Step 1: Create Receipt Voucher

Go to **Gateway of Tally > Accounting Vouchers > F6: Receipt**

1. Press **F2** and change the date to **27-4-2009**.
2. Select **Global Business House** in the **Credit** field and enter the amount as **Rs. 70,000**.
3. In the **Bill-wise Details** screen, select **Advance** from the **Method of Adj.**

The **Bill Wise Details** screen appears as shown below :

| Bill-wise Details                                                                     |      |                                                 |                           |           | FirstC Services                                                                                                                                                                                            |  | Ctrl + M |  |
|---------------------------------------------------------------------------------------|------|-------------------------------------------------|---------------------------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------|--|
| Receipt No. 2                                                                         |      |                                                 |                           |           | List Of Service Tax Ledgers                                                                                                                                                                                |  |          |  |
| Particulars                                                                           |      |                                                 |                           |           | <input type="checkbox"/> Not Applicable<br><input type="checkbox"/> Input Service Tax<br><input type="checkbox"/> Input ST-TELEPHONE CHRG<br><input checked="" type="checkbox"/> <b>Output Service Tax</b> |  |          |  |
| Bill-wise Details for : <b>Global Business House</b><br>Upto: <b>Rs. 70,000.00 Cr</b> |      |                                                 |                           |           |                                                                                                                                                                                                            |  |          |  |
| Type of Ref                                                                           | Name | Due Date, or<br>Credit Days<br>(wef: 27-4-2009) | Service Tax Ledger        | Amount    | Dr/<br>Cr                                                                                                                                                                                                  |  |          |  |
| Advance                                                                               | GBH  |                                                 | <b>Output Service Tax</b> | 70,000.00 | Cr                                                                                                                                                                                                         |  |          |  |
|                                                                                       |      |                                                 |                           | 70,000.00 | Cr                                                                                                                                                                                                         |  |          |  |

Figure 17.27 Bill-wise Details for Global Business House

4. Type the Name as **GBH** and select **Output Service Tax** as the Service Tax Ledger.
5. In Debit field select **HSBC** Bank from the List of Ledger Accounts, Amount is defaulted automatically.
6. In **Narration** field enter the Cheque Number.

The completed **Receipt Voucher** appears as shown below:

Figure 17.28 Receipt Voucher

## Step 2: Create Sales Invoice

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

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| Service Tax Computations                                     |                        | FirstC Services | Ctrl + M                 |
|--------------------------------------------------------------|------------------------|-----------------|--------------------------|
| Sales                                                        | No. 2                  |                 | 29-Apr-2009<br>Wednesday |
| Ref. :                                                       |                        |                 |                          |
| Party's A/c Name : Global Business House                     |                        |                 |                          |
| Current Balance : 70,000.00 Cr                               |                        |                 |                          |
| Particulars                                                  | Rate                   | per             | Amount                   |
| Consultancy Services                                         |                        |                 | 1,70,000.00              |
| Output Service Tax                                           | 10 %                   |                 | 17,510.00                |
| <b>Service Tax-Bill Wise Detail for :</b>                    |                        |                 |                          |
| Service Ledger                                               | : Consultancy Services |                 |                          |
| Service Amount                                               | : 1,70,000.00          |                 |                          |
| Is Pure Agent Service                                        | ? No                   |                 |                          |
| Less :                                                       |                        |                 |                          |
| Abatement Notification No.                                   | :                      |                 |                          |
| Abatement                                                    | @                      | 0 %             |                          |
| Expense                                                      | :                      |                 |                          |
| Assessable Value                                             | : 1,70,000.00          |                 |                          |
| Service Tax                                                  | @                      | 10 %            | 17,000.00                |
| Cess                                                         | @                      | 2 %             | 340.00                   |
| Sec Cess                                                     | @                      | 1 %             | 170.00                   |
| Total Service Tax                                            | : 17,510.00            |                 |                          |
| <b>Service Tax-Bill Wise Detail for : Output Service Tax</b> |                        |                 |                          |
| Type of Ref                                                  | Name                   | Amount          | Dir/<br>Cr               |
| New Ref                                                      | GBH001                 | 17,510.00       | Cr                       |
|                                                              |                        |                 | 1,87,510.00              |

Figure 17.29 Service Tax Details



*In **Service Tax-Bill Wise Details for** section, the **Bill-Wise Details** are defaulted automatically. The **Bill-Wise details** can also be changed to the required reference number.*

7. In the **Bill-wise Details** screen, enter the details as shown below:

| Bill-wise Details                             |        |                                                 | FirstC Services                |             | Ctrl + M                 |                                      |
|-----------------------------------------------|--------|-------------------------------------------------|--------------------------------|-------------|--------------------------|--------------------------------------|
| Sales No. 2                                   |        |                                                 | Ref. :                         |             | 29-Apr-2009<br>Wednesday |                                      |
| Party's A/c Name : Global Business House      |        |                                                 | Current Balance : 70,000.00 Cr |             |                          |                                      |
| Bill-wise Details for : Global Business House |        |                                                 | Upto: Rs. 1,87,510.00 Dr       |             |                          |                                      |
| Type of Ref                                   | Name   | Due Date, or<br>Credit Days<br>(wef: 29-4-2009) | Service Tax Ledger             | Amount      | Dr/<br>Cr                | Rate per Amount                      |
| Agst Ref                                      | GBH    |                                                 | Output Service Tax             | 70,000.00   | Dr                       | 1,70,000.00                          |
| New Ref                                       | GBH001 |                                                 | Output Service Tax             | 1,17,510.00 | Dr                       | 17,510.00<br>(Cess 2 %, Sec Cess1 %) |
|                                               |        |                                                 |                                | 1,87,510.00 | Dr                       | 1,87,510.00                          |

Figure 17.30 Bill-wise Details for Global Business House

The resultant **Sales Invoice** appears as shown below:

| Accounting Voucher Creation              |                          | FirstC Services | Ctrl + M                 |
|------------------------------------------|--------------------------|-----------------|--------------------------|
| <b>Sales</b>                             | No. 2                    |                 | 29-Apr-2009<br>Wednesday |
| Ref. :                                   |                          |                 |                          |
| Party's A/c Name : Global Business House |                          |                 |                          |
| Current Balance : 70,000.00 Cr           |                          |                 |                          |
| Particulars                              | Rate                     | per             | Amount                   |
| Consultancy Services                     |                          |                 | 1,70,000.00              |
| Output Service Tax                       | 10 %                     |                 | 17,510.00                |
|                                          | (Cess 2 %, Sec Cess 1 %) |                 |                          |
| Narration:                               |                          |                 |                          |
|                                          |                          |                 | Accept ?<br>Yes or No    |

Figure 17.31 Sales Invoice

8. Press **Y** or **Enter** to accept the Sales Invoice.

### Step 3: Display Service Tax Payable Report

This will display the **Service Tax Payable** screen. This report contains the pending Service Tax payables for the selected period.

Go to **Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Service Tax Payables**.

The **Service Tax Payable** screen appears as shown below:

| Service Tax Payable |          |                       |                    |                          |                |          |                          |                           |                 |
|---------------------|----------|-----------------------|--------------------|--------------------------|----------------|----------|--------------------------|---------------------------|-----------------|
| FirstC Services     |          |                       |                    |                          |                |          |                          |                           |                 |
| Service Tax Payable |          |                       |                    |                          |                |          |                          |                           |                 |
| as at 29-Apr-2009   |          |                       |                    |                          |                |          |                          |                           |                 |
| Date                | Ref. No. | Partys' Name          | Category Name      | Bill Value               |                |          | Realised Value           |                           |                 |
|                     |          |                       |                    | Assessa-<br>ble<br>Value | Service<br>Tax | Cess     | Assessa-<br>ble<br>Value | Service<br>Tax<br>Payable | Cess<br>Payable |
| 20-Apr-2009         | Sale/1   | Computech Systems     | Advertising Agency | 7,00,000.00              | 70,000.00      | 2,100.00 | 7,00,000.00              | 70,000.00                 | 2,100.00        |
| 29-Apr-2009         | GBH001   | Global Business House | Advertising Agency | 1,70,000.00              | 17,000.00      | 510.00   | 63,463.30                | 6,346.33                  | 190.39          |
| Total               |          |                       |                    | 8,70,000.00              | 87,000.00      | 2,610.00 | 7,63,463.30              | 76,346.33                 | 2,290.39        |

Figure 17.32 Service Tax Payable

## 17.6 Accounting for Opening Service Tax Credit

The pending Service Tax payables and available Input Credit on Service Tax can be transferred from the previous financial year to the current financial year in Tally.ERP 9.

**On 30-4-09, FirstC Services decided to pay Service Tax to the government. Information pertaining to the Previous year is given below:**

- ❑ **Input Service Tax Credit for Rs. 1,030** on 10,000 bill value
- ❑ **Service Tax payable of Rs. 2,060** on 20,000 bill value

### Setup :

Create the following ledgers:

- ❑ **BSNL** under Sundry Debtors. Set Is Service Tax applicable to Yes.
- ❑ **Service Tax Credit** under Duties and Taxes with an opening balance of Rs. **1030**. Select the Type of Duty/Tax as Others.



- The completed **Service Tax Payable** ledger creation screen appears as shown below:

Figure 17.33 Ledger Creation — Service Tax Payable

- ### Step 1: Create Journal Voucher

1. Press **F2** and change the date to **1-4-2009**.
2. Select **Input ST-Telephone Charges** in the Debit field and enter the amount as Rs. 1030 for **Telephone Services**.
3. In the Service Tax Bill Details for **Input ST-Telephone CHRG**, select **New Ref** and type the Name as **Jrnl/11**.
4. Enter the **amount** Rs. 1,030

Figure 17.34 Service Tax Bill Details

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| Service Tax Opening Bills                                                                                                                                                                                                                                  |         | FirstC Services |     | Ctrl + M                |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------------|-----|-------------------------|--|
| Journal No. 1                                                                                                                                                                                                                                              |         |                 |     | 1-Apr-2009<br>Wednesday |  |
| Particulars                                                                                                                                                                                                                                                |         | Debit           |     | Credit                  |  |
| Service Tax Bill Details for : Input ST-TELEPHONE CHRG                                                                                                                                                                                                     |         | 1,030.00        |     |                         |  |
| Type of Ref                                                                                                                                                                                                                                                | Name    | Amount          | Dr/ | Cr                      |  |
| New Ref                                                                                                                                                                                                                                                    | Jrnl/11 | 1,030.00        | Dr  |                         |  |
| <b>Service Tax Opening Bills for :</b><br>Service Tax Opening Bills for : Input ST-TELEPHONE CHRG                                                                                                                                                          |         |                 |     |                         |  |
| Party Ledger : BSNL<br>Bill Name : <b>Not Applicable</b><br>Abatement % : @ 0<br>Expense :<br>Assessable Value : 10,000.00<br>Service Tax % : @ 10<br>Cess % : @ 2<br>Sec Cess % : @ 1<br>Service Tax : 1,000.00<br>Cess : 20.00 Dr<br>Sec Cess : 10.00 Dr |         |                 |     |                         |  |
|                                                                                                                                                                                                                                                            |         | 1,030.00        |     |                         |  |

Figure 17.35 Service Tax Opening Bill Details

6. Press **Ctrl+A** to accept the screen.



Enter the bill reference number associated with the **Tax Ledger** in the **Bill Name** field. Select **Not Applicable** in case there is no bill reference number.

7. Select **Service Tax Credit** in the Credit field.

The completed **Journal Voucher** appears as shown below:

| Accounting Voucher Creation                               |          | FirstC Services         | Ctrl + M |
|-----------------------------------------------------------|----------|-------------------------|----------|
| <b>Journal</b> No. 1                                      |          | 1-Apr-2009<br>Wednesday |          |
| Particulars                                               | Debit    | Credit                  |          |
| Dr <b>Input ST-TELEPHONE CHRG</b><br>Cur Bal: 1,030.00 Cr | 1,030.00 |                         |          |
| Cr <b>Service Tax Credit</b><br>Cur Bal: 0.00 Cr          |          | 1,030.00                |          |
| Narration:                                                |          | 1,030.00                | 1,030.00 |
|                                                           |          | Accept ?<br>Yes or No   |          |

Figure 17.36 Journal Voucher

8. Press **Y** or **Enter** to accept the Journal voucher.

### Step 2 : Create Journal Voucher

Pass a journal voucher for transferring the previous year's balance of the Advertising Agency category to the **Service Tax Payable ledger**

Go to **Gateway of Tally > Accounting Vouchers > F7: Journal**.

The completed **Journal voucher** appears as shown below:

| Accounting Voucher Creation                           |          | FirstC Services         | Ctrl + M |
|-------------------------------------------------------|----------|-------------------------|----------|
| <b>Journal</b> No. 2                                  |          | 1-Apr-2009<br>Wednesday |          |
| Particulars                                           | Debit    | Credit                  |          |
| Dr <b>Service Tax Payable</b><br>Cur Bal: 0.00 Dr     | 2,060.00 |                         |          |
| Cr <b>Output Service Tax</b><br>Cur Bal: 85,133.28 Cr |          | 2,060.00                |          |
| Narration:                                            |          | 2,060.00                | 2,060.00 |
|                                                       |          | Accept ?<br>Yes or No   |          |

Figure 17.37 Journal Voucher

- Press **Y** or **Enter** to accept the Journal Voucher.

## 17.7 Payment of Service Tax

*On 05-5-2009, FirstC Services, paid Service Tax of Rs. 5506.72 towards Advertising Agency Services, vide cheque no. 551899 after adjusting Input Service Tax Credit on Telephone Services.*



- *Payment of Service Tax is done through a normal payment voucher.*
- *You can make a payment for a single category in one payment voucher.*

### Step 1: Create Payment Voucher

Go to **Gateway of Tally > Accounting Vouchers > F5: Payment**

1. Press **F2** and change the date to **05-5-2009**.
2. Select the Output Service Tax Ledger, to be debited, from the **List of Ledger Accounts**.

The **Tax Bill Details** screen appears as shown below:

| Tax Bill Details                                         |       | FirstC Services       |                    | Ctrl + M           |                     |
|----------------------------------------------------------|-------|-----------------------|--------------------|--------------------|---------------------|
| Payment                                                  | No. 2 | 5-May-2009<br>Tuesday |                    |                    |                     |
| Particulars                                              |       | Debit                 | Credit             |                    |                     |
| Service Tax Bill Details for : <b>Output Service Tax</b> |       |                       |                    |                    |                     |
| Type of Ref                                              | Name  | Amount                | Ref                |                    |                     |
| Pending Service Sales Tax Bills                          |       |                       |                    |                    |                     |
| Agst Ref                                                 |       | <b>GBH001</b>         | <b>29-Apr-2009</b> | <b>6,536.72 Cr</b> | <b>17,510.00 Cr</b> |
|                                                          |       | JrnI/12               | 1-Apr-2009         | 2,060.00 Cr        | 2,060.00 Cr         |
|                                                          |       | Sale/1                | 20-Apr-2009        | 72,100.00 Cr       | 72,100.00 Cr        |

Figure 17.38 Service Tax Bill Details for Output Service Tax

3. In the **Service Tax Bill Details** screen, select all the bills in the List of Service Tax Bills.
4. Select the **INPUT Service Tax** in the credit field.

The **Service Tax Bill Details** for INPUT Service Tax appears as shown below:

Figure 17.39 Service Tax Bill Details for Input Service Tax

- | <u>Payment Details</u>     |               |
|----------------------------|---------------|
| From                       | : 1-Apr-2009  |
| To                         | : 30-Apr-2009 |
| Challan No.                | : 452178      |
| Challan Date               | : 5-May-2009  |
| Bank Name                  | : HSBC        |
| Cheque/Draft/Pay Order No. | : 551899      |
| Cheque Date                | : 5-May-2009  |



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7. Specify the **Service Tax Period** with **Challan No.**, **Date**, **Bank Name**, **Cheque/Draft/Pay Order No.** and **Cheque Date**.
8. Enter the cheque no. in **Narration** field.

The completed **Payment Voucher** appears as shown below:

| Accounting Voucher Creation                                      |          | FirstC Services | Ctrl + M              |
|------------------------------------------------------------------|----------|-----------------|-----------------------|
| <b>Payment</b>                                                   | No. 2    |                 | 5-May-2009<br>Tuesday |
| Particulars                                                      | Debit    | Credit          |                       |
| Dr <b>Output Service Tax</b><br><i>Cur Bal: 85,133.28 Cr</i>     | 6,536.72 |                 |                       |
| Cr <b>Input ST-TELEPHONE CHRG</b><br><i>Cur Bal: 1,030.00 Cr</i> |          | 1,030.00        |                       |
| Cr <b>HSBC</b><br><i>Cur Bal: 11,43,568.28 Dr</i>                |          | 5,506.72        |                       |
| Provide Details : Yes                                            |          |                 |                       |
| Narration:<br>Ch. No. : 551899                                   | 6,536.72 | 5,506.72        |                       |
|                                                                  |          |                 | Accept ?<br>Yes or No |

Figure 17.41 Payment Voucher

9. Press **Y** or **Enter** to accept the Payment voucher.

## Step 2 : Printing GAR-7 challan

Go to **Gateway of Tally > Display > Day Book**.

- ❑ Press **Pg Up** from the above voucher entry screen to go the Payment Voucher
- ❑ Use **Alt + P** key or click on the **Print** option on the **Accounting Voucher Alteration** screen. The **Voucher Printing** screen is displayed.
- ❑ Set the **Print GAR-7 Challan** option to **Yes**.



| Voucher Printing              |                                         |
|-------------------------------|-----------------------------------------|
| <b>Printer</b>                | : RnD Printer (Ne01:)                   |
| <b>No. of Copies</b>          | : 1                                     |
| <b>Print Language</b>         | : English                               |
| <b>Method</b>                 | : Neat Mode                             |
| <b>Page Range</b>             | : All                                   |
| <b>Paper Type</b>             | : A4                                    |
| <b>Paper Size</b>             | : (8.27" x 11.69") or (210 mm x 297 mm) |
| <b>Print Area</b>             | : (7.95" x 11.34") or (202 mm x 288 mm) |
| <b>Report Titles</b>          |                                         |
| <b>Payment Voucher</b>        |                                         |
| (with Print Preview)          |                                         |
| <b>Print G.A.R.-7 Challan</b> | : Yes                                   |
| <b>Print ?</b>                |                                         |
| Yes or No                     |                                         |

Figure 17.42 Print Configuration Screen

- Use the **Print Preview Option (ALT+I)** to view the print preview of the challan.

The printed **GAR-7 Challan** appears as shown below:

Figure 17.43 GAR-7 Challan

## 17.8 Service Tax Reports

Service Tax reports are the reports which is used to view all the Service Tax related details at one place. The reports available in the menu are:

- ❑ Service Tax Payables
- ❑ Input Credit Form
- ❑ ST3 Report

Go to **Gateway of Tally > Display > Statutory Reports**

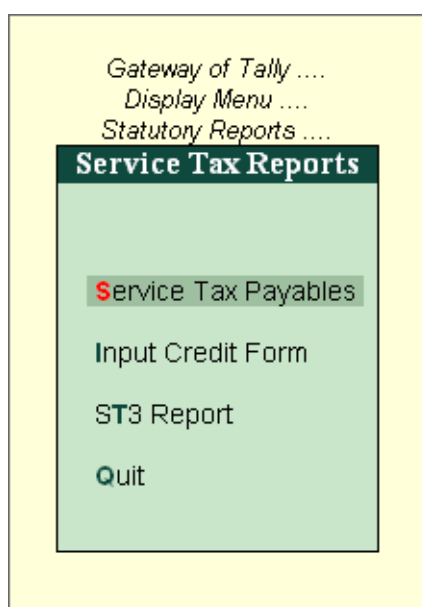


Figure 17.44 Service Tax Reports

### 17.8.1 Service Tax Payables

Service Tax Payable report displays the **Total Service Tax Payables** as on a specified date.

Go to **Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Service Tax Payables**.

- ❑ Select the period for the report using the **F2: Period** option.
- ❑ Set the period from **1-4-2009 to 30-4-2009**.

The **Service Tax payable** for the selected period displays various details as shown below:

| Service Tax Payable |          |                       |                    |                          |                  |                 |                          |                           |                  |
|---------------------|----------|-----------------------|--------------------|--------------------------|------------------|-----------------|--------------------------|---------------------------|------------------|
| FirstC Services     |          |                       |                    |                          |                  |                 |                          |                           |                  |
| Service Tax Payable |          |                       |                    |                          |                  |                 |                          |                           |                  |
| as at 30-Apr-2009   |          |                       |                    |                          |                  |                 |                          |                           |                  |
| Date                | Ref. No. | Partys' Name          | Category Name      | Bill Value               |                  |                 | Realised Value           |                           |                  |
|                     |          |                       |                    | Assessa-<br>ble<br>Value | Service<br>Tax   | Cess            | Assessa-<br>ble<br>Value | Service<br>Tax<br>Payable | Cess<br>Payable  |
| 1-Apr-2009          | Jml/12   | BSNL                  | Advertising Agency | 20,000.00                | 2,000.00         | 60.00           | 20,000.00                | 2,000.00                  | 60.00            |
| 20-Apr-2009         | Sale/1   | Computech Systems     | Advertising Agency | 7,00,000.00              | 70,000.00        | 2,100.00        | 7,00,000.00              | 70,000.00                 | 2,100.00         |
| 29-Apr-2009         | GBH001   | Global Business House | Advertising Agency | 1,70,000.00              | 17,000.00        | 510.00          | 63,463.30                | 6,346.33                  | 190.39           |
| <b>Total</b>        |          |                       |                    | <b>8,90,000.00</b>       | <b>89,000.00</b> | <b>2,670.00</b> | <b>7,83,463.30</b>       | <b>78,346.33</b>          | <b>2,350.39</b>  |
|                     |          |                       |                    |                          |                  |                 |                          |                           | <b>80,696.72</b> |

Figure 17.45 Service Tax Payable

- Use the **Alt+P** key or click on **Print** option to print the report.



The fields which appears in the **Service Tax Payable** report are briefed below:

- **Date** - The date of the sales invoice is displayed.
- **Ref. No.:** The reference number given to the sales invoice.
- **Party's Name:** The name of the customer to whom the sale is made.
- **Category Name:** The name of the category of service selected from the list of service categories.
- **Bill Value:** The total invoice amount.
  - **Assessable Value:** The assessable value for the service.
  - **Service Tax:** The total Service Tax calculated on the assessable value.
  - **Cess:** The total cess on the Service Tax.



- **Realized Value:** Amount received on the invoice value.
- **Assessable Value:** The assessable value based on the realized value.
- **Service Tax Payable:** The amount of Service Tax payable based on the realized value.
- **Cess Payable:** The cess on the Service Tax payable based on the realized value.
- **Total Payable:** The amount of Service Tax payable inclusive of educational cess.

### 17.8.2 Input Credit Form

Go to **Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Input Credit Form**

The **Input Credit Form** displays various details as shown below:

| Input Credit Form |          |                               |                                                     |                    | FirstC Services       |                |           | Ctrl + M              |                          |                |                 |           |
|-------------------|----------|-------------------------------|-----------------------------------------------------|--------------------|-----------------------|----------------|-----------|-----------------------|--------------------------|----------------|-----------------|-----------|
| Input Credit Form |          |                               |                                                     |                    | as at 5-May-2009      |                |           |                       |                          |                |                 |           |
| Date              | Ref. No. | Partys' Name/<br>Tax No.      | Party<br>Address                                    | Category Name      | Bill Value            |                |           | Realised Value        |                          |                | Total<br>Credit |           |
|                   |          |                               |                                                     |                    | Assessab-<br>le Value | Service<br>Tax | Cess      | Assessab-<br>le Value | Service<br>Tax<br>Credit | Cess<br>Credit |                 |           |
| 15-Apr-2009       | Purc/1   | KrazyCool<br>Agencies / 35623 | Shop No. 05,,<br>Jayanagar<br>Complex,<br>Bangalore | Advertising Agency | 1,75,000.00           | 17,500.00      | 525.00    | 1,75,000.00           | 17,500.00                | 525.00         | 18,025.00       |           |
|                   |          |                               |                                                     |                    |                       |                |           |                       |                          |                |                 |           |
| Total             |          |                               |                                                     |                    |                       | 1,75,000.00    | 17,500.00 | 525.00                | 1,75,000.00              | 17,500.00      | 525.00          | 18,025.00 |

Figure 17.46 Input Credit Form



The **Input Credit Form** contains:

- **Date of transactions**
- **Reference Number of the transaction**
- **Party's Name with Service Tax No. and Address**
- **Name of the Service Category purchased**
- **Bill Value of the input service including Assessable Value, Service Tax and Cess amount.**
- **Realised Value of the input service including Assessable Value, Service Tax and Cess amount.**
- **Total Credit available on input services.**

### 17.8.3 ST 3 Report

Go to **Gateway of Tally > Display > Statutory Reports > Service Tax Reports > ST3 Report**

1. In the **Service Tax Reports** menu, select **ST3 Report**.
2. In **Period For** field, select the period for which **ST3 Report** to be printed.
3. Specify the **Place** and **Date** for **Printing ST3 Report**.

|                       |                       |                     |                                         |
|-----------------------|-----------------------|---------------------|-----------------------------------------|
| <b>Printer</b>        | : RnD Printer (Ne01:) | <b>Paper Type</b>   | : A4                                    |
| <b>No. of Copies</b>  | : 1                   |                     |                                         |
| <b>Print Language</b> | : English             |                     | (Printing Dimensions)                   |
| <b>Method</b>         | : Neat Mode           | <b>Paper Size</b>   | : (8.27" x 11.69") or (210 mm x 297 mm) |
| <b>Page Range</b>     | : All                 | <b>Print Area</b>   | : (7.95" x 11.34") or (202 mm x 288 mm) |
| <b>Report Titles</b>  |                       |                     |                                         |
| <b>Form ST - 3</b>    |                       |                     |                                         |
| (with Print Preview)  |                       |                     |                                         |
| <b>ST-3 Period</b>    |                       | <b>Period</b>       |                                         |
| <b>Period For</b>     | : [April - September] | [April - September] |                                         |
| <b>Place</b>          | : Bangalore           | [October - March]   |                                         |
| <b>Date</b>           | : 5-5-2009            |                     |                                         |

Figure 17.47 Print Configuration Screen

The printed **ST3 Report** appears as shown below:

| <b>FORM ST-3</b>                                                                                                                          |                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| <b>(Return under section 70 of the Finance Act, 1994)</b>                                                                                 |                                                                             |
| <b>[ ORIGINAL / REVISED RETURN ]</b>                                                                                                      |                                                                             |
| Financial Year <span style="border: 1px solid black; padding: 2px;">2009-10</span>                                                        |                                                                             |
| <b>For the period</b>                                                                                                                     |                                                                             |
| <input checked="" type="checkbox"/> April-September                                                                                       | <input type="checkbox"/> October-March                                      |
| <b>1A. Has the assessee opted to operate as Large Taxpayer</b> <span style="border: 1px solid black; padding: 2px;">Yes</span>            |                                                                             |
| <small>(As defined under Rule 2 (ea) of the Central Excise Rules, 2002 read with rule 2 (1)(cccc) of the Service Tax Rules, 1994)</small> |                                                                             |
| <b>1B. If reply to column "1A" is 'yes', name of Large Taxpayer Unit (LTU) opted for</b>                                                  | <span style="border: 1px solid black; padding: 2px;">Hosur</span>           |
| <b>2A. Name of the assessee</b>                                                                                                           | <span style="border: 1px solid black; padding: 2px;">FirstC Services</span> |
| <b>2B. STC No.</b>                                                                                                                        | <span style="border: 1px solid black; padding: 2px;">FSKAR072BB4518</span>  |
| <b>2C. Premises code No.</b>                                                                                                              | <span style="border: 1px solid black; padding: 2px;">7539512</span>         |
| <b>2D. Constitution of assessee</b>                                                                                                       |                                                                             |
| (i) Individual / Proprietary                                                                                                              | <input type="checkbox"/>                                                    |
| (ii) Partnership                                                                                                                          | <input type="checkbox"/>                                                    |
| (iii) Registered Public Ltd Company                                                                                                       | <input type="checkbox"/>                                                    |
| (iv) Registered Private Ltd Company                                                                                                       | <input checked="" type="checkbox"/>                                         |
| (v) Registered Trust                                                                                                                      | <input type="checkbox"/>                                                    |
| (vi) Society/Co-op Society                                                                                                                | <input type="checkbox"/>                                                    |
| (vii) Other                                                                                                                               | <input type="checkbox"/>                                                    |

Figure 17.48 Printed ST3 Report (Page-1)

**3. Computation of Service Tax**

**A1. Name of Taxable service**

Advertising Agency

**A2. Assessee is liable to pay Service Tax on this taxable service as,-**

(i) a service provider; or

☐ Yes

(ii) a service receiver liable to make payment of Service Tax

☐ No

**B. Sub-clause No. of clause(105) of section 65**

**C1. Has the assessee availed benefit of any exemption notification ('Y/N')**

☐ Yes

**C2. If reply to column "C1" is 'Yes', please furnish notification nos.**

KAR/025/81

**D. If abatement is claimed as per notification no. 1/2006-ST, please furnish Sr. No. in the notification under which such abatement is claimed**

**E1. Whether provisionally assessed ('Y/N')**

☐

**E2. Prov. assessment order No. ('if any')**

**F. Value of taxable service, service tax payable and gross amount charged**

|                                    | Month / Quarter                                                                                                                                                | April        | May | June | July | August | September |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----|------|------|--------|-----------|
|                                    | (1)                                                                                                                                                            | (2)          | (3) | (4)  | (5)  | (6)    | (7)       |
| <b>(I) Service Tax Payable</b>     |                                                                                                                                                                |              |     |      |      |        |           |
| (a)                                | Gross amount received / (paid) in money                                                                                                                        |              |     |      |      |        |           |
| (i)                                | against service provided                                                                                                                                       | 15,55,563.28 |     |      |      |        |           |
| (ii)                               | in advance for service to be provided                                                                                                                          |              |     |      |      |        |           |
| (b)                                | Money equivalent of considerations received / (paid) in a form other than money                                                                                |              |     |      |      |        |           |
| (c)                                | Value on which Service Tax is exempt / not payable                                                                                                             |              |     |      |      |        |           |
| (i)                                | Amount received against export of service                                                                                                                      |              |     |      |      |        |           |
| (ii)                               | Amount received / (paid) towards exempted service (other than export of service, i.e., (i) above)                                                              | 7,72,100.00  |     |      |      |        |           |
| (iii)                              | Amount received as / (paid to) pure agent                                                                                                                      |              |     |      |      |        |           |
| (d)                                | Abatement amount claimed                                                                                                                                       |              |     |      |      |        |           |
| (e)                                | <b>Taxable value = (a+b) minus (c+d)</b>                                                                                                                       | 7,83,463.28  |     |      |      |        |           |
| (f)                                | <b>Service Tax rate wise break-up of taxable value = (e)</b>                                                                                                   |              |     |      |      |        |           |
| (i)                                | Value on which Service Tax is payable @ 5%                                                                                                                     |              |     |      |      |        |           |
| (ii)                               | Value on which Service Tax is payable @ 8%                                                                                                                     |              |     |      |      |        |           |
| (iii)                              | Value on which Service Tax is payable @ 10%                                                                                                                    | 7,83,463.28  |     |      |      |        |           |
| (iv)                               | Value on which Service Tax is payable @ 12%                                                                                                                    |              |     |      |      |        |           |
| (v)                                | other rate, if any                                                                                                                                             |              |     |      |      |        |           |
| (g)                                | <b>Service Tax Payable = (5% of f(i) + 8% of f(ii) + 10% of f(iii) + 12% of f(iv) + f(v)X other rate)</b>                                                      | 78,346.33    |     |      |      |        |           |
| (h)                                | <b>Education Cess payable = (@2% of Service Tax)</b>                                                                                                           | 1,566.93     |     |      |      |        |           |
| (i)                                | <b>Secondary and Higher Education Cess payable = (@1% of Service Tax)</b>                                                                                      | 783.46       |     |      |      |        |           |
| <b>(II) Taxable amount charged</b> |                                                                                                                                                                |              |     |      |      |        |           |
| (j)                                | Gross amount for which bills / invoices / challans are issued relating to service provided / to be provided (including export of service and exempted service) | 16,62,100.00 |     |      |      |        |           |
| (k)                                | Money equivalent of other consideration charged, if any, in a form other than money                                                                            |              |     |      |      |        |           |
| (l)                                | Amount charged for exported service provided / to be provided                                                                                                  |              |     |      |      |        |           |
| (m)                                | Amount charged for exempted service provided / to be provided (other than export of service given at (l) above)                                                | 7,72,100.00  |     |      |      |        |           |
| (n)                                | Amount charged as pure agent                                                                                                                                   |              |     |      |      |        |           |
| (o)                                | Amount claimed as Abatement                                                                                                                                    |              |     |      |      |        |           |
| (p)                                | <b>Net taxable amount charged = (j + k) minus (l + m + n + o)</b>                                                                                              | 8,90,000.00  |     |      |      |        |           |

Figure 17.49 Printed ST3 Report (Page-2)



**4. Amount of service tax paid in advance under sub-rule(1A) of rule 6.**

|     | Month / Quarter             | April | May | June | July | August | September |
|-----|-----------------------------|-------|-----|------|------|--------|-----------|
|     | (1)                         | (2)   | (3) | (4)  | (5)  | (6)    | (7)       |
| (a) | Amount deposited in advance |       |     |      |      |        |           |
| (b) | Challan Nos.                |       |     |      |      |        |           |
| (c) | Challan Dates               |       |     |      |      |        |           |

**4A. Service Tax, Education Cess and other amounts paid**

|  | Month / Quarter | April | May | June | July | August | September |
|--|-----------------|-------|-----|------|------|--------|-----------|
|  | (1)             | (2)   | (3) | (4)  | (5)  | (6)    | (7)       |

**(i) Service Tax, Education Cess, Secondary and Higher Education Cess paid**

|                                                                                                           |          |  |  |  |  |  |  |
|-----------------------------------------------------------------------------------------------------------|----------|--|--|--|--|--|--|
| <b>(a) Service Tax Paid</b>                                                                               |          |  |  |  |  |  |  |
| (i) in cash                                                                                               | 5,346.33 |  |  |  |  |  |  |
| (ii) by CENVAT Credit                                                                                     | 1,000.00 |  |  |  |  |  |  |
| (iia) by adjustment of amount earlier paid in advance and adjusted in this period under rule 6 (1A)       |          |  |  |  |  |  |  |
| (iii) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(3) of ST Rules |          |  |  |  |  |  |  |
| (iv) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(4A) of ST Rules |          |  |  |  |  |  |  |

|                                                                                                           |        |  |  |  |  |  |  |
|-----------------------------------------------------------------------------------------------------------|--------|--|--|--|--|--|--|
| <b>(b) Education Cess Paid</b>                                                                            |        |  |  |  |  |  |  |
| (i) in cash                                                                                               | 106.93 |  |  |  |  |  |  |
| (ii) by CENVAT Credit                                                                                     | 20.00  |  |  |  |  |  |  |
| (iia) by adjustment of amount earlier paid in advance and adjusted in this period under rule 6 (1A)       |        |  |  |  |  |  |  |
| (iii) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(3) of ST Rules |        |  |  |  |  |  |  |
| (iv) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(4A) of ST Rules |        |  |  |  |  |  |  |

|                                                                                                           |       |  |  |  |  |  |  |
|-----------------------------------------------------------------------------------------------------------|-------|--|--|--|--|--|--|
| <b>(c) Secondary and Higher Education Cess Paid -</b>                                                     |       |  |  |  |  |  |  |
| (i) in cash                                                                                               | 53.46 |  |  |  |  |  |  |
| (ii) by CENVAT Credit                                                                                     | 10.00 |  |  |  |  |  |  |
| (iia) by adjustment of amount earlier paid in advance and adjusted in this period under rule 6 (1A)       |       |  |  |  |  |  |  |
| (iii) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(3) of ST Rules |       |  |  |  |  |  |  |
| (iv) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(4A) of ST Rules |       |  |  |  |  |  |  |

|                                                      |  |  |  |  |  |  |  |
|------------------------------------------------------|--|--|--|--|--|--|--|
| <b>(d) Other Amounts Paid</b>                        |  |  |  |  |  |  |  |
| (i) Arrears of revenue paid in cash                  |  |  |  |  |  |  |  |
| (ii) Arrears of revenue paid in credit               |  |  |  |  |  |  |  |
| (iii) Arrears of Education Cess paid in cash         |  |  |  |  |  |  |  |
| (iv) Arrears of Education Cess paid in credit        |  |  |  |  |  |  |  |
| (v) Arrears of Sec & Higher Edu Cess paid in cash    |  |  |  |  |  |  |  |
| (vi) Arrears of Sec & Higher Edu Cess paid in credit |  |  |  |  |  |  |  |
| (vii) Interest paid                                  |  |  |  |  |  |  |  |
| (viii) Penalty paid                                  |  |  |  |  |  |  |  |
| (ix) Section 73A amount paid                         |  |  |  |  |  |  |  |
| (x) Any other amount                                 |  |  |  |  |  |  |  |

Figure 17.50 Printed ST3 Report P(age-3)

**(II) Details of Challan (Vide which Service Tax, Education Cess, Secondary and Higher Education Cess and other amounts paid in cash)**

|     |             |       |        |  |  |  |  |  |
|-----|-------------|-------|--------|--|--|--|--|--|
| (a) | Challan Nos | (i)   | 452178 |  |  |  |  |  |
|     |             | (ii)  |        |  |  |  |  |  |
|     |             | (iii) |        |  |  |  |  |  |
|     |             | (iv)  |        |  |  |  |  |  |

|     |               |       |            |  |  |  |  |  |
|-----|---------------|-------|------------|--|--|--|--|--|
| (b) | Challans Date | (i)   | 5-May-2009 |  |  |  |  |  |
|     |               | (ii)  |            |  |  |  |  |  |
|     |               | (iii) |            |  |  |  |  |  |
|     |               | (iv)  |            |  |  |  |  |  |

**4B. Source documents details for entries at column 4A(I)(a) (iii), 4A(I)(a) (iv), 4A(I)(b)(iii), 4A(I)(b) (iv), 4A(I)(c) (iii), 4A(I)(c) (iv), 4A(I)(d)(i) to (vii)**

| Entry in table 4A above |                 | Source documents date |
|-------------------------|-----------------|-----------------------|
| Sl. No.                 | Month / Quarter |                       |
|                         |                 |                       |
|                         |                 |                       |
|                         |                 |                       |
|                         |                 |                       |
|                         |                 |                       |

**4C. Details of amount of Service Tax payable but not paid as on the last day of the period for which return is filed.....**

**5. Details of input stage CENVAT credit**

**5A. Whether the assessee providing exempted / non taxable service or exempted goods**

|     | (1)                                                                                                                                                                                | (2) |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| (a) | Whether providing any exempted or non taxable service ('Y/N')                                                                                                                      |     |
| (b) | Whether manufacturing any exempted goods ('Y/N')                                                                                                                                   |     |
| (c) | If any one of the above is yes, whether maintaining separate account for receipt or consumption of input service and input goods (refer to rule 6 (2) of CENVAT credit Rule, 2004) |     |
| (d) | If any one of the (a) and (b) is 'yes', and (c) is 'no', which option is being availed under rule 6 (3) of the Cenvat Credit Rules, 2004                                           |     |
|     | (i) Opted to pay an amount equal to 10% of the value of exempted goods and 8% of the value of exempted service (Y/N); or                                                           |     |
|     | (ii) Opted to pay an amount equivalent to CENVAT Credit attributable to inputs and input services used in or in relation to manufacture of exempted goods or provision of exempted |     |

**5AA. Amount payable under rule 6 (3) of the Cenvat Credit Rules, 2004**

|     | Month / Quarter                                                            | April | May | June | July | August | September |
|-----|----------------------------------------------------------------------------|-------|-----|------|------|--------|-----------|
|     | (1)                                                                        | (2)   | (3) | (4)  | (5)  | (6)    | (7)       |
| (a) | Value of exempted goods cleared                                            |       |     |      |      |        |           |
| (b) | Value of exempted services provided                                        |       |     |      |      |        |           |
| (c) | Amount paid under rule 6(3) of Cenvat Credit Rules, 2004, by CENVAT Credit |       |     |      |      |        |           |
| (d) | Amount paid under rule 6(3) of Cenvat Credit Rules, 2004, by cash          |       |     |      |      |        |           |
| (e) | Total amount paid = (c) +(d)                                               |       |     |      |      |        |           |
| (f) | Challan Nos, vide which amount mentioned in (d) is paid                    |       |     |      |      |        |           |
| (g) | Challan Dates                                                              |       |     |      |      |        |           |

Figure 17.51 Printed ST3 Report (Page-4)

## 5B. CENVAT Credit Taken and Utilized

|                                                                                                                                               | Month / Quarter | April | May | June | July | August | September |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------|-----|------|------|--------|-----------|
|                                                                                                                                               | (1)             | (2)   | (3) | (4)  | (5)  | (6)    | (7)       |
| <b>(I) CENVAT Credit of Service Tax and Central Excise Duty</b>                                                                               |                 |       |     |      |      |        |           |
| <b>(a) Opening Balance</b>                                                                                                                    |                 |       |     |      |      |        |           |
| <b>(b) Credit Taken</b>                                                                                                                       |                 |       |     |      |      |        |           |
| (i) On Inputs                                                                                                                                 |                 |       |     |      |      |        |           |
| (ii) On Capital Goods                                                                                                                         |                 |       |     |      |      |        |           |
| (iii) On Input Services received directly                                                                                                     |                 |       |     |      |      |        |           |
| (iv) As received from input service distributor                                                                                               |                 |       |     |      |      |        |           |
| (v) From inter unit transfer by a LTU                                                                                                         |                 |       |     |      |      |        |           |
| <b>Total Credit Taken = (i+ii+iii+iv+v)</b>                                                                                                   |                 |       |     |      |      |        |           |
| <b>(c) Credit Utilized</b>                                                                                                                    |                 |       |     |      |      |        |           |
| (i) For Payment of Service Tax                                                                                                                |                 |       |     |      |      |        |           |
| (ii) For Payment of Education Cess on taxable service                                                                                         |                 |       |     |      |      |        |           |
| (iii) For Payment of Excise or any Other Duty                                                                                                 |                 |       |     |      |      |        |           |
| (iv) Towards clearance of Input Goods and Capital Goods removed as such                                                                       |                 |       |     |      |      |        |           |
| (v) Towards inter unit transfer of LTU                                                                                                        |                 |       |     |      |      |        |           |
| (vi) for payment under rule 6 (3) of the Cenvat Credit Rules, 2004                                                                            |                 |       |     |      |      |        |           |
| <b>Total Credit Utilized = (i+ii+iii+iv+v+vi)</b>                                                                                             |                 |       |     |      |      |        |           |
| <b>(d) Closing Balance of CENVAT Credit = (a+b-c)</b>                                                                                         |                 |       |     |      |      |        |           |
| <b>(II) CENVAT Credit of Education Cess and Secondary and Higher Education Cess</b>                                                           |                 |       |     |      |      |        |           |
| <b>(a) Opening Balance</b>                                                                                                                    |                 |       |     |      |      |        |           |
| <b>(b) Credit of Education Cess and Secondary and Higher Education Cess Taken</b>                                                             |                 |       |     |      |      |        |           |
| (i) On Inputs                                                                                                                                 |                 |       |     |      |      |        |           |
| (ii) On Capital Goods                                                                                                                         |                 |       |     |      |      |        |           |
| (iii) On Input Services received directly                                                                                                     |                 |       |     |      |      |        |           |
| (iv) As received from input service distributor                                                                                               |                 |       |     |      |      |        |           |
| (v) From inter unit transfer by a LTU                                                                                                         |                 |       |     |      |      |        |           |
| <b>Total Credit of Education Cess and Secondary and Higher Education Cess Taken = (i+ii+iii+iv+v)</b>                                         |                 |       |     |      |      |        |           |
| <b>(c) Credit of Education Cess and Secondary and Higher Education Cess Utilized</b>                                                          |                 |       |     |      |      |        |           |
| (i) For Payment of Education Cess and Secondary and Higher Education Cess on services                                                         |                 |       |     |      |      |        |           |
| (ii) For Payment of Education Cess and Secondary and Higher Education Cess on goods                                                           |                 |       |     |      |      |        |           |
| (iii) Towards Payment of Education Cess and Secondary and Higher Education Cess on clearance of Input Goods and Capital Goods removed as such |                 |       |     |      |      |        |           |
| (iv) Towards inter unit transfer of LTU                                                                                                       |                 |       |     |      |      |        |           |
| <b>Total Credit of Education Cess and Secondary and Higher Education Cess Utilized = (i+ii+iii+iv)</b>                                        |                 |       |     |      |      |        |           |
| <b>(d) Closing Balance of Education Cess and Secondary and Higher Education Cess = (a+b-c)</b>                                                |                 |       |     |      |      |        |           |

Figure 17.52 Printed ST3 Report (Page-5)

**6. Credit details for Input service distributor**

|                                                                 | Month / Quarter                                                              | April | May | June | July | August | September |
|-----------------------------------------------------------------|------------------------------------------------------------------------------|-------|-----|------|------|--------|-----------|
|                                                                 | (1)                                                                          | (2)   | (3) | (4)  | (5)  | (6)    | (7)       |
| <b>(I) CENVAT Credit of Service Tax and Central Excise Duty</b> |                                                                              |       |     |      |      |        |           |
| (a)                                                             | Opening Balance of CENVAT Credit                                             |       |     |      |      |        |           |
| (b)                                                             | Credit taken (for distribution) on Input Service                             |       |     |      |      |        |           |
| (c)                                                             | Credit distributed                                                           |       |     |      |      |        |           |
| (d)                                                             | Credit not eligible for distribution(rule 7(b) of CENVAT Credit Rules, 2004) |       |     |      |      |        |           |
| (e)                                                             | Closing Balance                                                              |       |     |      |      |        |           |

|                                                                                            |                                                                                                                                         |  |  |  |  |  |  |
|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|--|--|
| <b>(II) CENVAT Credit of Education Cess and Secondary and Higher Education Cess Credit</b> |                                                                                                                                         |  |  |  |  |  |  |
| (a)                                                                                        | Opening Balance of Education Cess and Secondary and Higher Education Cess credit                                                        |  |  |  |  |  |  |
| (b)                                                                                        | Credit of Education Cess and Secondary and Higher Education Cess taken (for distribution) on Input Service                              |  |  |  |  |  |  |
| (c)                                                                                        | Credit of Education Cess and Secondary and Higher Education Cess distributed                                                            |  |  |  |  |  |  |
| (d)                                                                                        | Credit of Education Cess and Secondary and Higher Education Cess not eligible for distribution (rule 7(b) of CENVAT Credit Rules, 2004) |  |  |  |  |  |  |
| (e)                                                                                        | Closing Balance                                                                                                                         |  |  |  |  |  |  |

**7. Self Assessment memorandum**

(a) I / We declare that the above particulars are in accordance with the records and books maintained by me / us and are correctly stated.

(b) I / We have assessed and paid the Service Tax and / or availed and distributed CENVAT credit correctly as per the provisions of the Finance Act, 1994 and the rules made thereunder.

(c) I / We have paid duty within the specified time limit and in case of delay, I / We have deposited the interest leviable thereon.

Place: Bangalore

Date : 5-May-2009

(Name and Signature of Assessee or  
Authorised Signatory)

**ACKNOWLEDGEMENT**

I hereby acknowledge the receipt of your ST-3 return for the period April 2009 - September 2009

Place: Bangalore

Date : 5-May-2009

(Signature of the Officer of Central Excise & Service Tax)  
(With Name & Official Seal)

Figure 17.53 Printed ST3 Report (Page-6)



Create a Service Tax payment voucher debiting **Output Service Tax** and crediting the **Input ST Telephone Chrg** and **HSBC** for the balance Service Tax payable, if any.

### Practice Exercise

1. **ProC Advertising Agency**, earns its major income from advertising service, which comes under the category **Advertisement** under **Service Tax**.

- Create the following ledgers in the masters and select/enter the fields as given in the table.

| Name of the Ledger     | Group under      | Maintain balance bill-by-bill | Is Service Tax Applicable | Inventory Values are affected | Type of Duty/ Tax | Category           |
|------------------------|------------------|-------------------------------|---------------------------|-------------------------------|-------------------|--------------------|
| Manoj Videos           | Sundry Creditors | Yes                           | Yes                       | No                            | N.A.              | N.A.               |
| Pur - Video & Graphic  | Purchase A/c     | No                            | Yes                       | No                            | N.A.              | Photography        |
| Advertisement Contract | Sales A/c        | No                            | Yes                       | No                            | N.A.              | Advertising Agency |
| Nexus Solutions Ltd.   | Sundry Debtors   | Yes                           | Yes                       | No                            | N.A.              | N.A.               |

- Create the following ledgers for Service Tax and enter them as given in the table below:

| Name of the Ledger         | Under          | Type of Duty/Tax | Category           | Inventory values are affected |
|----------------------------|----------------|------------------|--------------------|-------------------------------|
| Output ST - Advertisement  | Duties & Taxes | Service Tax      | Advertising Agency | No                            |
| Input ST - Video & Graphic | Duties & Taxes | Service Tax      | Photography        | No                            |

- Given below, are transactions from 3-05-09. Create ProC Advertising Agency and pass the following transactions :

| SNo | Date    | Particulars                                                                                                                                                                            |
|-----|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.  | 3-5-09  | Sales Bill raised on Nexus Solutions Pvt. Ltd., after completing their advertisement order no. DL-010 for Rs. 30000 + Service Tax @ 10% + Cess @ 2% + Sec Cess @ 1%.                   |
| 2.  | 7-5-09  | Payment received from Nexus Solutions Pvt. Ltd., for <b>Rs. 33,090</b> vide Ch.No. 7564121.                                                                                            |
| 3.  | 12-5-09 | Received the bill towards photography charges from Manoj Video Ref. No. SV-09 for Rs. 15000 [Service Tax @ 10% + Cess @ 2% + Sec Cess @ 1%].                                           |
| 4.  | 15-5-09 | Payment made through Canara Bank to Sonia Video for their bill no. SVB-09 for <b>Rs. 16,545</b> vide Ch.No. 6665261.                                                                   |
| 5.  | 19-5-09 | Sales bill raised for Outdoor Advertisement charges for Rs. 6000 + Service Tax + Cess to Nexus Solutions Pvt. Ltd.                                                                     |
| 6.  | 20-5-09 | Manoj Video sent their Video recording charges Bill [SV-012] for Rs. 8979.20 [Video Charges Rs. 8000, Service Tax @ 10% + Cess @ 2% + Sec Cess @ 1%].                                  |
| 7.  | 21-5-09 | Payment made to Manoj Video for their bill no. SV-012 for Rs. 4000 vide Ch.No. 675510                                                                                                  |
| 8.  | 25-5-09 | Received Rs. 5000, from Nexus Solutions Pvt. Ltd., towards outdoor advertisement bill.                                                                                                 |
| 9.  | 28-5-09 | Advance payments of Rs. 10000 received from Nexus Solutions Pvt. Ltd., vide Ch.No. 7565551 towards their advertisement work order no. DL-028. Deposit the same in the Canara Bank A/c. |
| 10. | 30-5-09 | Sales Bill raised on Nexus Solutions Pvt. Ltd., after completing their advertisement works towards order no. DL-028. for Rs. 40000 + Service Tax @ 10% + Cess @ 2% + Sec Cess @ 1%.    |
| 11. | 31-5-09 | Make a payment to Canara Bank towards Service Tax Payable for the month of May'09.                                                                                                     |

### Points to Remember

- ❑ Service Tax is an indirect tax levied on certain categories of services provided by a person, firm, agency etc
- ❑ Avail of the input credit on Service Tax paid on purchases by deducting the Service Tax payable.
- ❑ Service Tax is calculated on the assessable value but is payable on the value realised on the invoice.
- ❑ Tally.ERP 9 calculates the Service Tax payable and the Input Credit on each bill by tracking it bill-wise.
- ❑ The Statutory Masters in Tally.ERP 9 maintain a category-wise information on Service Tax.
- ❑ Tally.ERP 9 gives you the option to bill for services as an item.
- ❑ Account for Service Tax on the receipt of advance and make adjustments when an invoice is raised.
- ❑ Transfer the Service Tax balance payable and input credit from previous year to current year. The Service Tax Payable report displays the net Service Tax payable, after availing the input credit.
- ❑ Print the Form GAR-7 Challan from Tally.ERP 9 to pay your Service Tax.
- ❑ Print and File Statutory Reports from Tally.ERP 9, for the half-yearly filing of returns with details in Form ST3 and the Input Credit Form.

## Lesson 18: Tax Deducted at Source

### Lesson Objectives

On completion of this lesson, you will learn how to

- ❑ Configure Tax Deducted at Source in Tally.ERP 9
- ❑ Record TDS Transactions
- ❑ Generate TDS Reports and Challans

Tax deducted at source is one of the modes of collecting Income-tax from the assesseees. Such collection of tax is effected at the source when income arises or accrues. Hence, where any specified type of income arises or accrues to any one, the Income-tax Act enjoins on the payer of such income to deduct a stipulated percentage of such income by way of Income-tax and pay only the balance amount to the recipient of such income.

The tax so deducted at source by the payer has to be deposited in the Government treasury to the credit of Central Government within the specified time. The tax so deducted from the income of the recipient is deemed to be payment of Income-tax by the recipient at the time of his assessment.

The person responsible for deducting Tax at source is liable to issue a certificate to the person from whom the tax is deducted, so that the person can submit the same to Income Tax authorities.

### 18.1 Basic concepts of TDS

It is important to understand some of the terminologies & concepts of TDS :

#### Scope and Applicability

At present, incomes from several sources are subjected to tax deduction at source. Some of such income which are subject to T.D.S. are :

- ❑ Salary
- ❑ Interest on securities, Debentures



- ❑ Deemed Dividend
- ❑ Interest other than interest on securities
- ❑ Winnings from Lottery or Crossword Puzzles
- ❑ Winnings from horse races
- ❑ Payment to contractors (Other than Advertisement)
- ❑ Payment to contractors (Advertisement Contractors)
- ❑ Payment to Sub-contractors
- ❑ Payments to non-residents
- ❑ Payment to non-resident Sportsmen or Sports Association
- ❑ Payment in respect of deposit under NSS
- ❑ Payment on Account of Re-purchase of Units by Mutual Fund or UTI
- ❑ Payments in Respect of Units to an Offshore Fund
- ❑ Payment of Compensation on Acquisition of Immovable Property
- ❑ Insurance Commission
- ❑ Commission etc. on sale of Lottery tickets
- ❑ Commission, brokerage etc
- ❑ Rent of Land, Building or Furniture
- ❑ Rent of Plant, Machinery or Equipment
- ❑ Royalty Agreement is Made on Or After June 1, 2005
- ❑ Short-Term Capital Gains U/s 111A
- ❑ Fees for professional or technical services
- ❑ Fees for Tech. Services Agreement is Made on Or After June 1, 2005
- ❑ Income in Respect of Units of Non-Residents
- ❑ Income from foreign currency bonds or shares of Indian company
- ❑ Income of Foreign Institutional Investors From Securities
- ❑ Income From Foreign Exchange Assets Payable to an Indian Citizen
- ❑ Income by Way of Long Term Capital Gains Referred to in Section 115E
- ❑ Any other Interest on Securities
- ❑ Interest on 8% Savings (Taxable) Bonds, 2003

### What is TAN?

TAN is the Tax Deduction Account Number issued by the Income-tax Department to all persons deducting tax at source. TAN has to be quoted in all relevant challans, tax deduction certificates, TDS returns and other notified documents. To obtain TAN, all persons or organisations are required to apply in Form 49B to the TIN Facilitation Centres of NSDL.

### **Who has to Deduct Tax ?**

Any person making the payments to third parties as specified in scope and applicability section are required to deduct tax at source.

### **Who is a Deductee ?**

As per Income Tax Act, the Tax will be deducted at source based on the prescribed rate on payments made to the third parties, who are Assesseees (includes individual & HUF as covered U/S 44AB) carrying on business of following types.

Such Tax will be deducted at time of payment or credit, whichever is earlier.

- ❑ Individual
- ❑ Hindu undivided Family (HUF)
- ❑ Body of Individual (BOI)
- ❑ Association of person (AOP)
- ❑ Co-Operative society
- ❑ Local Authority
- ❑ Partnership firm
- ❑ Domestic company (Indian company)
- ❑ Foreign company
- ❑ Artificial Judicial Person

## **18.2 Configuring TDS in Tally.ERP 9**

The TDS module in Tally.ERP 9 is integrated with financial accounts and takes care of all the TDS and eTDS requirements of your business, right from voucher entry to report generation. Tally.ERP 9 completely automates your TDS management and accurately computes Tax to be deducted at source & TDS payable amount, TDS payment challans, TDS Certificates, Statutory Returns and other related MIS reports.

Its eTDS features further assist you to file your mandatory tax returns in electronic format as specified by the Income Tax Department. It helps in minimizing error-prone entry of information, incorrect remittances and also provides accounting for interest & penalties (if any) for smooth & effective functioning of your business.

### **Features of TDS compliant Tally.ERP 9**

Tally.ERP 9 comprises of comprehensive features to ensure accurate & automatic computation of Tax Deductible at Source for Non-Salaried deductees according to the provisions stipulated in the Income Tax Act.

The TDS functionality in Tally.ERP 9 encompasses the following salient features:

- ❑ Simple & User friendly
- ❑ Easy and quick to setup & implement

- ❑ Maintains complete tracking of each transaction from Booking, deduction till payment
- ❑ Allows deduction of TDS at the time of Booking expenses in the same voucher or separately at a later date
- ❑ Allows deduction of TDS at Lower / Zero Rate
- ❑ Allows deduction of TDS on multiple expenses of single nature of payment type in a single voucher.
- ❑ Allows computation of TDS on Expenses partly subject to tax
- ❑ Allows TDS calculation on advance payments
- ❑ Provides facility to compute TDS with/without considering Surcharge Exemption Limits for parties
- ❑ Provides retrospective surcharge calculations for prior / current period
- ❑ Allows partial / full payment of Tax deducted at source
- ❑ Provides automatic computation of TDS amount for each nature of payment
- ❑ Generates TDS payment Challan ITNS 283 (for Corporates & Non-Corporates)
- ❑ Generates TDS Certificates, TDS Outstanding report and various other TDS related MIS Reports
- ❑ Facilitates automatic generation of Quarterly as well as Annual eTDS returns in the physical as well as eReturns formats.
- ❑ Allows Challan reconciliation facility to keep track of issue of TDS certificates and remittance through challans.
- ❑ Comprises of all required provisions for TDS as specified by Income Tax Department
- ❑ Also generates consolidated TDS Certificates, Challan and Annual Returns for statutory and tax audit purpose.

### 18.2.1 Enabling TDS in Tally.ERP 9

It takes a one-time configuration in Tally.ERP 9 for TDS features to be activated. Follow the steps given below to enable TDS in Tally.ERP 9 for a new company, M/s. National Enterprises

***M/s. National Enterprises, is a domestic company engaged in manufacturing cement and other water proofing components.***

The first step is to create a Company as shown below :

#### Step 1: Company Setup

In the **Company Creation** Screen,

- ❑ Select **India** in the **Statutory Compliance for** field
- ❑ Specify **State, Pin code, Telephone, Mobile, E-mail** details
- ❑ Specify **01/04/09** in the **Financial Year from** field

- Specify **01/04/09** in the **Books beginning from** field

| Company Creation                     |                                                       | Ctrl + M                                                                        |                           |
|--------------------------------------|-------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------|
| Directory                            | : C:\Tally.ERP9\Data                                  |                                                                                 |                           |
| N a m e                              | : National Enterprises                                |                                                                                 |                           |
| <b>Mailing &amp; Contact Details</b> |                                                       | <b>Company Details</b>                                                          |                           |
| Mailing Name                         | : National Enterprises                                | Currency Symbol                                                                 | : Rs.                     |
| Address                              | : 178, 3rd Phase<br>1st Cross, Jayanagar<br>Bangalore | Maintain                                                                        | : Accounts with Inventory |
|                                      |                                                       | Financial Year from                                                             | : 1-4-2009                |
|                                      |                                                       | Books beginning from                                                            | : 1-4-2009                |
| <b>Statutory compliance for</b>      |                                                       | <b>Security Control</b>                                                         |                           |
| State                                | : India                                               | Disallow opening in Educational mode ?                                          | No                        |
| PIN Code                             | : Karnataka                                           | TallyVault Password (if any)                                                    | :                         |
| Telephone No.                        | : 560095                                              | Repeat Password                                                                 | :                         |
| Mobile No.                           | : 080-22635229                                        | (WARNING: forgetting your TallyVault password will render your data unusable!!) |                           |
| E-Mail                               | : 9741432201                                          | Use Security Control                                                            | : No                      |
|                                      | : sales@nationalenterprise.com                        | (Enable Security to avail Tally.NET Features)                                   |                           |
| <b>Base Currency Information</b>     |                                                       |                                                                                 |                           |
| Base Currency Symbol                 | : Rs.                                                 | Show Amounts in Millions                                                        | : No                      |
| Formal Name                          | : Indian Rupees                                       | Put a SPACE between Amount and Symbol                                           | : Yes                     |
| Number of Decimal Places             | : 2                                                   | Decimal Places for Printing Amounts in V                                        | :                         |
| Is Symbol SUFFIXED to Amounts ?      | No                                                    |                                                                                 |                           |
| Symbol for Decimal Portion           | : paise                                               |                                                                                 |                           |
|                                      |                                                       |                                                                                 | Accept ?                  |
|                                      |                                                       |                                                                                 | Yes or No                 |

Figure 18.1 Company Creation

## Step 2: F11: Statutory & Taxation

- Set **Enable Tax Deducted at Source (TDS)** to **Yes**
- Set **Set/Alter TDS Details** to **Yes** and press **Enter**

Company Operations Alteration Ctrl + M

---

Current Period:      Current Date:

Company: **National Enterprises**

**Statutory & Taxation**

|                                                                       |      |                                      |              |
|-----------------------------------------------------------------------|------|--------------------------------------|--------------|
| Enable Excise                                                         | ? No | Enable Tax Deducted at Source (TDS)  | ? Yes        |
| Set/Alter Excise Details                                              | ? No | Set/Alter TDS Details                | ? <b>Yes</b> |
| (Note : 'Enable Maintain Multiple Godowns' for Multiple Excise Units) |      | Enable Tax Collected at Source (TCS) | ? No         |
| Follow Excise rules for Invoicing                                     | ? No | Set/Alter TCS Details                | ? No         |
| Enable Value Added Tax (VAT)                                          | ? No | Enable Fringe Benefit Tax (FBT)      | ? No         |
| Set/Alter VAT Details                                                 | ? No | Set/Alter FBT Details                | ? No         |
| Enable Service Tax                                                    | ? No |                                      |              |
| Set/Alter Service Tax Details                                         | ? No |                                      |              |

**Tax Information**

Local Sales Tax Number :  
Inter-state Sales Tax Number :  
PAN / Income - Tax No. :

F1: Accounts      F2: Inventory      F3: Statutory

Figure 18.2 F11: Statutory &amp; Taxation

**Step 3: Company TDS Deductor Details**

- ❑ Specify **Tax Assessment Number (TAN)** of the Company (**TAN** is a ten-digit alphanumeric number, issued to the deductors by the Income Tax Department).
- ❑ Specify the **Income Tax Circle / Ward (TDS)** details of the deductor
- ❑ Specify the **Deductor Type** as **Others** for the **Deductor Types** other than government (if the deductor is a government body, select **Government** as the **Deductor Type**)

| Company TDS Deductor Details                                           |                  |                      |  |
|------------------------------------------------------------------------|------------------|----------------------|--|
| Tax Assessment Number                                                  | : BLRN00789B     |                      |  |
| Head Office Tax Assessment Number                                      | : KAR123457      |                      |  |
| Income Tax Circle/Ward (TDS)                                           | : City Circle II | List Of Company Type |  |
| Deductor Type                                                          | : Others         | Government           |  |
| Name of person responsible                                             | :                | Others               |  |
| Son/daughter of                                                        | :                |                      |  |
| Designation                                                            | :                |                      |  |
| (Note: All the above details will be used in Challan, Forms & Returns) |                  |                      |  |

Figure 18.3 Company TDS Deductor Details

- Specify the **Name of person responsible** and his/her **designation** details as shown

| Company TDS Deductor Details                                           |                      |
|------------------------------------------------------------------------|----------------------|
| Tax Assessment Number                                                  | : BLRN00789B         |
| Head Office Tax Assessment Number                                      | : KAR123457          |
| Income Tax Circle/Ward (TDS)                                           | : City Circle II     |
| Deductor Type                                                          | : Others             |
| Name of person responsible                                             | : Akhil Kumar        |
| Son/daughter of                                                        | : S. Kumar           |
| Designation                                                            | : Manager - Accounts |
| (Note: All the above details will be used in Challan, Forms & Returns) |                      |

Figure 18.4 Company TDS Deductor Details

- Press **Enter** to accept

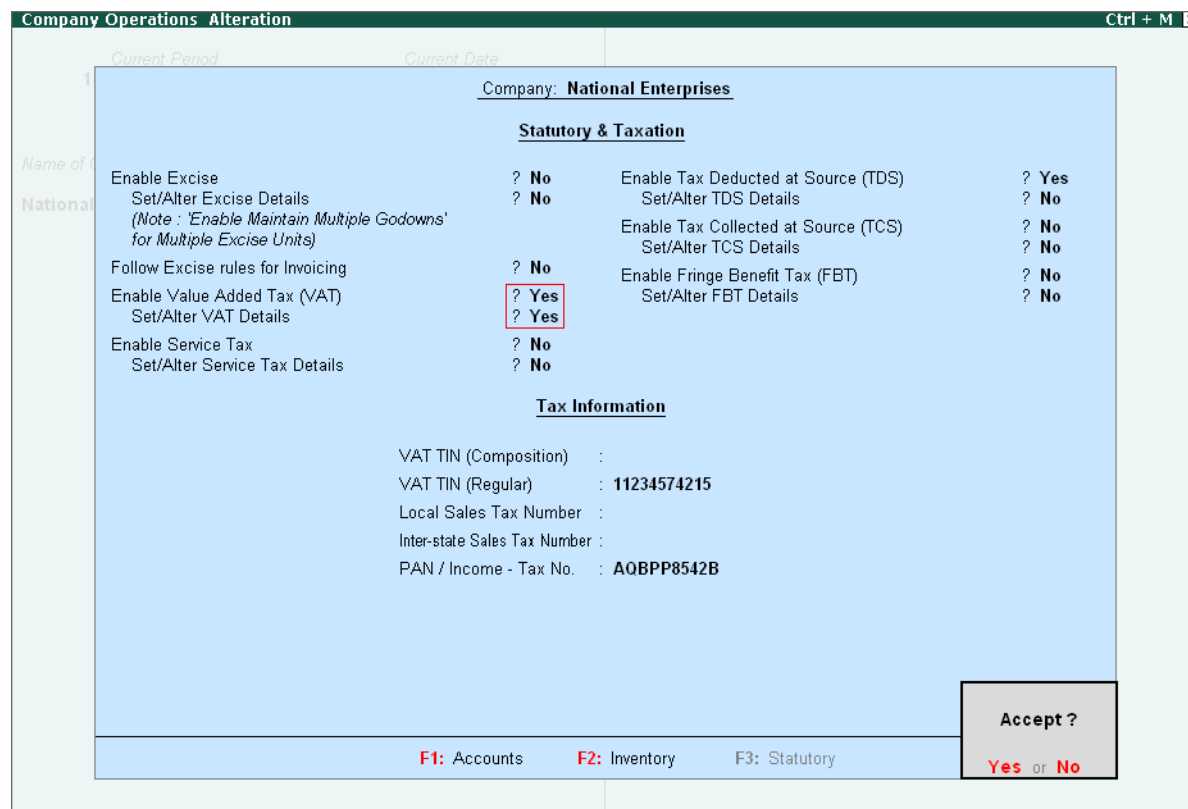


The format of the 10 digit alphanumeric **TAN - BLRN00789B** is :

- BLR** indicates the location code of the TAN allotment center. (Eg: BLR for Bangalore)
- N** indicates the first alphabet of the deductor name.
- 00789** is the number within each location.
- B** is the check digit for security and verification.

- Enable **VAT** and specify **VAT TIN** Number, if **Value Added Tax (VAT)** is applicable in the State or otherwise specify the **Local Sales Tax Number & Interstate Sales Tax Number**
- Specify the **PAN** details as shown

The completed **F11: Statutory & Taxation Features** screen appears as shown :



| Company: <u>National Enterprises</u>                                  |       |                                      |           |
|-----------------------------------------------------------------------|-------|--------------------------------------|-----------|
| <u>Statutory &amp; Taxation</u>                                       |       |                                      |           |
| Enable Excise                                                         | ? No  | Enable Tax Deducted at Source (TDS)  | ? Yes     |
| Set/Alter Excise Details                                              | ? No  | Set/Alter TDS Details                | ? No      |
| (Note : 'Enable Maintain Multiple Godowns' for Multiple Excise Units) |       | Enable Tax Collected at Source (TCS) | ? No      |
| Follow Excise rules for Invoicing                                     | ? No  | Set/Alter TCS Details                | ? No      |
| Enable Value Added Tax (VAT)                                          | ? Yes | Enable Fringe Benefit Tax (FBT)      | ? No      |
| Set/Alter VAT Details                                                 | ? Yes | Set/Alter FBT Details                | ? No      |
| Enable Service Tax                                                    | ? No  |                                      |           |
| Set/Alter Service Tax Details                                         | ? No  |                                      |           |
| <u>Tax Information</u>                                                |       |                                      |           |
| VAT TIN (Composition)                                                 | :     |                                      |           |
| VAT TIN (Regular)                                                     | :     | 11234574215                          |           |
| Local Sales Tax Number                                                | :     |                                      |           |
| Inter-state Sales Tax Number                                          | :     |                                      |           |
| PAN / Income - Tax No.                                                | :     | AQBPP8542B                           |           |
|                                                                       |       |                                      | Accept ?  |
|                                                                       |       |                                      | Yes or No |

F1: Accounts    F2: Inventory    F3: Statutory

Figure 18.5 Enabling VAT

- Press **Enter** to accept **F11: Statutory & Taxation Features** screen

### 18.2.2 TDS Statutory Masters

The statutory masters contains details in respect of TDS nature of payments, Deductee Types, rate of TDS for each nature of payment and period of applicability. These masters are loaded automatically soon after enabling TDS in Tally.ERP 9.

Tally.ERP 9 conforms to all statutory provisions and in case of any changes / amendments in Income Tax laws, the same can be updated by downloading the Stat.900 file from the Tally Website.

#### TDS Nature of Payments

Go to **Gateway of Tally > Display > Statutory Info. > TDS Nature of Pymts**

| National Enterprises                                                              |  |
|-----------------------------------------------------------------------------------|--|
| TDS Nature Of Pymt                                                                |  |
| List of TDS Nature Of Pymt                                                        |  |
| Any Other Income                                                                  |  |
| Any Other Interest on Securities As Per Sec.193                                   |  |
| Commission on Sale of Lottery Tickets                                             |  |
| Commission Or Brokerage                                                           |  |
| Deemed Dividend U/s 2(22)(E)                                                      |  |
| Fees for Professional Or Technical Services                                       |  |
| Fees for Tech. Services Agreement Is Made After Feb 29, 1964 Before April 1, 1976 |  |
| Fees for Tech. Services Agreement Is Made After Mar 31, 1976 Before June 1, 1997  |  |
| Fees for Tech. Services Agreement Is Made After May 31, 1997 Before June 1, 2005  |  |
| Fees for Tech. Services Agreement Is Made on Or After June 1, 2005                |  |
| Income by Way of Long-Term Capital Gains Referred to in Section 115E              |  |
| Income From Foreign Currency Bonds Or Shares of....                               |  |
| Income From Foreign Exchange Assets Payable to an Indian Citizen                  |  |
| Income in Respect of Units of Non-Residents                                       |  |
| Income of Foreign Institutional Investors From ....                               |  |
| Insurance Commission                                                              |  |
| Interest on 8% Savings (Taxable) Bonds, 2003                                      |  |
| Interest on Securities                                                            |  |
| Interest Other Than Interest on Securities                                        |  |
| Interest Payable by Government Or Indian Concern in Foreign Currency              |  |
| Long-Term Capital Gains(Not Being Covered by Sec 10(33)(36)(38))                  |  |
| Other Sums Payables to A Non-Resident                                             |  |
| Payment of Compensation on Acquisition of Immovable Property                      |  |
| Payments in Respect of Deposits Under NSS                                         |  |
| Payments in Respect of Units to an Offshore Fund                                  |  |
| Payments on Account of Re-Purchase of Units by ...                                |  |
| Payments to Contractors (Other Than Advertisement)                                |  |
| 17 more ... ↓                                                                     |  |

Figure 18.6 TDS nature of payments

- Select a **Nature of Payment** from the list and press **Enter**

| TDS Nature Of Pymt Display |   | National Enter                                                   |
|----------------------------|---|------------------------------------------------------------------|
| Name                       | : | <b>Fees for Professional Or Technical Services</b>               |
| Full Name                  | : | <b>Fees for professional or technical services to a resident</b> |
| Section                    | : | <b>194J</b>                                                      |
| Payment Code               | : | <b>94J</b>                                                       |
| Single Bill Value Limit    | : |                                                                  |
| Section Name               | : | <b>Fees for Professional Or Technical Services</b>               |

Figure 18.7 TDS nature of payments

## Deductee Types

Go to **Gateway of Tally > Display > Statutory Info.> Deductee Types**



| National Enterprises          |  |
|-------------------------------|--|
| Name of Deductee Type         |  |
| [Redacted]                    |  |
| List of Deductee Types        |  |
| Artificial Juridical Person   |  |
| Association of Persons        |  |
| Body of Individuals           |  |
| Company - Non Resident        |  |
| Company - Resident            |  |
| Co-Operative Society          |  |
| Individual/HUF - Non Resident |  |
| Individual/HUF - Resident     |  |
| Local Authority               |  |
| Partnership Firm              |  |

Figure 18.8 Deductee Types

- Select a **Deductee Type** from the list and press **Enter**

| Deductee Type Display                           |                     | National Enterprises |                 |           |                 | Ctrl + M |                 |             |                 |
|-------------------------------------------------|---------------------|----------------------|-----------------|-----------|-----------------|----------|-----------------|-------------|-----------------|
| Name                                            | Body of Individuals |                      |                 |           |                 |          |                 |             |                 |
| Residential Status                              | Resident            |                      |                 |           |                 |          |                 |             |                 |
| Deductee Status                                 | Non Company         |                      |                 |           |                 |          |                 |             |                 |
| Active                                          | ? Yes               |                      |                 |           |                 |          |                 |             |                 |
| Module Type                                     | Both                |                      |                 |           |                 |          |                 |             |                 |
| Deductee TDS Details                            |                     |                      |                 |           |                 |          |                 |             |                 |
| Nature of Payment                               | Applicable From     | TDS                  |                 | Surcharge |                 | Ed Cess  |                 | Sec Ed Cess |                 |
|                                                 |                     | Rate                 | Exemption Limit | Rate      | Exemption Limit | Rate     | Exemption Limit | Rate        | Exemption Limit |
| Any Other Interest on Securities As Per Sec.193 | 1-4-2004            | 20 %                 | 2,500.00        | 10 %      | 10,00,000.00    | 2 %      |                 |             |                 |
|                                                 | 1-4-2007            | 20 %                 | 2,500.00        | 10 %      | 10,00,000.00    | 2 %      |                 | 1 %         |                 |
|                                                 | 1-4-2008            | 20 %                 |                 | 10 %      | 10,00,000.00    | 2 %      |                 | 1 %         |                 |
| Commission on Sale of Lottery Tickets           | 1-4-2004            | 10 %                 | 1,000.00        | 10 %      | 10,00,000.00    | 2 %      |                 |             |                 |
|                                                 | 1-4-2007            | 10 %                 | 1,000.00        | 10 %      | 10,00,000.00    | 2 %      |                 | 1 %         |                 |
| Commission Or Brokerage                         | 1-4-2004            | 5 %                  | 2,500.00        | 10 %      | 10,00,000.00    | 2 %      |                 |             |                 |
|                                                 | 1-4-2007            | 5 %                  | 2,500.00        | 10 %      | 10,00,000.00    | 2 %      |                 | 1 %         |                 |
|                                                 | 1-6-2007            | 10 %                 | 2,500.00        | 10 %      | 10,00,000.00    | 2 %      |                 | 1 %         |                 |
| Deemed Dividend U/s 2(22)(E)                    | 1-4-2007            | 20 %                 | 2,500.00        | 10 %      | 10,00,000.00    | 2 %      |                 | 1 %         |                 |
|                                                 |                     |                      |                 |           |                 |          |                 |             | 45 more ... ↓   |

Figure 18.9 Deductee Types

## 18.3 Creation of Masters

Once you have enabled the company for TDS, create necessary Expenses ledger, Party ledgers and TDS ledger masters. The TDS option would now be available in each type of ledger masters.

### 18.3.1 Expenses Ledger Accounts

Create the following expense ledger accounts :

| Ledger                 | Under             | Inventory Values are affected | Is TDS Applicable | Default Nature of Payment                          |
|------------------------|-------------------|-------------------------------|-------------------|----------------------------------------------------|
| Consultancy Charges    | Indirect Expenses | No                            | Yes               | Fees for Professional Or Technical Services        |
| Advertisement Expenses | Indirect Expenses | No                            | Yes               | Payment to Contractors (Advertisement Contractors) |
| Rent                   | Indirect Expenses | No                            | Yes               | Rent of Land, Building Or Furniture                |
| Commission Charges     | Indirect Expenses | No                            | Yes               | Commission or Brokerage                            |

Go to **Gateway of Tally > Accounts Info. > Ledgers> Create**

- ❑ Type **Consultancy Charges** as the **Ledger Name**
- ❑ Select **Indirect Expenses** in the **Under** field
- ❑ Set **Use for Assessable Value Calculation** to **No**
- ❑ Set **Is TDS Applicable** to **Yes**
- ❑ In **Default Nature of Payment** filed, select **Fees for Professional Or Technical Services** from the **List of TDS Nature of Pymt.**

| Ledger Creation                                                                |               | National Enterprises                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  | Ctrl + M |
|--------------------------------------------------------------------------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------|
| Name : <b>Consultancy Charges</b>                                              |               | List of TDS Nature Of Pymt                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |          |
| (alias) :                                                                      |               | <input type="checkbox"/> Any<br>Any Other Income<br>Any Other Interest on Securities As Per Sec.193<br>Commission on Sale of Lottery Tickets<br>Commission Or Brokerage<br>Deemed Dividend U/s 2(22)(E)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |          |
| Under : <b>Indirect Expenses</b>                                               | Name          | <b>Fees for Professional Or Technical Services</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |          |
| Inventory values are affected ? <b>No</b>                                      | Address       | Fees for Tech. Services Agreement Is Made After Feb 29, 1964 Before April 1, 1976<br>Fees for Tech. Services Agreement Is Made After Mar 31, 1976 Before June 1, 1997<br>Fees for Tech. Services Agreement Is Made After May 31, 1997 Before June 1, 2005<br>Fees for Tech. Services Agreement Is Made on Or After June 1, 2005<br>Income by Way of Long-Term Capital Gains Referred to in Section 115E<br>Income From Foreign Currency Bonds Or Shares of ....<br>Income From Foreign Exchange Assets Payable to an Indian Citizen<br>Income in Respect of Units of Non-Residents<br>Income of Foreign Institutional Investors From ....<br>Insurance Commission<br>Interest on 8% Savings (Taxable) Bonds, 2003<br>Interest on Securities<br>Interest Other Than Interest on Securities<br>Interest Payable by Government Or Indian Concern in Foreign Currency<br>Long-Term Capital Gains[Not Being Covered by Sec 10(33)(36)(38)]<br>Other Sums Payables to A Non-Resident<br>Payment of Compensation on Acquisition of Immovable Property<br>Payments in Respect of Deposits Under NSS<br>Payments in Respect of Units to an Offshore Fund<br>Payments on Account of Re-Purchase of Units by ...<br>Payments to Contractors (Other Than Advertisement)<br>Payments to Non-Resident Sportsmen/Sports Assoc...<br>Payment to Contractors (Advertisement Contractors)<br>Payment to Sub-Contractors<br>Rent of Land, Building Or Furniture<br>Rent of Plant, Machinery Or Equipment<br>Royalty(F) Agreement Is Made After May 31, 1997 Before June 1, 2005<br>Royalty(F) Agreement Is Made Before June 1, 1997 |  |          |
| <b>Statutory Information</b>                                                   |               | State                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |          |
| Use for Assessable Value Calculation ? <b>No</b>                               | PIN Code      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |          |
| Is TDS Applicable ? <b>Yes</b>                                                 | PAN / IT No   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |          |
| Default Nature Of Payment : <b>Fees for Professional Or Technical Services</b> | (PAN / IT No) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |          |
| <b>Opening Balance ( on 1-Apr-2009) :</b>                                      |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |          |
|                                                                                |               | 8 more ...                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |          |

Figure 18.10 Ledger Creation - Consultancy charges

The completed **Consultancy Charges** ledger creation screen is shown below :

| Ledger Creation                                                                                                                                                                                           |                                                                             | National Enterprises                                                                                          | Ctrl |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|------|
| Name : <b>Consultancy Charges</b><br>(alias) :                                                                                                                                                            |                                                                             | Total Op. Bal.                                                                                                |      |
| Under : <b>Indirect Expenses</b>                                                                                                                                                                          | <div>Mailing Details</div> Name :<br>Address :<br><br>State :<br>PIN Code : |                                                                                                               |      |
| Inventory values are affected ? <b>No</b>                                                                                                                                                                 |                                                                             |                                                                                                               |      |
| <div>Statutory Information</div> Use for Assessable Value Calculation ? <b>No</b><br><br>Is TDS Applicable ? <b>Yes</b><br>Default Nature Of Payment : <b>Fees for Professional Or Technical Services</b> |                                                                             | <div>Tax Information</div> PAN / IT No. :<br>(PAN / IT No. is mandatory for eTDS, should be of 10 Characters) |      |
| Opening Balance ( on 1-Apr-2009) :                                                                                                                                                                        |                                                                             | Accept ?<br><b>Yes</b> or <b>No</b>                                                                           |      |

Figure 18.11 Ledger Creation - Consultancy charges

- Press **Enter** to accept

Similarly, create other **Expenses Ledgers** with the required **TDS Nature of Payments**.

### 18.3.2 TDS Ledger Accounts

Create the following **TDS Tax ledgers** :

| Ledger                     | Under          | Type of Duty/Tax | Nature of Pymt                                     |
|----------------------------|----------------|------------------|----------------------------------------------------|
| TDS on Consultancy Charges | Duties & Taxes | TDS              | Fees for Professional Or Technical Services        |
| TDS on Advt. Expenses      | Duties & Taxes | TDS              | Payment to Contractors (Advertisement Contractors) |
| TDS on Rent                | Duties & Taxes | TDS              | Rent of Land, Building Or Furniture                |
| TDS on Commission          | Duties & Taxes | TDS              | Commission or Brokerage                            |

Go to **Gateway of Tally > Accounts Info. > Ledgers> Create**

In the **Ledger Creation** screen,

- ❑ Type **TDS on Consultancy Charges** in the **Name** field
- ❑ Select **Duties & Taxes** group in the **Under** field
- ❑ Select **TDS** from the list in the **Type of Duty/Tax** field and press **Enter**

| Ledger Creation                               |  | National Enterprises |                | Ctrl |
|-----------------------------------------------|--|----------------------|----------------|------|
| Name : TDS on Consultancy Charges             |  |                      | Total Op. Bal. |      |
| (alias) :                                     |  |                      |                |      |
| Under : Duties & Taxes<br>(Current Liability) |  | Types of Duty/Tax    |                |      |
| Type of Duty/Tax : [Redacted]                 |  | CST                  |                |      |
| Inventory values are affected ? No            |  | Excise               |                |      |
| Percentage of Calculation (eg 5) ? 0 %        |  | Others               |                |      |
|                                               |  | TDS                  |                |      |
|                                               |  | VAT                  |                |      |
| Is TDS Applicable ? No                        |  | Mailing Details      |                |      |
| Use for Assessable Value Calculation ? No     |  | Name :               |                |      |
|                                               |  | Address :            |                |      |
|                                               |  | State :              |                |      |
|                                               |  | PIN Code :           |                |      |
|                                               |  | Tax Information      |                |      |
|                                               |  | PAN / IT No. :       |                |      |
| Opening Balance ( on 1-Apr-2009) :            |  |                      |                |      |

Figure 18.12 Ledger Creation TDS on Consultancy Charges

- ❑ Select **Fees for Professional Or Technical Services** from the list, in the **Nature of Payment** field

| Ledger Creation                          |                                                      | National Enterprises                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Ctrl + M |
|------------------------------------------|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Name : <b>TDS on Consultancy Charges</b> |                                                      | List of TDS Nature Of Pymt                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |
| (alias) :                                |                                                      | <input type="checkbox"/> Any<br>Any Other Income<br>Any Other Interest on Securities As Per Sec.193<br>Commission on Sale of Lottery Tickets<br>Commission Or Brokerage<br>Deemed Dividend U/s 2(22)(E) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |
| Under                                    | : <b>Duties &amp; Taxes</b><br>(Current Liabilities) | Name                                                                                                                                                                                                    | <b>Fees for Professional Or Technical Services</b><br>Fees for Tech. Services Agreement Is Made After Feb 29, 1964 Before April 1, 1976<br>Fees for Tech. Services Agreement Is Made After Mar 31, 1976 Before June 1, 1997<br>Fees for Tech. Services Agreement Is Made After May 31, 1997 Before June 1, 2005<br>Fees for Tech. Services Agreement Is Made on Or After June 1, 2005<br>Income by Way of Long-Term Capital Gains Referred to in Section 115E<br>Income From Foreign Currency Bonds Or Shares of ....<br>Income From Foreign Exchange Assets Payable to an Indian Citizen<br>Income in Respect of Units of Non-Residents<br>Income of Foreign Institutional Investors From ....<br>Insurance Commission<br>Interest on 8% Savings (Taxable) Bonds, 2003<br>Interest on Securities<br>Interest Other Than Interest on Securities<br>Interest Payable by Government Or Indian Concern in Foreign Currency<br>Long-Term Capital Gains(Not Being Covered by Sec 10(33)(36)(38))<br>Other Sums Payables to A Non-Resident<br>Payment of Compensation on Acquisition of Immovable Property<br>Payments in Respect of Deposits Under NSS<br>Payments in Respect of Units to an Offshore Fund<br>Payments on Account of Re-Purchase of Units by ...<br>Payments to Contractors (Other Than Advertisement)<br>Payments to Non-Resident Sportsmen/Sports Assoc...<br>Payment to Contractors (Advertisement Contractors)<br>Payment to Sub-Contractors<br>Rent of Land, Building Or Furniture<br>Rent of Plant, Machinery Or Equipment<br>Royalty(F) Agreement Is Made After May 31, 1997 Before June 1, 2005<br>Royalty(F) Agreement Is Made Before June 1, 1997 |          |
| Type of Duty/Tax                         | : <b>TDS</b>                                         | Address                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |
| Nature Of Payment                        | : <b>Fees for Professional Or Technical Services</b> | State                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |
| Inventory values are affected            | ? <b>No</b>                                          | PIN Code                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |
|                                          |                                                      | PAN / IT No                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |
| Opening Balance ( on 1-Apr-2009) :       |                                                      |                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |
|                                          |                                                      | 8 more ...                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |

Figure 18.13 Ledger Creation TDS on Consultancy Charges

- Set **No** in the **Inventory values are affected** field

The completed **TDS on Consultancy Charges** ledger creation screen is as shown :

| Ledger Creation                                                        |  | National Enterprises |                                                                                                                            | Ctrl |
|------------------------------------------------------------------------|--|----------------------|----------------------------------------------------------------------------------------------------------------------------|------|
| Name : <b>TDS on Consultancy Charges</b>                               |  |                      | <b>Total Op. Bal.</b>                                                                                                      |      |
| (alias) :                                                              |  |                      |                                                                                                                            |      |
| Under : <b>Duties &amp; Taxes</b><br>(Current Liabilities)             |  |                      | <b>Mailing Details</b><br>Name :<br>Address :<br><br>State :<br>PIN Code :<br><br><b>Tax Information</b><br>PAN / IT No. : |      |
| Type of Duty/Tax : <b>TDS</b>                                          |  |                      |                                                                                                                            |      |
| Nature Of Payment : <b>Fees for Professional Or Technical Services</b> |  |                      |                                                                                                                            |      |
| Inventory values are affected ? <b>No</b>                              |  |                      |                                                                                                                            |      |
| Opening Balance ( on 1-Apr-2009) :                                     |  |                      | <b>Accept ?</b><br>Yes or No                                                                                               |      |

Figure 18.14 Ledger Creation - TDS on Consultancy Charges

- Press **Enter** to accept

Similarly, the completed **TDS on Advertisement Expenses** ledger will appear as shown :

| Ledger Creation                                                               |  | National Enterprises   |                       | Ctrl |
|-------------------------------------------------------------------------------|--|------------------------|-----------------------|------|
| Name : <b>TDS on Advertisement Expenses</b>                                   |  |                        | <b>Total Op. Bal.</b> |      |
| (alias) :                                                                     |  |                        |                       |      |
|                                                                               |  |                        |                       |      |
| Under : <b>Duties &amp; Taxes</b><br>(Current Liabilities)                    |  | <b>Mailing Details</b> |                       |      |
| Type of Duty/Tax : <b>TDS</b>                                                 |  | Name :                 |                       |      |
| Nature Of Payment : <b>Payment to Contractors (Advertisement Contractors)</b> |  | Address :              |                       |      |
| Inventory values are affected ? <b>No</b>                                     |  | State :                |                       |      |
|                                                                               |  | PIN Code :             |                       |      |
|                                                                               |  | <b>Tax Information</b> |                       |      |
|                                                                               |  | PAN / IT No. :         |                       |      |
|                                                                               |  |                        | <b>Accept ?</b>       |      |
| <b>Opening Balance ( on 1-Apr-2009) :</b>                                     |  |                        | <b>Yes or No</b>      |      |

Figure 18.15 Ledger Creation - Advertisement Expenses

- Press **Enter** to accept

Similarly, the completed **TDS on Rent** ledger will appear as shown :



Figure 18.16 Ledger Creation - TDS on Rent

- And the completed **TDS on Commission** ledger will appear as shown :

| Ledger Creation                                 |  | National Enterprises |                | Ctrl      |
|-------------------------------------------------|--|----------------------|----------------|-----------|
| Name : TDS on Commission                        |  |                      | Total Op. Bal. |           |
| (alias) :                                       |  |                      |                |           |
| Under : Duties & Taxes<br>(Current Liabilities) |  | Mailing Details      |                |           |
| Type of Duty/Tax : TDS                          |  | Name :               |                |           |
| Nature Of Payment : Commission Or Brokerage     |  | Address :            |                |           |
| Inventory values are affected ? No              |  | State :              |                |           |
|                                                 |  | PIN Code :           |                |           |
|                                                 |  | Tax Information      |                |           |
|                                                 |  | PAN / IT No. :       |                |           |
| Opening Balance ( on 1-Apr-2009) :              |  |                      |                | Accept ?  |
|                                                 |  |                      |                | Yes or No |

Figure 18.17 Ledger Creation - TDS on Commission

- Press **Enter** to accept



*It is recommended to create separate TDS ledgers for each type of **Nature of TDS payments**, since TDS payments are required to be paid separately for each type of TDS nature of payment.*

### 18.3.3 Party Ledger Accounts

Create the following Party ledgers :

| Ledger                        | Under            | Maintain balances bill-by-bill | Inventory Values are affected | Is TDS Deductable | Deductee Type      |
|-------------------------------|------------------|--------------------------------|-------------------------------|-------------------|--------------------|
| Evergreen Consulting Services | Sundry Creditors | Yes                            | No                            | Yes               | Company - Resident |

|                           |                  |     |    |     |                            |
|---------------------------|------------------|-----|----|-----|----------------------------|
| Star Advertisement Agency | Sundry Creditors | Yes | No | Yes | Partnership Firm           |
| Ramesh Kumar              | Sundry Creditors | Yes | No | Yes | Individual /HUF - Resident |
| Silverplus Enterprises    | Sundry Creditors | Yes | No | Yes | Body of Individuals        |

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

**Set Up:**

In **F12: Configuration (Ledger Configuration)**

- Set **Allow ADVANCED entries in TDS Master** to **Yes**

| <u>Ledger Configuration</u>             |              |
|-----------------------------------------|--------------|
| Allow ALIASES along with Names          | ? <b>Yes</b> |
| Allow Language ALIASES along with Names | ? <b>No</b>  |
| Allow ADVANCED entries in Masters       | ? <b>Yes</b> |
| Allow ADVANCED entries in TDS Master    | ? <b>Yes</b> |
| Add NOTES for Ledger Accounts           | ? <b>No</b>  |
| Use ADDRESSES for Ledger Accounts       | ? <b>Yes</b> |
| Use CONTACT DETAILS for Ledger Accounts | ? <b>No</b>  |

Figure 18.18 F12: Ledger Configuration

In the **Ledger Creation** screen,

- Type **Evergreen Consulting Services** in the **Name** field
- Select **Sundry Creditors** group in the **Under** field
- Set **Maintain balances bill-by-bill** to **Yes**
- Set **Inventory Values are affected** to **No**
- Set **Is TDS Deductable** to **Yes** and press **Enter**

| Ledger Creation                                          |  | National Enterprises |                                             | Ctrl |
|----------------------------------------------------------|--|----------------------|---------------------------------------------|------|
| Name : <b>Evergreen Consulting Services</b>              |  |                      | Total Op. Bal.                              |      |
| (alias) :                                                |  |                      |                                             |      |
| Under : <b>Sundry Creditors</b><br>(Current Liabilities) |  |                      | Mailing Details                             |      |
| Maintain balances bill-by-bill ? <b>Yes</b>              |  |                      | Name : <b>Evergreen Consulting Services</b> |      |
| Default Credit Period :                                  |  |                      | Address :                                   |      |
| Inventory values are affected ? <b>No</b>                |  |                      | State :                                     |      |
|                                                          |  |                      | PIN Code :                                  |      |
| <u>Statutory Information</u>                             |  |                      | <u>Tax Information</u>                      |      |
| Is TDS Deductable ? <b>Yes</b>                           |  |                      | PAN / IT No. :                              |      |
|                                                          |  |                      | Set/Alter VAT Details ? <b>No</b>           |      |
| Opening Balance ( on 1-Apr-2009) :                       |  |                      |                                             |      |

Figure 18.19 Ledger Creation - Evergreen consulting services

- ❑ Select **Company - Resident** from the list, in the **Deductee Type** field

| Ledger Creation                                                                                                     |  | National Enterprises                                                                                           |                                                                                                                                                                                                                                                                             | Ctrl + M |
|---------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Name : <b>Evergreen Consulting Services</b><br>(alias) :                                                            |  |                                                                                                                | List of Deductee Types                                                                                                                                                                                                                                                      |          |
|                                                                                                                     |  |                                                                                                                | Unknown<br>Artificial Juridical Person<br>Association of Persons<br>Body of Individuals<br>Company - Non Resident<br><b>Company - Resident</b><br>Co-Operative Society<br>Individual/HUF - Non Resident<br>Individual/HUF - Resident<br>Local Authority<br>Partnership Firm |          |
| Under : <b>Sundry Creditors</b><br>(Current Liabilities)                                                            |  | Name : <b>Ev</b><br>Address :                                                                                  |                                                                                                                                                                                                                                                                             |          |
| Maintain balances bill-by-bill ? <b>Yes</b><br>Default Credit Period :<br>Inventory values are affected ? <b>No</b> |  | State :<br>PIN Code :                                                                                          |                                                                                                                                                                                                                                                                             |          |
| <b>Statutory Information</b>                                                                                        |  | <b>Mailing D</b>                                                                                               |                                                                                                                                                                                                                                                                             |          |
| Is TDS Deductable ? <b>Yes</b><br>Deductee Type : <b>Company - Resident</b><br>Use Advanced TDS Entries ? <b>No</b> |  | <b>Tax Inform</b><br>PAN / IT No. :<br>(PAN / IT No. is mandatory for eT)<br>Set/Alter VAT Details ? <b>No</b> |                                                                                                                                                                                                                                                                             |          |
| Opening Balance ( on 1-Apr-2009) :                                                                                  |  |                                                                                                                |                                                                                                                                                                                                                                                                             |          |
|                                                                                                                     |  |                                                                                                                |                                                                                                                                                                                                                                                                             |          |

Figure 18.20 Ledger creation - Deductee Type

- Set Use Advanced TDS Entries to Yes

| Ledger Creation                                          |  | National Enterprises                                             | Ctrl |
|----------------------------------------------------------|--|------------------------------------------------------------------|------|
| Name : <b>Evergreen Consulting Services</b>              |  | Total Op. Bal.                                                   |      |
| (alias) :                                                |  |                                                                  |      |
| Under : <b>Sundry Creditors</b><br>(Current Liabilities) |  | Mailing Details                                                  |      |
| Maintain balances bill-by-bill ? <b>Yes</b>              |  | Name : <b>Evergreen Consulting Services</b>                      |      |
| Default Credit Period :                                  |  | Address :                                                        |      |
| Inventory values are affected ? <b>No</b>                |  | State :                                                          |      |
|                                                          |  | PIN Code :                                                       |      |
| Statutory Information                                    |  | Tax Information                                                  |      |
| Is TDS Deductible ? <b>Yes</b>                           |  | PAN / IT No. :                                                   |      |
| Deductee Type : <b>Company - Resident</b>                |  | (PAN / IT No. is mandatory for eTDS, should be of 10 Characters) |      |
| Use Advanced TDS Entries ? <b>Yes</b>                    |  | Set/Alter VAT Details ? <b>No</b>                                |      |
| Opening Balance ( on 1-Apr-2009) :                       |  |                                                                  |      |

Figure 18.21 Ledger creation - Advanced TDS Entries

- Press **Enter**, the **Advanced TDS Entries** subscreen appears,
- In the **Advanced TDS Entries** subscreen,
  - Set **Ignore Surcharge Exemption Limit** to **No**
  - Set **Ignore Income Tax Exemption Limit** to **No**
  - Set **Zero/Lower Deduction** to **No**
  - Set **Deduct TDS in Same Voucher if applicable** to **No**

| Advanced TDS Entries                     |             |
|------------------------------------------|-------------|
| Ignore Surcharge Exemption Limit         | ? <b>No</b> |
| Set Ignore Income Tax Exemption Limit    | ? <b>No</b> |
| Set Zero / Lower Deduction               | ? <b>No</b> |
| Deduct TDS in Same Voucher If applicable | ? <b>No</b> |

Figure 18.22 Ledger creation - Advanced TDS Entries

- Press **Enter** to accept the screen



- ❑ Type the **Mailing address, State, PIN Code** and **Tax information** of the party
- ❑ **Set/Alter VAT Details to No**

| Ledger Creation                                   |                                                                                                       | National Enterprises                                                                                                                                                     | Ctrl                  |
|---------------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Name : Evergreen Consulting Services<br>(alias) : |                                                                                                       | Total Op. Bal.                                                                                                                                                           |                       |
| Under : Sundry Creditors<br>(Current Liabilities) | Maintain balances bill-by-bill ? Yes<br>Default Credit Period :<br>Inventory values are affected ? No | <b>Mailing Details</b><br>Name : Evergreen Consulting Services<br>Address : 133, New Civic Centre<br>M.G Road<br>Bangalore<br><br>State : Karnataka<br>PIN Code : 560001 |                       |
| <b>Statutory Information</b>                      | Is TDS Deductable ? Yes<br>Deductee Type : Company - Resident<br>Use Advanced TDS Entries ? Yes       | <b>Tax Information</b><br>PAN / IT No. : AGHPP2531M<br>(PAN / IT No. is mandatory for eTDS; should be of 10 Characters)<br>Set/Alter VAT Details ? No                    |                       |
| Opening Balance ( on 1-Apr-2009 ) :               |                                                                                                       |                                                                                                                                                                          | Accept ?<br>Yes or No |

- Press **Enter** to accept

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- While creating **Star Advertisement Agency** and **Ramesh Kumar Ledger**, in **Advanced TDS Entries** subscreenset **Ignore Surcharge Exemption Limit** to **Yes**.
- When **Is TDS Deductable** option is set to **Yes**, **Maintain balances bill-by-bill** is automatically set to **Yes** (if not enabled previously).
- In Tally.ERP 9, **Is TDS Deductable** option is available for all ledgers created under **Sundry Creditors** and **Sundry Debtors** Groups.

### 18.3.4 Bank Accounts

| Ledger    | Under         | Effective Date for Reconciliation |
|-----------|---------------|-----------------------------------|
| HDFC Bank | Bank Accounts | 01/04/2009                        |

In the **Ledger Creation** screen,

- Type **HDFC Bank** as the **Ledger Name**
- Group it under **Bank Accounts** group
- Under **Mailing Details**,
  - In **Address** field enter the **Bank Branch Address**.
  - Select appropriate state in **State** field.
  - In **Pin Code** field enter the pincode of the City
  - In **Account Number** field enter the account number as **005364477129**
  - In **Branch Name** field, enter **Kasturba Road**.
  - Enter the Bank's **BSR Code** as **0012934** (BSR Code is a **7 digit Number** allotted by **Reserve Bank of India (RBI)** to Bank).

The Completed **Bank ledger** screen is displayed as shown



| Ledger Creation                                |  | National Enterprises        |  | Ctrl           |
|------------------------------------------------|--|-----------------------------|--|----------------|
| Name : HDFC Bank                               |  |                             |  | Total Op. Bal. |
| (alias) :                                      |  |                             |  |                |
| Under : Bank Accounts                          |  |                             |  |                |
| (Current Assets)                               |  |                             |  |                |
| Effective Date for Reconciliation ? 1-Apr-2009 |  |                             |  |                |
|                                                |  | Mailing Details             |  |                |
|                                                |  | Name : HDFC Bank            |  |                |
|                                                |  | Address : House-51          |  |                |
|                                                |  | Kasturba Road               |  |                |
|                                                |  | Bangalore                   |  |                |
|                                                |  | State : Karnataka           |  |                |
|                                                |  | PIN Code : 560001           |  |                |
|                                                |  | A/c No. : 005364477129      |  |                |
|                                                |  | Branch Name : Kasturba Road |  |                |
|                                                |  | BSR Code : 0012934          |  |                |
|                                                |  |                             |  | Accept ?       |
|                                                |  |                             |  | Yes or No      |
| Opening Balance ( on 1-Apr-2009) :             |  |                             |  |                |

Figure 18.24 Completed Bank Ledger Creation Screen

- Press **Enter** to accept

## 18.4 Processing Transactions

As discussed earlier, Tax Deducted at Source on incomes specified by Income Tax department is affected at source when income arises/ accrues or paid whichever is earlier. Let us consider the following transactions to illustrate the TDS functionality in Tally.ERP 9.

### 18.4.1 Booking Expenses and Deducting TDS

#### Example 1:

*On 01/04/09, M/s. National Enterprises received a Bill (Vide No. ECS/001/09-10) from Evergreen Consulting Services, for Rs. 27,000/- towards Consultancy Charges.*

*Consultancy Charges is subject to TDS under 'Fees for Professional or Technical Services' Nature of Payments. The applicable Income tax rates for payment of 'Fees for Professional or Technical Services' to 'Company Resident Deductee' Type is given below :*

| Particulars | Rate |
|-------------|------|
| TDS         | 10%  |
| Surcharge   | -    |

## Create Journal Voucher

Go to Gateway of Tally > Accounting Vouchers > Press F7: Journal

1. Press **F2** and change the date to **01-04-2009**
2. Select **Consultancy Charges** in the **Debit** field and press **Enter**
3. Enter **27,000** in the **Amount** field.

The **Expense Allocation** screen is displayed as shown

| Expense Allocation |                       | National Enterprises                               | Ctrl + M                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------|-----------------------|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Journal            | No. 1                 |                                                    | List of TDS Nature Of Pymt                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Particulars        |                       |                                                    | <input type="checkbox"/> Not Applicable<br>Any Other Income<br>Any Other Interest on Securities As Per Sec.193<br>Commission on Sale of Lottery Tickets<br>Commission Or Brokerage<br>Deemed Dividend U/s 2(22)(E)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Dr                 | Consultancy Charges   |                                                    | <b>Fees for Professional Or Technical Services</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                    | Cur Bal: 27,000.00 Dr |                                                    | Fees for Tech. Services Agreement Is Made After Feb 29, 1964 Before April 1, 1976<br>Fees for Tech. Services Agreement Is Made After Mar 31, 1976 Before June 1, 1997<br>Fees for Tech. Services Agreement Is Made After May 31, 1997 Before June 1, 2005<br>Fees for Tech. Services Agreement Is Made On Or After June 1, 2005<br>Income by Way of Long-Term Capital Gains Referred to in Section 115E<br>Income From Foreign Currency Bonds Or Shares of ....<br>Income From Foreign Exchange Assets Payable to an Indian Citizen<br>Income in Respect of Units of Non-Residents<br>Income of Foreign Institutional Investors From ....<br>Insurance Commission<br>Interest on 8% Savings (Taxable) Bonds, 2003<br>Interest on Securities<br>Interest Other Than Interest on Securities<br>Interest Payable by Government Or Indian Concern in Foreign Currency<br>Long-Term Capital Gains(Not Being Covered by Sec 10(33)(36)(38))<br>Other Sums Payables to A Non-Resident<br>Payment of Compensation on Acquisition of Immovable Property<br>Payments in Respect of Deposits Under NSS<br>Payments in Respect of Units to an Offshore Fund<br>Payments on Account of Re-Purchase of Units by ...<br>Payments to Contractors (Other Than Advertisement)<br>Payments to Non-Resident Sportsmen/Sports Assoc....<br>Payment to Contractors (Advertisement Contractors)<br>Payment to Sub-Contractors<br>Rent of Land, Building Or Furniture<br>Rent of Plant, Machinery Or Equipment<br>Royalty(F) Agreement Is Made After May 31, 1997 Before June 1, 2005 |
| Dr                 |                       |                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                    |                       | <b>TDS Nature of Payment Details</b>               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                    |                       | Ledger Name : Consultancy Charges                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                    |                       | Nature of Payment                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                    |                       | <b>Fees for Professional Or Technical Services</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                    |                       |                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Narration:         |                       |                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

Figure 18.25 Expense Allocation Screen

The **TDS Nature of Payment Details** screen displays the **Nature of Payment** and the **Assessable Value** of the expenditure.

- Press **Enter** to accept **Fees for Professional or Technical Services** as **Nature of Payment**.
- The amount in the **Assessable Value** is defaulted to **27,000**.

| TDS Nature of Payment Details               |                  |
|---------------------------------------------|------------------|
| Ledger Name : <b>Consultancy Charges</b>    |                  |
| Nature of Payment                           | Assessable Value |
| Fees for Professional Or Technical Services | 27,000.00        |

Figure 18.26 TDS Nature of Payment Details with Assessable Value

4. Select **Evergreen Consulting Services** in the **Credit** field and press **Enter**.

The **TDS Details** screen is displayed as shown

| TDS Details            |                              | National Enterprises |                 |                   |            | Ctrl + M                |                |
|------------------------|------------------------------|----------------------|-----------------|-------------------|------------|-------------------------|----------------|
| Journal No. 2          |                              |                      |                 |                   |            | 1-Apr-2009<br>Wednesday |                |
| Particulars            |                              | Debit                |                 | Credit            |            |                         |                |
| Dr Consultancy Charges |                              | 27,000.00            |                 |                   |            |                         |                |
| Cur Bal: 54,000.00 Dr  |                              |                      |                 |                   |            |                         |                |
| TDS Details            |                              |                      |                 |                   |            |                         |                |
| Type of Ref            | Name                         | Nature of Payment    | TDS Duty Ledger | Assessable Amount | Deduct now | TDS Amount              | Payable Amount |
| New Ref                | Agst Ref                     |                      |                 |                   | No         |                         |                |
|                        | New Ref                      |                      |                 |                   |            |                         |                |
|                        | Incom                        |                      |                 |                   |            |                         |                |
|                        | Surch                        |                      |                 |                   |            |                         |                |
|                        | Education Cess 0 %           | On                   |                 |                   |            |                         |                |
|                        | Secondary Education Cess 0 % | On                   |                 |                   |            |                         |                |
| Total                  |                              |                      |                 |                   |            |                         |                |

Figure 18.27 TDS Details Screen

In the **TDS Details** screen, provide the following details

- Select **New Ref** as the **Type of Ref.** field

- ❑ Type the **Reference Number** in the **Name** field (By default **Jrnl / 1-1** is prefilled)
- ❑ Select **Fees for Professional Or Technical Services** in **Nature of Payment** field.

| TDS Details             |                          | National Enterprises |          | Ctrl + M                |            |
|-------------------------|--------------------------|----------------------|----------|-------------------------|------------|
| Journal                 | No. 1                    |                      |          | 1-Apr-2008<br>Wednesday |            |
| Particulars             |                          |                      |          | Debit                   | Credit     |
| Dr. Consultancy Charges |                          |                      |          | 27,000.00               |            |
| Cur Bal: 27,000.00 Dr.  |                          |                      |          |                         |            |
| TDS Details             |                          |                      |          |                         |            |
| Type of Ref             | Name                     | Nature of Payment    | TDS Duty | Assessable              | Deduct now |
| New Ref                 | Jrnl / 1-1               |                      |          |                         | No         |
|                         | Income Tax               | 0 %                  | On       |                         |            |
|                         | Surcharge                | 0 %                  | On       |                         |            |
|                         | Education Cess           | 0 %                  | On       |                         |            |
|                         | Secondary Education Cess | 0 %                  | On       |                         |            |
| Total                   |                          |                      |          |                         |            |

Figure 18.28 TDS Details – Nature of Payment Selection

- ❑ Select **TDS on Consultancy Charges** from the list of **TDS Duty Ledgers**
- ❑ The **Assessable Amount** field is defaulted with the amount specified against the expenses ledger
- ❑ Set **Yes** in **Deduct Now** field (This field will be set to **Yes** or **No** depending on the tax deduction, if the deduction has to be done later, this option can be set to **No**).
- ❑ The Tax amount deducted at source is displayed in the **TDS Amount** field.
- ❑ The amount (after deducting TDS) payable to the Party is displayed in the **Payable Amount** field.

The completed **TDS Details** screen is displayed as shown

| TDS Details   |                          | National Enterprises                        |                 |                            |                   | Ctrl + M                |                           |
|---------------|--------------------------|---------------------------------------------|-----------------|----------------------------|-------------------|-------------------------|---------------------------|
| Journal No. 1 |                          |                                             |                 |                            |                   | 1-Apr-2009<br>Wednesday |                           |
| Particulars   |                          |                                             |                 |                            |                   | Debit                   | Credit                    |
| Dr            | Consultancy Charges      |                                             |                 |                            |                   | 27,000.00               |                           |
|               | Cr                       |                                             |                 |                            |                   |                         |                           |
| TDS Details   |                          |                                             |                 |                            |                   |                         |                           |
| Type of Ref   | Name                     | Nature of Payment                           |                 | TDS Duty Ledger            | Assessable Amount | Deduct now              | TDS Amount Payable Amount |
| New Ref       | Jrnl / 1-1               | Fees for Professional Or Technical Services |                 | TDS on Consultancy Charges | 27,000.00 Cr      | Yes                     | 2,700.00 Cr 24,300.00 Cr  |
|               | Income Tax               | 10 %                                        | On 27,000.00 Cr | 2,700.00 Cr                |                   |                         |                           |
|               | Surcharge                | 0 %                                         | On 2,700.00 Cr  |                            |                   |                         |                           |
|               | Education Cess           | 0 %                                         | On 2,700.00 Cr  |                            |                   |                         |                           |
|               | Secondary Education Cess | 0 %                                         | On 2,700.00 Cr  |                            |                   |                         |                           |
| Total         |                          |                                             |                 |                            | 27,000.00 Cr      |                         | 2,700.00 Cr 24,300.00 Cr  |

Figure 18.29 Completed TDS Details Screen

- Press **Enter** to accept TDS Details
- 5. The **Payable Amount** calculated in the **TDS Details** screen will be defaulted in the Party's **Amount (Credit)** field
- 6. Press **Enter** to view **Bill-wise Details** screen
- 7. In **Bill-wise Details** screen,
  - Select **New Ref** as the **Type of Ref**
  - In the **Name** field, enter the Bill name as **ECS/001/09-10**
  - Skip the **Due Date or Credit Days** field
  - Accept the default **amount** allocation and **Dr/Cr**. (By default, Tally.ERP 9 displays the **Bill amount** in the amount field as the credit balance).
  - Press **Enter**, select **New Ref** as **Type of Ref** and Enter **Bill name** as **ECS/TDS/001**
  - Press **Enter** to accept the **Amount** allocation

The completed **Billwise Details** screen is displayed as shown

Figure 18.30 Bill-wise Details Screen

8. Select **TDS on Consultancy Charges** in the **Credit** field and press **Enter** to accept the amount.
9. Enter the details of the transaction in the narration field.

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Figure 18.31 Journal Voucher

### Example 2:

**The applicable Income tax rates for 'Advertisement Expenses' payable to 'Contractors' is given below :**

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- ❑ Press **Enter** to accept **Payment to Contractors (Advertisement Contractors)** as **Nature of Payment**.
- ❑ The amount in the **Assessable Value** is defaulted to **36,000**.

| TDS Nature of Payment Details                             |                  |
|-----------------------------------------------------------|------------------|
| Ledger Name : <b>Advertisement Expenses</b>               |                  |
| Nature of Payment                                         | Assessable Value |
| <b>Payment to Contractors (Advertisement Contractors)</b> | <b>36,000.00</b> |

Figure 18.33 TDS Nature of Payment Details with Assessable Value

7. Select **TDS on Advertisement Expenses** from the **List of Ledger Accounts**
8. Press **Enter** twice to view **TDS details** screen.
9. In the **TDS Details** screen, provide the following details
  - ❑ Select **New Ref** as the **Type of Ref.** field
  - ❑ Type the **Reference Number** in the **Name** field (By default **Purc / 1-1** is prefilled)
  - ❑ Select **Payment to Contractors (Advertisement Contractors)** in **Nature of Payment** field.
  - ❑ Select **TDS on Advertisement Expenses** from the list of **TDS Ledgers**
  - ❑ The **Assessable Amount** field is defaulted as **36,000** and the **TDS Amount** is calculated automatically based on the applicable TDS rates.

| TDS Details                                  |                          | National Enterprises                               |                   | Ctrl + M              |  |
|----------------------------------------------|--------------------------|----------------------------------------------------|-------------------|-----------------------|--|
| Purchase No. 1                               |                          | Supplier Invoice No. : SAA/102                     |                   | Date : 13-Apr-2009    |  |
| Party's A/c Name : Star Advertisement Agency |                          | Current Balance :                                  |                   | 13-Apr-2009<br>Monday |  |
| Particulars                                  |                          | Rate per                                           |                   | Amount                |  |
| TDS Details                                  |                          |                                                    |                   | 36,000.00             |  |
| Type of Ref                                  | Name                     | Nature of Payment                                  | Assessable Amount | TDS Amount            |  |
| New Ref                                      | Purc / 1-1               | Payment to Contractors (Advertisement Contractors) | 36,000.00 Cr      | 360.00 Cr             |  |
|                                              | Income Tax               | 1 % On                                             | 36,000.00 Cr      | 360.00 Cr             |  |
|                                              | Surcharge                | 0 % On                                             | 360.00 Cr         |                       |  |
|                                              | Education Cess           | 0 % On                                             | 360.00 Cr         |                       |  |
|                                              | Secondary Education Cess | 0 % On                                             | 360.00 Cr         |                       |  |
|                                              |                          |                                                    |                   | 35,640.00             |  |
| Total                                        |                          |                                                    | 36,000.00 Cr      | 360.00 Cr             |  |

Figure 18.34 TDS Details

10. Press **Enter** to accept the **TDS Details**

11. In the **Bill-wise Details** screen

- ❑ Select **New Ref** as the **Type of Ref**
- ❑ In the **Name** field, enter the **Bill name** as **SAA/102**
- ❑ Skip the **Due Date or Credit Days** field
- ❑ Accept the default **amount** allocation and **Dr/Cr**.

Figure 18.35 Bill-wise Details

The completed **Purchase Voucher** is displayed as shown

| Accounting Voucher Creation                     |         | National Enterprises | Ctrl + M              |
|-------------------------------------------------|---------|----------------------|-----------------------|
| <b>Purchase</b>                                 | No. 1   |                      |                       |
| Supplier Invoice No. :                          | SAA/102 | Date : 13-Apr-2009   | 13-Apr-2009<br>Monday |
| Party's A/c Name : Star Advertisement Agency    |         |                      |                       |
| Current Balance :                               |         |                      |                       |
| Particulars                                     | Rate    | per                  | Amount                |
| Advertisement Expenses                          |         |                      | 36,000.00             |
| TDS on Advertisement Expenses                   |         |                      | (-)360.00             |
| Narration:                                      |         |                      | 35,640.00             |
| Received a bill towards Advertisement Expenses. |         |                      |                       |

Figure 18.36 Completed Purchase Voucher

13. Press **Enter** to accept.

## 18.4.2 Booking Expenses and Deducting TDS Later

### Example 3:

*On 20/04/09, M/s. National Enterprises received a Bill (Vide No. 024/09) for Rs. 9,000/- from Silverplus Enterprises towards commission charges.*

*The company intends not to deduct TDS on the above transaction at the time of booking the expenses.*

### Create Journal Voucher

Go to **Gateway of Tally > Accounting Vouchers > Press F7:Journal**

1. Press **F2** and change the date to **20-04-2009**
2. Select **Commission Charges** in the **Debit** field and press **Enter**
3. Enter **9,000** in the **Amount** field and press **Enter**
4. The **Expense Allocation** screen appears as shown,

| Expense Allocation               |       | National Enterprises | Ctrl + M                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------|-------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Journal                          | No. 2 |                      | List of TDS Nature Of Pymt                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Particulars                      |       |                      | <input type="checkbox"/> Not Applicable<br>Any Other Income<br>Any Other Interest on Securities As Per Sec.193<br>Commission on Sale of Lottery Tickets<br><b>Commission Or Brokerage</b><br>Deemed Dividend U/s 2(22)(E)<br>Fees for Professional Or Technical Services<br>Fees for Tech. Services Agreement Is Made After Feb 29, 1964 Before April 1, 1976<br>Fees for Tech. Services Agreement Is Made After Mar 31, 1976 Before June 1, 1997<br>Fees for Tech. Services Agreement Is Made After May 31, 1997 Before June 1, 2005<br>Fees for Tech. Services Agreement Is Made on Or After June 1, 2005<br>Income by Way of Long-Term Capital Gains Referred to in Section 115E<br>Income From Foreign Currency Bonds Or Shares of ....<br>Income From Foreign Exchange Assets Payable to an Indian Citizen<br>Income in Respect of Units of Non-Residents<br>Income of Foreign Institutional Investors From ....<br>Insurance Commission<br>Interest on 8% Savings (Taxable) Bonds, 2003<br>Interest on Securities<br>Interest Other Than Interest on Securities<br>Interest Payable by Government Or Indian Concern in Foreign Currency<br>Long-Term Capital Gains[Not Being Covered by Sec. 10(33)(36)(38)]<br>Other Sums Payables to A Non-Resident<br>Payment of Compensation on Acquisition of Immovable Property<br>Payments in Respect of Deposits Under NSS<br>Payments in Respect of Units to an Offshore Fund<br>Payments on Account of Re-Purchase of Units by ...<br>Payments to Contractors (Other Than Advertisement)<br>Payments to Non-Resident Sportsmen/Sports Assoc...<br>Payment to Contractors (Advertisement Contractors)<br>Payment to Sub-Contractors<br>Rent of Land, Building Or Furniture<br>Rent of Plant, Machinery Or Equipment<br>Royalty(F) Agreement Is Made After May 31, 1997 Before June 1, 2005 |
| Dr Commission Charges            |       |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Cur Bal: 9,000.00 Dr             |       |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| TDS Nature of Payment Details    |       |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Ledger Name : Commission Charges |       |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Nature of Payment                |       |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Commission Or Brokerage          |       |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Narration:                       |       |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

Figure 18.37 Expense Allocation screen

- Press **Enter** to accept **Commission Or Brokerage** as **Nature of Payment**.
- The **Assessable Value** field is defaulted as **9,000**

| TDS Nature of Payment Details    |                  |
|----------------------------------|------------------|
| Ledger Name : Commission Charges |                  |
| Nature of Payment                | Assessable Value |
| Commission Or Brokerage          | 9,000.00         |

Figure 18.38 TDS Nature of Payment Details with Assessable Value

- Press **Enter** to accept the screen

5. Select **Silverplus Enterprises** in the **Credit** field and press **Enter**, the TDS Details screen appears,
6. In **TDS Details** screen, enter the following details
  - ❑ Select **New Ref** in **Type of Ref** field
  - ❑ In the **Name** field, accept the default **TDS reference number** as **Jrnl / 2-1**
  - ❑ Select **Commission Or Brokerage** in **Nature of Payment** field
  - ❑ Select **TDS on Commission** in the **TDS Duty Ledger** field
  - ❑ Set **Deduct Now** to **No** (in order to deduct the TDS later).
  - ❑ The **Payable Amount** field displays the amount payable to the Party.

The completed **TDS Details** screen is displayed as shown

| TDS Details           |                          | National Enterprises    |                   | Ctrl + M              |            |            |                    |
|-----------------------|--------------------------|-------------------------|-------------------|-----------------------|------------|------------|--------------------|
| Journal No. 2         |                          |                         |                   | 20-Apr-2009<br>Monday |            |            |                    |
| Particulars           |                          |                         |                   | Debit                 |            | Credit     |                    |
| Dr Commission Charges |                          |                         |                   | 9,000.00              |            |            |                    |
| Cur Bal: 9,000.00 Dr  |                          |                         |                   |                       |            |            |                    |
| TDS Details           |                          |                         |                   |                       |            |            |                    |
| Type of Ref           | Name                     | Nature of Payment       | TDS Duty Ledger   | Assessable Amount     | Deduct now | TDS Amount | Payable Amount     |
| New Ref               | Jrnl / 2-1               | Commission Or Brokerage | TDS on Commission | 9,000.00 Cr           | No.        |            | 9,000.00 Cr        |
|                       | Income Tax               | 0 % On                  | 9,000.00 Cr       |                       |            |            |                    |
|                       | Surcharge                | 0 % On                  |                   |                       |            |            |                    |
|                       | Education Cess           | 0 % On                  |                   |                       |            |            |                    |
|                       | Secondary Education Cess | 0 % On                  |                   |                       |            |            |                    |
| <b>Total</b>          |                          |                         |                   | <b>9,000.00 Cr</b>    |            |            | <b>9,000.00 Cr</b> |

Figure 18.39 TDS Details Screen

7. Press **Enter** to accept the **TDS details** screen
8. The **Payable Amount** calculated in the **TDS Details** screen is defaulted in the Party's **Amount (Credit)** field.
9. Press **Enter** to view **Bill-wise Details** screen.
10. In **Bill-wise Details** screen,
  - ❑ Select **New Ref** as the **Type of Ref**

- In the **Name field** enter the Bill name as **024/09**
- Accept the default **amount** allocation and **Dr/Cr**.

| Bill-wise Details for : <b>Silverplus Enterprises</b><br>Upto: <b>Rs. 9,000.00 Cr</b> |               |                                                 |                 |           |
|---------------------------------------------------------------------------------------|---------------|-------------------------------------------------|-----------------|-----------|
| Type of Ref                                                                           | Name          | Due Date, or<br>Credit Days<br>(wef: 20-4-2009) | Amount          | Dr/<br>Cr |
| New Ref                                                                               | <b>024/09</b> |                                                 | <b>9,000.00</b> | <b>Cr</b> |
|                                                                                       |               |                                                 | <b>9,000.00</b> | <b>Cr</b> |

Figure 18.40 Bill-wise Details

- Press **Enter** to accept **Bill-wise Details** screen.

11.Type the details of the transaction in the **Narration** field, if required.

The completed **Journal Voucher** is displayed as shown

| Accounting Voucher Creation      |             | National Enterprises |          | Ctrl + M              |
|----------------------------------|-------------|----------------------|----------|-----------------------|
| <b>Journal</b> No. 2             |             |                      |          | 20-Apr-2009<br>Monday |
| Particulars                      |             | Debit                | Credit   |                       |
| Dr <b>Commission Charges</b>     |             | 9,000.00             |          |                       |
| Cur Bal: 9,000.00 Dr             |             |                      |          |                       |
| Cr <b>Silverplus Enterprises</b> |             |                      | 9,000.00 |                       |
| Cur Bal: 9,000.00 Cr             |             |                      |          |                       |
| New Ref: 024/09                  | 9,000.00 Cr |                      |          |                       |
| Narration:                       |             | 9,000.00             | 9,000.00 |                       |
|                                  |             |                      |          | Accept ?<br>Yes or No |

Figure 18.41 Journal Voucher

12. Press **Enter** to accept



*The **Deduction of TDS** on the above Transaction (i.e., Commission Charges of Rs. 9,000/- payable to Silverplus Enterprises) is discussed in **Example 8** dt. 30/04/09.*

#### Example 4:

**On 23/04/09, M/s. National Enterprises paid Rs. 35,640/- to Star Advertisement Agency towards Advertisement Expenses (vide Ch. No. 145687).**

#### Setup:

- In F12: Configure, set Use Single Entry mode for Pymt/Rcpt/Contra to Yes.



## Create Payment Voucher

Go to **Gateway of Tally > Accounting Vouchers > Press F5: Payment**

1. Press **F2** and change date to **23/04/2009**
2. In **Debit** field, select **Star Advertisement Agency** from the **List of Ledger Accounts**
3. Enter **35,640** in **Amount** field and press enter to view **Bill-wise Details** screen
4. In **Bill-wise Details** screen
  - Select **Agst Ref** in the **Type of Ref**
  - Select **SAA/102** from the **List of Pending Bills** in **Name** field, **Amount** is defaulted automatically.

The Completed **Bill-wise Details** screen is displayed as shown.

| Bill-wise Details for : <b>Star Advertisement Agency</b><br>Upto: <b>Rs. 35,640.00 Dr</b> |         |                                                 |                     |
|-------------------------------------------------------------------------------------------|---------|-------------------------------------------------|---------------------|
| Type of Ref                                                                               | Name    | Due Date, or<br>Credit Days<br>(wef. 23-4-2009) | Amount Dr/<br>Cr    |
| Agst Ref                                                                                  | SAA/102 |                                                 | 35,640.00 <b>Dr</b> |
|                                                                                           |         |                                                 | 35,640.00 <b>Dr</b> |

Figure 18.42 Bill-wise Details Screen

- Press **Enter** to accept the screen
5. In **Credit** field, select **HDFC Bank** from the **List of Ledger Accounts**, the **Amount** is defaulted automatically
  6. Enter **Cheque No. 145687** in **Narration** field.

The completed **Payment Voucher** is displayed as shown

| Accounting Voucher Creation                                                 |           | National Enterprises    | Ctrl + M  |
|-----------------------------------------------------------------------------|-----------|-------------------------|-----------|
| <b>Payment</b> No. 1                                                        |           | 23-Apr-2009<br>Thursday |           |
| Particulars                                                                 | Debit     | Credit                  |           |
| Dr <b>Star Advertisement Agency</b><br>Cur Bal: 0.00 Dr<br>Agst Ref SAA/102 | 35,640.00 |                         |           |
| Cr <b>HDFC Bank</b><br>Cur Bal: 9,64,360.00 Dr                              |           | 35,640.00               |           |
| Narration:<br>Ch. No.: 145687                                               |           | 35,640.00               | 35,640.00 |
|                                                                             |           | Accept ?<br>Yes or No   |           |

Figure 18.43 Completed Payment Voucher

7. Press **Enter** to accept

### Example 5:

*On 23/04/09, M/s. National Enterprises paid Rs. 24,300/- (vide Ch. No. 145690) to Evergreen Consulting Services towards final settlement of Bill No. ECS/001/09-10 dt. 10/04/09.*

### Create Payment Voucher

Go to **Gateway of Tally > Accounting Vouchers > Press F5: Payment**

1. Press **F2** and change date to **23/04/2009**
2. In **Debit** field, select **Evergreen Consulting Services** from the **List of Ledger Accounts**
3. Enter **24,300** in **Amount** field and press enter to view **Bill-wise Details** screen
4. In **Bill-wise Details** screen
  - Select **Agst Ref** in the **Type of Ref**
  - Select **ECS/001/09-10** from the **List of Pending Bills** in **Name** field, **Amount** is defaulted automatically.

The Completed **Bill-wise Details** screen is displayed as shown.

| Bill-wise Details for : <b>Evergreen Consulting Services</b> |                      |                                                 |                  |           |
|--------------------------------------------------------------|----------------------|-------------------------------------------------|------------------|-----------|
| Upto: <b>Rs. 24,300.00 Dr</b>                                |                      |                                                 |                  |           |
| Type of Ref                                                  | Name                 | Due Date, or<br>Credit Days<br>(wef: 23-4-2009) | Amount           | Dr/<br>Cr |
| Agst Ref                                                     | <b>ECS/001/09-10</b> |                                                 | <b>24,300.00</b> | <b>Dr</b> |
|                                                              |                      |                                                 | <b>24,300.00</b> | <b>Dr</b> |

Figure 18.44 Bill-wise Details Screen

- Press **Enter** to accept the screen
- 5. In **Credit** field, select **HDFC Bank** from the **List of Ledger Accounts**, Amount is defaulted automatically
- 6. Enter **Cheque No. 145690** in **Narration** field.

The completed **Payment Voucher** is displayed as shown

| Accounting Voucher Creation             |              | National Enterprises |           | Ctrl + M                |
|-----------------------------------------|--------------|----------------------|-----------|-------------------------|
| <b>Payment</b> No. 2                    |              |                      |           | 23-Apr-2009<br>Thursday |
| Particulars                             | Debit        | Credit               |           |                         |
| Dr <b>Evergreen Consulting Services</b> | 24,300.00    |                      |           |                         |
| Cur Bal: 0.00 Dr                        |              |                      |           |                         |
| Agst Ref ECS/001/09-10                  | 24,300.00 Dr |                      |           |                         |
| Cr <b>HDFC Bank</b>                     |              | 24,300.00            |           |                         |
| Cur Bal: 9,40,060.00 Dr                 |              |                      |           |                         |
| Narration:                              |              | 24,300.00            | 24,300.00 |                         |
| Ch. No.: 145690                         |              |                      |           | Accept ?<br>Yes or No   |

Figure 18.45 Completed Payment Voucher

7. Press **Enter** to accept

### 18.4.3 TDS Deduction @ Lower Rate

The Income Tax Act, as per Sec 197 allows the benefit of deduction of tax at source at a lower rate on filing of declaration in the prescribed form with the payer.

#### Example 6:

*On 24/04/09, National Enterprises received a bill for Rs. 45,000/- from Prompt Consultancy towards commission charges.*

*Prompt Consultancy has been granted a lower deduction certificate for deduction of Tax @ 5% on commission.*

#### Set Up:

In **F12: Configure (Ledger Configuration)**

- Set **Allow Advanced entries in TDS Masters** to **Yes**

| Ledger Configuration                    |              |
|-----------------------------------------|--------------|
| Allow ALIASES along with Names          | ? Yes        |
| Allow Language ALIASES along with Names | ? No         |
| Allow ADVANCED entries in Masters       | ? Yes        |
| Allow ADVANCED entries in TDS Master    | ? <b>Yes</b> |
| Add NOTES for Ledger Accounts           | ? No         |
| Use ADDRESSES for Ledger Accounts       | ? Yes        |
| Use CONTACT DETAILS for Ledger Accounts | ? No         |

Figure 18.46 Ledger Configuration

### Create Party Ledger

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

- Enter the **Name** of the **Party Ledger** e.g. **Prompt Consultancy**
- Select **Sundry Creditors** from the List of Groups in the Under field
- Set **Maintain balances bill-by-bill** to **Yes**
- Enter the **Default Credit Period**, if required.
- Set **Is TDS Deductible** to **Yes**
- In the **Deductee Type** field, select **Partnership Firm** from the List of Deductee Type
- Set **Use Advanced TDS Entries** to **Yes**
- In **Advanced TDS Entries** screen
  - Set the option **Zero / Lower Deduction** to **Yes**

| Advanced TDS Entries                     |              |
|------------------------------------------|--------------|
| Ignore Surcharge Exemption Limit         | ? No         |
| Set Ignore Income Tax Exemption Limit    | ? No         |
| Set Zero / Lower Deduction               | ? <b>Yes</b> |
| Deduct TDS in Same Voucher If applicable | ? No         |

Figure 18.47 Advanced TDS Entries

- In **Zero / Lower Deduction Details** screen
  - Select **Nature of payment** as **Commission Or Brokerage**
  - Select **Section Number** as **197**
  - Enter the **Certificate No./ Date**
  - Enter the **Applicable From** date
  - Enter the **Applicable To** date
  - Enter the allotted **TDS rate**
  - Enter the **Surcharge, Ed Cess and Sec Ed Cess**, if applicable (Tally.ERP 9 defaults the rate as Zero).

| Zero / Lower Deduction Details |                |                        |                 |               |     |           |         |             |
|--------------------------------|----------------|------------------------|-----------------|---------------|-----|-----------|---------|-------------|
| Nature of Payment              | Section Number | Certificate No. / Date | Applicable From | Applicable To | TDS | Surcharge | Ed Cess | Sec Ed Cess |
| Commission Or Brokerage        | 197            | PCIT/09-10             | 1-4-2009        | 31-3-2010     | 5 % | 0 %       | 0 %     | 0 %         |

Figure 18.48 Zero / Lower Deduction Details

- Type the **Mailing address, State, PIN Code** and **Tax information** of the party

The completed **Prompt Consultancy** ledger creation screen is as shown:

| Ledger Creation                                                                                                                                        |  | National Enterprises                                                                                                                                                                                        |                 | Ctrl                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------------------------------|
| Name : <b>Prompt Consultancy</b>                                                                                                                       |  |                                                                                                                                                                                                             | Total Op. Bal.  |                                     |
| (alias) :                                                                                                                                              |  |                                                                                                                                                                                                             | 10,00,000.00 Dr |                                     |
|                                                                                                                                                        |  |                                                                                                                                                                                                             | Difference      |                                     |
|                                                                                                                                                        |  |                                                                                                                                                                                                             | 10,00,000.00 Dr |                                     |
| Under : <b>Sundry Creditors</b><br>(Current Liabilities)                                                                                               |  | <b>Mailing Details</b><br>Name : <b>Prompt Consultancy</b><br>Address : <b>Block 36/E Cross Street-1</b><br><b>St Mark Road</b><br><b>Bangalore</b><br>State : <b>Karnataka</b><br>PIN Code : <b>560001</b> |                 |                                     |
| Maintain balances bill-by-bill : <b>? Yes</b><br>Default Credit Period :<br>Inventory values are affected : <b>? No</b>                                |  | <b>Tax Information</b><br>PAN / IT No. : <b>AGBVV5680B</b><br>(PAN / IT No. is mandatory for eTDS, should be of 10 Characters)<br>Set/Alter VAT Details : <b>? No</b>                                       |                 |                                     |
| <b>Statutory Information</b><br>Is TDS Deductable : <b>? Yes</b><br>Deductee Type : <b>Partnership Firm</b><br>Use Advanced TDS Entries : <b>? Yes</b> |  |                                                                                                                                                                                                             |                 |                                     |
| Opening Balance (on 1-Apr-2009) :                                                                                                                      |  |                                                                                                                                                                                                             |                 | <b>Accept ?</b><br><b>Yes or No</b> |

Figure 18.49 Ledger Creation - Prompt Consultancy

**Go to Gateway of Tally > Accounting Vouchers > Press F7: Journal**

1. Press **F2** and change the date to **24-04-2009**
2. Select **Commission Charges** in the **Debit** field and press **Enter**
3. Enter **45.000** in the **Amount** field.

| Expense Allocation                   |                    | National Enterprises | Ctrl + M E                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------|--------------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Journal                              | No. 3              |                      | List of TDS Nature Of Pymt                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Particulars</b>                   |                    |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Dr Commission Charges                |                    |                      | Not Applicable<br>Any Other Income<br>Any Other Interest on Securities As Per Sec.193<br>Commission on Sale of Lottery Tickets<br><b>Commission Or Brokerage</b><br>Deemed Dividend U/s 2(22)(E)<br>Fees for Professional Or Technical Services<br>Fees for Tech. Services Agreement Is Made After Feb 29, 1964 Before April 1, 1976<br>Fees for Tech. Services Agreement Is Made After Mar 31, 1976 Before June 1, 1997<br>Fees for Tech. Services Agreement Is Made After May 31, 1997 Before June 1, 2005<br>Fees for Tech. Services Agreement Is Made On Or After June 1, 2005<br>Income by Way of Long-Term Capital Gains Referred to in Section 115E<br>Income From Foreign Currency Bonds Or Shares of ....<br>Income From Foreign Exchange Assets Payable to an Indian Citizen<br>Income in Respect of Units of Non-Residents<br>Income of Foreign Institutional Investors From ....<br>Insurance Commission<br>Interest on 8% Savings (Taxable) Bonds, 2003<br>Interest on Securities<br>Interest Other Than Interest on Securities<br>Interest Payable by Government Or Indian Concern in Foreign Currency<br>Long-Term Capital Gains[Not Being Covered by Sec 10(33)(36)(38)]<br>Other Sums Payables to A Non-Resident<br>Payment of Compensation on Acquisition of Immovable Property<br>Payments in Respect of Deposits Under NSS<br>Payments in Respect of Units to an Offshore Fund<br>Payments on Account of Re-Purchase of Units by ....<br>Payments to Contractors (Other Than Advertisement)<br>Payments to Non-Resident Sportsmen/Sports Assoc....<br>Payment to Contractors (Advertisement Contractors)<br>Payment to Sub-Contractors<br>Payment to Transporters<br>Payment to Transporters (Sub-Contractors)<br>Rent of Land, Building Or Furniture |
| Cur Bal: 54,000.00 Dr                |                    |                      | 11 more ...                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>TDS Nature of Payment Details</b> |                    |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Ledger Name :                        | Commission Charges |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Nature of Payment</b>             |                    |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Commission Or Brokerage</b>       |                    |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Narration:                           |                    |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

The **TDS Nature of Payment Details** screen displays the **Nature of Payment** and the **Assessable Value** of the expenditure.

- ❑ Press **Enter** to accept **Commission or Brokerage** as **Nature of Payment**.
- ❑ The amount in the **Assessable Value** is defaulted to **45,000**.

Figure 18.51 TDS Nature of Payment Details with Assessable Value

- | TDS Details            |                          |                   | National Enterprises |                           |                   | Ctrl + M   |            |                |
|------------------------|--------------------------|-------------------|----------------------|---------------------------|-------------------|------------|------------|----------------|
| Journal                |                          | No. 3             |                      | 24-Apr-2009<br>Friday     |                   |            |            |                |
| Particulars            |                          |                   |                      | Debit                     |                   | Credit     |            |                |
| Dr Commission Charges  |                          |                   |                      | 45,000.00                 |                   |            |            |                |
| Cr Payee: 54,000.00 Dr |                          |                   |                      |                           |                   |            |            |                |
| TDS Details            |                          |                   |                      |                           |                   |            |            |                |
| Type of Ref            | Name                     | Nature of Payment | Is Zero/             | TDS Duty                  | Assessable Amount | Deduct now | TDS Amount | Payable Amount |
| New Ref                | Jm1 / 3-1                |                   |                      | List of Nature of Pymt(s) |                   | No         |            |                |
|                        | Income Tax               | 0 % On            |                      | Commission Or Brokerage   |                   |            |            |                |
|                        | Surcharge                | 0 % On            |                      |                           |                   |            |            |                |
|                        | Education Cess           | 0 % On            |                      |                           |                   |            |            |                |
|                        | Secondary Education Cess | 0 % On            |                      |                           |                   |            |            |                |
| <b>Total</b>           |                          |                   |                      |                           |                   |            |            |                |

Figure 18.52 TDS Details – Nature of Payment Selection



- ❑ Select **TDS on Commission** from the list of **TDS Duty Ledgers**
- ❑ The **Assessable Amount** field is defaulted with the amount specified against the expenses ledger
- ❑ Set **Yes** in **Deduct Now** field (This field will be set to **Yes** or **No** depending on the tax deduction, if the deduction has to be done later, this option can be set to **No**).
- ❑ The Tax amount deducted at source is displayed in the **TDS Amount** field.
- ❑ The amount (after deducting TDS) payable to the Party is displayed in the **Payable Amount** field.

The completed **TDS Details** screen is displayed as shown

| TDS Details            |                          |                         | National Enterprises |                        |                    |                      | Ctrl + M      |                       |                   |
|------------------------|--------------------------|-------------------------|----------------------|------------------------|--------------------|----------------------|---------------|-----------------------|-------------------|
| Journal                |                          | No. 3                   |                      |                        |                    |                      |               | 24-Apr-2009<br>Friday |                   |
| Particulars            |                          |                         |                      | Debit                  |                    | Credit               |               |                       |                   |
| Dr. Commission Charges |                          |                         |                      | 45,000.00              |                    |                      |               |                       |                   |
|                        |                          | Cr. Bal. 54,000.00 Dr.  |                      |                        |                    |                      |               |                       |                   |
| TDS Details            |                          |                         |                      |                        |                    |                      |               |                       |                   |
| Type of Ref            | Name                     | Nature of Payment       |                      | Is Zero/<br>Lower Rate | TDS Duty<br>Ledger | Assessable<br>Amount | Deduct<br>now | TDS<br>Amount         | Payable<br>Amount |
| New Ref                | Jrnl / 3-1               | Commission Or Brokerage |                      | 197                    | TDS on Commission  | 45,000.00 Cr         | Yes           | 2,250.00 Cr           | 42,750.00 Cr      |
|                        | Income Tax               | 5 %                     | On 45,000.00 Cr      |                        |                    |                      |               |                       |                   |
|                        | Surcharge                | 0 %                     | On 2,250.00 Cr       |                        |                    |                      |               |                       |                   |
|                        | Education Cess           | 0 %                     | On 2,250.00 Cr       |                        |                    |                      |               |                       |                   |
|                        | Secondary Education Cess | 0 %                     | On 2,250.00 Cr       |                        |                    |                      |               |                       |                   |
| Total                  |                          |                         |                      |                        |                    | 45,000.00 Cr         |               | 2,250.00 Cr           | 42,750.00 Cr      |

Figure 18.53 Completed TDS Details Screen

- ❑ Press **Enter** to accept TDS Details
5. The **Payable Amount** calculated in the **TDS Details** screen will be defaulted in the Party's **Amount (Credit)** field
  6. Press **Enter** to view **Bill-wise Details** screen
  7. In **Bill-wise Details** screen,
    - ❑ Select **New Ref** as the **Type of Ref**
    - ❑ In the **Name** field, enter the Bill name as **PCS/001/09-10**

- The completed **Billwise Details** screen is displayed as shown

Figure 18.54 Bill-wise Details Screen

The completed **Journal Voucher** is displayed as shown

| Accounting Voucher Creation  |              | National Enterprises |           | Ctrl + M              |
|------------------------------|--------------|----------------------|-----------|-----------------------|
| <b>Journal</b> No. 3         |              |                      |           | 24-Apr-2009<br>Friday |
| Particulars                  |              | Debit                | Credit    |                       |
| Dr <b>Commission Charges</b> |              | 45,000.00            |           |                       |
| <i>Cur Bal: 54,000.00 Dr</i> |              |                      |           |                       |
| Cr <b>Prompt Consultancy</b> |              |                      | 42,750.00 |                       |
| <i>Cur Bal: 42,750.00 Cr</i> |              |                      |           |                       |
| New Ref PCS/001/09.10        | 45,000.00 Cr |                      |           |                       |
| New Ref PCS/TDS/001          | 2,250.00 Dr  |                      |           |                       |
| Cr <b>TDS on Commission</b>  |              |                      | 2,250.00  |                       |
| <i>Cur Bal: 2,250.00 Cr</i>  |              |                      |           |                       |
| Narration:                   |              | 45,000.00            | 45,000.00 |                       |
|                              |              |                      |           | Accept ?<br>Yes or No |

Figure 18.55 Journal Voucher

- Press **Enter** to accept

#### 18.4.4 TDS Deduction @ Zero Rate

The Income Tax Act, as per Sec 197A allows the benefit of non-deduction of tax at source to an individual payee on filing of declaration in the prescribed form with the payer.

##### Example 7:

*On 25/04/10, National Enterprises received a bill for Rs. 9,000/- from Crown Advisory Services towards Fees for Professional Services.*

*Crown Advisory Services has been granted a No Deduction Certificate.*

##### Set Up:

In **F12: Configure (Ledger Configuration)**

- Set **Allow Advanced entries in TDS Masters** to **Yes**

| <b>Ledger Configuration</b>             |              |
|-----------------------------------------|--------------|
| Allow ALIASES along with Names          | ? <b>Yes</b> |
| Allow Language ALIASES along with Names | ? <b>No</b>  |
| Allow ADVANCED entries in Masters       | ? <b>Yes</b> |
| Allow ADVANCED entries in TDS Master    | ? <b>Yes</b> |
| Add NOTES for Ledger Accounts           | ? <b>No</b>  |
| Use ADDRESSES for Ledger Accounts       | ? <b>Yes</b> |
| Use CONTACT DETAILS for Ledger Accounts | ? <b>No</b>  |

Figure 18.56 Ledger Configuration

## Create Party Ledger

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

- ❑ Enter the **Name** of the **Party Ledger** e.g. Crown Advisory Services
- ❑ Select **Sundry Creditors** from the List of Groups in the Under field
- ❑ Set **Maintain balances bill-by-bill** to **Yes**
- ❑ Enter the **Default Credit Period**, if required.
- ❑ Set **Is TDS Deductable** to **Yes**
- ❑ In the **Deductee Type** field, select **Association of Persons** from the List of Deductee Type
- ❑ Set **Use Advanced TDS Entries** to **Yes**
- ❑ In **Advanced TDS Entries** screen
  - Set the option **Zero / Lower Deduction** to **Yes**

| <b>Advanced TDS Entries</b>              |              |
|------------------------------------------|--------------|
| Ignore Surcharge Exemption Limit         | ? <b>No</b>  |
| Set Ignore Income Tax Exemption Limit    | ? <b>No</b>  |
| Set Zero / Lower Deduction               | ? <b>Yes</b> |
| Deduct TDS in Same Voucher If applicable | ? <b>No</b>  |

Figure 18.57 Advanced TDS Entries

- ❑ In **Zero / Lower Deduction Details** screen
  - Select **Nature of payment** as **Commission Or Brokerage**
  - Select **Section Number** as **197A**
  - Enter the **Certificate No./ Date**
  - Enter the **Applicable From** date
  - Enter the **Applicable To** date
  - The **TDS** rate will be defaulted to **0%**

| Zero / Lower Deduction Details              |                |                        |                 |               |     |           |         |             |
|---------------------------------------------|----------------|------------------------|-----------------|---------------|-----|-----------|---------|-------------|
| Nature of Payment                           | Section Number | Certificate No. / Date | Applicable From | Applicable To | TDS | Surcharge | Ed Cess | Sec Ed Cess |
| Fees for Professional Or Technical Services | 197A           | CAS/09-10              | 1-4-2009        | 31-3-2010     | 0 % | 0 %       | 0 %     | 0 %         |

Figure 18.58 Zero / Lower Deduction Details

- Type the **Mailing address, State, PIN Code** and **Tax information** of the party

The completed **Crown Advisory Services** ledger creation screen is as shown:

| Ledger Creation                                   |  | National Enterprises                                             |                 | Ctrl |
|---------------------------------------------------|--|------------------------------------------------------------------|-----------------|------|
| Name : Crown Advisory Services                    |  |                                                                  | Total Op. Bal.  |      |
| (alias) :                                         |  |                                                                  | 10,00,000.00 Dr |      |
|                                                   |  |                                                                  | Difference      |      |
|                                                   |  |                                                                  | 10,00,000.00 Dr |      |
| Under : Sundry Creditors<br>(Current Liabilities) |  | Mailing Details                                                  |                 |      |
| Maintain balances bill-by-bill ? Yes              |  | Name : Crown Advisory Services                                   |                 |      |
| Default Credit Period :                           |  | Address : 4/1, G.E Road                                          |                 |      |
| Inventory values are affected ? No                |  | Hongasandra                                                      |                 |      |
|                                                   |  | Bangalore                                                        |                 |      |
|                                                   |  | State : Karnataka                                                |                 |      |
|                                                   |  | PIN Code : 560068                                                |                 |      |
| Statutory Information                             |  | Tax Information                                                  |                 |      |
| Is TDS Deductable ? Yes                           |  | PAN / IT No. : ARGT18540C                                        |                 |      |
| Deductee Type : Association of Persons            |  | (PAN / IT No. is mandatory for eTDS, should be of 10 Characters) |                 |      |
| Use Advanced TDS Entries ? Yes                    |  | Set/Alter VAT Details ? No                                       |                 |      |
| Opening Balance ( on 1-Apr-2009 ) :               |  |                                                                  | Accept ?        |      |
|                                                   |  |                                                                  | Yes or No       |      |

Figure 18.59 Ledger Creation - Crown Advisory Services

## Create Journal Voucher

Go to Gateway of Tally > Accounting Vouchers > Press F7: Journal

1. Press **F2** and change the date to **25-04-2009**
2. Select **Consultancy Charges** in the **Debit** field and press **Enter**
3. Enter **9,000** in the **Amount** field.

The **Expense Allocation** screen is displayed as shown

| Expense Allocation                              |       | National Enterprises                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Ctrl + M |
|-------------------------------------------------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Journal                                         | No. 4 | List of TDS Nature Of Pymt                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |          |
| Particulars                                     |       | <input type="checkbox"/> Not Applicable<br>Any Other Income<br>Any Other Interest on Securities As Per Sec.193<br>Commission on Sale of Lottery Tickets<br>Commission Or Brokerage<br>Deemed Dividend U/s 2(22)(E)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |
| Dr Consultancy Charges<br>Cur Bal: 36,000.00 Dr |       | <b>Fees for Professional Or Technical Services</b><br>Fees for Tech. Services Agreement Is Made After Feb 29, 1964 Before April 1, 1976<br>Fees for Tech. Services Agreement Is Made After Mar 31, 1976 Before June 1, 1997<br>Fees for Tech. Services Agreement Is Made After May 31, 1997 Before June 1, 2005<br>Fees for Tech. Services Agreement Is Made on Or After June 1, 2005<br>Income by Way of Long-Term Capital Gains Referred to in Section 115E<br>Income From Foreign Currency Bonds Or Shares of ...<br>Income From Foreign Exchange Assets Payable to an Indian Citizen<br>Income in Respect of Units of Non-Residents<br>Income of Foreign Institutional Investors From ....<br>Insurance Commission<br>Interest on 8% Savings (Taxable) Bonds, 2003<br>Interest on Securities<br>Interest Other Than Interest on Securities<br>Interest Payable by Government Or Indian Concern in Foreign Currency<br>Long-Term Capital Gains(Not Being Covered by Sec 10(33)(36)(38))<br>Other Sums Payables to A Non-Resident<br>Payment of Compensation on Acquisition of Immovable Property<br>Payments in Respect of Deposits Under NSS<br>Payments in Respect of Units to an Offshore Fund<br>Payments on Account of Re-Purchase of Units by ...<br>Payments to Contractors (Other Than Advertisement)<br>Payments to Non-Resident Sportsmen/Sports Assoc...<br>Payment to Contractors (Advertisement Contractors)<br>Payment to Sub-Contractors<br>Payment to Transporters<br>Payment to Transporters (Sub-Contractors)<br>Rent of Land, Building Or Furniture |          |
| TDS Nature of Payment Details                   |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          |
| Ledger Name : Consultancy Charges               |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          |
| Nature of Payment                               |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          |
| Fees for Professional Or Technical Services     |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          |
| Narration:                                      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          |

Figure 18.60 Expense Allocation Screen

The **TDS Nature of Payment Details** screen displays the **Nature of Payment** and the **Assessable Value** of the expenditure.

- Press **Enter** to accept **Fees for Professional Or Technical Services** as **Nature of Payment**.
- The amount in the **Assessable Value** is defaulted to **9,000**.

| TDS Nature of Payment Details                      |                  |
|----------------------------------------------------|------------------|
| Ledger Name : <b>Consultancy Charges</b>           |                  |
| Nature of Payment                                  | Assessable Value |
| <b>Fees for Professional Or Technical Services</b> | <b>9,000.00</b>  |

Figure 18.61 TDS Nature of Payment Details with Assessable Value

4. Select **Crown Advisory Services** in the **Credit** field and press **Enter**.
5. In the **TDS Details** screen, provide the following details
  - ❑ Select **New Ref** as the **Type of Ref.** field
  - ❑ Type the **Reference Number** in the **Name** field (By default **Jrnl / 4-1** is prefilled)
  - ❑ Select **Fees for Professional Or Technical Services** in **Nature of Payment** field.

| TDS Details           |                          | National Enterprises |          |          |            | Ctrl + M                |        |
|-----------------------|--------------------------|----------------------|----------|----------|------------|-------------------------|--------|
| Journal               | No. 4                    |                      |          |          |            | 25-Apr-2009<br>Saturday |        |
| Particulars           |                          |                      |          |          |            | Debit                   | Credit |
| Dr                    | Consultancy Charges      |                      |          |          |            | 9,000.00                |        |
| Cus Bal: 35,000.00 Dr |                          |                      |          |          |            |                         |        |
| TDS Details           |                          |                      |          |          |            |                         |        |
| Type of Ref           | Name                     | Nature of Payment    | Is Zero/ | TDS Duty | Assessable | Deduct                  | TDS    |
|                       |                          |                      |          |          | Amount     | now                     | Amount |
| New Ref               | Jrnl / 4-1               |                      |          |          |            | No                      |        |
|                       | Income Tax               | 0 %                  | On       |          |            |                         |        |
|                       | Surcharge                | 0 %                  | On       |          |            |                         |        |
|                       | Education Cess           | 0 %                  | On       |          |            |                         |        |
|                       | Secondary Education Cess | 0 %                  | On       |          |            |                         |        |
| Total                 |                          |                      |          |          |            |                         |        |

Figure 18.62 TDS Details – Nature of Payment Selection

- In **Is Zero/ Lower Rate** field, select section **197A** for zero deduction

The completed **TDS Details** screen is displayed as shown

| TDS Details            |                          |                                             | National Enterprises |                        |                    | Ctrl + M             |                         |               |                   |
|------------------------|--------------------------|---------------------------------------------|----------------------|------------------------|--------------------|----------------------|-------------------------|---------------|-------------------|
| Journal                |                          | No. 4                                       |                      |                        |                    |                      | 25-Apr-2009<br>Saturday |               |                   |
| Particulars            |                          |                                             | Debit                |                        | Credit             |                      |                         |               |                   |
| Dr Consultancy Charges |                          |                                             | 9,000.00             |                        |                    |                      |                         |               |                   |
| Cr Pay. 35,000.00 Dr   |                          |                                             |                      |                        |                    |                      |                         |               |                   |
| TDS Details            |                          |                                             |                      |                        |                    |                      |                         |               |                   |
| Type of Ref            | Name                     | Nature of Payment                           |                      | Is Zero/<br>Lower Rate | TDS Duty<br>Ledger | Assessable<br>Amount | Deduct<br>now           | TDS<br>Amount | Payable<br>Amount |
| New Ref                | Jmtl / 4-1               | Fees for Professional Or Technical Services |                      | 197A                   |                    | 9,000.00             | Cr No                   |               | 9,000.00 Cr       |
|                        | Income Tax               | 0 %                                         | On                   |                        |                    |                      |                         |               |                   |
|                        | Surcharge                | 0 %                                         | On                   |                        |                    |                      |                         |               |                   |
|                        | Education Cess           | 0 %                                         | On                   |                        |                    |                      |                         |               |                   |
|                        | Secondary Education Cess | 0 %                                         | On                   |                        |                    |                      |                         |               |                   |
| Total                  |                          |                                             |                      |                        |                    | 9,000.00             | Cr                      |               | 9,000.00 Cr       |

Figure 18.63 Completed TDS Details Screen

- Press **Enter** to accept TDS Details
6. The **Payable Amount** is defaulted in the Party's **Amount (Credit)** field
  7. Press **Enter** to view **Bill-wise Details** screen
  8. In **Bill-wise Details** screen,
    - Select **New Ref** as the **Type of Ref**
    - In the **Name** field, enter the Bill name as **CAS/001/09-10**
    - Skip the **Due Date or Credit Days** field
    - Accept the default **amount** allocation and **Dr/Cr**. (By default, Tally.ERP 9 displays the **Bill amount** in the amount field as the credit balance).
    - Press **Enter** to accept the **Amount** allocation

The completed **Billwise Details** screen is displayed as shown



| Bill-wise Details for : <b>Crown Advisory Services</b><br>Upto: <b>Rs. 9,000.00 Cr</b> |               |                                                 |          |           |
|----------------------------------------------------------------------------------------|---------------|-------------------------------------------------|----------|-----------|
| Type of Ref                                                                            | Name          | Due Date, or<br>Credit Days<br>(wef: 25-4-2009) | Amount   | Dr/<br>Cr |
| New Ref                                                                                | CAS/001/09-10 |                                                 | 9,000.00 | Cr        |
|                                                                                        |               |                                                 | 9,000.00 | Cr        |

Figure 18.64 Bill-wise Details Screen

9. Enter the details of the transaction in the narration field.

The completed **Journal Voucher** is displayed as shown

| Accounting Voucher Creation                                                        |             | National Enterprises  |          | Ctrl + M                |
|------------------------------------------------------------------------------------|-------------|-----------------------|----------|-------------------------|
| <b>Journal</b> No. 4                                                               |             |                       |          | 25-Apr-2009<br>Saturday |
| Particulars                                                                        | Debit       | Credit                |          |                         |
| Dr <b>Consultancy Charges</b><br>Cur Bal: 36,000.00 Dr                             | 9,000.00    |                       |          |                         |
| Cr <b>Crown Advisory Services</b><br>Cur Bal: 9,000.00 Cr<br>New Ref CAS/001/09-10 |             | 9,000.00              |          |                         |
|                                                                                    | 9,000.00 Cr |                       |          |                         |
| Narration:                                                                         |             | 9,000.00              | 9,000.00 |                         |
|                                                                                    |             | Accept ?<br>Yes or No |          |                         |

Figure 18.65 Journal Voucher

- Press **Enter** to accept

### Example 8:

*On 30/04/09, M/s. National Enterprises deducts TDS at the following rates on Commission payable to Silverplus Enterprises (vide B.No. 024/09 dt. 20/04/09 - Refer Example 3).*

*The applicable Income tax rates for Commission is as follows :*

| Particulars | Rate |
|-------------|------|
| TDS         | 10%  |
| Surcharge   | -    |

### Create Journal Voucher

Go to **Gateway of Tally > Accounting Vouchers > Press F7: Journal**

1. Press **F2** and change the date to **30-04-2009**
2. Press **Alt +S** or click on **S: TDS Deduction** button, to view **TDS Deductions** screen.

3. In **TDS Deduction** screen,

- In **Till Date** field, enter the **date** till which the TDS deduction is to be made (i.e., **30-04-2009**)
- Select **Silverplus Enterprises** from the **List of Ledger(s)** in the **Party** field

| TDS Deductions    |               | List of Ledger(s)      |
|-------------------|---------------|------------------------|
| Till Date         | : 30-Apr-2009 |                        |
| Party             | :             | Silverplus Enterprises |
| Nature of Payment | :             |                        |

Figure 18.66 TDS Deductions – Party Selection

- Select **Commission Or Brokerage** from the List of **Nature of Payments**

| TDS Deductions    |                          | List of TDS Nature Of Pymt(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Till Date         | : 30-Apr-2009            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Party             | : Silverplus Enterprises |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Nature of Payment | :                        | <ul style="list-style-type: none"> <li>□ All Items</li> <li>Any Other Income</li> <li>Any Other Interest on Securities As Per Sec.193</li> <li>Commission on Sale of Lottery Tickets</li> <li><b>Commission Or Brokerage</b></li> <li>Deemed Dividend U/s 2(22)(E)</li> <li>Fees for Professional Or Technical Services</li> <li>Fees for Tech. Services Agreement Is Made After Feb 29, 1964 Before April 1, 1976</li> <li>Fees for Tech. Services Agreement Is Made After Mar 31, 1976 Before June 1, 1997</li> <li>Fees for Tech. Services Agreement Is Made After May 31, 1997 Before June 1, 2005</li> <li>Fees for Tech. Services Agreement Is Made on Or After June 1, 2005</li> <li>Income by Way of Long-Term Capital Gains Referred to in Section 115E</li> </ul> |
|                   |                          | 33 more ... ↓                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

Figure 18.67 TDS Deduction – Nature of Payment Selection

- Press **Enter** to accept the **TDS Deductions** subscreen

4. The **TDS amount** with the respective bill details will be prefilled automatically

| Accounting Voucher Creation                                     |      | National Enterprises |             | Ctrl + M                |  |
|-----------------------------------------------------------------|------|----------------------|-------------|-------------------------|--|
| <b>Journal</b> No. 3                                            |      |                      |             | 30-Apr-2009<br>Thursday |  |
| Account : <b>Silverplus Enterprises</b><br>Cur Bal: 8,100.00 Cr |      |                      |             |                         |  |
| Particulars                                                     |      |                      |             | Amount                  |  |
| <b>TDS on Commission</b>                                        |      |                      |             | 900.00                  |  |
| Cur Bal: 900.00 Dr                                              |      |                      |             |                         |  |
| Agst Ref Jrnl / 2-1                                             |      |                      |             | 900.00 Cr               |  |
| Income Tax                                                      | 10 % | On                   | 9,000.00 Cr | 900.00 Cr               |  |
| Surcharge                                                       | 0 %  | On                   | 900.00 Cr   |                         |  |
| Education Cess                                                  | 0 %  | On                   | 900.00 Cr   |                         |  |
| Secondary Education Cess                                        | 0 %  | On                   | 900.00 Cr   |                         |  |
| Narration:                                                      |      |                      |             | 900.00                  |  |

Figure 18.68 Journal Voucher with Auto filled TDS values

5. In the **Bill-wise Details** screen,
  - ❑ Select **Agst Ref** in the **Type of Ref**
  - ❑ Select **024/09** dated **20-Apr-2009** in the **Name** field and press **Enter**
  - ❑ The amount is defaulted as **900**

The completed **Bill-wise Details** is displayed as shown

| Bill-wise Details for : <b>Silverplus Enterprises</b> |               |                                                 |               |           |
|-------------------------------------------------------|---------------|-------------------------------------------------|---------------|-----------|
| Upto: <b>Rs. 900.00 Dr</b>                            |               |                                                 |               |           |
| Type of Ref                                           | Name          | Due Date, or<br>Credit Days<br>(wef: 30-4-2009) | Amount        | Dr/<br>Cr |
| Agst Ref                                              | <b>024/09</b> |                                                 | <b>900.00</b> | <b>Dr</b> |
|                                                       |               |                                                 | <b>900.00</b> | <b>Dr</b> |

Figure 18.69 Bill-wise Details screen

□ Press **Enter** to accept the screen

6. Enter the details of the transaction in the **Narration** field, if required.

The completed **Journal Voucher** is displayed as shown

| Accounting Voucher Creation                                     |      | National Enterprises |             | Ctrl + M                |  |
|-----------------------------------------------------------------|------|----------------------|-------------|-------------------------|--|
| <b>Journal</b> No. 3                                            |      |                      |             | 30-Apr-2009<br>Thursday |  |
| Account : <b>Silverplus Enterprises</b><br>Cur Bal: 8,100.00 Cr |      |                      |             |                         |  |
| Particulars                                                     |      |                      |             | Amount                  |  |
| <b>TDS on Commission</b>                                        |      |                      |             | 900.00                  |  |
| Cur Bal: 900.00 Dr                                              |      |                      |             |                         |  |
| Agst Ref Jrnl / 2-1 900.00 Cr                                   |      |                      |             |                         |  |
| Income Tax                                                      | 10 % | On                   | 9,000.00 Cr | 900.00 Cr               |  |
| Surcharge                                                       | 0 %  | On                   | 900.00 Cr   |                         |  |
| Education Cess                                                  | 0 %  | On                   | 900.00 Cr   |                         |  |
| Secondary Education Cess                                        | 0 %  | On                   | 900.00 Cr   |                         |  |
| Narration:                                                      |      |                      |             | 900.00                  |  |
|                                                                 |      |                      |             | Accept ?<br>Yes or No   |  |

Figure 18.70 Journal Voucher

7. Press **Enter** to accept.

### 18.4.5 Deducting TDS on Payments

#### Example 9:

*On 30/04/09, M/s. National Enterprises paid Rs. 15,000/- to Mr. Ramesh Kumar (Landlord) towards Rent for the month of April 2009 (vide Ch. No. 145787).*

*The applicable Income tax rates for payment of 'Rent' to 'Individual / HUF - Resident' Deductee Type is given below :*

| Particulars | Rate |
|-------------|------|
| TDS         | 15%  |
| Surcharge   | -    |

## Create Payment Voucher

Go to **Gateway of Tally > Accounting Vouchers > Press F5: Payment**

1. Press **F2** and change the date to **30-04-2009**
2. In **Debit** field, select **Ramesh Kumar** from the **List of Ledger Accounts**
3. Enter **15,000** in **Amount** field and press **Enter** to view **Bill-wise Details** screen
4. In **Bill-wise Details** screen,
  - Select **New Ref** from the **Method of Adj** in the **Type of Ref** field
  - Enter the **Bill name** as **Apr'09**
  - Press **Enter** to skip the **Due Date, or Credit Days** filed
  - Press **Enter** to accept the **Amount** (i.e., **15,000**)

| Bill-wise Details for : <b>Ramesh Kumar</b> |        |                                                 |           |           |
|---------------------------------------------|--------|-------------------------------------------------|-----------|-----------|
| Upto: <b>Rs. 15,000.00 Dr</b>               |        |                                                 |           |           |
| Type of Ref                                 | Name   | Due Date, or<br>Credit Days<br>(wef: 30-4-2009) | Amount    | Dr/<br>Cr |
| New Ref                                     | Apr'09 |                                                 | 15,000.00 | Dr.       |
|                                             |        |                                                 | 15,000.00 | Dr        |

Figure 18.71 Bill-wise details Screen

- Press **Enter** to accept the **Bill-wise Details** screen
5. In the **Credit** field, select **TDS on Rent** from the **List of Ledger Accounts** and press **Enter**
  6. In the **TDS Details** screen, provide the following details
    - Select **New Ref** as the **Type of Ref.** field
    - Type the **Reference Number** in the **Name** field (By default, **Pymt / 3-1** is prefilled)
    - Select **Rent of Land, Building Or Furniture** in **Nature of Payment** field.
    - The **Assessable Amount** field is defaulted as **15,000** and the **TDS Amount** (i.e., **2250**) is calculated automatically based on the applicable TDS rates.

The completed **TDS Details** screen is displayed as shown

| TDS Details           |                          | National Enterprises                |                 |                 | Ctrl + M                        |
|-----------------------|--------------------------|-------------------------------------|-----------------|-----------------|---------------------------------|
| Payment               | No. 3                    |                                     |                 |                 | 30-Apr-2009<br>Thursday         |
| Particulars           |                          | Debit                               |                 |                 | Credit                          |
| Dr Ramesh Kumar       |                          | 15,000.00                           |                 |                 |                                 |
| Cur Bal: 15,000.00 Dr |                          |                                     |                 |                 |                                 |
| TDS Details           |                          |                                     |                 |                 |                                 |
| Type of Ref           | Name                     | Nature of Payment                   |                 | TDS Duty Ledger | Assessable Amount<br>TDS Amount |
| New Ref               | Pymt / 3-1               | Rent of Land, Building Or Furniture |                 | TDS on Rent     | 15,000.00 Dr 2,250.00 Cr        |
|                       | Income Tax               | 15 %                                | On 15,000.00 Cr | 2,250.00 Cr     |                                 |
|                       | Surcharge                | 0 %                                 | On 2,250.00 Cr  |                 |                                 |
|                       | Education Cess           | 0 %                                 | On 2,250.00 Cr  |                 |                                 |
|                       | Secondary Education Cess | 0 %                                 | On 2,250.00 Cr  |                 |                                 |
| Total                 |                          |                                     |                 | 15,000.00 Dr    | 2,250.00 Cr                     |

Figure 18.72 TDS Details Screen

- Press **Enter** to accept the **TDS Details** screen
- 7. In **Credit** field, select **HDFC Bank** from the **List of Ledger Accounts**, the balance **Amount** is defaulted automatically as **12,750**.
- 8. Enter the cheque details in the **Narration** field.

The completed **Payment Voucher** is displayed as shown



Figure 18.73 Payment Voucher

### 18.4.6 Payment of TDS

The TDS so deducted should be deposited to the credit of the Central Government within one week from the last day of the month in which the deduction is made, into any of the designated branches of banks authorized to collect taxes on behalf of Government accompanied by Income Tax Challan ITNS 281.

**On 05/05/09, M/s. National Enterprises paid Rs. 2,700/- to Government towards TDS on Consulting Charges for the month of April 2009.**

In **F12: Configure (Payment Configuration)**, ensure **Use Single Entry mode for Pymt/Rcpt/Contra** is set to **Yes**.

Go to **Gateway of Tally > Accounting Vouchers > Press F5: Payment**

- The completed **TDS Helper** screen is displayed as shown

[illegible]

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- Press **Enter** to accept the **TDS helper** screen
- 4. The **Bank** selected in the **TDS Helper** screen is defaulted automatically in the **Account** field.
- 5. Set **Provide Details** to **Yes**, to view the **TDS Payment Details**

| Accounting Voucher Creation                           |             | National Enterprises  | Ctrl + M |
|-------------------------------------------------------|-------------|-----------------------|----------|
| <b>Payment</b> No. 4                                  |             | 5-May-2009<br>Tuesday |          |
| Account : <b>HDFC Bank</b><br>Cur Bal: 9,24,610.00 Dr |             |                       |          |
| Particulars                                           | Amount      |                       |          |
| <b>TDS on Consultancy Charges</b>                     | 2,700.00    |                       |          |
| Cur Bal: 0.00 Dr                                      |             |                       |          |
| <b>Agst Ref Jrnl / 1-1</b>                            | 2,700.00 Dr |                       |          |
| Income Tax                                            | 2,700.00 Dr |                       |          |
| Surcharge                                             |             |                       |          |
| Education Cess                                        |             |                       |          |
| Secondary Education Cess                              |             |                       |          |
| Provide Details                                       | <b>Yes</b>  |                       |          |
| Narration:                                            |             | 2,700.00              |          |

Figure 18.75 TDS Payment details

- 6. In the **Payment Details** screen
  - Enter the periodicity of the payment of TDS amount in the **From Date** and **To Date** field respectively
  - Enter the **Cheque/DD No** details
  - Select the **Bank** in the **Name of Bank** field

| Payment Details                                                        |               |
|------------------------------------------------------------------------|---------------|
| From Date                                                              | : 1-Apr-2009  |
| To Date                                                                | : 30-Apr-2009 |
| (Note: This payment belongs to the above period)                       |               |
| Cheque/DD No                                                           | : 145891      |
| Name of Bank                                                           | :             |
| Bank Account Number                                                    | :             |
| Branch Name                                                            | :             |
| BSR Code                                                               | :             |
| Challan No.                                                            | :             |
| Challan Date                                                           | :             |
| (Note: All the above details will be used in Challan, Forms & Returns) |               |

| List of Banks  |
|----------------|
| Not Applicable |
| HDFC Bank      |
| [ New Name     |

Figure 18.76 Payment Details– List of Banks

- ❑ Enter the **Branch Account Number**
- ❑ Enter the **Bank Branch name**
- ❑ Enter the **BSR code** of the branch
- ❑ Enter the **Challan No.** and **Challan Date**

The completed **Payment Details** screen is displayed as shown

| Payment Details                                                        |                 |
|------------------------------------------------------------------------|-----------------|
| From Date                                                              | : 1-Apr-2009    |
| To Date                                                                | : 30-Apr-2009   |
| (Note: This payment belongs to the above period)                       |                 |
| Cheque/DD No                                                           | : 145891        |
| Name of Bank                                                           | : HDFC Bank     |
| Bank Account Number                                                    | : 005364477129  |
| Branch Name                                                            | : Kasturba Road |
| BSR Code                                                               | : 0012934       |
| Challan No.                                                            | : 053620        |
| Challan Date                                                           | : 5-5-2009      |
| (Note: All the above details will be used in Challan, Forms & Returns) |                 |

Figure 18.77 Completed Payment Details Screen

- ❑ Press **Enter** to accept the screen
7. Enter the details of the transaction in the **Narration** field, if required

The Completed **TDS Payment** voucher is displayed as shown

| Accounting Voucher Creation                           |             | National Enterprises  | Ctrl + M |
|-------------------------------------------------------|-------------|-----------------------|----------|
| <b>Payment</b> No. 4                                  |             | 5-May-2009<br>Tuesday |          |
| Account : <b>HDFC Bank</b><br>Cur Bal: 9,24,610.00 Dr |             |                       |          |
| Particulars                                           |             | Amount                |          |
| <b>TDS on Consultancy Charges</b>                     |             | 2,700.00              |          |
| Cur Bal: 0.00 Dr                                      |             |                       |          |
| <b>Agst Ref Jnl / 1-1</b>                             | 2,700.00 Dr |                       |          |
| Income Tax                                            | 2,700.00 Dr |                       |          |
| Surcharge                                             |             |                       |          |
| Education Cess                                        |             |                       |          |
| Secondary Education Cess                              |             |                       |          |
| Provide Details : <b>Yes</b>                          |             |                       |          |
| Narration:                                            |             |                       |          |
| Ch. No. : 145891                                      |             | 2,700.00              |          |
|                                                       |             | Accept ?              |          |
|                                                       |             | Yes or No             |          |

Figure 18.78 TDS Payment Voucher

8. Press **Enter** to accept.



*Tally.ERP 9 allows you to enter above transaction in **Double Entry mode** also.*

## Step 2 : Print ITNS Challan 281

The TDS amount is remitted to the credit of the Government through TDS Challan ITNS 281. To print the **TDS Challan**, follow the steps given below

1. Press **PageUp** to go back to payment voucher entry
2. Press **Alt + P** from the payment voucher to view the **Voucher Printing** screen
3. In the **Voucher Printing** screen
  - Ensure **Print as TDS Challan** is set to **Yes**
  - Ensure other details are entered in the similar manner

| Voucher Printing                                    |              |                                                           |
|-----------------------------------------------------|--------------|-----------------------------------------------------------|
| <b>Printer</b>                                      | : (Ne00:)    | <b>Paper Type</b> : Letter                                |
| <b>No. of Copies</b>                                | : 1          |                                                           |
| <b>Print Language</b>                               | : English    | <i>(Printing Dimensions)</i>                              |
| <b>Method</b>                                       | : Neat Mode  | <b>Paper Size</b> : (8.50" x 10.98") or (216 mm x 279 mm) |
| <b>Page Range</b>                                   | : All        | <b>Print Area</b> : (8.03" x 10.63") or (204 mm x 270 mm) |
| <b>Report Titles</b>                                |              |                                                           |
| <b>Payment Voucher</b>                              |              |                                                           |
| (with Print Preview)                                |              |                                                           |
| Print as TDS Challan                                | ? Yes        | <b>Print ?</b><br><b>Yes</b> or <b>No</b>                 |
| Print Chalan No ITNS 281                            | : Yes        |                                                           |
| TDS/TCS Regular Assessment (Raised by I.T. Dept.) ? | No           |                                                           |
| Filing Date                                         | : 5-May-2009 |                                                           |

Figure 18.79 Voucher Printing Screen

- Press **Enter** to Print

The Printed **ITNS 281 Challan** is displayed as shown

| T.D.S. TAX CHALLAN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                               | Single Copy (to be sent to ZAO)                                                                                                                                                  |                      |            |          |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------|----------|-----------|-------|----------------|------|----------|-------|---------|------|--------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>CHALLAN No./ ITNS</b><br>281                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Tax Applicable (Tick one)*</b><br><b>TAX DEDUCTED AT SOURCE FROM</b><br>(0020) COMPANY DEDUCTEES <input checked="" type="checkbox"/> (0021) NON-COMPANY DEDUCTEES <input type="checkbox"/> | <b>Assessment Year</b><br>2010-11                                                                                                                                                |                      |            |          |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
| Tax Deduction Account No. (T.A.N.)<br><b>BLRN00789B</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                               |                                                                                                                                                                                  |                      |            |          |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
| Full Name<br><b>NATIONAL ENTERPRISES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                               |                                                                                                                                                                                  |                      |            |          |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
| Complete Address with City & State<br><b>178, 3rd Phase, 1st Cross, Jayanagar, Bangalore</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                               |                                                                                                                                                                                  |                      |            |          |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
| <b>Karnataka</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                               |                                                                                                                                                                                  |                      |            |          |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
| Tel. No. <b>080-22635229</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                               | Ph <b>560095</b>                                                                                                                                                                 |                      |            |          |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
| <b>Type of Payment</b><br>TDS Payable by Taxpayer (200) <input checked="" type="checkbox"/><br>TDS Regular Assessment (Raised by I.T. Deptt.) (400) <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                               | <b>Code *</b> <b>94J</b><br><br><b>FOR USE IN RECEIVING BANK</b><br>Debit to A/c / Cheque credited on<br><div style="border: 1px solid black; height: 40px; width: 100%;"></div> |                      |            |          |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
| <b>DETAILS OF PAYMENTS</b><br><table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 20%; text-align: right; font-size: small;">Amount (in Rs. Only)</th> </tr> </thead> <tbody> <tr> <td>Income Tax</td> <td style="text-align: right;">2,700.00</td> </tr> <tr> <td>Surcharge</td> <td></td> </tr> <tr> <td>Education Cess</td> <td></td> </tr> <tr> <td>Interest</td> <td></td> </tr> <tr> <td>Penalty</td> <td></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>2,700.00</b></td> </tr> </tbody> </table>                                                             |                                                                                                                                                                                               |                                                                                                                                                                                  | Amount (in Rs. Only) | Income Tax | 2,700.00 | Surcharge |       | Education Cess |      | Interest |       | Penalty |      | <b>Total</b> | <b>2,700.00</b> | <div style="border: 1px solid black; height: 150px; width: 100%; text-align: center; vertical-align: middle;"> <b>SPACE FOR BANK SEAL</b> </div> |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Amount (in Rs. Only)                                                                                                                                                                          |                                                                                                                                                                                  |                      |            |          |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
| Income Tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 2,700.00                                                                                                                                                                                      |                                                                                                                                                                                  |                      |            |          |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
| Surcharge                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                               |                                                                                                                                                                                  |                      |            |          |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
| Education Cess                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                               |                                                                                                                                                                                  |                      |            |          |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
| Interest                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                               |                                                                                                                                                                                  |                      |            |          |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
| Penalty                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                               |                                                                                                                                                                                  |                      |            |          |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>2,700.00</b>                                                                                                                                                                               |                                                                                                                                                                                  |                      |            |          |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
| Total (in words):<br><table style="width: 100%; border-collapse: collapse; font-size: small;"> <thead> <tr> <th style="width: 12.5%;">CRORES</th> <th style="width: 12.5%;">LACS</th> <th style="width: 12.5%;">THOUSANDS</th> <th style="width: 12.5%;">HUNDREDS</th> <th style="width: 12.5%;">TENS</th> <th style="width: 12.5%;">UNITS</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Zero</td> <td style="text-align: center;">Zero</td> <td style="text-align: center;">Two</td> <td style="text-align: center;">Seven</td> <td style="text-align: center;">Zero</td> <td style="text-align: center;">Zero</td> </tr> </tbody> </table> |                                                                                                                                                                                               | CRORES                                                                                                                                                                           | LACS                 | THOUSANDS  | HUNDREDS | TENS      | UNITS | Zero           | Zero | Two      | Seven | Zero    | Zero |              |                 |                                                                                                                                                  |
| CRORES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | LACS                                                                                                                                                                                          | THOUSANDS                                                                                                                                                                        | HUNDREDS             | TENS       | UNITS    |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
| Zero                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Zero                                                                                                                                                                                          | Two                                                                                                                                                                              | Seven                | Zero       | Zero     |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
| Paid in Cash/ Debit to A/c /Cheque No. <b>145891</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                               | Dated <b>5-May-2009</b>                                                                                                                                                          |                      |            |          |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
| Drawn on <b>HDFC Bank - Kasturba Road</b><br><small>(Name of the Bank and Branch)</small>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                               | <b>Rs. 2,700.00</b>                                                                                                                                                              |                      |            |          |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
| Date : <b>5-May-2009</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                               | Signature of person making payment                                                                                                                                               |                      |            |          |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
| ----- Tear Here -----                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                               |                                                                                                                                                                                  |                      |            |          |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
| <b>Taxpayers Counterfoil</b> (To be filled up by taxpayer)<br>TAN <b>BLRN00789B</b><br>Received from <b>NATIONAL ENTERPRISES</b><br><small>(Name)</small><br>Cash/ Debit to A/c /Cheque No. <b>145891</b> For Rs. <b>2,700</b><br>Rs. (in words) <b>Two Thousand Seven Hundred Only.</b><br>Drawn on <b>HDFC Bank - Kasturba Road</b><br><small>(Name of the Bank and Branch)</small><br><b>Company(0020)</b> Deductees<br>on account of Tax Deducted at Source (TDS) from <b>94J</b> for the Assessment Year <b>2010-11</b>                                                                                                                                    |                                                                                                                                                                                               | <div style="border: 1px solid black; height: 150px; width: 100%; text-align: center; vertical-align: middle;"> <b>SPACE FOR BANK SEAL</b> </div>                                 |                      |            |          |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                               | <b>Rs. 2,700.00</b>                                                                                                                                                              |                      |            |          |           |       |                |      |          |       |         |      |              |                 |                                                                                                                                                  |

Figure 18.80 Printed ITNS 281 Challan

**Example 11:**

*On 05/05/09, M/s. National Enterprises paid Rs. 360/- to Government towards TDS on Advertisement Expenses for the month of April 2009.*

**Step 1 : Create Payment Voucher**

Go to **Gateway of Tally > Accounting Vouchers > Press F5: Payment**

1. Press **F2** and change date to **05-05-2009**
2. Press **Alt+S** or click **S: TDS Helper** button to view **TDS helper** screen.
3. In **TDS Helper** screen,
  - ❑ Enter the date till which the TDS deductions are to be considered (i.e., **30-04-2009**) in **Deducted Till Date** field
  - ❑ Select **194C** in the **Section** field
  - ❑ Select **Payment to Contractors (Advertisement Contractors)** as the **Nature of Payment**
  - ❑ Select the **Deductee Status** as **Non Company**
  - ❑ Select **HDFC Bank** from the **List of Ledger Accounts**

The completed **TDS Helper screen** is displayed as shown



Figure 18.81 TDS Helper Screen

- The completed **Payment Details** screen is displayed as shown

| Payment Details                                                        |                 |
|------------------------------------------------------------------------|-----------------|
| From Date                                                              | : 1-Apr-2009    |
| To Date                                                                | : 30-Apr-2009   |
| (Note: This payment belongs to the above period)                       |                 |
| Cheque/DD No                                                           | : 145896        |
| Name of Bank                                                           | : HDFC Bank     |
| Bank Account Number                                                    | : 005364477129  |
| Branch Name                                                            | : Kasturba Road |
| BSR Code                                                               | : 0012934       |
| Challan No.                                                            | : 053991        |
| Challan Date                                                           | : 5-5-2009      |
| (Note: All the above details will be used in Challan, Forms & Returns) |                 |

Figure 18.82 Completed Payment Details Screen

- Press **Enter** to accept the screen
- 7. Enter the details of the transaction in the **Narration** field, if required

The completed **Payment voucher** will appear as shown

| Accounting Voucher Creation                          |                   | National Enterprises |           | Ctrl + M              |
|------------------------------------------------------|-------------------|----------------------|-----------|-----------------------|
| <b>Payment</b>                                       | No. 5             |                      |           | 5-May-2009<br>Tuesday |
| Account: <b>HDFC Bank</b><br>Cur Bal: 9,24,250.00 Dr |                   |                      |           |                       |
| Particulars                                          |                   |                      | Amount    |                       |
| <b>TDS on Advertisement Expenses</b>                 |                   |                      | 360.00    |                       |
| Cur Bal: 0.00 Dr                                     |                   |                      |           |                       |
| <b>Agst Ref</b>                                      | <b>Purc / 1-1</b> | <b>360.00 Dr</b>     |           |                       |
| Income Tax                                           |                   |                      | 360.00 Dr |                       |
| Surcharge                                            |                   |                      |           |                       |
| Education Cess                                       |                   |                      |           |                       |
| Secondary Education Cess                             |                   |                      |           |                       |
| Provide Details : Yes                                |                   |                      |           |                       |
| Narration:                                           |                   |                      |           |                       |
| Ch. No.: 145896                                      |                   |                      |           |                       |
|                                                      |                   |                      |           | 360.00                |
|                                                      |                   |                      |           | Accept ?              |
|                                                      |                   |                      |           | Yes or No             |

Figure 18.83 TDS Payment Voucher

- 8. Press **Enter** to accept.

## Step 2 : Print ITNS Challan 281

1. Press **PageUp** to go back to payment voucher entry
2. Press **Alt + P** from the payment voucher to view the **Voucher Printing** screen
3. In the **Voucher Printing** screen
  - Ensure **Print as TDS Challan** is set to **Yes**
  - Ensure other details are entered in the similar manner

| Voucher Printing                                    |                     |                                                           |
|-----------------------------------------------------|---------------------|-----------------------------------------------------------|
| <b>Printer</b>                                      | : (Ne00:)           | <b>Paper Type</b> : Letter                                |
| <b>No. of Copies</b>                                | : 1                 |                                                           |
| <b>Print Language</b>                               | : English           | (Printing Dimensions)                                     |
| <b>Method</b>                                       | : Neat Mode         | <b>Paper Size</b> : (8.50" x 10.98") or (216 mm x 279 mm) |
| <b>Page Range</b>                                   | : All               | <b>Print Area</b> : (8.03" x 10.63") or (204 mm x 270 mm) |
| <b>Report Titles</b>                                |                     |                                                           |
| <b>Payment Voucher</b>                              |                     |                                                           |
| (with Print Preview)                                |                     |                                                           |
| Print as TDS Challan                                | ? <b>Yes</b>        | <b>Print ?</b><br><br><b>Yes</b> or <b>No</b>             |
| Print Chalan No ITNS 281                            | : <b>Yes</b>        |                                                           |
| TDS/TCS Regular Assessment (Raised by I.T. Dept.) ? | <b>No</b>           |                                                           |
| Filing Date                                         | : <b>5-May-2009</b> |                                                           |

Figure 18.84 Voucher Printing Screen

- Press **Enter** to Print

The Printed **ITNS 281 Challan** is displayed as shown

| T.D.S. TAX CHALLAN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                               | Single Copy (to be sent to ZAO)                                                                                                                            |          |      |           |          |      |       |      |      |      |       |     |      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------|-----------|----------|------|-------|------|------|------|-------|-----|------|
| <b>CHALLAN No./ ITNS</b><br>281                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Tax Applicable (Tick one)*</b><br><b>TAX DEDUCTED AT SOURCE FROM</b><br>(0020) COMPANY DEDUCTEES <input type="checkbox"/> (0021) NON-COMPANY DEDUCTEES <input checked="" type="checkbox"/> | <b>Assessment Year</b><br>2010-11                                                                                                                          |          |      |           |          |      |       |      |      |      |       |     |      |
| Tax Deduction Account No. (T.A.N.)<br><b>BLRN00789B</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                               |                                                                                                                                                            |          |      |           |          |      |       |      |      |      |       |     |      |
| Full Name<br><b>NATIONAL ENTERPRISES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                               |                                                                                                                                                            |          |      |           |          |      |       |      |      |      |       |     |      |
| Complete Address with City & State<br><b>178, 3rd Phase, 1st Cross, Jayanagar, Bangalore</b>                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                               |                                                                                                                                                            |          |      |           |          |      |       |      |      |      |       |     |      |
| <b>Karnataka</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                               |                                                                                                                                                            |          |      |           |          |      |       |      |      |      |       |     |      |
| Tel. No. <b>080-22635229</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                               | Ph <b>560095</b>                                                                                                                                           |          |      |           |          |      |       |      |      |      |       |     |      |
| <b>Type of Payment</b><br>TDS Payable by Taxpayer (200) <input checked="" type="checkbox"/><br>TDS Regular Assessment (Raised by I.T. Deptt.) (400) <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                               | <b>Code *</b> <b>94C</b><br><br><b>FOR USE IN RECEIVING BANK</b><br>Debit to A/c / Cheque credited on<br>DD MM YY<br>SPACE FOR BANK SEAL<br><br>Rs. 360.00 |          |      |           |          |      |       |      |      |      |       |     |      |
| <b>DETAILS OF PAYMENTS</b><br><div style="display: flex; justify-content: space-between;"> <div>           Income Tax<br/>           Surcharge<br/>           Education Cess<br/>           Interest<br/>           Penalty<br/>           Total         </div> <div style="border: 1px solid black; padding: 2px; text-align: right;">           Amount (in Rs. Only)<br/> <b>360.00</b><br/> <br/> <br/> <br/> <br/> <br/> <b>360.00</b> </div> </div>                                                                |                                                                                                                                                                                               |                                                                                                                                                            |          |      |           |          |      |       |      |      |      |       |     |      |
| Total (in words):<br><table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>CRORES</th> <th>LACS</th> <th>THOUSANDS</th> <th>HUNDREDS</th> <th>TENS</th> <th>UNITS</th> </tr> </thead> <tbody> <tr> <td>Zero</td> <td>Zero</td> <td>Zero</td> <td>Three</td> <td>Six</td> <td>Zero</td> </tr> </tbody> </table>                                                                                                                                                        |                                                                                                                                                                                               |                                                                                                                                                            | CRORES   | LACS | THOUSANDS | HUNDREDS | TENS | UNITS | Zero | Zero | Zero | Three | Six | Zero |
| CRORES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | LACS                                                                                                                                                                                          | THOUSANDS                                                                                                                                                  | HUNDREDS | TENS | UNITS     |          |      |       |      |      |      |       |     |      |
| Zero                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Zero                                                                                                                                                                                          | Zero                                                                                                                                                       | Three    | Six  | Zero      |          |      |       |      |      |      |       |     |      |
| Paid in Cash/ Debit to A/c /Cheque No. <b>145896</b> Dated <b>5-May-2009</b>                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                               |                                                                                                                                                            |          |      |           |          |      |       |      |      |      |       |     |      |
| Drawn on <b>HDFC Bank - Kasturba Road</b><br><small>(Name of the Bank and Branch)</small>                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                               |                                                                                                                                                            |          |      |           |          |      |       |      |      |      |       |     |      |
| <b>Date: 5-May-2009</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                               | <b>Signature of person making payment</b>                                                                                                                  |          |      |           |          |      |       |      |      |      |       |     |      |
| -----Tear Here-----                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                               |                                                                                                                                                            |          |      |           |          |      |       |      |      |      |       |     |      |
| <b>Taxpayers Counterfoil</b> (To be filled up by taxpayer)<br>TAN <b>BLRN00789B</b><br>Received from <b>NATIONAL ENTERPRISES</b><br><small>(Name)</small><br>Cash/ Debit to A/c /Cheque No. <b>145896</b> For Rs. <b>360</b><br>Rs. (in words) <b>Three Hundred Sixty Only.</b><br>Drawn on <b>HDFC Bank - Kasturba Road</b><br><small>(Name of the Bank and Branch)</small><br><b>Non Company(0021) Deductees</b><br>on account of Tax Deducted at Source (TDS) from <b>94C</b> for the Assessment Year <b>2010-11</b> |                                                                                                                                                                                               | SPACE FOR BANK SEAL<br><br><br><br><br><br><br><br><br>Rs. 360.00                                                                                          |          |      |           |          |      |       |      |      |      |       |     |      |

Figure 18.85 Printed ITNS 281 Challan



- Press **Enter** to accept the **TDS helper** screen
- 4. The **Bank** selected in the **TDS Helper** screen is defaulted automatically in the **Account** field.
- 5. Set **Provide Details** to **Yes**, to view the **TDS Payment Details**
- 6. In the **Payment Details** screen
  - Enter the periodicity of the payment of TDS amount in the **From Date** and **To Date** field respectively
  - Enter the **Cheque/DD No** details
  - Select the **Bank** in the **Name of Bank** field
  - Enter the **Branch Account Number**
  - Enter the **Bank Branch name**
  - Enter the **BSR code** of the branch
  - Enter the **Challan No.** and **Challan Date**

The completed **Payment Details** screen is displayed as shown

| Payment Details                                                        |                 |
|------------------------------------------------------------------------|-----------------|
| From Date                                                              | : 1-Apr-2009    |
| To Date                                                                | : 30-Apr-2009   |
| (Note: This payment belongs to the above period)                       |                 |
| Cheque/DD No                                                           | : 145901        |
| Name of Bank                                                           | : HDFC Bank     |
| Bank Account Number                                                    | : 005364477129  |
| Branch Name                                                            | : Kasturba Road |
| BSR Code                                                               | : 0012934       |
| Challan No.                                                            | : 053323        |
| Challan Date                                                           | : 5-5-2009      |
| (Note: All the above details will be used in Challan, Forms & Returns) |                 |

Figure 18.87 Completed Payment Details Screen

- Press **Enter** to accept the screen
- 7. Enter the details of the transaction in the **Narration** field, if required

| Accounting Voucher Creation                           |                    | National Enterprises                     | Ctrl + M |
|-------------------------------------------------------|--------------------|------------------------------------------|----------|
| <b>Payment</b> No. 6                                  |                    | 5-May-2009<br>Tuesday                    |          |
| Account : <b>HDFC Bank</b><br>Cur Bal: 9,21,100.00 Dr |                    |                                          |          |
| Particulars                                           |                    | Amount                                   |          |
| <b>TDS on Commission</b>                              |                    | 3,150.00                                 |          |
| Cur Bal: 0.00 Dr                                      |                    |                                          |          |
| <b>Agst Ref Jrnl / 2-1</b>                            | <b>900.00 Dr</b>   |                                          |          |
| Income Tax                                            | 900.00 Dr          |                                          |          |
| Surcharge                                             |                    |                                          |          |
| Education Cess                                        |                    |                                          |          |
| Secondary Education Cess                              |                    |                                          |          |
| <b>Agst Ref Jrnl / 3-1</b>                            | <b>2,250.00 Dr</b> |                                          |          |
| Income Tax                                            | 2,250.00 Dr        |                                          |          |
| Surcharge                                             |                    |                                          |          |
| Education Cess                                        |                    |                                          |          |
| Secondary Education Cess                              |                    |                                          |          |
| Provide Details : <b>Yes</b>                          |                    |                                          |          |
| Narration:                                            |                    | 2,150.00                                 |          |
| Ch. No. : 145901                                      |                    | <div>Accept ?</div> <div>Yes or No</div> |          |

Figure 18.88 TDS Payment Voucher

8. Press **Enter** to accept.

### Step 2 : Print ITNS Challan 281

1. Press **PageUp** to go back to payment voucher entry
2. Press **Alt + P** from the payment voucher to view the **Voucher Printing** screen
3. In the **Voucher Printing** screen
  - Ensure **Print as TDS Challan** is set to **Yes**
  - Ensure other details are entered in the similar manner

| Voucher Printing                                    |              |                                                           |
|-----------------------------------------------------|--------------|-----------------------------------------------------------|
| <b>Printer</b>                                      | : (Ne00:)    | <b>Paper Type</b> : Letter                                |
| <b>No. of Copies</b>                                | : 1          |                                                           |
| <b>Print Language</b>                               | : English    | (Printing Dimensions)                                     |
| <b>Method</b>                                       | : Neat Mode  | <b>Paper Size</b> : (8.50" x 10.98") or (216 mm x 279 mm) |
| <b>Page Range</b>                                   | : All        | <b>Print Area</b> : (8.03" x 10.63") or (204 mm x 270 mm) |
| Report Titles                                       |              |                                                           |
| <b>Payment Voucher</b>                              |              |                                                           |
| (with Print Preview)                                |              |                                                           |
| Print as TDS Challan                                | ? <b>Yes</b> | <b>Print ?</b><br><br><b>Yes</b> or <b>No</b>             |
| Print Chalan No ITNS 281                            | : <b>Yes</b> |                                                           |
| TDS/TCS Regular Assessment (Raised by I.T. Dept.) ? | <b>No</b>    |                                                           |
| Filing Date                                         | : 5-May-2009 |                                                           |

Figure 18.89 Voucher Printing Screen

- Press **Enter** to Print

The Printed **ITNS 281 Challan** is displayed as shown



| T.D.S. TAX CHALLAN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                      | Single Copy (to be sent to ZAO)                                                                                                                                                                                                            |          |      |           |          |      |       |      |      |       |     |      |      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------|-----------|----------|------|-------|------|------|-------|-----|------|------|
| <b>CHALLAN No./ ITNS</b><br>281                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <div style="text-align: center;"> <b>Tax Applicable (Tick one)*</b><br/> <b>TAX DEDUCTED AT SOURCE FROM</b><br/>           (0020) COMPANY DEDUCTEES <input type="checkbox"/> (0021) NON-COMPANY DEDUCTEES <input checked="" type="checkbox"/> </div> | <b>Assessment Year</b><br>2010-11                                                                                                                                                                                                          |          |      |           |          |      |       |      |      |       |     |      |      |
| Tax Deduction Account No. (T.A.N.)<br><b>BLRN00789B</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                            |          |      |           |          |      |       |      |      |       |     |      |      |
| Full Name<br><b>NATIONAL ENTERPRISES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                            |          |      |           |          |      |       |      |      |       |     |      |      |
| Complete Address with City & State<br><b>178, 3rd Phase, 1st Cross, Jayanagar, Bangalore</b>                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                            |          |      |           |          |      |       |      |      |       |     |      |      |
| <b>Karnataka</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                            |          |      |           |          |      |       |      |      |       |     |      |      |
| Tel. No. <b>080-22635229</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                      | Ph <b>560095</b>                                                                                                                                                                                                                           |          |      |           |          |      |       |      |      |       |     |      |      |
| <b>Type of Payment</b><br>TDS Payable by Taxpayer (200) <input checked="" type="checkbox"/><br>TDS Regular Assessment (Raised by I.T. Deptt) (400) <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                      | <b>Code *</b> <b>94H</b><br><b>FOR USE IN RECEIVING BANK</b><br>Debit to A/c / Cheque credited on<br><div style="border: 1px solid black; height: 20px; width: 100%;"></div> D D M M Y Y<br><b>SPACE FOR BANK SEAL</b><br><br>Rs. 3,150.00 |          |      |           |          |      |       |      |      |       |     |      |      |
| <b>DETAILS OF PAYMENTS</b><br><div style="display: flex; justify-content: space-between;"> <div>           Income Tax<br/>           Surcharge<br/>           Education Cess<br/>           Interest<br/>           Penalty<br/>           Total         </div> <div style="border: 1px solid black; padding: 2px;">           Amount (in Rs. Only)<br/> <b>3,150.00</b><br/> <br/> <br/> <br/> <br/> <b>3,150.00</b> </div> </div>                                                                                                    |                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                            |          |      |           |          |      |       |      |      |       |     |      |      |
| Total (in words):<br><table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>CRORES</th> <th>LACS</th> <th>THOUSANDS</th> <th>HUNDREDS</th> <th>TENS</th> <th>UNITS</th> </tr> </thead> <tbody> <tr> <td>Zero</td> <td>Zero</td> <td>Three</td> <td>One</td> <td>Five</td> <td>Zero</td> </tr> </tbody> </table>                                                                                                                                                                       |                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                            | CRORES   | LACS | THOUSANDS | HUNDREDS | TENS | UNITS | Zero | Zero | Three | One | Five | Zero |
| CRORES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | LACS                                                                                                                                                                                                                                                 | THOUSANDS                                                                                                                                                                                                                                  | HUNDREDS | TENS | UNITS     |          |      |       |      |      |       |     |      |      |
| Zero                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Zero                                                                                                                                                                                                                                                 | Three                                                                                                                                                                                                                                      | One      | Five | Zero      |          |      |       |      |      |       |     |      |      |
| Paid in Cash/ Debit to A/c /Cheque No. <b>145901</b> Dated <b>5-May-2009</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                            |          |      |           |          |      |       |      |      |       |     |      |      |
| Drawn on <b>HDFC Bank - Kasturba Road</b><br><small>(Name of the Bank and Branch)</small>                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                            |          |      |           |          |      |       |      |      |       |     |      |      |
| <b>Date : 5-May-2009</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                      | <b>Signature of person making payment</b><br><div style="border-top: 1px solid black; height: 20px; width: 100%;"></div>                                                                                                                   |          |      |           |          |      |       |      |      |       |     |      |      |
| ----- Tear Here -----                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                            |          |      |           |          |      |       |      |      |       |     |      |      |
| <b>Taxpayers Counterfoil</b> (To be filled up by taxpayer)<br>TAN <b>BLRN00789B</b><br>Received from <b>NATIONAL ENTERPRISES</b><br><small>(Name)</small><br>Cash/ Debit to A/c /Cheque No. <b>145901</b> For Rs. <b>3,150</b><br>Rs. (in words) <b>Three Thousand One Hundred Fifty Only.</b><br>Drawn on <b>HDFC Bank - Kasturba Road</b><br><small>(Name of the Bank and Branch)</small><br><b>Non Company(0021) Deductees</b><br>on account of Tax Deducted at Source (TDS) from <b>94H</b> for the Assessment Year <b>2010-11</b> |                                                                                                                                                                                                                                                      | <b>SPACE FOR BANK SEAL</b><br><br><br><br>Rs. 3,150.00                                                                                                                                                                                     |          |      |           |          |      |       |      |      |       |     |      |      |

Figure 18.90 Printed ITNS 281 Challan

## 18.5 TDS Reports

Tally.ERP 9 provides the facility to generate various TDS reports, Challans and forms in the prescribed format viz., TDS Computation Report, TDS Challan and TDS Statutory Returns for a month, quarter, year or any given period.

To view the TDS Reports,

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports**

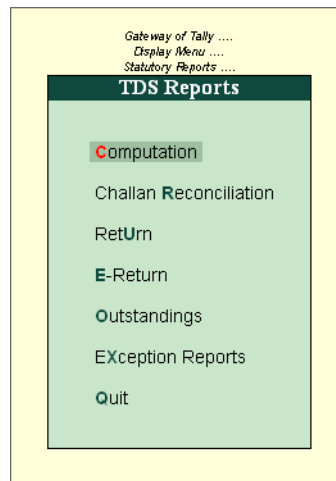


Figure 18.91 TDS Reports

### 18.5.1 Computation

The TDS Computation report displays information about TDS transactions. It includes information about the total expenses and advances on which TDS is applicable, TDS amount deducted, balance TDS amount deductible, TDS amount paid and TDS amount pending for payment.

To view **TDS Computation** report,

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Computation**

| TDS Computation                 |  | National Enterprises     |  | Ctrl + M  |  |
|---------------------------------|--|--------------------------|--|----------------------------------------------------------------------------------------------|--|
| TDS Computation                 |  | 1-Apr-2009 to 5-May-2009 |  |                                                                                              |  |
| Particulars                     |  | Amount                   |  | Tax                                                                                          |  |
| <b>Deduction Details</b>        |  |                          |  |                                                                                              |  |
| <b>Expenses &amp; Advances</b>  |  | <b>1,41,000.00</b>       |  | <b>8,460.00</b>                                                                              |  |
| TDS Not Applicable              |  |                          |  |                                                                                              |  |
| Under Exemption Limit           |  | 9,000.00                 |  |                                                                                              |  |
| Zero Rated                      |  | 9,000.00                 |  |                                                                                              |  |
| Exempt in lieu of PAN available |  |                          |  |                                                                                              |  |
| Taxable Expenses & Advances     |  | 1,23,000.00              |  | 8,460.00                                                                                     |  |
| <b>Deducted</b>                 |  |                          |  | <b>8,460.00</b>                                                                              |  |
| at Normal rate                  |  |                          |  | 6,210.00                                                                                     |  |
| at Lower rate                   |  |                          |  | 2,250.00                                                                                     |  |
| at Higher Rate (No PAN)         |  |                          |  |                                                                                              |  |
| <b>Balance Deductable</b>       |  |                          |  |                                                                                              |  |
| at Normal rate                  |  |                          |  |                                                                                              |  |
| at Lower rate                   |  |                          |  |                                                                                              |  |
| <b>Excess Deducted</b>          |  |                          |  |                                                                                              |  |
| at Normal rate                  |  |                          |  |                                                                                              |  |
| at Lower rate                   |  |                          |  |                                                                                              |  |
| at Higher Rate (No PAN)         |  |                          |  |                                                                                              |  |
| <b>Payment Details</b>          |  |                          |  |                                                                                              |  |
| <b>Paid</b>                     |  |                          |  | <b>6,210.00</b>                                                                              |  |
| Previous Month(s)               |  |                          |  | 6,210.00                                                                                     |  |
| Current Month                   |  |                          |  |                                                                                              |  |
| <b>Balance Payable</b>          |  |                          |  | <b>2,250.00</b>                                                                              |  |
| Previous Month(s)               |  |                          |  | 2,250.00                                                                                     |  |
| Current Month                   |  |                          |  |                                                                                              |  |

Figure 18.92 TDS Computation

The TDS Computation report is broadly subdivided into 2 sections, namely

- **Deduction Details:** In this section, the Assessable value of Expenses & Advances (comprising of TDS Not Applicable, Under Exemption Limit, Zero Rate and the Net Taxable Expenses & Advances), TDS Deducted amount (at Normal and Lower Rate) and the Balance Deductable at Normal and Lower Rate is displayed.
- **Payment Details:** In this section, the details of TDS paid during the current and previous month and the balance payable during the current/previous month is displayed.

### TDS Computation Party Wise

To view **Party Wise TDS Computation** report,

- Highlight **Expenses & Advances** and press **Enter** to drill down to **Party Wise Report**

| TDS Computation               |             | National Enterprises     |                    |                 | Ctrl + M           |
|-------------------------------|-------------|--------------------------|--------------------|-----------------|--------------------|
| Expenses & Advances           |             | 1-Apr-2009 to 5-May-2009 |                    |                 |                    |
| Particulars                   | Total       | Tax Deductable           | Balance Deductable | Excess Deducted | Balance to be Paid |
| Crown Advisory Services       | 9,000.00    |                          |                    |                 |                    |
| Evergreen Consulting Services | 27,000.00   | 2,700.00                 |                    |                 |                    |
| Prompt Consultancy            | 45,000.00   | 2,250.00                 |                    |                 |                    |
| Silverplus Enterprises        | 9,000.00    | 900.00                   |                    |                 |                    |
| Star Advertisement Agency     | 36,000.00   | 360.00                   |                    |                 |                    |
| Ramesh Kumar                  | 15,000.00   | 2,250.00                 |                    |                 | 2,250.00           |
| Total                         | 1,41,000.00 | 8,460.00                 |                    |                 | 2,250.00           |

Figure 18.93 TDS Computation – Party Wise

You can configure the **Party wise report**, by pressing **F12: Configure**

- In **F12: Configure**, **Show Tax Deductible**, **Show Balance to be deducted**, **Show Balance Payable to Government** options are set to **Yes**

| Configuration                      |              |
|------------------------------------|--------------|
| Show Tax Deductable                | ? <b>Yes</b> |
| Show Tax Deducted                  | ? <b>No</b>  |
| Show Balance to be Deducted        | ? <b>Yes</b> |
| Show Tax Paid to Government        | ? <b>No</b>  |
| Show Balance Payable to Government | ? <b>Yes</b> |

Figure 18.94 F12: Configure

- In **F12: Configuration**,
  - Set **Show Tax Deducted** to **Yes**
  - **Show Tax Deductable Break-up** to **Yes**
  - Set all other options to **No**

| <u>Configuration</u>               |              |
|------------------------------------|--------------|
| Show Tax Deductable                | ? <b>No</b>  |
| Show Tax Deducted                  | ? <b>Yes</b> |
| <i>Show Tax Deducted Break-up</i>  | ? <b>Yes</b> |
| Show Balance to be Deducted        | ? <b>No</b>  |
| Show Tax Paid to Government        | ? <b>No</b>  |
| Show Balance Payable to Government | ? <b>No</b>  |

Figure 18.95 F12: Configure

Now, the Expenses & Advances report will display the complete break up of **Tax, Surcharge, Education Cess, Secondary and Higher Education Cess** details for the tax deducted amount.

The **TDS Computation Report** displays the details as shown

| TDS Computation               |                    | National Enterprises     |    |    |      | Ctrl + M        |
|-------------------------------|--------------------|--------------------------|----|----|------|-----------------|
| Expenses & Advances           |                    | 1-Apr-2009 to 5-May-2009 |    |    |      |                 |
| Particulars                   | Total              | TDS Deducted             |    |    |      |                 |
|                               |                    | Tax                      | SC | EC | SHEC | Total           |
| Crown Advisory Services       | 9,000.00           |                          |    |    |      |                 |
| Evergreen Consulting Services | 27,000.00          | 2,700.00                 |    |    |      | 2,700.00        |
| Prompt Consultancy            | 45,000.00          | 2,250.00                 |    |    |      | 2,250.00        |
| Silverplus Enterprises        | 9,000.00           | 900.00                   |    |    |      | 900.00          |
| Star Advertisement Agency     | 36,000.00          | 360.00                   |    |    |      | 360.00          |
| Ramesh Kumar                  | 15,000.00          | 2,250.00                 |    |    |      | 2,250.00        |
| <b>Total</b>                  | <b>1,41,000.00</b> | <b>8,460.00</b>          |    |    |      | <b>8,460.00</b> |

Figure 18.96 TDS Computation – Party wise

### TDS Computation Payment Wise

The **TDS Paid** report displays the details of TDS payments made during the selected period.

To view **Payment Wise TDS Computation**,



| TDS Computation |            | National Enterprises     |                | Ctrl + M   |              |
|-----------------|------------|--------------------------|----------------|------------|--------------|
| TDS Payable     |            | 1-Apr-2009 to 5-May-2009 |                |            |              |
| Date            | Ref. No.   | Opening Amount           | Pending Amount | Due on     | Overdue days |
| 30-Apr-2009     | Pymt / 3-1 | 2,250.00 Cr              | 2,250.00 Cr    | 7-May-2009 | 0            |
|                 |            | 2,250.00 Cr              | 2,250.00 Cr    |            |              |

Figure 18.98 TDS Payable Report

### 18.5.2 Challan Reconciliation

As per Income Tax Act, the details of payment of Tax Deducted at Source are required to be furnished in the TDS certificate issued to the deductee. For this purpose, the Challan details containing the information in respect of Bank Challan No. & Date, Bank Name, BSR Code etc., are required to be specified. Tally.ERP 9 allows to enter all the required information as specified by the statutes, by using the Challan Reconciliation facility.

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Challan Reconciliation >**

- Press **F5: Challan Reconcile**

The **Challan Reconciliation** report is displayed as shown

| TDS Challan Reconciliation |                               |               |              |              |               |          |             |              |              |
|----------------------------|-------------------------------|---------------|--------------|--------------|---------------|----------|-------------|--------------|--------------|
| National Enterprises       |                               |               |              |              |               |          |             |              |              |
| Ctrl + M                   |                               |               |              |              |               |          |             |              |              |
| TDS Challan Reconciliation |                               |               |              |              |               |          |             |              |              |
| 1-Apr-2009 to 5-May-2009   |                               |               |              |              |               |          |             |              |              |
| (Reconciliation)           |                               |               |              |              |               |          |             |              |              |
| Date                       | Particulars                   | Cheque/DD No. | Name of Bank | A/c No.      | Branch Name   | BSR Code | Challan No. | Challan Date | Amount       |
|                            |                               |               |              |              |               |          |             | Trans. ID    | Is PAN Valid |
| 5-5-2009                   | HDFC Bank                     | 145891        | HDFC Bank    | 005364477129 | Kasturba Road | 0012934  | 053620      | 5-5-2009     | 4            |
|                            | Evergreen Consulting Services |               |              |              |               |          |             | No           | 2,700.00     |
| 5-5-2009                   | HDFC Bank                     | 145896        | HDFC Bank    | 005364477129 | Kasturba Road | 0012934  | 053991      | 5-5-2009     | 5            |
|                            | Star Advertisement Agency     |               |              |              |               |          |             | No           | 360.00       |
| 5-5-2009                   | HDFC Bank                     | 145901        | HDFC Bank    | 005364477129 | Kasturba Road | 0012934  | 053323      | 5-5-2009     | 6            |
|                            | Silverplus Enterprises        |               |              |              |               |          |             | No           | 900.00       |
|                            | Prompt Consultancy            |               |              |              |               |          |             | No           | 2,250.00     |

Figure 18.99 Challan Reconciliation

- Click on **S: Set Challan Details** button to fill the challan details..

| Challan Details  |   | List of Banks  |
|------------------|---|----------------|
| Bank Name        | : | Not Applicable |
| Bank Account No. | : | HDFC Bank      |
| Branch Name      | : | [ New Name     |
| BSR Code         | : |                |
| Bank Challan No. | : |                |
| Challan Date     | : |                |

Figure 18.100 Challan Details

- Press **Enter** to accept the **Challan Details**.



*In our case study (National Enterprises) the challan details for the TDS Payment entries are entered in the respective Payment Vouchers. Hence, the details are prefilled in the **Challan Reconciliation Report**. However, where challan details are not entered during payment entry, are required to be updated in **Challan Reconciliation report** before generating **Form 16A**.*



The completed **Challan Reconciliation** screen will appear as shown

| TDS Challan Reconciliation |                                                           | National Enterprises     |              |              |               |          | Ctrl + M    |              |               |                                |
|----------------------------|-----------------------------------------------------------|--------------------------|--------------|--------------|---------------|----------|-------------|--------------|---------------|--------------------------------|
| TDS Challan Reconciliation |                                                           | 1-Apr-2009 to 5-May-2009 |              |              |               |          |             |              |               |                                |
| (Reconciliation)           |                                                           |                          |              |              |               |          |             |              |               |                                |
| Date                       | Particulars                                               | Cheque/DD No.            | Name of Bank | A/c No.      | Branch Name   | BSR Code | Challan No. | Challan Date | Vch No.       | Amount                         |
|                            |                                                           |                          |              |              |               |          |             | Trans. ID    | Is PAN Valid  | Paid Amount                    |
| 5-5-2009                   | HDFC Bank<br>Evergreen Consulting Services                | 145891                   | HDFC Bank    | 005364477129 | Kasturba Road | 0012934  | 053620      | 5-5-2009     | 4<br>No       | 2,700.00<br>2,700.00           |
| 5-5-2009                   | HDFC Bank<br>Star Advertisement Agency                    | 145896                   | HDFC Bank    | 005364477129 | Kasturba Road | 0012934  | 053991      | 5-5-2009     | 5<br>No       | 360.00<br>360.00               |
| 5-5-2009                   | HDFC Bank<br>Silverplus Enterprises<br>Prompt Consultancy | 145901                   | HDFC Bank    | 005364477129 | Kasturba Road | 0012934  | 053323      | 5-5-2009     | 6<br>No<br>No | 3,150.00<br>900.00<br>2,250.00 |

**Accept ?**  
 Yes or No

Figure 18.101 Challan Reconciliation Screen

- Press **Enter** to accept.

### 18.5.3 Return

Corporate & Non- Corporate entities (deductors) responsible for making payments (specified under Income Tax Act) to third parties (deductees) and deducting tax at source at the prescribed rates on such payments are required to furnish TDS returns containing details of deductee(s) and the payment details relating to the deposit of such tax to Income tax department.

The following statutory returns have to be filed by the tax deductors :

| Form    | Nature of Payment                                                     | Periodicity |
|---------|-----------------------------------------------------------------------|-------------|
| Form 24 | Annual return of 'Salaries' under Section 206 of Income Tax Act, 1961 | Annual      |

| Form     | Nature of Payment                                                                                                                             | Periodicity |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Form 26  | Annual return of deduction of tax under section 206 of Income Tax Act, 1961 in respect of all payments other than 'Salaries'.                 | Annual      |
| Form 27  | Statement of deduction of tax from interest, dividend or any other sum payable to persons specified under Rule 37A of Income Tax Rules, 1962. | Quarterly   |
| Form 24Q | Quarterly statement for tax deducted at source from 'Salaries'.                                                                               | Quarterly   |
| Form 26Q | Quarterly statement of tax deducted at source in respect of all payments other than 'Salaries'.                                               | Quarterly   |
| Form 27Q | Quarterly statement of deduction of tax from interest, dividend or any other sum payable to non-residents.                                    | Quarterly   |
| Form 27A | to be filed in physical form with each return.                                                                                                |             |

Tally.ERP 9 allows you to generate and print statutory Returns in physical as well as uploadable formats as prescribed by the government. In Tally.ERP 9, you can generate the following Quarterly/Annual Returns

- ❑ Form 16A
- ❑ Form 26Q
- ❑ Annexure to 26Q
- ❑ Form 27Q
- ❑ Annexure to 27Q
- ❑ Form 26
- ❑ Annexure to 26
- ❑ Form 27
- ❑ Annexure to 27

### Form 16A

Every person deducting tax at source from payments (as specified in the Income Tax Act) other than salaries, is required to furnish a certificate in Form 16A to the person on whose account such tax is paid to the credit of Central Government within the prescribed time and specifying the amount so deducted, the rate at which the tax has been deducted and any other particulars as may be prescribed.

## Print Form 16A

**Form 16A** is a certificate in evidence of deduction of tax at source by the deductor and payment of the same into credit of the government. Form 16A is essential to claim credit of tax by the deductor in his Income Tax returns.

To print **Form 16A**

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Return > Print Form 16A**

- In **Select Item** screen, select **Silverplus Enterprises** from the **List of TDS Party Ledgers**

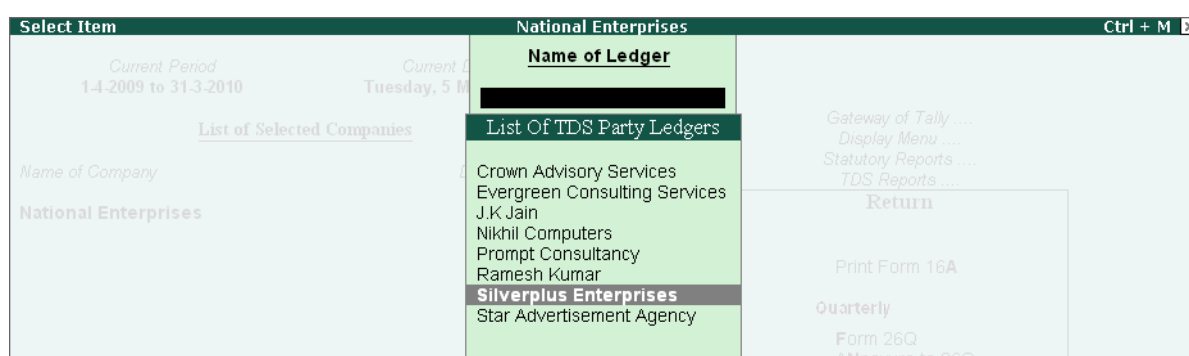


Figure 18.102 Select Item Screen

- In **Printing TDS Form 16A** screen, enter the details as shown

| Printing TDS Form 16A               |                           |                                     |                                       |
|-------------------------------------|---------------------------|-------------------------------------|---------------------------------------|
| <b>Printer</b> :                    | RnD Printer (Ne01:)       | <b>Paper Type</b> :                 | A4                                    |
| <b>No. of Copies</b> :              | 1                         |                                     |                                       |
| <b>Print Language</b> :             | English                   |                                     | (Printing Dimensions)                 |
| <b>Method</b> :                     | Neat Mode                 | <b>Paper Size</b> :                 | (8.27" x 11.69") or (210 mm x 297 mm) |
| <b>Page Range</b> :                 | All                       | <b>Print Area</b> :                 | (7.95" x 11.34") or (202 mm x 288 mm) |
| <b>Report Titles</b>                |                           |                                     |                                       |
| <b>TDS Form 16A</b>                 |                           |                                     |                                       |
| (with Print Preview)                |                           |                                     |                                       |
| <b>Name</b> :                       | <b>Akhil Kumar</b>        | <b>Certificate No</b> :             | <b>01247</b>                          |
| <b>Son/Daughter of</b> :            | <b>S. Kumar</b>           | <b>If Amended, Prev. Cert No.</b> : |                                       |
| <b>Designation</b> :                | <b>Manager - Accounts</b> | <b>Print Total</b> :                | <b>No</b>                             |
| <b>Print as Previous Format</b> :   | <b>No</b>                 | <b>Place</b> :                      | <b>Bangalore</b>                      |
| <b>Nature of Payment</b> :          |                           | <b>Date</b> :                       | <b>31-Mar-2010</b>                    |
| <b>From (blank for beginning)</b> : | <b>1-4-2009</b>           | <b>Quarter</b> :                    | <b>Acknowledgement</b>                |
| <b>To (blank for end)</b> :         | <b>31-3-2010</b>          | <b>Apr-Jun</b> :                    |                                       |
| <b>Challan Date Till</b> :          | <b>31-3-2010</b>          | <b>Jul-Sep</b> :                    |                                       |
| <b>Type of Copy</b> :               | <b>Default</b>            | <b>Oct-Dec</b> :                    |                                       |
|                                     |                           | <b>Jan-Mar</b> :                    |                                       |
|                                     |                           |                                     | <b>Print ?</b>                        |
|                                     |                           |                                     | <b>Yes or No</b>                      |

Figure 18.103 Printing TDS Form 16A screen

The printed **Form 16A** is displayed as shown

| FORM NO.16A<br>[See rule 31(1)(b)]                                                                                                                                                                                                                                                                                                                                                                             |                                                                    |                                                      |                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------|------------------------|
| Certificate under section 203 or 206C the Income-tax Act, 1961 for Tax deducted at source                                                                                                                                                                                                                                                                                                                      |                                                                    |                                                      |                        |
| Financial Year                                                                                                                                                                                                                                                                                                                                                                                                 | 2009-10                                                            | TDS Certificate number#                              | 01247                  |
| Whether Original / Duplicate / Amended                                                                                                                                                                                                                                                                                                                                                                         | If Amended give Previous TDS Certificate number                    |                                                      |                        |
| TAN of Deductor                                                                                                                                                                                                                                                                                                                                                                                                | BLRN00789B                                                         | Name of Deductor                                     | National Enterprises   |
| PAN of Deductee                                                                                                                                                                                                                                                                                                                                                                                                | ADGHH5962K                                                         | Name of Deductee                                     | Silverplus Enterprises |
| TDS Unique Transaction Number (UTN) as provided by Income Tax Department                                                                                                                                                                                                                                                                                                                                       | Whether PAN uploaded was validated by Income Tax Department? (Y/N) | Gross Amount Paid                                    | TDS Amount             |
|                                                                                                                                                                                                                                                                                                                                                                                                                | No                                                                 | 9,000.00                                             | 900.00                 |
| Gross TDS Amount                                                                                                                                                                                                                                                                                                                                                                                               |                                                                    |                                                      | 900.00                 |
| Total TDS amount where PAN was found valid by Income Tax Department                                                                                                                                                                                                                                                                                                                                            |                                                                    |                                                      |                        |
| I Akhil Kumar, son / daughter of S. Kumar working in the capacity of Manager - Accounts (designation) do hereby certify that a sum of Rs. 900.00 [Rupees Nine Hundred (in words)], has been deducted at source and paid to the credit of the Central Government. I further certify that the information given above is true and correct based on the books of accounts, documents and other available records. |                                                                    |                                                      |                        |
| Place : Bangalore                                                                                                                                                                                                                                                                                                                                                                                              |                                                                    |                                                      |                        |
| Date : 31-Mar-2010                                                                                                                                                                                                                                                                                                                                                                                             |                                                                    | Signature of person responsible for deduction of tax |                        |
| Designation : Manager - Accounts                                                                                                                                                                                                                                                                                                                                                                               |                                                                    | Full Name : Akhil Kumar                              |                        |
| #TDS certificate number is an internal reference number to be given by the Deductor (optional)                                                                                                                                                                                                                                                                                                                 |                                                                    |                                                      |                        |

Figure 18.104 Printed Form 16A

## Form 26Q

**Form 26Q** is a Quarterly return for deduction of tax in respect of payments made to residents other than salary. To print **Form 26Q**

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Return > Form 26Q**

- In **Printing TDS Form 26Q**, press **Backspace** and enter the following details

| PrintingTDS Form26 Quartely       |                                |                                |                                       |
|-----------------------------------|--------------------------------|--------------------------------|---------------------------------------|
| <b>Printer</b>                    | : RnD Printer (Ne01:)          | <b>Paper Type :</b>            | A4                                    |
| <b>No. of Copies</b>              | : 1                            |                                |                                       |
| <b>Print Language</b>             | : English                      |                                | (Printing Dimensions)                 |
| <b>Method</b>                     | : Neat Mode                    | <b>Paper Size :</b>            | (8.27" x 11.69") or (210 mm x 297 mm) |
| <b>Page Range</b>                 | : All                          | <b>Print Area :</b>            | (7.95" x 11.34") or (202 mm x 288 mm) |
| <b>Report Titles</b>              |                                |                                |                                       |
| <b>TDS Form26 Quartely</b>        |                                |                                |                                       |
| (with Print Preview)              |                                |                                |                                       |
| <b>Person Responsible Details</b> |                                | <b>Other Details</b>           |                                       |
| Flat No                           | : 178,                         | Category (deductor/collector): | Company                               |
| Name                              | : Akhil Kumar                  | From (blank for beginning) :   | 1-4-2009                              |
| Designation                       | : Manager - Accounts           | To (blank for end) :           | 30-6-2009                             |
| Name of the premises/building:    | Ankur Apartment                | Challan Date Till              | : 30-6-2009                           |
| Road/Street/Lane                  | : 1st Cross, 3rd Phase         | Place                          | : Bangalore                           |
| Area/Location                     | : Jayanagar                    | Date                           | : 15-Jul-2009                         |
| Town/City/District                | : Bangalore                    |                                |                                       |
| State                             | : Karnataka                    |                                |                                       |
| Pin code                          | : 560095                       |                                |                                       |
| Telephone                         | : 080-27728229                 |                                |                                       |
| E-mail                            | : sales@nationalenterprise.com |                                |                                       |
|                                   |                                |                                | <b>Print ?</b><br>Yes or No           |

Figure 18.105 Printing TDS Form 26Q

The printed **Form 26Q** is displayed as shown

| Form No. 26Q                                                                                                                                                                                                                                              |                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| [See sections 193, 194, 194A, 194BB, 194C, 194D, 194EE, 194F, 194G, 194H, 194I, 194J, 194LA and rule 31A]                                                                                                                                                 |                                |
| <b>Quarterly statement of deduction of tax under sub-section (3) of section 200 of the Income-tax Act, 1961 in respect of payments other than Salary for the quarter ended June/September/December/March (tick whichever applicable) 2009 - 10 (Year)</b> |                                |
| 1. (a) Tax Deduction Account No.                                                                                                                                                                                                                          | : BLRN00789B                   |
| (b) Permanent Account No.                                                                                                                                                                                                                                 | : AQBPP8542B                   |
| (c) Financial year                                                                                                                                                                                                                                        | : 2009 - 10                    |
| (d) Assessment year                                                                                                                                                                                                                                       | : 2010 - 11                    |
| (e) Has any statement been filed earlier for this quarter (Yes/No)                                                                                                                                                                                        | : No                           |
| (f) If answer of (e) is 'Yes' then                                                                                                                                                                                                                        |                                |
| Provisional Receipt No. of original statement                                                                                                                                                                                                             | :                              |
| 2. Particulars of the deductor                                                                                                                                                                                                                            |                                |
| (a) Name                                                                                                                                                                                                                                                  | : National Enterprises         |
| (b) Type of deductor                                                                                                                                                                                                                                      | : Others                       |
| (c) Branch / Division (if any)                                                                                                                                                                                                                            | :                              |
| (d) Address                                                                                                                                                                                                                                               | :                              |
| Flat No.                                                                                                                                                                                                                                                  | : 178, 3rd Phase               |
| Name of premises / building                                                                                                                                                                                                                               | : 1st Cross, Jayanagar         |
| Road / Street / Lane                                                                                                                                                                                                                                      | : Bangalore                    |
| Area / Location                                                                                                                                                                                                                                           | :                              |
| Town / City / District                                                                                                                                                                                                                                    | : Bangalore                    |
| State                                                                                                                                                                                                                                                     | : Karnataka                    |
| Pin code                                                                                                                                                                                                                                                  | : 560095                       |
| Telephone No.                                                                                                                                                                                                                                             | : 080-22635229                 |
| E-mail                                                                                                                                                                                                                                                    | : sales@nationalenterprise.com |
| 3. Particulars of the person responsible for deduction of tax                                                                                                                                                                                             |                                |
| (a) Name                                                                                                                                                                                                                                                  | : Akhil Kumar                  |
| (b) Address                                                                                                                                                                                                                                               | :                              |
| Flat No.                                                                                                                                                                                                                                                  | : 178,                         |
| Name of premises / building                                                                                                                                                                                                                               | : Ankur Apartment              |
| Road / Street / Lane                                                                                                                                                                                                                                      | : 1st Cross, 3rd Phase         |
| Area / Location                                                                                                                                                                                                                                           | : Jayanagar                    |
| Town / City / District                                                                                                                                                                                                                                    | : Bangalore                    |
| State                                                                                                                                                                                                                                                     | : Karnataka                    |
| Pin code                                                                                                                                                                                                                                                  | : 560095                       |
| Telephone No.                                                                                                                                                                                                                                             | : 080-22635229                 |
| E-mail                                                                                                                                                                                                                                                    | : sales@nationalenterprise.com |

Figure 18.106 Form 26Q (Page 1)

Figure 18.107 Form 26Q (Page 2)

As per Income Act, the annexures in respect of each deductee with breakup of TDS is required to be furnished alongwith the Quarterly/Annual Returns. Annexure for each deductee should be generated in separate page.

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Return > Annexure to Form 26Q**

- The printed **Annexure to Form 26Q** appears as shown

**ANNEXURE - DEDUCTEE WISE BREAK-UP OF TDS**

(Please use separate Annexure for each line-item in the table at S.No. 4 of main Form 26Q)

Details of amounts paid/credited during the quarter ended 30-Jun-2009 (DD-MM-YYYY) and of tax deducted at source

BSR Code of the branch where tax is deposited 0012934 Name of Deductor National Enterprises  
Date on which tax deposited (dd-mm-yyyy) 5-May-2009  
Challan Serial No. 053620  
Section under which payment made 94J TAN BLRN00789B  
Total TDS to be allocated among deductees as in the vertical total of col. 425 2,700.00  
Interest  
Others  
Total of the above

| Sr. No.      | Dedutee Code<br>(01-Company<br>02-Other than<br>Company) | PAN of the Deductee | Name of Deductee                     | Date of<br>Payment / Credit | Amount Paid<br>/ credited<br>Rs. | Paid by book entry<br>or otherwise | TDS             |
|--------------|----------------------------------------------------------|---------------------|--------------------------------------|-----------------------------|----------------------------------|------------------------------------|-----------------|
| 414          | 415                                                      | 416                 | 417                                  | 418                         | 419                              | 420                                | 421             |
| <b>1</b>     | <b>01</b>                                                | <b>AGHPP2531M</b>   | <b>Evergreen Consulting Services</b> | <b>1-Apr-2009</b>           | <b>27,000.00</b>                 | <b>No</b>                          | <b>2,700.00</b> |
| <b>Total</b> |                                                          |                     |                                      |                             | <b>27,000.00</b>                 |                                    | <b>2,700.00</b> |

| Sr. No.      | Surcharge | Education Cess | Total Tax deducted<br>(421+422+423)<br>Rs. | Total Tax deposited<br>Rs. | Date of deduction | Rate at which<br>deducted | Reason for non-<br>deduction / lower<br>deduction |
|--------------|-----------|----------------|--------------------------------------------|----------------------------|-------------------|---------------------------|---------------------------------------------------|
| 414          | 422       | 423            | 424                                        | 425                        | 426               | 427                       | 428                                               |
| <b>1</b>     |           |                | <b>2,700.00</b>                            | <b>2,700.00</b>            | <b>1-Apr-2009</b> | <b>10 %</b>               |                                                   |
| <b>Total</b> |           |                | <b>2,700.00</b>                            | <b>2,700.00</b>            |                   |                           |                                                   |

**Verification**

I, Akhil Kumar, hereby certify that all the particulars furnished above are correct and complete.

Place : Bangalore Signature of the person responsible for deducting tax at source \_\_\_\_\_

Date : 15-Jul-2009 Name and designation of person responsible for deducting tax at source Akhil Kumar, Manager - Accounts

**Note :**

\*Write 'A' if 'lower deduction' or 'no deduction' is on account of a certificate under section 197.  
\*Write 'B' if no deduction is on account of declaration under section 197A.

Figure 18.108 Annexure to 26Q

The second page will be printed for the next deductee with the TDS breakup details.

## Form 27 Q

**Form 27Q** is a Quarterly return for deduction of tax in respect of payments made to non-residents other than salary. To print **Form 27Q**

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Return > Form 27Q**

- In **Printing TDS Form 27Q** screen, press **Backspace** and enter the required details



The printed **Form 27Q** appears as shown

| Form No. 27Q                                                                                                                                                                                                                                                              |                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| [See sections 194E, 195, 196A, 196B, 196C, 196D and rule 31A and 37A]                                                                                                                                                                                                     |                                |
| <b>Quarterly statement of deduction of tax under sub-section (3) of section 200 of the I.T. Act, 1961 in respect of payments other than Salary made to non-residents for the quarter ended June/September/December/March (tick whichever applicable) 2009 - 10 (Year)</b> |                                |
| 1. (a) Tax Deduction and collection Account No.(TAN)                                                                                                                                                                                                                      | : BLRN00789B                   |
| (b) Permanent Account No.(PAN)                                                                                                                                                                                                                                            | : AQBPP8542B                   |
| (c) Financial year                                                                                                                                                                                                                                                        | : 2009 - 10                    |
| (d) Assessment year                                                                                                                                                                                                                                                       | : 2010 - 11                    |
| (e) Has any statement been filed earlier for this quarter (Yes/No)                                                                                                                                                                                                        | : No                           |
| (f) If answer of (e) is 'Yes' then                                                                                                                                                                                                                                        |                                |
| Provisional Receipt No. of original statement                                                                                                                                                                                                                             | :                              |
| 2. Particulars of the deductor                                                                                                                                                                                                                                            |                                |
| (a) Name                                                                                                                                                                                                                                                                  | : National Enterprises         |
| (b) Type of deductor                                                                                                                                                                                                                                                      | : Others                       |
| (c) Branch / Division (if any)                                                                                                                                                                                                                                            | :                              |
| (d) Address                                                                                                                                                                                                                                                               | :                              |
| Flat No.                                                                                                                                                                                                                                                                  | : 178, 3rd Phase               |
| Name of premises / building                                                                                                                                                                                                                                               | : 1st Cross, Jayanagar         |
| Road / Street / Lane                                                                                                                                                                                                                                                      | : Bangalore                    |
| Area / Location                                                                                                                                                                                                                                                           | :                              |
| Town / City / District                                                                                                                                                                                                                                                    | : Bangalore                    |
| State                                                                                                                                                                                                                                                                     | : Karnataka                    |
| Pin code                                                                                                                                                                                                                                                                  | : 560095                       |
| Telephone No.                                                                                                                                                                                                                                                             | : 080-22635229                 |
| E-mail                                                                                                                                                                                                                                                                    | : sales@nationalenterprise.com |
| 3. Particulars of the person responsible for deduction of tax                                                                                                                                                                                                             |                                |
| (a) Name                                                                                                                                                                                                                                                                  | : Akhil Kumar                  |
| (b) Address                                                                                                                                                                                                                                                               | :                              |
| Flat No.                                                                                                                                                                                                                                                                  | : 178,                         |
| Name of premises / building                                                                                                                                                                                                                                               | : Ankur Apartment              |
| Road / Street / Lane                                                                                                                                                                                                                                                      | : 1st Cross, 3rd Phase         |
| Area / Location                                                                                                                                                                                                                                                           | : Jayanagar                    |
| Town / City / District                                                                                                                                                                                                                                                    | : Bangalore                    |
| State                                                                                                                                                                                                                                                                     | : Karnataka                    |
| Pin code                                                                                                                                                                                                                                                                  | : 560095                       |
| Telephone No.                                                                                                                                                                                                                                                             | : 080-22635229                 |
| E-mail                                                                                                                                                                                                                                                                    | : sales@nationalenterprise.com |

Figure 18.109 Form 27Q ( Page 1)

Figure 18.110 Form 27Q (Page 2)

- ❑ In **Printing TDS Form 27Q**, press **Backspace** and enter the required details
- ❑ Press **Enter** to print **Annexure to Form 27Q**

## Form 26

**Form 26** is an **Annual** return for deduction of tax in respect of payments made to residents other than salary. To print **Form 26**,

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Return > Form 26**

- In **Printing TDS Form 26**, press **Backspace** and enter the required information

| Printing TDS Form 26              |                                       |                               |                                         |
|-----------------------------------|---------------------------------------|-------------------------------|-----------------------------------------|
| <b>Printer</b>                    | : RnD Printer (Ne01:)                 | <b>Paper Type</b>             | : A4                                    |
| <b>No. of Copies</b>              | : 1                                   |                               |                                         |
| <b>Print Language</b>             | : English                             |                               | (Printing Dimensions)                   |
| <b>Method</b>                     | : Neat Mode                           | <b>Paper Size</b>             | : (8.27" x 11.69") or (210 mm x 297 mm) |
| <b>Page Range</b>                 | : All                                 | <b>Print Area</b>             | : (7.95" x 11.34") or (202 mm x 288 mm) |
| <b>Report Titles</b>              |                                       |                               |                                         |
| <b>TDS Form 26</b>                |                                       |                               |                                         |
| (with Print Preview)              |                                       |                               |                                         |
| <b>Person Responsible Details</b> |                                       | <b>Other Details</b>          |                                         |
| Flat No                           | : 178,                                | Category (deductor/collector) | : <b>Company</b>                        |
| Name                              | : <b>Akhil Kumar</b>                  | From (blank for beginning)    | : <b>1-4-2009</b>                       |
| Designation                       | : <b>Manager - Accounts</b>           | To (blank for end)            | : <b>31-3-2010</b>                      |
| Name of the premises/building     | : <b>Ankur Apartment</b>              | Challan Date Till             | : <b>31-3-2010</b>                      |
| Road/Street/Lane                  | : <b>1st Cross, 3rd Phase</b>         | Place                         | : <b>Bangalore</b>                      |
| Area/Location                     | : <b>Jayanagar</b>                    | Date                          | : <b>31-Mar-2010</b>                    |
| Town/City/District                | : <b>Bangalore</b>                    |                               |                                         |
| State                             | : <b>Karnataka</b>                    |                               |                                         |
| Pin code                          | : <b>560095</b>                       |                               |                                         |
| Telephone                         | : <b>080-27728229</b>                 |                               |                                         |
| E-mail                            | : <b>sales@nationalenterprise.com</b> |                               |                                         |
|                                   |                                       |                               | <b>Print ?</b><br><b>Yes or No</b>      |

Figure 18.111 Printing TDS Form 26

- Press **enter** to print **Form 26**

The printed **Form 26** appears as shown

**Form No. 26**

(See sections 193, 194, 194A, 194B, 194BB, 194C, 194D, 194EE, 194F, 194G, 194H, 194I, 194J, 194LA and rule 37)

**Annual Return of deduction of tax under section 206 of IT Act, 1961 in respect of all payments other than 'Salaries' for the year ending 31st March'10**

1. Particulars of the person making deduction of tax

(a) Name : Akhil Kumar  
 (b) Address : Flat / Door / Block No. : 178,  
 Name of Premises / Building : Ankur Apartment  
 Road / Street / Lane : 1st Cross, 3rd Phase  
 Area / Locality : Jayanagar  
 Town / District / City : Bangalore  
 PIN : 560095  
 State : Karnataka  
 (c) Tax Deduction Account Number : BLRN00789B  
 (d) Permanent Account Number : AQBFP8542B

2. Has address of the person making deduction of tax changed(1) Tick 'X' as applicable Yes ☐ No ☐

3. Status as defined within the meaning of Section 204 read with Rule 30 Tick 'X' as applicable Central Govt ☐ Others ☒

(a) Please tick the boxes below indicating the section and type of payment (other than 'Salaries') made during the year from which tax was required to be deducted at source by you under the Income Tax Act, 1961

☐ 193 ☐ 194 ☐ 194A ☐ 194B ☐ 194BB ☐ 194C ☐ 194D ☐ 194EE ☐ 194F ☐ 194G ☐ 194H ☐ 194I ☐ 194J ☐ 194LA

(b) Please furnish information in separate Annexures as per the enclosed proforma for each type of payment indicated in item(a) above viz. interest, rent, commission etc.

4. Details of tax deducted and paid to the credit of the Central Government

| S.No | Section Code | TDS Rs.         | Surcharge Rs. | Eduction Cess Rs. | Interest Rs. | Others Rs. | Total tax deposited | Cheque / DD No. (if any) | BSR Code | Date on which tax deposited | Transfer voucher/ Challan serial Number(2) | Whether TDS deposited by book entry? Yes/No |
|------|--------------|-----------------|---------------|-------------------|--------------|------------|---------------------|--------------------------|----------|-----------------------------|--------------------------------------------|---------------------------------------------|
| (1)  | (2)          | (3)             | (4)           | (5)               | (6)          | (7)        | (8)                 | (9)                      | (10)     | (11)                        | (12)                                       | (13)                                        |
| 1    | 194J         | 2,700.00        |               |                   |              |            | 2,700.00            | 1458-91                  | 00129-34 | 5-May-2009                  | 053620                                     | No                                          |
| 2    | 194C         | 360.00          |               |                   |              |            | 360.00              | 1458-96                  | 00129-34 | 5-May-2009                  | 053991                                     | No                                          |
| 3    | 194H         | 3,150.00        |               |                   |              |            | 3,150.00            | 1459-01                  | 00129-34 | 5-May-2009                  | 053323                                     | No                                          |
|      | <b>Total</b> | <b>6,210.00</b> |               |                   |              |            | <b>6,210.00</b>     |                          |          |                             |                                            |                                             |

**VERIFICATION**

I, Akhil Kumar, hereby certify that all the particulars furnished above are correct and complete.

Place: Bangalore Signature of the person responsible for deducting tax at source \_\_\_\_\_

Date: 31-Mar-2010 Name and designation of person responsible for deducting tax at source Akhil Kumar, Manager - Accounts

Notes : 1. If address has changed give changed address in column 1(b).  
 2. Where deduction is made by or on behalf of the Government to give particulars of transfer vouchers; other deductors to give particulars of challan no. regarding deposit into bank.  
 3. Column is relevant only for Government deductors.

Figure 18.112 Printed Form 26

## Annexure to Form 26

To Print **Annexure to Form 26**,

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Return > Annexure to Form 26**

- In **Printing TDS Form 26**, press **Backspace** and enter the required details

The printed **Annexure to Form 26** appears as shown

| Annexure                                                                                                                                                               |                                            |                                                                              |                         |                                      |                                 |                            |                              |                            |                      |                                                            |                              |                                              |                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|------------------------------------------------------------------------------|-------------------------|--------------------------------------|---------------------------------|----------------------------|------------------------------|----------------------------|----------------------|------------------------------------------------------------|------------------------------|----------------------------------------------|---------------------------------------------------|
| Details of <u>Commission Or Brokerage</u> paid / credited during the financial year and of tax deducted at source under Section <u>194H</u> of Income Tax Act, 1961 :- |                                            |                                                                              |                         |                                      |                                 |                            |                              |                            |                      |                                                            |                              |                                              |                                                   |
| Deductee Code                                                                                                                                                          | Permanent Account Number (PAN) of Deductee | Name and Address of Deductee (Address need not be given if PAN is mentioned) | Amount of payment (Rs.) | Date on which amount paid / credited | Paid by book entry or otherwise | Rate at which tax deducted | Amount of tax deducted (Rs.) | Date on which tax deducted | Bank Branch Code (5) | Date on which tax paid to the credit of Central Government | Challan number given by bank | Date of furnishing Tax Deduction Certificate | Reason for non-deduction / lower deduction if any |
| (1)                                                                                                                                                                    | (2)                                        | (3)                                                                          | (4)                     | (5)                                  | (6)                             | (7)                        | (8)                          | (9)                        | (10)                 | (11)                                                       | (12)                         | (13)                                         | (14)                                              |
| 02                                                                                                                                                                     | ADBHH5962H                                 | Silverplus Enterprises                                                       | 9,000.00                | 5-May-2009                           | No                              | 10 %                       | 900.00                       | 30-Apr-2009                | 0012934              | 5-May-2009                                                 | 053323                       | 5-May-2009                                   |                                                   |
| 02                                                                                                                                                                     | AGDNY5680B                                 | Prompt Consultancy                                                           | 45,000.00               | 5-May-2009                           | No                              | 5 %                        | 2,250.00                     | 24-Apr-2009                | 0012934              | 5-May-2009                                                 | 053323                       | 5-May-2009                                   |                                                   |

**Notes :-**

1. Please state the nature of payment viz. interest, rent, contract payment etc.
2. Please use separate Annexures for deductions made under different sections.
3. Please enter Deductee Code 01 for companies, 02 for 'other than companies'.
4. Write B if paid by book entry, write C otherwise.
5. Where deduction is made by or on behalf of the Government, transfer voucher number may be entered in column (10).
6. Write A if the 'lower deduction' or 'no deduction' is on account of a certificate under Section 197.  
Write B if no deduction is on account of declaration under Section 197A.
7. If necessary, please use additional sheets to give full details of payment in the above format. Please also give running serial number to all pages.

Signature of person responsible for deducting tax at source \_\_\_\_\_

Name and designation of person responsible for deducting tax at source Akhil Kumar, Manager - Accounts

Figure 18.113 Annexure to Form 26

Similarly, the annexure for the subsequent nature of payment will be printed in the next page.

## Form 27

**Form 27** is an annual return for deduction of tax in respect of payments other than salary made to Non-residents. To print **Form 27**

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Return > Form 27**

- In **Printing TDS Form 27**, press **Backspace** and enter the required details
- Press **Enter** to print

The printed **Form 27** appears as shown

**Form No. 27**  
(See rule 37A)

**Statement of deduction of tax from interest, dividends or any other sum payable to (i) persons, not being companies, who are non-residents or residents but not ordinarily residents, and (ii) companies which are neither Indian companies nor companies which have made the prescribed arrangements for the declaration and payment of dividends within India, for the period ending .....**

1. Particulars of the person making deduction of tax

(a) Name : Akhil Kumar  
 (b) Address : Flat / Door / Block No. : 178,  
 Name of Premises / Building : Ankur Apartment  
 Road / Street / Lane : 1st Cross, 3rd Phase  
 Area / Locality : Jayanagar  
 Town / District / City : Bangalore  
 PIN : 560095  
 State : Karnataka  
 (c) Tax Deduction Account Number : BLRN00789B  
 (d) Permanent Account Number : AQBPP8542B

2. Has address of the person making deduction of tax changed(1) Tick 'X' as applicable Yes ☐ No ☐

3. Status as defined within the meaning of Section 204 read with Rule 30 Tick 'X' as applicable Central Govt ☐ Others ☒

(a) Please tick the boxes below indicating the section and type of payment (other than 'Salaries') made during the year from which tax was required to be deducted at source by you under the Income Tax Act, 1961

☐ 194E ☐ 195 ☐ 196A ☐ 196B ☐ 196C ☐ 196D

Please furnish information in separate Annexures as per the enclosed proforma for each type of payment indicated above, viz, interest, dividends etc. including the payments on which no tax has been deducted on the basis of certificate issued by a chartered

4. Details of tax deducted and paid to the credit of the Central Government

| S.No         | Section | TDS   | Surcharge | Education | Interest | Others | Total tax | Cheque / DD No. if any | BSR Code | Date on which tax deposited | Transfer voucher/ Challan serial Number(2) | Whether TDS deposited by book entry? Yes/No |
|--------------|---------|-------|-----------|-----------|----------|--------|-----------|------------------------|----------|-----------------------------|--------------------------------------------|---------------------------------------------|
|              | Code    | Rs.   | Rs.       | Cess Rs.  | Rs.      | Rs.    | deposited |                        |          |                             |                                            |                                             |
| (0-95)       | (096)   | (097) | (098)     | (099)     | (100)    | (101)  | (102)     | (103)                  | (104)    | (105)                       | (106)                                      | (107)                                       |
| (1)          | (2)     | (3)   | (4)       | (5)       | (6)      | (7)    | (8)       | (9)                    | (10)     | (11)                        | (12)                                       | (13)                                        |
| <b>Total</b> |         |       |           |           |          |        |           |                        |          |                             |                                            |                                             |

**VERIFICATION**

I, Akhil Kumar \_\_\_\_\_, hereby certify that all the particulars furnished above are correct and complete.

Place: Bangalore Signature of the person responsible for deducting tax at source \_\_\_\_\_

Date: 31-Mar-2010 Name and designation of person responsible for deducting tax at source Akhil Kumar, Manager - Accounts

Notes : 1. If address has changed give changed address in column 1(b).  
 2. Where deduction is made by or on behalf of the Government to give particulars of transfer vouchers; other deductors to give particulars of challan no. regarding deposit into bank.  
 3. Column is relevant only for Government deductors.

Figure 18.114 Printed Form 27

### Annexure to 27

To print **Annexure to Form 27**

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Return > Annexure to Form 27**

- In **Printing TDS Form 27**, press **Backspace** and enter the required details
- Press **Enter** to print



*In our examples, we have not considered payments made to Non-residents. Hence, the **Form 27Q**, **Form 27** and **Annexure to Form 27Q** will appear blank.*

### 18.5.4 eTDS Returns

With the automation of collection, compilation and processing of TDS returns, ITD notified Electronic Filing of Returns of Tax Deducted at Source Scheme 2003. Under this scheme :

- It is mandatory (w.e.f. June 1, 2003) for corporate deductors to furnish their TDS returns in electronic form (e-TDS return).
- From F.Y. 2004-2005 onwards furnishing TDS returns in electronic form is also mandatory for government deductors in addition to corporate deductors.
- Deductors (other than government and corporates) may file TDS return in electronic or physical form.
- National Securities Depository Ltd. (NSDL) is the e-TDS Intermediary (appointed by ITD) to receive the e-TDS returns from the deductors, on behalf of ITD.

Deductors furnishing e-TDS returns are required to furnish a control chart - Form 27A in physical form along with the e-TDS return furnished in CD/floppy. Form 27A is a summary of TDS return (Form 24, 26 or 27), which contains control totals of **Amount Paid** and **Income tax deducted at source**. The control totals mentioned on Form 27A should match with the corresponding control totals in e-TDS return file. Form 27A is required to be furnished separately for each TDS return (Form 24, 26 or 27).

The deductors / collectors preparing e-TDS returns are required to validate their returns with the File Validation Utility (a freely downloadable utility developed by NSDL), to conform to the prescribed format.

In Tally.ERP 9, the **eReturn** menu displays the eTDS Quarterly/ Annual Forms, which can be exported and validated with the File Validation Utility.

To view the **E-TDS Forms**

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > E-Return > E-TDS**

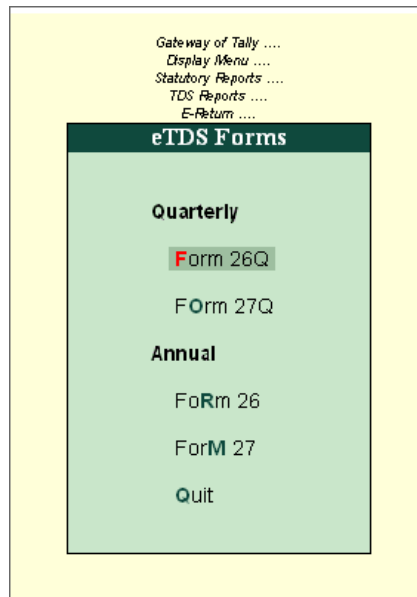


Figure 18.115 E-TDS Forms

### Form 26Q

**Form 26Q** is a **Quarterly** return for deduction of tax in respect of payments made to residents other than salary. To export **Form 26Q**

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > E-Return > E-TDS > Form 26Q**

- In **Exporting eTDS Form**, press **Backspace** and enter the following details
  - By default, the **Language** and **Format** is preset as **Restricted (ASCII Only)** and **SDF (Fixed Width)** respectively.
  - In **Export Location** field enter the details of the path to where the txt file to be exported.
  - In the **Output File Name** field specify the file name as **Form 26Q.txt**
  - Press **Enter** to accept the **Person Responsible Details** (The Address details are automatically defaulted from the Company masters in the Person Responsible Details column)
  - Select **Yes** or **No** as applicable, in **Is Change in Address since last Return** field.
  - Under **Other Details**, In **Category (deductor/Collector)** field select the **Deductor Category** and specify the applicable date in the **From** and **To** fields
  - Specify **30-06-2009** in the **Challan Date Till** field (i.e., Challan date to be considered for TDS payments made for the respective quarter/period)
  - In **Form Name** field, **Form 26Q** is defaulted
  - Specify the **Place** and **Date** of Filing Returns



The **Exporting eTDS Forms** configuration screen appears as shown

| Exporting eTDS Forms                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                               |                            |               |                       |                                               |                           |                                              |                                         |                                       |                                                       |                                      |                                                |                             |                                  |                          |                                       |                           |                          |  |                          |  |                                 |  |                                              |  |                                                   |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------|---------------|-----------------------|-----------------------------------------------|---------------------------|----------------------------------------------|-----------------------------------------|---------------------------------------|-------------------------------------------------------|--------------------------------------|------------------------------------------------|-----------------------------|----------------------------------|--------------------------|---------------------------------------|---------------------------|--------------------------|--|--------------------------|--|---------------------------------|--|----------------------------------------------|--|---------------------------------------------------|--|
| Language                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | : <b>Restricted (ASCII Only)</b>              |                            |               |                       |                                               |                           |                                              |                                         |                                       |                                                       |                                      |                                                |                             |                                  |                          |                                       |                           |                          |  |                          |  |                                 |  |                                              |  |                                                   |  |
| Format                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | : <b>SDF (Fixed Width)</b>                    |                            |               |                       |                                               |                           |                                              |                                         |                                       |                                                       |                                      |                                                |                             |                                  |                          |                                       |                           |                          |  |                          |  |                                 |  |                                              |  |                                                   |  |
| Export Location                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | : <b>C:\Tally.ERP9_SeriesA_Ref1.6</b>         |                            |               |                       |                                               |                           |                                              |                                         |                                       |                                                       |                                      |                                                |                             |                                  |                          |                                       |                           |                          |  |                          |  |                                 |  |                                              |  |                                                   |  |
| Output File Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | : <b>Form 26Q.txt</b>                         |                            |               |                       |                                               |                           |                                              |                                         |                                       |                                                       |                                      |                                                |                             |                                  |                          |                                       |                           |                          |  |                          |  |                                 |  |                                              |  |                                                   |  |
| <table border="1"> <thead> <tr> <th>Person Responsible Details</th> <th>Other Details</th> </tr> </thead> <tbody> <tr> <td>Flat No : <b>178,</b></td> <td>Category (deductor/collector): <b>Company</b></td> </tr> <tr> <td>Name : <b>Akhil Kumar</b></td> <td>From (blank for beginning) : <b>1-4-2009</b></td> </tr> <tr> <td>Designation : <b>Manager - Accounts</b></td> <td>To (blank for end) : <b>30-6-2009</b></td> </tr> <tr> <td>Name of the premises/building: <b>Ankur Apartment</b></td> <td>Challan Date Till : <b>30-6-2009</b></td> </tr> <tr> <td>Road/Street/Lane : <b>1st Cross, 3rd Phase</b></td> <td>Form Name : <b>Form 26Q</b></td> </tr> <tr> <td>Area/Location : <b>Jayanagar</b></td> <td>Place : <b>Bangalore</b></td> </tr> <tr> <td>Town/City/District : <b>Bangalore</b></td> <td>Date : <b>15-Jul-2009</b></td> </tr> <tr> <td>State : <b>Karnataka</b></td> <td></td> </tr> <tr> <td>Pin code : <b>560095</b></td> <td></td> </tr> <tr> <td>Telephone : <b>080-27728229</b></td> <td></td> </tr> <tr> <td>E-mail : <b>sales@nationalenterprise.com</b></td> <td></td> </tr> <tr> <td>Is Change in Address since last Return? <b>No</b></td> <td></td> </tr> </tbody> </table> |                                               | Person Responsible Details | Other Details | Flat No : <b>178,</b> | Category (deductor/collector): <b>Company</b> | Name : <b>Akhil Kumar</b> | From (blank for beginning) : <b>1-4-2009</b> | Designation : <b>Manager - Accounts</b> | To (blank for end) : <b>30-6-2009</b> | Name of the premises/building: <b>Ankur Apartment</b> | Challan Date Till : <b>30-6-2009</b> | Road/Street/Lane : <b>1st Cross, 3rd Phase</b> | Form Name : <b>Form 26Q</b> | Area/Location : <b>Jayanagar</b> | Place : <b>Bangalore</b> | Town/City/District : <b>Bangalore</b> | Date : <b>15-Jul-2009</b> | State : <b>Karnataka</b> |  | Pin code : <b>560095</b> |  | Telephone : <b>080-27728229</b> |  | E-mail : <b>sales@nationalenterprise.com</b> |  | Is Change in Address since last Return? <b>No</b> |  |
| Person Responsible Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Other Details                                 |                            |               |                       |                                               |                           |                                              |                                         |                                       |                                                       |                                      |                                                |                             |                                  |                          |                                       |                           |                          |  |                          |  |                                 |  |                                              |  |                                                   |  |
| Flat No : <b>178,</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Category (deductor/collector): <b>Company</b> |                            |               |                       |                                               |                           |                                              |                                         |                                       |                                                       |                                      |                                                |                             |                                  |                          |                                       |                           |                          |  |                          |  |                                 |  |                                              |  |                                                   |  |
| Name : <b>Akhil Kumar</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | From (blank for beginning) : <b>1-4-2009</b>  |                            |               |                       |                                               |                           |                                              |                                         |                                       |                                                       |                                      |                                                |                             |                                  |                          |                                       |                           |                          |  |                          |  |                                 |  |                                              |  |                                                   |  |
| Designation : <b>Manager - Accounts</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | To (blank for end) : <b>30-6-2009</b>         |                            |               |                       |                                               |                           |                                              |                                         |                                       |                                                       |                                      |                                                |                             |                                  |                          |                                       |                           |                          |  |                          |  |                                 |  |                                              |  |                                                   |  |
| Name of the premises/building: <b>Ankur Apartment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Challan Date Till : <b>30-6-2009</b>          |                            |               |                       |                                               |                           |                                              |                                         |                                       |                                                       |                                      |                                                |                             |                                  |                          |                                       |                           |                          |  |                          |  |                                 |  |                                              |  |                                                   |  |
| Road/Street/Lane : <b>1st Cross, 3rd Phase</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Form Name : <b>Form 26Q</b>                   |                            |               |                       |                                               |                           |                                              |                                         |                                       |                                                       |                                      |                                                |                             |                                  |                          |                                       |                           |                          |  |                          |  |                                 |  |                                              |  |                                                   |  |
| Area/Location : <b>Jayanagar</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Place : <b>Bangalore</b>                      |                            |               |                       |                                               |                           |                                              |                                         |                                       |                                                       |                                      |                                                |                             |                                  |                          |                                       |                           |                          |  |                          |  |                                 |  |                                              |  |                                                   |  |
| Town/City/District : <b>Bangalore</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Date : <b>15-Jul-2009</b>                     |                            |               |                       |                                               |                           |                                              |                                         |                                       |                                                       |                                      |                                                |                             |                                  |                          |                                       |                           |                          |  |                          |  |                                 |  |                                              |  |                                                   |  |
| State : <b>Karnataka</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                               |                            |               |                       |                                               |                           |                                              |                                         |                                       |                                                       |                                      |                                                |                             |                                  |                          |                                       |                           |                          |  |                          |  |                                 |  |                                              |  |                                                   |  |
| Pin code : <b>560095</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                               |                            |               |                       |                                               |                           |                                              |                                         |                                       |                                                       |                                      |                                                |                             |                                  |                          |                                       |                           |                          |  |                          |  |                                 |  |                                              |  |                                                   |  |
| Telephone : <b>080-27728229</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                               |                            |               |                       |                                               |                           |                                              |                                         |                                       |                                                       |                                      |                                                |                             |                                  |                          |                                       |                           |                          |  |                          |  |                                 |  |                                              |  |                                                   |  |
| E-mail : <b>sales@nationalenterprise.com</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                               |                            |               |                       |                                               |                           |                                              |                                         |                                       |                                                       |                                      |                                                |                             |                                  |                          |                                       |                           |                          |  |                          |  |                                 |  |                                              |  |                                                   |  |
| Is Change in Address since last Return? <b>No</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                               |                            |               |                       |                                               |                           |                                              |                                         |                                       |                                                       |                                      |                                                |                             |                                  |                          |                                       |                           |                          |  |                          |  |                                 |  |                                              |  |                                                   |  |
| <p><b>Export ?</b></p> <p><b>Yes or No</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                               |                            |               |                       |                                               |                           |                                              |                                         |                                       |                                                       |                                      |                                                |                             |                                  |                          |                                       |                           |                          |  |                          |  |                                 |  |                                              |  |                                                   |  |

NOTE : Validate the exported file through the NSDL's File Validation Utility before sub

Figure 18.116 Exporting eTDS Forms

- Press **Enter** to Export **Quarterly Return in 26Q**

The exported file is placed in the Tally.ERP 9 Directory with the file name as specified above.

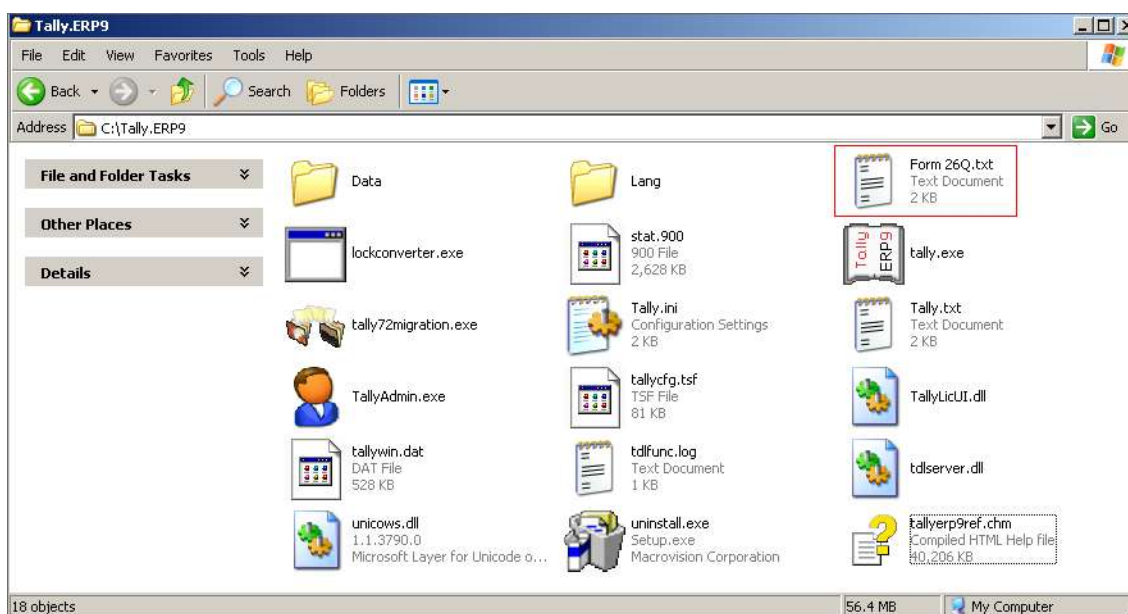


Figure 18.117 Exported Form 26Q in Tally.ERP 9 Directory

The exported file (Form 26Q) is required to be validated with the File Validation Utility (*a freely downloadable utility from NSDL website*) and after validation, the returns should be submitted to the department in CD along with **Form 27A** in Physical Form.



- ❑ *It is mandatory to validate the **TDS returns** with **File Validation Utility** to confirm to the requirements as prescribed by the Income tax department. In case of any errors in exported file (Returns), the **FVU** prompts a error message with error code, the assessee may correct the same and revalidate the returns (The **File Validation Utility** is available for **Quarterly** and **Annual returns** separately).*
- ❑ *Tally.ERP 9 exports both **Form 26Q** & **Form 27Q** in the **text (.txt)** format as prescribed by **NSDL**.*

### Print Form 27A

Form 27A is a summary of TDS return which contains control totals of **Amount paid** and **Income tax deducted at source**. Form 27A is to be filed in physical form with each return i.e., Form 26Q, Form 27 Q, Form 26 and Form 27.

In case of returns submitted in the paper form, form 27A need not be attached. Follow the steps given below to print Form 27A

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > E-Return > Print Form 27A**

In the **Printing TDS Form 27A** screen,

- ❑ Press **Enter** to accept the **Person Responsible Details**
- ❑ Under **Other Details**, specify the following
  - Select the **Deductor Category** in **Category (deductor/Collector)** field.
  - Enter the applicable date in the **From** and **To** fields
  - Specify **30-06-2009** in the **Challan Date Till** field
  - Select the **Enclosed Form Type** as **Form 26Q**
  - Specify **Previous Receipt No.**, if any
  - Specify **1** in the **No. of Annexures** enclosed field
  - Specify **Other Information**, if any
  - Specify the **Place** and **Date** of filing returns

The completed Printing **TDS Form 27A configuration screen** is displayed as shown.

| Printing TDS Form 27A         |                                |                               |                                           |
|-------------------------------|--------------------------------|-------------------------------|-------------------------------------------|
| <b>Printer</b>                | : RnD Printer (Ne01:)          | <b>Paper Type</b>             | : A4                                      |
| <b>No. of Copies</b>          | : 1                            |                               |                                           |
| <b>Print Language</b>         | : English                      |                               | (Printing Dimensions)                     |
| <b>Method</b>                 | : Neat Mode                    | <b>Paper Size</b>             | : (8.27" x 11.69") or (210 mm x 297 mm)   |
| <b>Page Range</b>             | : All                          | <b>Print Area</b>             | : (7.95" x 11.34") or (202 mm x 288 mm)   |
| Report Titles                 |                                |                               |                                           |
| TDS Form 27A                  |                                |                               |                                           |
| (with Print Preview)          |                                |                               |                                           |
| Person Responsible Details    |                                | Other Details                 |                                           |
| Flat No                       | : 178,                         | Category (deductor/collector) | : <b>Company</b>                          |
| Name                          | : Akhil Kumar                  | From (blank for beginning)    | : 1-4-2009                                |
| Designation                   | : Manager - Accounts           | To (blank for end)            | : 30-6-2009                               |
| Name of the premises/building | : Ankur Apartment              | Challan Date Till             | : 30-6-2009                               |
| Road/Street/Lane              | : 1st Cross, 3rd Phase         | Enclosed Form Type            | : <b>Form 26Q</b>                         |
| Area/Location                 | : Jayanagar                    | Previous Receipt No.          | :                                         |
| Town/City/District            | : Bangalore                    | No. of Annexures enclosed     | : 1                                       |
| State                         | : Karnataka                    | Other Information             | : <b>CD Enclosed</b>                      |
| Pin code                      | : 560095                       | Place                         | : <b>Bangalore</b>                        |
| Telephone                     | : 080-27728229                 | Date                          | : 15-Jul-2009                             |
| E-mail                        | : sales@nationalenterprise.com |                               |                                           |
|                               |                                |                               | <b>Print ?</b><br><b>Yes</b> or <b>No</b> |

Figure 18.118 Printing TDS Form 27A

- Press **Enter** to **Print Form 27A**

The printed **Form 27A** is displayed as shown.

**Form No. 27A**

Form for furnishing information with the statement of deduction of tax at source filed on computer media for the period  
(From 1/4/2009 to 30/6/2009)

1 (a) Tax Deduction Account No.  (d) Financial Year   
 (b) Permanent Account No.  (e) Assessment Year   
 (c) Form No.  (f) Previous receipt number   
*(In Case return / statement has been filed earlier)*

2 Particulars of the deductor

|                                 |                              |
|---------------------------------|------------------------------|
| (a) Name                        | National Enterprises         |
| (b) Type of deductor*           | Others                       |
| (c) Branch / Division (if any)  |                              |
| (d) Address                     |                              |
| Flat No.                        | 178, 3rd Phase               |
| Name of the premises / building | 1st Cross, Jayanagar         |
| Road / Street / Lane            | Bangalore                    |
| Area / Location                 |                              |
| Town / City / District          |                              |
| State                           | Karnataka                    |
| Pin code                        | 560095                       |
| Telephone                       | 080-22635229                 |
| E-mail                          | sales@nationalenterprise.com |

3 Name of the person responsible for deduction of tax

|                                 |                              |
|---------------------------------|------------------------------|
| (a) Name                        | Akhil Kumar                  |
| (b) Address                     |                              |
| Flat No.                        | 178,                         |
| Name of the premises / building | Ankur Apartment              |
| Road / Street / Lane            | 1st Cross, 3rd Phase         |
| Area / Location                 | Jayanagar                    |
| Town / City / District          | Bangalore                    |
| State                           | Karnataka                    |
| Pin code                        | 560095                       |
| Telephone                       | 080-22635229                 |
| E-mail                          | sales@nationalenterprise.com |

4 Control totals

| Sr.No. | No. of deductee party records | Amount paid Rs. | Tax deducted Rs. | Tax deposited (Total challan amount) Rs. |
|--------|-------------------------------|-----------------|------------------|------------------------------------------|
| Total  | 3                             | 1,17,000.00     | 6,210.00         | 6,210.00                                 |

5 Total Number of Annexures enclosed

6 Other Information

**VERIFICATION**

I, Akhil Kumar \_\_\_\_\_, hereby certify that all the particulars furnished above are correct and complete.

Place: Bangalore Signature of person responsible for deducting tax at source \_\_\_\_\_

Date: 15-Jul-2009 Name and designation of person responsible for deducting tax at source Akhil Kumar, Manager - Accounts

\*Mention type of deductor- Government or Others  
# dd/mm/yy :- date/month/year

Figure 18.119 Printed Form 27A

## Form 27Q

**Form 27Q** is a **Quarterly** return for deduction of tax in respect of payments made to non-residents other than salary.

### To Export Form 27Q

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > E-Return > E-TDS > Form 27Q**

- In **Exporting TDS Form 27Q**, press **Backspace** and enter the required details

| Exporting eTDS Forms                                                                           |             |                                     |                      |
|------------------------------------------------------------------------------------------------|-------------|-------------------------------------|----------------------|
| Language                                                                                       | :           | <b>Restricted (ASCII Only)</b>      |                      |
| Format                                                                                         | :           | <b>SDF (Fixed Width)</b>            |                      |
| Export Location                                                                                | :           | <b>C:\Tally.ERP9_SeriesA_Rel1.6</b> |                      |
| Output File Name                                                                               | :           | <b>Form 27Q.txt</b>                 |                      |
| <b>Person Responsible Details</b>                                                              |             | <b>Other Details</b>                |                      |
| Flat No                                                                                        | :           | Category (deductor/collector)       | : <b>Company</b>     |
| Name                                                                                           | :           | From (blank for beginning)          | : <b>1-4-2009</b>    |
| Designation                                                                                    | :           | To (blank for end)                  | : <b>30-6-2009</b>   |
| Name of the premises/building                                                                  | :           | Challan Date Till                   | : <b>30-6-2009</b>   |
| Road/Street/Lane                                                                               | :           | Form Name                           | : <b>Form 27Q</b>    |
| Area/Location                                                                                  | :           | Place                               | : <b>Bangalore</b>   |
| Town/City/District                                                                             | :           | Date                                | : <b>15-Jul-2009</b> |
| State                                                                                          | :           |                                     |                      |
| Pin code                                                                                       | :           |                                     |                      |
| Telephone                                                                                      | :           |                                     |                      |
| E-mail                                                                                         | :           |                                     |                      |
| Is Change in Address since last Return?                                                        | : <b>No</b> | Is Tax paid on behalf of NR?        | : <b>No</b>          |
|                                                                                                |             | <b>Export ?</b>                     |                      |
| <b>NOTE : Validate the exported file through the NSDL's File Validation Utility before sub</b> |             | <b>Yes or No</b>                    |                      |

Figure 18.120 Exporting eTDS Forms

- Press **Enter** to **Print Form 27Q**.

### 18.5.5 Outstandings

In Tally.ERP 9, you can generate TDS outstandings on the following

- TDS Payables
- Ledgerwise TDS Payable
- Nature of Payment
- TDS Not Deducted

#### TDS payables

The **TDS Payables** report gives you information on the **TDS payable (pending)** to Government for a particular **Nature of Payment**.

To view **TDS Payables** report,

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Outstanding > TDS Payables**

| TDS Outstanding |            | National Enterprises |                | Ctrl + M                 |              |
|-----------------|------------|----------------------|----------------|--------------------------|--------------|
| TDS Payable     |            |                      |                | 1-Apr-2009 to 5-May-2009 |              |
| Date            | Ref. No.   | Opening Amount       | Pending Amount | Due on                   | Overdue days |
| 30-Apr-2009     | Pynt / 3-1 | 2,250.00 Cr          | 2,250.00 Cr    | 7-May-2009               | 0            |
|                 |            | 2,250.00 Cr          | 2,250.00 Cr    |                          |              |

Figure 18.121 TDS Payable Report

- ❑ Press **Alt+F1** or click on **F1: Detailed** to view in detailed mode
- ❑ To Print **TDS Payables report**, press **Alt+P** from the above screen.

The printed **TDS Payables** report appears as shown :

| National Enterprises     |                     |   |             |                |                |            |              |
|--------------------------|---------------------|---|-------------|----------------|----------------|------------|--------------|
| 178, 3rd Phase           |                     |   |             |                |                |            |              |
| 1st Cross, Jayanagar     |                     |   |             |                |                |            |              |
| Bangalore                |                     |   |             |                |                |            |              |
| TDS Payable              |                     |   |             |                |                |            |              |
| 1-Apr-2009 to 5-May-2009 |                     |   |             |                |                |            |              |
| Date                     | Ref. No.            |   |             | Opening Amount | Pending Amount | Due on     | Overdue days |
| 30-Apr-2009              | Pynt / 3-1          |   |             | 2,250.00 Cr    | 2,250.00 Cr    | 7-May-2009 | 0            |
|                          | 30-Apr-2009 Payment | 3 | 2,250.00 Cr |                |                |            |              |
|                          |                     |   |             | 2,250.00 Cr    | 2,250.00 Cr    |            |              |

Figure 18.122 Print Preview – TDS Payable Report

## Ledger

**TDS Ledger Outstandings** report displays ledger wise TDS outstandings. This report can be viewed for all the ledgers or for one ledger.

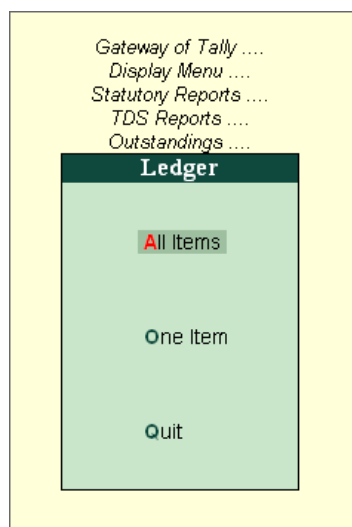


Figure 18.123 Ledger Menu

- Select **All Items**, to view **Ledger Outstandings** for all the ledgers

The **TDS Ledger Outstandings report** appears as shown

| TDS Ledger Outstandings |  | National Enterprises     | Ctrl + M |
|-------------------------|--|--------------------------|----------|
| Ledger : All Items      |  | 1-Apr-2009 to 5-May-2009 |          |
| Ledger Name             |  | Pending Amount           |          |
| Ramesh Kumar            |  | 2,250.00                 |          |
| Grand Total             |  | 2,250.00                 |          |

Figure 18.124 TDS Ledger Outstandings – All Items

- ❑ Select **One Item**, to view **TDS Ledger Outstandings** for **particular** ledger
- ❑ Select **Ramesh Kumar** and press **Enter** to view **TDS Ledger Outstandings** Report



| TDS Ledger Outstandings |            |                                     | National Enterprises     |                | Ctrl + M   |                 |
|-------------------------|------------|-------------------------------------|--------------------------|----------------|------------|-----------------|
| Ledger : Ramesh Kumar   |            |                                     | 1-Apr-2009 to 5-May-2009 |                |            |                 |
| Date                    | Ref. No.   | Nature of Payment                   | Opening Amount           | Pending Amount | Due on     | Overdue by days |
| 30-Apr-2009             | Pynt / 3-1 | Rent of Land, Building Or Furniture | 2,250.00 Cr              | 2,250.00       | 7-May-2009 | 0               |
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Figure 18.125 TDS Ledger Outstandings – One Item

### Nature of Payment

TDS Nature of Payment Outstandings report displays Nature of Payment wise TDS outstandings. This report can be viewed for all the Nature of Payment or for one Nature of Payments.

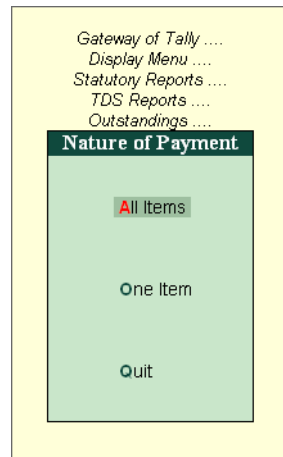


Figure 18.126 Nature of Payment

- Select **All Items**, to view **Nature of Payment Outstandings** for all the Nature of Payment. The **TDS Nature of Payment Outstandings** report is displayed as shown

| TDS Nature of Payment Outstandings  |  | National Enterprises     | Ctrl + M |
|-------------------------------------|--|--------------------------|----------|
| Nature of Payment : All Items       |  | 1-Apr-2009 to 5-May-2009 |          |
| Nature of Payment                   |  | Pending Amount           |          |
| Rent of Land, Building Or Furniture |  | 2,250.00                 |          |
| Grand Total                         |  | 2,250.00                 |          |

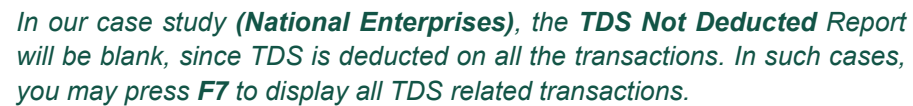
Figure 18.127 TDS Nature of Payment Outstandings – All Item

- | TDS Nature of Payment Outstandings                      |            |              |  |                |                 | National Enterprises | Ctrl + M x               |
|---------------------------------------------------------|------------|--------------|--|----------------|-----------------|----------------------|--------------------------|
| Nature of Payment : Rent of Land, Building Or Furniture |            |              |  |                |                 |                      | 1-Apr-2009 to 5-May-2009 |
| Date                                                    | Ref. No.   | Partys' Name |  | Opening Amount | Pending Amount  | Due on               | Overdue by days          |
| 30-Apr-2009                                             | Pymt / 3-1 | Ramesh Kumar |  | 2,250.00 Cr    | <b>2,250.00</b> | 7-May-2009           | 0                        |
|                                                         |            |              |  | 2,250.00 Cr    | <b>2,250.00</b> |                      |                          |

### TDS Not Deducted

To view the **TDS Not Deducted** report,

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- | TDS Deducted Details          |            | National Enterprises     |                | Ctrl + M           |                        |
|-------------------------------|------------|--------------------------|----------------|--------------------|------------------------|
| TDS Deducted Details          |            | 1-Apr-2009 to 5-May-2009 |                |                    |                        |
| Particulars                   | PAN        | Taxable Amount           | Tax Deductable | Deducted Till Date | Balance to be Deducted |
| Crown Advisory Services       | ARGTT8540C | 9,000.00                 |                |                    |                        |
| Evergreen Consulting Services | AGHPP2531M | 27,000.00                | 2,700.00       | 2,700.00           |                        |
| Prompt Consultancy            | AGDVV5680B | 45,000.00                | 2,250.00       | 2,250.00           |                        |
| Ramesh Kumar                  | KOPLL4581N | 15,000.00                | 2,250.00       | 2,250.00           |                        |
| Silverplus Enterprises        | ADGHH5962K | 9,000.00                 | 900.00         | 900.00             |                        |
| Star Advertisement Agency     | ADERR5871M | 36,000.00                | 360.00         | 360.00             |                        |
| Total                         |            | 1,41,000.00              | 8,460.00       | 8,460.00           |                        |

- Press **Alt+F1** or click on **F1: Detailed** to view in detailed mode

| TDS Deducted Details                               |            | National Enterprises     |                | Ctrl + M           |                        |
|----------------------------------------------------|------------|--------------------------|----------------|--------------------|------------------------|
| TDS Deducted Details                               |            | 1-Apr-2009 to 5-May-2009 |                |                    |                        |
| Particulars                                        | PAN        | Taxable Amount           | Tax Deductable | Deducted Till Date | Balance to be Deducted |
| Crown Advisory Services                            | ARGTT8540C | 9,000.00                 |                |                    |                        |
| Fees for Professional Or Technical Services        |            | 9,000.00                 |                |                    |                        |
| Evergreen Consulting Services                      | AGHPP2531M | 27,000.00                | 2,700.00       | 2,700.00           |                        |
| Fees for Professional Or Technical Services        |            | 27,000.00                | 2,700.00       | 2,700.00           |                        |
| Prompt Consultancy                                 | AGDVV5680B | 45,000.00                | 2,250.00       | 2,250.00           |                        |
| Commission Or Brokerage                            |            | 45,000.00                | 2,250.00       | 2,250.00           |                        |
| Ramesh Kumar                                       | KOPLL4581N | 15,000.00                | 2,250.00       | 2,250.00           |                        |
| Rent of Land, Building Or Furniture                |            | 15,000.00                | 2,250.00       | 2,250.00           |                        |
| Silverplus Enterprises                             | ADGHH5962K | 9,000.00                 | 900.00         | 900.00             |                        |
| Commission Or Brokerage                            |            | 9,000.00                 | 900.00         | 900.00             |                        |
| Star Advertisement Agency                          | ADERR5871M | 36,000.00                | 360.00         | 360.00             |                        |
| Payment to Contractors (Advertisement Contractors) |            | 36,000.00                | 360.00         | 360.00             |                        |
| Total                                              |            | 1,41,000.00              | 8,460.00       | 8,460.00           |                        |

Figure 18.130 Detailed TDS Not Deducted Report

- To Print **TDS Payables report**, press **Alt+P** from the above screen.

### 18.5.6 Exception Reports

In Tally.ERP 9, you can generate various TDS exception reports to help track and rectify any discrepancies in TDS entries. Tally.ERP 9 allows you to generate exception reports to track Migrated Vouchers, Migrated Bills, TDS Masters with advanced configuration, Migrates TDS Vouchers, TDS Masters without PAN Details and TDS Masters without deductee Type.

To view **TDS Exception Reports**

Go to **Gateway of Tally > Display> Statutory Reports > TDS Reports > Exception Reports**

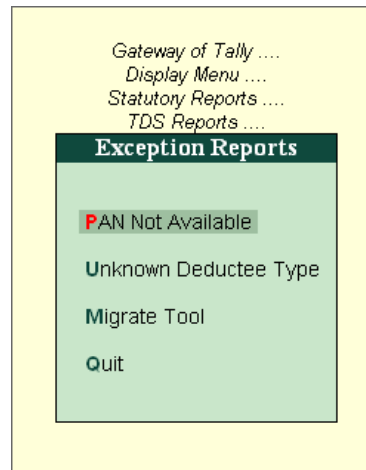


Figure 18.131 Exception Reports

### **PAN Not Available**

The **PAN Not Available** report displays all the Party Ledgers for whom the PAN details is not available. To view the **PAN Not Available** report.

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Exception Reports > PAN Not Available**

For eg., create ledger **Nikhil Computers** without providing **PAN / IT No..** The **PAN Not Available** report will appear as shown :

PAN Not Available

National Enterprises

Ctrl + M

List of All Ledger Masters  
(Where PAN Details Are Not Entered)

| Supplier Ledger Name | Deductee Type             | Contact Person | Contact Number | PAN / IT No. |
|----------------------|---------------------------|----------------|----------------|--------------|
| Nikhil Computers     | Individual/HUF - Resident |                |                |              |

Figure 18.132 PAN Not Available

You can also update the PAN Details of the Party from the above screen. This report is useful in tracking the party ledgers for which the PAN Details are not available before filing the e-returns.

### Unknown Deductee Type

The **Unknown Deductee Type** report displays all the Party Ledgers for whom the Deductee Type is not defined.

To view the Unknown Deductee Type report

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Exception Reports > Unknown Deductee Type**

For eg., create ledger **Somitel Communication** without selecting **Deductee Type**

| Unknown Deductee Type                                             |               | National Enterprises |                | Ctrl + M     |
|-------------------------------------------------------------------|---------------|----------------------|----------------|--------------|
| List of All Ledger Masters<br>(Where Deductee Type Is Not Proper) |               |                      |                |              |
| Supplier Ledger Name                                              | Deductee Type | Contact Person       | Contact Number | PAN / IT No. |
| Somitel Communication                                             | Unknown       |                      |                | ABVPP8470M   |

Figure 18.133 Unknown Deductee Type

You can also update the Deductee Type Details of the Party from the above screen. This report is useful in tracking the party ledgers for which the Deductee Type Details are not available before filing the e-returns.

## Migrate Tool

The Migrate Tool comprises of the following reports

- ❑ **Track Migrate Voucher** : The **Track Migrate Vouchers** reports displays Date-wise Migrated and Non-migrated vouchers. Tally.ERP 9 displays the Non Migrated vouchers' Amount in Bold for easy identification.
- ❑ **Track Migrate Bills** : The **Track Migrate Bills** report displays Tax bill name wise migrated and non-migrated voucher. In this report, you can identify migrated/non- migrated vouchers by comparing the previous deduction amount and new deduction amount and previous payment amount and new payment amount are same. If the Deduction Amounts (Previous and New) and Payment Amounts (Previous and New) are same then, it is understood that



the vouchers are successfully migrated. On the other hand, if the Deduction Amounts (Previous and New) and Payment Amounts (Previous and New) are not same then it is understood that the vouchers are not migrated.

- **Track Masters** : The **Track Masters Report** displays TDS Ledger wise Lower Deduction, Zero Deduction and IT Exemption details.
- **Re-Migrate** : The Re-Migrate option, first un-migrates all the TDS vouchers and then re-migrates all the vouchers. If the migration is not complete then the application displays the message - **TDS Migration did not complete successfully**. If the migration is complete you can continue to record TDS transactions and generate required reports.

### Points to Remember

- ❑ Tax Deducted at Source is one of the modes of collecting income tax.
- ❑ The buyer/service and receiver/payer of income files annual returns electronically or in physical form.
- ❑ Tax Assessment Number is a ten-digit alphanumeric number issued by the Income Tax Department to the deductor.
- ❑ The Statutory Masters are of two types Deductee Type and Nature of Payments.
- ❑ Tally gives you the option of booking of expenses either using a journal voucher or a purchase voucher.
- ❑ Tax transactions for a particular party providing services is recorded in a journal voucher using the TDS Deduction button.
- ❑ TDS payment is done in two ways - Manual bill selection and Auto-fill selection (using TDS Helper).
- ❑ TDS payment voucher is printed as a TDS Challan.
- ❑ The TDS amount on advance payments is adjusted only when the final settlement of accounts for a contract is made.
- ❑ The TDS Computation Report provides you with a list of party and TDS Ledger names for which the TDS bills are deducted.
- ❑ TDS Payables Report gives the status of TDS payable (pending) amounts for a particular TDS Ledger account.
- ❑ Ledger Outstandings Report is used to find out the outstanding status of a particular tax ledger account.
- ❑ The reconciliation of challan payments made to the Bank for TDS accounts is done in the Ledger Voucher Report.

## Lesson 19: Tax Collected at Source

### Lesson Objectives

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

- ❑ Enable TCS in Tally.ERP 9
- ❑ Create masters necessary for TCS transactions.
- ❑ Record TCS transactions
- ❑ Generate TCS reports and challans in Tally.ERP 9

Tax Collected at Source means tax being collected from the source by the seller (collector) from the buyer (collectee/ payee) for goods traded u/s 206C (1) of the Income Tax Act, 1961. It is collected when accrued or when paid whichever occurs earlier. It is prescribed for any business or trade dealing with alcoholic liquor, forest produce, scrap, etc. It also includes lease, license or contract related to parking lots, toll plaza, mines and quarry, etc., as defined in Section 206C of the Income Tax Act, 1961. The following brief description covers the applicability of Act.

### 19.1 Basic Concepts of TCS

#### 19.1.1 TCS Nature of Goods

The following table describes the Nature of Goods covered under TCS and the rate applied thereon.

| S.No | Nature of Goods                                             | %   |
|------|-------------------------------------------------------------|-----|
| 1    | Alcoholic liquor for human consumption                      | 1   |
| 2    | Tendu leaves                                                | 5   |
| 3    | Timber obtained under a forest lease                        | 2.5 |
| 4    | Timber obtained by any mode other than under a forest lease | 2.5 |

|   |                                                            |     |
|---|------------------------------------------------------------|-----|
| 5 | Any other forest product apart from timber or Tendu leaves | 2.5 |
| 6 | *Scrap                                                     | 1   |

**\*Scrap** means waste. These are damaged materials obtained from manufacturing units that are of no further use.

### **Seller**

A seller can refer to any one of the following:

- ❑ The Central Government.
- ❑ A State Government.
- ❑ Any Local Authority.
- ❑ Corporation or Authority established by or under a Central, State or Provincial Act.
- ❑ Any Company.
- ❑ Firm.
- ❑ Co-operative Society.

It also includes Individuals or Hindu Undivided Family (HUF) running businesses or professions. The total sales, or turnovers of these businesses must exceed the monetary limits specified under Clause (a) or Clause (b) of Section 44AB of Tax Audit of Income Tax Act, 1961 . This must be done during the financial year immediately preceding the financial year in which the goods of the nature specified above are sold.

### **Buyer**

A Buyer is a person who has the right to receive or obtain goods specified above by means of a sale, auction, tender, or any other mode. The buyer does not include:

- ❑ A public sector company, the central government, a state government, an embassy, a high commission, legation, commission, consulate and the trade representation of a foreign state and a club; or
- ❑ A buyer in the retail sale of such goods purchased by him for personal consumption.

### **19.1.2 TCS on Contracts, License and Leases**

According to Sec 206C (1C), Other than a public sector company (licensee or lessee), every person while dealing with another person for business, in whole or in part, either:

- ❑ grants a lease or license
- ❑ enters into a contract
- ❑ transfers any right or interest

The TCS is collected from the licensee at the rates specified in the following table:

| S.No | Nature of contract, license, lease, etc. | % |
|------|------------------------------------------|---|
| 1    | Parking Lot                              | 2 |
| 2    | Toll Plaza                               | 2 |
| 3    | Mining or Quarrying                      | 2 |

### 19.1.3 Time and Mode of Payment of TCS to the Government Account

The total amount collected is paid to the Central Government within a week from the last day of the month. The collection when made by or on behalf of the Government, results in the amount being credited without the production of a challan.

### 19.1.4 Credit for Tax Collected at Source

The amount collected on behalf of a person and paid under Section 206C(3) to the Central Government, and specified in the second provision to sub-section (5) shall be deemed as payment of tax. Credit shall be given for that amount, for the assessment year in which such income is assessable without the production of a certificate.

### 19.1.5 The Issue of a TCS Certificate

The person collecting tax, issues a certificate (Form No. 27D) to the buyer stating the tax collected at source. This is issued within a month of the amount being debited to the account of the buyer or the payment received from the buyer subject to the clauses listed below:

- ❑ Provided that no certificate is furnished for the tax collected on or after 1-4-2005
- ❑ Provided that the income-tax authority or the authorised person issues Form No. 26AS specifying the amount of tax collected to the buyer or to the licensee or lessee, within the prescribed time (i.e. 15th June) at the end of each financial year.

The annual statement Form No. 26AS is issued for the tax deducted and collected at source from the financial year 2005-06 onwards.

### 19.1.6 The Issue of a Consolidated Certificate

Some times, a buyer requires multiple certificates as proof of the tax collected at source for the period ending on 30th September and 31st March, in each financial year. In such cases, the person collecting the tax, can on request, issue a consolidated certificate (Form No. 27D) within a month.

### 19.1.7 TCS Returns

To ensure proper checks on the collections (TCS) and subsequent credit taken by the collectee/ payee, the collectors are required to file their TCS returns with the Income Tax Department. The TCS returns contain the following information in the form prescribed by the Income Tax Department:

- ❑ Collector details (the TAN, Name, Address).
- ❑ The bank where the tax is deposited (like the amount, challan identification number).
- ❑ The collectee details (the PAN, Name, Amount paid, Tax collected at source).

### 19.1.8 Returns

#### Forms and periodicity

The revised forms for e-TCS returns and periodicity thereof prescribed under income tax laws are as follows:

| Financial Year | Form No.  | Particulars                                                                                                                                                                                 | Periodicity                        |
|----------------|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| 2004-05        | Form 27E  | Annual return of collection of tax under Section 206C of Income Tax Act, 1961                                                                                                               | Annual                             |
|                | Form 27B  | Physical control charts containing control totals mentioned in TCS returns furnished electronically. Form 27B in physical form to be submitted along with e-TCS annual return Form 27E.     | With each e-TCS returns Form 27E.  |
| 2005-06        | Form 27EQ | Quarterly return of collection of tax.                                                                                                                                                      | Quarterly                          |
|                | Form 27B  | Physical control charts containing control totals mentioned in TCS returns furnished electronically. Form 27B in physical form to be submitted along with e-TCS quarterly return Form 27EQ. | With each e-TCS returns Form 27EQ. |

## 19.2 Configuring Tally.ERP 9 for TCS

Tally.ERP 9's simple yet powerful TCS feature enables you to record transactions related to Tax Collection at Source with ease. It also helps you generate necessary reports and returns such as Form 27D, e-TCS Forms (Form 27E, Form 27EQ) and Form 27B.

### 19.2.1 Company Setup

Create a company called **Risali Timber Traders**, to understand the TCS feature of Tally.ERP 9.

The completed **Company Creation** screen appears as shown below:

| Company Creation                     |                                                             | Ctrl + M                                                                        |                           |
|--------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------|
| Directory                            | : C:\Tally.ERP9\Data                                        |                                                                                 |                           |
| Name                                 | : Risali Timber Traders                                     |                                                                                 |                           |
| <b>Mailing &amp; Contact Details</b> |                                                             | <b>Company Details</b>                                                          |                           |
| Mailing Name                         | : Risali Timber Traders                                     | Currency Symbol                                                                 | : Rs.                     |
| Address                              | : Block No-2/6, Cross Street-10<br>Koramangala<br>Bangalore | Maintain                                                                        | : Accounts with Inventory |
|                                      |                                                             | Financial Year from                                                             | : 1-4-2009                |
|                                      |                                                             | Books beginning from                                                            | : 1-4-2009                |
|                                      |                                                             | <b>Security Control</b>                                                         |                           |
| Statutory compliance for             | : India                                                     | TallyVault Password (if any)                                                    | :                         |
| State                                | : Karnataka                                                 | Repeat Password                                                                 | :                         |
| PIN Code                             | : 560028                                                    | (WARNING: forgetting your TallyVault password will render your data unusable!!) |                           |
| Telephone No.                        | : 08022248850                                               | Use Security Control                                                            | : ? No                    |
| Mobile No.                           | : 9755145887                                                | (Enable Security to avail Tally.NET Features)                                   |                           |
| E-Mail                               | : sales@risalitradars.com                                   |                                                                                 |                           |
| <b>Base Currency Information</b>     |                                                             |                                                                                 |                           |
| Base Currency Symbol                 | : Rs.                                                       | Show Amounts in Millions                                                        | : ? No                    |
| Formal Name                          | : Indian Rupees                                             | Put a SPACE between Amount and Symbol                                           | : ? Yes                   |
| Number of Decimal Places             | : 2                                                         | Decimal Places for Printing Amounts in V                                        | :                         |
| Is Symbol SUFFIXED to Amounts ?      | : No                                                        |                                                                                 |                           |
| Symbol for Decimal Portion           | : paise                                                     |                                                                                 |                           |
|                                      |                                                             | Accept ?                                                                        |                           |
|                                      |                                                             | Yes or No                                                                       |                           |

Figure 19.1 Company Creation

- Press **Y** or **Enter** to accept the screen.

### Setup:

In the **F11: Features (Statutory & Taxation Features)**,

- Set the option **Tax Collected at Source** to **Yes**.

The **Company Operations Alteration** screen is displayed as shown below:

Company Operations Alteration Ctrl + M

---

Current Period:      Current Date:

Company: **Risali Timber Traders**

**Statutory & Taxation**

|                                                                      |      |                                      |       |
|----------------------------------------------------------------------|------|--------------------------------------|-------|
| Enable Excise                                                        | ? No | Enable Tax Deducted at Source (TDS)  | ? No  |
| Set/Alter Excise Details                                             | ? No | Set/Alter TDS Details                | ? No  |
| (Note: 'Enable Maintain Multiple Godowns' for Multiple Excise Units) |      | Enable Tax Collected at Source (TCS) | ? Yes |
| Follow Excise rules for Invoicing                                    | ? No | Set/Alter TCS Details                | ? Yes |
| Enable Value Added Tax (VAT)                                         | ? No | Enable Fringe Benefit Tax (FBT)      | ? No  |
| Set/Alter VAT Details                                                | ? No | Set/Alter FBT Details                | ? No  |
| Enable Service Tax                                                   | ? No |                                      |       |
| Set/Alter Service Tax Details                                        | ? No |                                      |       |

**Tax Information**

Local Sales Tax Number :  
Inter-state Sales Tax Number :  
PAN / Income - Tax No. :

F1: Accounts      F2: Inventory      F3: Statutory

Figure 19.2 Company Operations Alteration

- ❑ **Set/Alter TCS Details to Yes.**
- ❑ Press **Enter** to view the **TCS Collector Details** screen, ensure that the **TCS Collector Details** screen is displayed as shown below:

**Company TCS Collector Details**

Tax Assessment Number : **BLRR45887C**  
Head Office Tax Assessment Number : **BLRR75519D**

Income Tax Circle/Ward (TCS) : **IT-IV Koramangala**  
Collector Type : **Others**  
Name of person responsible : **Ramesh**  
Son/daughter of : **Shri Veeramuttu**  
Designation : **Manager - Accounts**

(Note: All the above details will be used in Challan, Forms & Returns)

Figure 19.3 Company TCS Collector Details



- Press **Y** or **Enter** to accept the screen.

### 19.2.2 TCS Statutory Masters

Before creating the Masters, observe the TCS Master screens in Tally.ERP 9.

#### List of Collectee Types

Go to **Gateway of Tally > Display > Statutory Info. > Collectee Types**

The list of Collectee Types, is provided for you as shown below:

| Risali Timber Traders                                                   |  |
|-------------------------------------------------------------------------|--|
| <u>Name of Collectee Type</u>                                           |  |
| <div style="background-color: black; height: 15px; width: 100%;"></div> |  |
| List of Collectee Types                                                 |  |
| Artificial Juridical Person                                             |  |
| Association of Persons                                                  |  |
| Body of Individuals                                                     |  |
| Company - Non Resident                                                  |  |
| Company - Resident                                                      |  |
| Co-Operative Society                                                    |  |
| Individual/HUF - Non Resident                                           |  |
| Individual/HUF - Resident                                               |  |
| Local Authority                                                         |  |
| Partnership Firm                                                        |  |

Figure 19.4 List of Collectee Type

In order to know the **Collectee TCS Details**, select a **Collectee** from the above list. For example, select **Association of Persons**. The screen displays details such as the Date from which the rate is applicable, Surcharge Exemption Limit, Surcharge and Additional Surcharge.



*The buyers (customers) covered under TCS have to be identified with a **Collectee Type**.*

| Collectee Type Display         |                           | Risali Timber Traders |                       |                       |
|--------------------------------|---------------------------|-----------------------|-----------------------|-----------------------|
| Name : Association of Persons  |                           |                       |                       |                       |
| Residential Status : Resident  |                           |                       |                       |                       |
| Collectee Status : Non Company |                           |                       |                       |                       |
| Active ? Yes                   |                           |                       |                       |                       |
| Module Type : Both             |                           |                       |                       |                       |
| Collectee TCS Details          |                           |                       |                       |                       |
| Applicable From                | Surcharge Exemption Limit | Surcharge             | Addl Surcharge (Cess) | Addl Education (Cess) |
| 1-4-2004                       | 10,00,000.00              | 10 %                  | 2 %                   | 1 %                   |
| 1-4-2007                       | 10,00,000.00              | 10 %                  | 2 %                   | 1 %                   |

Figure 19.5 Collectee Type Display

### The List of TCS Types

The transactions covered under TCS are grouped under the **List of TCS Types**.

Go to **Gateway of Tally > Display > Statutory Info. > TCS Nature of Goods**.

| Risali Timber Traders                               |  |
|-----------------------------------------------------|--|
| List of TCS Types                                   |  |
|                                                     |  |
| List of TCS Types                                   |  |
| Alcoholic Liquor for Human Consumption              |  |
| Any Other Forest Produce (Not Being Tendu Leaves)   |  |
| Contractors/Licensee/Lease Relating to Mine/Quarry  |  |
| Contractors/Licensee/Lease Relating to Parking Lots |  |
| Contractors/Licensee/Lease Relating to Toll Plaza   |  |
| Scrap                                               |  |
| Tendu Leaves                                        |  |
| Timber Obtained by Any Mode Other Than Forest Lease |  |
| Timber Obtained Under Forest Lease                  |  |

Figure 19.6 List of TCS Types

Select a **TCS Type** from the above list, in order to obtain the **TCS Details**. For example, select **Timber Obtained Under Forest Lease**. The screen displays details such as Collectee Type, the TCS rate and the Date from which the rate is applicable.

| TCS Nature Of Goods Display               |                 |        |
|-------------------------------------------|-----------------|--------|
| Name : Timber Obtained Under Forest Lease |                 |        |
| Section : 206C                            |                 |        |
| Payment Code : 6CB                        |                 |        |
| Tax Rate Details                          |                 |        |
| Collectee Type                            | Applicable From | Rate   |
| Association of Persons                    | 1-4-2004        | 2.50 % |
| Body of Individuals                       | 1-4-2004        | 2.50 % |
| Company - Non Resident                    | 1-4-2004        | 2.50 % |
| Company - Resident                        | 1-4-2004        | 2.50 % |
| Co-Operative Society                      | 1-4-2004        | 2.50 % |
| Individual/HUF - Non Resident             | 1-4-2004        | 2.50 % |
| Individual/HUF - Resident                 | 1-4-2004        | 2.50 % |
| Local Authority                           | 1-4-2004        | 2.50 % |
| Partnership Firm                          | 1-4-2004        | 2.50 % |

Figure 19.7 TCS Nature of Goods Display



*The nature of transaction has to be identified with the respective TCS ledger.*



*Tally.ERP 9 updates the latest rates on its website, [www.tallysolutions.com](http://www.tallysolutions.com) whenever there is a change in the rates of TCS or Surcharge. The latest statutory master file can be imported from the website.*

## 19.3 Creating Masters

The following Masters are required to generate information on the TCS:

- ❑ Party Ledger
- ❑ TCS Ledger
- ❑ Sales Ledger
- ❑ Timber as Stock Item

### 19.3.1 Creating Party Ledger

A new option **Is TCS Applicable** appears when you create a Customer ledger. Once this is set to **Yes**, the **List of Collectee Types** displays to enable you to select the nature of Buyer/ Lessee. Select the appropriate **Nature of the Collectee**.

#### Step 1: Create Customer Ledger

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

- ❑ Create a customer ledger, **Bhima Timbers** under Sundry Debtors.
- ❑ Set **Is TCS Applicable** to **Yes**.
- ❑ In the **TCS Details** screen, select the **Buyer/ Lessee** as **Body of Individuals** as shown below :

| Lower/No Collection Details                                                                          |  | Risali Timber Traders                     |  | Ctrl + M                                                                                                                                                                                                                                                         |  |
|------------------------------------------------------------------------------------------------------|--|-------------------------------------------|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Name : Bhima Traders<br>(alias) :                                                                    |  |                                           |  | List of Collectee Types                                                                                                                                                                                                                                          |  |
| Under : Sundry Debtors<br>(Current Assets)                                                           |  | Name : B<br>Address :                     |  | Artificial Juridical Person<br>Association of Persons<br><b>Body of Individuals</b><br>Company - Non Resident<br>Company - Resident<br>Co-Operative Society<br>Individual/HUF - Non Resident<br>Individual/HUF - Resident<br>Local Authority<br>Partnership Firm |  |
| Maintain balances bill-by-bill : ? Yes<br>Default Credit Period :<br>Inventory values are affected : |  | Mailing : B                               |  |                                                                                                                                                                                                                                                                  |  |
| Is TCS Applicable                                                                                    |  | TCS Details                               |  |                                                                                                                                                                                                                                                                  |  |
| Statut                                                                                               |  | Buyer/Lessee : <b>Body of Individuals</b> |  |                                                                                                                                                                                                                                                                  |  |
|                                                                                                      |  | Is Lower/No Collection Applicable : ? No  |  |                                                                                                                                                                                                                                                                  |  |
|                                                                                                      |  | Ignore Surcharge Exemption Limit : ? No   |  |                                                                                                                                                                                                                                                                  |  |
| Opening Balance ( on 1-Apr-2009) :                                                                   |  |                                           |  |                                                                                                                                                                                                                                                                  |  |
|                                                                                                      |  |                                           |  |                                                                                                                                                                                                                                                                  |  |

Figure 19.8 Ledger Creation – Bhima Timbers with List of Collectee Types

| Ledger Creation                   |                 | Risali Timber Traders                |                    | Ctrl +         |
|-----------------------------------|-----------------|--------------------------------------|--------------------|----------------|
| Name                              | : Bhima Traders |                                      |                    | Total Op. Bal. |
| (alias)                           | :               |                                      |                    |                |
| Under                             |                 | : Sundry Debtors<br>(Current Assets) | Mailing Details    |                |
| Maintain balances bill-by-bill    | ? Yes           | Name                                 | : Bhima Traders    |                |
| Default Credit Period             | :               | Address                              | :                  |                |
| Inventory values are affected     | ? No            | State                                | : [ Not Applicable |                |
|                                   |                 | PIN Code                             | :                  |                |
| Statutory Information             |                 | Tax Information                      |                    |                |
| Is TCS Applicable                 | ? Yes           | PAN / IT No.                         | :                  |                |
|                                   |                 | Sales Tax No.                        | :                  |                |
| Opening Balance (on 1-Apr-2009) : |                 | Accept ?                             |                    |                |
|                                   |                 | Yes or No                            |                    |                |

### 19.3.2 Creating TCS Ledgers

### Step 1: Create TCS Ledger

- ❑ Create **TCS Ledger** under Duties & Taxes
- ❑ Select **Timber Obtained Under Forest Lease** with respect to the **Nature of Goods/Contract/License/Lease** field

| Ledger Creation                                                             |           | Risali Timber Traders                                                                                                                                                                                                                                                                                                                                                                      | Ctrl + M |
|-----------------------------------------------------------------------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Name : TCS Ledger<br>(alias) :                                              |           | List of TCS Types                                                                                                                                                                                                                                                                                                                                                                          |          |
|                                                                             |           | Alcoholic Liquor for Human Consumption<br>Any Other Forest Produce (Not Being Tendu Leaves)<br>Contractors/Licensee/Lease Relating to Mine/Quarry<br>Contractors/Licensee/Lease Relating to Parking Lots<br>Contractors/Licensee/Lease Relating to Toll Plaza<br>Scrap<br>Tendu Leaves<br>Timber Obtained by Any Mode Other Than Forest Lease<br><b>Timber Obtained Under Forest Lease</b> |          |
| Under : Duties & Taxes<br>(Current Liabilities)                             | Name      |                                                                                                                                                                                                                                                                                                                                                                                            |          |
| Type of Duty/Tax : TCS                                                      | Address   |                                                                                                                                                                                                                                                                                                                                                                                            |          |
| Nature Of Goods/Contract/License/Lease : Timber Obtained Under Forest Lease | State     |                                                                                                                                                                                                                                                                                                                                                                                            |          |
| Inventory values are affected ? No                                          | PIN Code  |                                                                                                                                                                                                                                                                                                                                                                                            |          |
|                                                                             | PAN / ITN |                                                                                                                                                                                                                                                                                                                                                                                            |          |
|                                                                             | Sales Tax |                                                                                                                                                                                                                                                                                                                                                                                            |          |
| Opening Balance ( on 1-Apr-2009) :                                          |           |                                                                                                                                                                                                                                                                                                                                                                                            |          |
|                                                                             |           |                                                                                                                                                                                                                                                                                                                                                                                            |          |

Figure 19.10 Ledger Creation TCS Ledger

- Retain the other fields as default and accept the ledger creation screen.

### Practice Exercise

Similarly, create the following Masters:

1. **Sales** Ledger under **Sales Accounts**.
2. **Freight** under **Indirect Expenses**.
3. **HSBC Bank** under **Bank Accounts** with an opening balance of **Rs. 2,00,000**.
4. **Timber** as a **Stock Item** with the unit of Measurement as **MT (Metric Ton)**.

## 19.4 Entering Transactions

### 19.4.1 Creating Sales

*On 9-4-09, sold 250 MT of Timber to Bhima Timbers @ Rs. 1,250/MT with TCS The Freight charges are Rs. 1,500.*

Go to **Gateway of Tally > Accounting Voucherse > F8: Sales**

1. In a **Sales Entry**, on selection of a TCS ledger, the TCS Details screen is displayed as shown:

| TCS Details                             |        |                             |          |                    |
|-----------------------------------------|--------|-----------------------------|----------|--------------------|
| TCS Party Ledger                        | :      | <b>Bhima Traders</b>        |          |                    |
| Gross Amount                            | :      |                             |          | <b>3,12,500.00</b> |
| Income Tax                              | :      | @ 2.50 %                    |          | 7,813.00           |
| Surcharge                               | :      | @ 0 %                       |          |                    |
| Cess                                    | :      | @ 2 %                       |          | 156.00             |
| Addl Ed Cess                            | :      | @ 1 %                       |          | 78.00              |
| Total TCS                               | :      |                             |          | <b>8,047.00</b>    |
| TCS - Bill Wise Detail for : TCS Ledger |        |                             |          |                    |
| Type of Ref                             | Name   | Due Date, or<br>Credit Days | Amount   | Dr/<br>Cr          |
| New Ref                                 | Sale/1 | 7-May-2009                  | 8,047.00 | Cr                 |

Figure 19.11 TCS Details



- The **TCS** rate is taken from the **TCS Nature of Goods Display** based on the **Collectee Type** and **Applicable period**. In this case, it is **Timber Obtained Under Forest Lease** selected at the time of Creation of TCS ledger.
- **Surcharge** and **Cess** are taken from the **Name of Collectee Types** based on the nature of Buyer/Lessee. In this case, it is a **Body of Individuals** selected at the time of the Creation of Bhima Timbers.

The completed **Sales Invoice** appears as shown below:

| Accounting Voucher Creation      |          | Risali Timber Traders |             | Ctrl + M               |
|----------------------------------|----------|-----------------------|-------------|------------------------|
| <b>Sales</b> No. 1               |          |                       |             | 9-Apr-2009<br>Thursday |
| Ref. :                           |          |                       |             |                        |
| Party's A/c Name : Bhima Traders |          |                       |             |                        |
| Current Balance :                |          |                       |             |                        |
| Sales Ledger : Sales Ledger      |          |                       |             |                        |
| Name of Item                     | Quantity | Rate per              | Amount      |                        |
| Timber                           | 250 MT   | 1,250.00 MT           | 3,12,500.00 |                        |
| TCS Ledger                       |          | 2.58 %                | 8,047.00    |                        |
| Freight                          |          |                       | 1,500.00    |                        |
| Narration:                       |          |                       |             |                        |
|                                  |          | 250 MT                | 3,22,047.00 |                        |

Figure 19.12 Sales Invoice

- Press **Y** or **Enter** to accept the Sales Invoice.

## 19.4.2 Payment of TCS

### Step 1: Create Payment Voucher

Go to **Gateway of Tally > Accounting Vouchers > F5: Payment**

1. Press **Alt+R** or select **TCS Helper** from the buttons bar.
2. Select **TCS Ledger** and press **Enter**.



Figure 19.13 TCS Filters

| TCS Filters         |                      | Deductee/Collectee Status |
|---------------------|----------------------|---------------------------|
| TCS Ledger          | : TCS Ledger         | Company                   |
| Buyer/Lessee Status | : <b>Non Company</b> | <b>Non Company</b>        |
| To Date             | : 30-4-2009          |                           |

4. The TCS payable amount will be auto-filled with the respective bill details.
5. Select **HSBC Bank** in the Account field.

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| Accounting Voucher Creation                           |        | Risali Timber Traders | Ctrl + M    |
|-------------------------------------------------------|--------|-----------------------|-------------|
| <b>Payment</b> No. 1                                  |        | 8-May-2009<br>Friday  |             |
| Account : <b>HSBC Bank</b><br>Cur Bal: 1,91,953.00 Dr |        |                       |             |
| Particulars                                           |        | Amount                |             |
| <b>TCS Ledger</b>                                     |        | 8,047.00              |             |
| Cur Bal: 0.00 Dr                                      |        |                       |             |
| TCS Details for : <b>TCS Ledger</b>                   |        |                       |             |
| Agst Ref                                              | Sale/1 | 7-May-2009            | 8,047.00 Dr |
| Narration:                                            |        |                       |             |
| Ch. No. : 743651                                      |        |                       |             |
|                                                       |        | 8,047.00              |             |
|                                                       |        | Accept ?              |             |
|                                                       |        | Yes or No             |             |

Figure 19.15 Payment Voucher

6. Once a payment is made, the challan can be printed using the **Print** option available on the buttons bar.

| Voucher Printing                                  |                       |                   |                                         |
|---------------------------------------------------|-----------------------|-------------------|-----------------------------------------|
| <b>Printer</b>                                    | : RnD Printer (Ne01:) | <b>Paper Type</b> | : A4                                    |
| <b>No. of Copies</b>                              | : 1                   |                   |                                         |
| <b>Print Language</b>                             | : English             |                   | (Printing Dimensions)                   |
| <b>Method</b>                                     | : Neat Mode           | <b>Paper Size</b> | : (8.27" x 11.69") or (210 mm x 297 mm) |
| <b>Page Range</b>                                 | : All                 | <b>Print Area</b> | : (7.95" x 11.34") or (202 mm x 288 mm) |
| Report Titles                                     |                       |                   |                                         |
| Payment Voucher                                   |                       |                   |                                         |
| (with Print Preview)                              |                       |                   |                                         |
| Print as TCS Challan                              | : ?                   | <b>Yes</b>        |                                         |
| Print Chalan No ITNS 281                          | : ?                   | <b>Yes</b>        |                                         |
| TDS/TCS Regular Assessment (Raised by I.T. Dept.) | : ?                   | <b>No</b>         |                                         |
| Filing Date                                       | : 5-May-2009          |                   |                                         |
|                                                   |                       |                   | <b>Print ?</b>                          |
|                                                   |                       |                   | Yes or No                               |

Figure 19.16 Voucher Printing

7. Press **Y** or **Enter** to obtain a print preview of the TCS Challan.

8. Press **Alt+Z** to zoom the screen.

The Print Preview of the **TCS Challan** appears as shown below:

| T.C.S. TAX CHALLAN                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                |           |                                           |                  |                                                                                                                                                                     | Single Copy (to be sent to ZAO) |      |           |          |      |       |      |      |       |      |      |       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|------|-----------|----------|------|-------|------|------|-------|------|------|-------|
| <b>CHALLAN No./ ITNS</b><br>281                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Tax Applicable (Tick one)*</b><br><b>TAX COLLECTED AT SOURCE FROM</b><br>(0020) COMPANY DEDUCTEES <input type="checkbox"/> (0021) NON-COMPANY DEDUCTEES <input checked="" type="checkbox"/> |           |                                           |                  | <b>Assessment Year</b><br>2010-11                                                                                                                                   |                                 |      |           |          |      |       |      |      |       |      |      |       |
| <b>Tax Deduction Account No. (T.A.N.)</b><br>BLRR45887C                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                |           |                                           |                  |                                                                                                                                                                     |                                 |      |           |          |      |       |      |      |       |      |      |       |
| <b>Full Name</b><br>RISALI TIMBER TRADERS                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                |           |                                           |                  |                                                                                                                                                                     |                                 |      |           |          |      |       |      |      |       |      |      |       |
| <b>Complete Address with City &amp; State</b><br>Block No-2/6, Cross Street-10, Koramangala, Bangalore                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                |           |                                           |                  |                                                                                                                                                                     |                                 |      |           |          |      |       |      |      |       |      |      |       |
| <b>Karnataka</b>                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                |           |                                           |                  |                                                                                                                                                                     |                                 |      |           |          |      |       |      |      |       |      |      |       |
| <b>Tel. No.</b> 08022248850                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                |           |                                           | <b>Ph</b> 560028 |                                                                                                                                                                     |                                 |      |           |          |      |       |      |      |       |      |      |       |
| <b>Type of Payment</b><br>TCS Payable by Taxpayer (200) <input checked="" type="checkbox"/><br>TCS Regular Assessment (Raised by I.T. Deptt.) (400) <input type="checkbox"/>                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                |           | <b>Code *</b> 6CB                         |                  | <b>FOR USE IN RECEIVING BANK</b><br>Debit to A/c / Cheque credited on<br><div style="border: 1px solid black; height: 100px; margin-top: 10px;"></div> Rs. 8,047.00 |                                 |      |           |          |      |       |      |      |       |      |      |       |
| <b>DETAILS OF PAYMENTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                |           |                                           |                  |                                                                                                                                                                     |                                 |      |           |          |      |       |      |      |       |      |      |       |
| Amount (in Rs. Only)                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                |           |                                           |                  |                                                                                                                                                                     |                                 |      |           |          |      |       |      |      |       |      |      |       |
| Income Tax                                                                                                                                                                                                                                                                                                                                                                                                                                       | 7,813.00                                                                                                                                                                                       |           |                                           |                  |                                                                                                                                                                     |                                 |      |           |          |      |       |      |      |       |      |      |       |
| Surcharge                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                |           |                                           |                  |                                                                                                                                                                     |                                 |      |           |          |      |       |      |      |       |      |      |       |
| Education Cess                                                                                                                                                                                                                                                                                                                                                                                                                                   | 234.00                                                                                                                                                                                         |           |                                           |                  |                                                                                                                                                                     |                                 |      |           |          |      |       |      |      |       |      |      |       |
| Interest                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                |           |                                           |                  |                                                                                                                                                                     |                                 |      |           |          |      |       |      |      |       |      |      |       |
| Penalty                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                |           |                                           |                  |                                                                                                                                                                     |                                 |      |           |          |      |       |      |      |       |      |      |       |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>8,047.00</b>                                                                                                                                                                                |           |                                           |                  |                                                                                                                                                                     |                                 |      |           |          |      |       |      |      |       |      |      |       |
| <b>Total (in words):</b>                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                |           |                                           |                  |                                                                                                                                                                     |                                 |      |           |          |      |       |      |      |       |      |      |       |
| <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <th>CRORES</th> <th>LACS</th> <th>THOUSANDS</th> <th>HUNDREDS</th> <th>TENS</th> <th>UNITS</th> </tr> <tr> <td>Zero</td> <td>Zero</td> <td>Eight</td> <td>Zero</td> <td>Four</td> <td>Seven</td> </tr> </table>                                                                                                                                      |                                                                                                                                                                                                |           |                                           |                  |                                                                                                                                                                     | CRORES                          | LACS | THOUSANDS | HUNDREDS | TENS | UNITS | Zero | Zero | Eight | Zero | Four | Seven |
| CRORES                                                                                                                                                                                                                                                                                                                                                                                                                                           | LACS                                                                                                                                                                                           | THOUSANDS | HUNDREDS                                  | TENS             | UNITS                                                                                                                                                               |                                 |      |           |          |      |       |      |      |       |      |      |       |
| Zero                                                                                                                                                                                                                                                                                                                                                                                                                                             | Zero                                                                                                                                                                                           | Eight     | Zero                                      | Four             | Seven                                                                                                                                                               |                                 |      |           |          |      |       |      |      |       |      |      |       |
| <b>Paid in Cash/ Debit to A/c /Cheque No.</b>                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                |           | <b>Dated</b> 8-May-2009                   |                  |                                                                                                                                                                     |                                 |      |           |          |      |       |      |      |       |      |      |       |
| <b>Drawn on</b> _____<br><div style="text-align: right; font-size: small;">(Name of the Bank and Branch)</div>                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                |           |                                           |                  |                                                                                                                                                                     |                                 |      |           |          |      |       |      |      |       |      |      |       |
| <b>Date:</b> 5-May-2009                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                |           | <b>Signature of person making payment</b> |                  |                                                                                                                                                                     |                                 |      |           |          |      |       |      |      |       |      |      |       |
| ----- Tear Here -----                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                |           |                                           |                  |                                                                                                                                                                     |                                 |      |           |          |      |       |      |      |       |      |      |       |
| <b>Taxpayers Counterfoil</b> (To be filled up by taxpayer)<br><b>TAN</b> BLRR45887C<br><b>Received from</b> RISALI TIMBER TRADERS<br><div style="text-align: right; font-size: small;">(Name)</div> <b>Cash/ Debit to A/c /Cheque No.</b> _____ <b>For Rs.</b> 8,047<br><b>Rs. (in words)</b> Eight Thousand Forty Seven Only.<br><b>Drawn on</b> _____<br><div style="text-align: right; font-size: small;">(Name of the Bank and Branch)</div> |                                                                                                                                                                                                |           |                                           |                  | <b>SPACE FOR BANK SEAL</b><br><br><br><br><br><br><br><br><br><br>Rs. 8,047.00                                                                                      |                                 |      |           |          |      |       |      |      |       |      |      |       |
| on account of Tax Collected at Source(TCS) from 6CB for the Assessment Year 2010-11                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                |           |                                           |                  |                                                                                                                                                                     |                                 |      |           |          |      |       |      |      |       |      |      |       |

Figure 19.17 TCS Challan

### 19.4.3 Challan Reconciliation

The challan particulars can be reconciled with the payment made in their respective TCS ledgers.

#### Step 1: Reconcile TCS Ledger

Go to **Gateway of Tally > Display > Account Books > Ledger > select TCS Ledger**

| Ledger Vouchers    |             | Risali Timber Traders |         | Ctrl + M                 |          |
|--------------------|-------------|-----------------------|---------|--------------------------|----------|
| Ledger: TCS Ledger |             |                       |         | 1-May-2009 to 8-May-2009 |          |
| Date               | Particulars | Vch Type              | Vch No. | Debit                    | Credit   |
| 8-5-2009           | HSBC Bank   | Payment               | 1       | 8,047.00                 |          |
|                    |             |                       |         | Opening Balance :        | 8,047.00 |
|                    |             |                       |         | Current Total :          | 8,047.00 |
|                    |             |                       |         | Closing Balance :        |          |

Figure 19.18 Ledger Vouchers screen

- Press **Alt+F5** or click on **Challan Reconcile** on the buttons bar

The **TCS Challan Reconciliation** screen appears as shown below :

| TCS Challan Reconciliation |               |               |              | Risali Timber Traders    |             |          | Ctrl + M    |              |              |             |
|----------------------------|---------------|---------------|--------------|--------------------------|-------------|----------|-------------|--------------|--------------|-------------|
| TCS Challan Reconciliation |               |               |              | 1-May-2009 to 8-May-2009 |             |          |             |              |              |             |
| (Reconciliation)           |               |               |              |                          |             |          |             |              |              |             |
| Date                       | Particulars   | Cheque/DD No. | Name of Bank | A/c No.                  | Branch Name | BSR Code | Challan No. | Challan Date | Vch No.      | Amount      |
|                            |               |               |              |                          |             |          |             | Trans. ID    | Is PAN Valid | Paid Amount |
| 8-5-2009                   | HSBC Bank     |               |              |                          |             |          |             |              | 1            | 8,047.00    |
|                            | Bhima Traders |               |              |                          |             |          |             |              | No           | 8,047.00    |

Figure 19.19 TCS Challan Reconciliation screen

- ❑ Enter the **Cheque/DD No., Name of Bank, A/c No., Branch Name, BSR Code, Challan No, Challan Date, Transaction ID** and **set Is PAN Valid to Yes**
- ❑ Challans can be reconciled by entering the appropriate data.

## 19.5 TCS Reports

Tally.ERP 9 provides the following **TCS Forms and Reports**,

- ❑ Form 27D
- ❑ Form 27E (eTCS Forms)
- ❑ Form 27EQ (eTCS Forms)
- ❑ Form 27B

### 19.5.1 Form 27D

Form 27D can be printed from the print option in Tally.ERP 9, In order to print Form 27D:

Go to **Gateway of Tally > Display > Statutory Reports > TCS Reports > Print Form 27D >** select **Bhima Timbers**.

- ❑ The **print configuration** can be set according to requirement.

| PrintingTCS Form27D               |                             |                                    |                                         |
|-----------------------------------|-----------------------------|------------------------------------|-----------------------------------------|
| <b>Printer</b>                    | : RnD Printer (Ne01:)       | <b>Paper Type</b>                  | : A4                                    |
| <b>No. of Copies</b>              | : 1                         |                                    |                                         |
| <b>Print Language</b>             | : English                   |                                    | (Printing Dimensions)                   |
| <b>Method</b>                     | : Neat Mode                 | <b>Paper Size</b>                  | : (8.27" x 11.69") or (210 mm x 297 mm) |
| <b>Page Range</b>                 | : All                       | <b>Print Area</b>                  | : (7.96" x 11.34") or (202 mm x 288 mm) |
| Report Titles                     |                             |                                    |                                         |
| TCS Form27D                       |                             |                                    |                                         |
| (with Print Preview)              |                             |                                    |                                         |
| <b>Name</b>                       | : <b>Ramesh</b>             | <b>Certificate No</b>              | : <b>63</b>                             |
| <b>Son/Daughter of</b>            | : <b>Shri Veeramuttu</b>    | <b>If Amended, Prev. Cert No.:</b> |                                         |
| <b>Designation</b>                | : <b>Manager - Accounts</b> | <b>Place</b>                       | : <b>Bangalore</b>                      |
| <b>Print as Previous Format</b>   | : <b>Yes</b>                | <b>Date</b>                        | : <b>30-Jun-2009</b>                    |
| <b>TCS Ledger</b>                 | : <b>TCS Ledger</b>         | <b>Quarter</b>                     | <b>Acknowledgement</b>                  |
| <b>From (blank for beginning)</b> | : <b>1-4-2009</b>           | <b>Apr-Jun</b>                     | : <b>0651</b>                           |
| <b>To (blank for end)</b>         | : <b>30-6-2009</b>          | <b>Jul-Sep</b>                     | :                                       |
| <b>Challan Date Till</b>          | : <b>7-5-2009</b>           | <b>Oct-Dec</b>                     | :                                       |
| <b>Type of Copy</b>               | : <b>Default</b>            | <b>Jan-Mar</b>                     | :                                       |
|                                   |                             |                                    | <b>Print ?</b>                          |
|                                   |                             |                                    | <b>Yes or No</b>                        |

Figure 19.20 Print Configuration Form 27D

The printed **Form 27D** is displayed as shown below:

Certificate No. : 63/206C

**FORM 27D**  
 [See rule 37D]

**Certificate of collection of tax at source under sub-section (5) of section 206C of the Income-tax Act, 1961**  
 [For Collection of tax at source from alcoholic liquor for human consumption; tendu leaves; timber obtained under a forest lease; timber obtained by any mode other than under a forest lease; any other forest produce not being timber or tendu leaves; Scrap; or from contract or license or lease in respect of parking lot; toll plaza; mining and quarrying]

| Name and address of the person collecting Tax                                             | Acknowledgement Nos. of all Quarterly Statements of TCS under sub-section (3) of section 206C as provided by TIN Facilitation Centre or NSDL web-site                                                                                                                                            | Name and address of the buyer or licensee or lessee or a person who is awarded the contract |                     |         |      |         |  |         |  |         |  |                                                                                    |
|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|---------------------|---------|------|---------|--|---------|--|---------|--|------------------------------------------------------------------------------------|
| <b>Risali Timber Traders</b><br>Block No-2/6, Cross Street-10<br>Koramangala<br>Bangalore | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th>Quarter</th> <th>Acknowledgement No.</th> </tr> <tr> <td>Apr-Jun</td> <td>0651</td> </tr> <tr> <td>Jul-Sep</td> <td></td> </tr> <tr> <td>Oct-Dec</td> <td></td> </tr> <tr> <td>Jan-Mar</td> <td></td> </tr> </table> | Quarter                                                                                     | Acknowledgement No. | Apr-Jun | 0651 | Jul-Sep |  | Oct-Dec |  | Jan-Mar |  | <b>Bhima Traders</b><br>No-1/A, Cross Street-12<br>4th Main, JP Nagar<br>Bangalore |
| Quarter                                                                                   | Acknowledgement No.                                                                                                                                                                                                                                                                              |                                                                                             |                     |         |      |         |  |         |  |         |  |                                                                                    |
| Apr-Jun                                                                                   | 0651                                                                                                                                                                                                                                                                                             |                                                                                             |                     |         |      |         |  |         |  |         |  |                                                                                    |
| Jul-Sep                                                                                   |                                                                                                                                                                                                                                                                                                  |                                                                                             |                     |         |      |         |  |         |  |         |  |                                                                                    |
| Oct-Dec                                                                                   |                                                                                                                                                                                                                                                                                                  |                                                                                             |                     |         |      |         |  |         |  |         |  |                                                                                    |
| Jan-Mar                                                                                   |                                                                                                                                                                                                                                                                                                  |                                                                                             |                     |         |      |         |  |         |  |         |  |                                                                                    |

|                                                           |                                                                                                                                                    |                                                                                    |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| TAX DEDUCTION AND TAX COLLECTION A/c NO. OF THE COLLECTOR | Nature of Goods referred to in the Table in section 206C(1) or nature of contract or license or lease referred to in the table in section 206C(1C) | PAN NO. OF THE BUYER OR LICENSEE OR LESSEE OR A PERSON WHO IS AWARDED THE CONTRACT |
| BLRR45887C                                                | 206C                                                                                                                                               | AQBPP8560C                                                                         |
| PAN NO. OF THE COLLECTOR                                  | Timber Obtained Under Forest Lease                                                                                                                 | FOR THE PERIOD                                                                     |
|                                                           |                                                                                                                                                    | 1-Apr-2009 to 30-Jun-2009                                                          |

DETAILS OF PAYMENT, TAX COLLECTION AND DEPOSIT OF TAX INTO CENTRAL GOVERNMENT ACCOUNT  
**(The collector is to provide transaction-wise details of tax collected and deposited)**

| Sr. No. | Amount paid / credited | Date of payment / credit | Tax Collected |               |         |           | Cheque / DD No. if any | BSR Code of Bank branch | Date on which tax deposited dd/mm/yy | Transfer Voucher / Challan Identification No. |
|---------|------------------------|--------------------------|---------------|---------------|---------|-----------|------------------------|-------------------------|--------------------------------------|-----------------------------------------------|
|         |                        |                          | TCS Rs.       | Surcharge Rs. | Ed Cess | Total Rs. |                        |                         |                                      |                                               |
| 1       | 3,12,500.00            | 9-Apr-2009               | 7,813         |               | 234     | 8,047     |                        |                         | 00/00/                               |                                               |

Certified that a sum of Rs. (In words) Eight Thousand Forty Seven only has been collected at source and paid to the credit of the central government as per details given above

Place : Bangalore  
 Date : 30-Jun-2009

\_\_\_\_\_  
*Signature of person responsible for collection of Tax*  
 Full Name : Ramesh  
 Designation : Manager - Accounts

Figure 19.21 Printed Form 27D

## 19.5.2 e-TCS Returns

The Income Tax department has introduced the 'Electronic Filing of Returns of Tax Collection at Source Scheme, 2005'. It is applicable to all the deductors wanting to furnish their TCS returns online.

- ❑ It is mandatory for corporate and government deductors to furnish their TCS returns in the electronic form (e-TCS return) from the financial year 2004-2005 onwards.
- ❑ Deductors (other than government and corporates) may file their TCS returns in the electronic or physical form.
- ❑ NSDL National Securities Depository Ltd. has been appointed by ITD (The Income Tax Department) as an e-TCS intermediary to receive on its behalf e-TCS returns from deductors.

Deductors furnishing their e-TCS have to furnish:

- ❑ Form 27B as a control chart.
- ❑ A CD/ Floppy containing the e-TCS annual return (Form 27E).

Tally.ERP 9 allows you to export the ETCS Forms in NSDL compliant formats. The ETCS forms available in Tally.ERP 9 are Form 27E and Form 27EQ. To export ETCS Forms,

Go to **Gateway of Tally > Display > Statutory Reports > TCS Reports > ETCS Forms**

- ❑ In the **Exporting eTCS Forms Printing configuration** screen, enter the required information as shown :

| Exporting eTCS Forms                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                           |                            |                              |                            |  |               |  |         |                 |                            |            |      |          |                    |             |             |                      |                   |             |                               |                |           |            |                  |                   |       |             |               |               |      |              |                    |             |  |  |       |             |  |  |          |          |  |  |           |                |  |  |        |                           |  |  |                                         |  |      |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------|------------------------------|----------------------------|--|---------------|--|---------|-----------------|----------------------------|------------|------|----------|--------------------|-------------|-------------|----------------------|-------------------|-------------|-------------------------------|----------------|-----------|------------|------------------|-------------------|-------|-------------|---------------|---------------|------|--------------|--------------------|-------------|--|--|-------|-------------|--|--|----------|----------|--|--|-----------|----------------|--|--|--------|---------------------------|--|--|-----------------------------------------|--|------|--|
| Language                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | : Restricted (ASCII Only) |                            |                              |                            |  |               |  |         |                 |                            |            |      |          |                    |             |             |                      |                   |             |                               |                |           |            |                  |                   |       |             |               |               |      |              |                    |             |  |  |       |             |  |  |          |          |  |  |           |                |  |  |        |                           |  |  |                                         |  |      |  |
| Format                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | : SDF (Fixed Width)       |                            |                              |                            |  |               |  |         |                 |                            |            |      |          |                    |             |             |                      |                   |             |                               |                |           |            |                  |                   |       |             |               |               |      |              |                    |             |  |  |       |             |  |  |          |          |  |  |           |                |  |  |        |                           |  |  |                                         |  |      |  |
| Export Location                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | : C:\Tally.ERP9           |                            |                              |                            |  |               |  |         |                 |                            |            |      |          |                    |             |             |                      |                   |             |                               |                |           |            |                  |                   |       |             |               |               |      |              |                    |             |  |  |       |             |  |  |          |          |  |  |           |                |  |  |        |                           |  |  |                                         |  |      |  |
| Output File Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | : Form 27E.txt            |                            |                              |                            |  |               |  |         |                 |                            |            |      |          |                    |             |             |                      |                   |             |                               |                |           |            |                  |                   |       |             |               |               |      |              |                    |             |  |  |       |             |  |  |          |          |  |  |           |                |  |  |        |                           |  |  |                                         |  |      |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left; padding: 5px;">Person Responsible Details</th> <th colspan="2" style="text-align: left; padding: 5px;">Other Details</th> </tr> </thead> <tbody> <tr> <td style="width: 50%;">Flat No</td> <td style="width: 25%;">: Block No. 2/6</td> <td style="width: 25%;">From (blank for beginning)</td> <td style="width: 25%;">: 1-4-2009</td> </tr> <tr> <td>Name</td> <td>: Ramesh</td> <td>To (blank for end)</td> <td>: 30-6-2009</td> </tr> <tr> <td>Designation</td> <td>: Manager - Accounts</td> <td>Challan Date Till</td> <td>: 30-6-2009</td> </tr> <tr> <td>Name of the premises/building</td> <td>: Timber House</td> <td>Form Name</td> <td>: Form 27E</td> </tr> <tr> <td>Road/Street/Lane</td> <td>: Cross Street-10</td> <td>Place</td> <td>: Bangalore</td> </tr> <tr> <td>Area/Location</td> <td>: Koramangala</td> <td>Date</td> <td>: 7-Jul-2009</td> </tr> <tr> <td>Town/City/District</td> <td>: Bangalore</td> <td></td> <td></td> </tr> <tr> <td>State</td> <td>: Karnataka</td> <td></td> <td></td> </tr> <tr> <td>Pin code</td> <td>: 560028</td> <td></td> <td></td> </tr> <tr> <td>Telephone</td> <td>: 080-22248850</td> <td></td> <td></td> </tr> <tr> <td>E-mail</td> <td>: sales@risalitradere.com</td> <td></td> <td></td> </tr> <tr> <td colspan="2">Is Change in Address since last Return?</td> <td colspan="2">: No</td> </tr> </tbody> </table> |                           |                            |                              | Person Responsible Details |  | Other Details |  | Flat No | : Block No. 2/6 | From (blank for beginning) | : 1-4-2009 | Name | : Ramesh | To (blank for end) | : 30-6-2009 | Designation | : Manager - Accounts | Challan Date Till | : 30-6-2009 | Name of the premises/building | : Timber House | Form Name | : Form 27E | Road/Street/Lane | : Cross Street-10 | Place | : Bangalore | Area/Location | : Koramangala | Date | : 7-Jul-2009 | Town/City/District | : Bangalore |  |  | State | : Karnataka |  |  | Pin code | : 560028 |  |  | Telephone | : 080-22248850 |  |  | E-mail | : sales@risalitradere.com |  |  | Is Change in Address since last Return? |  | : No |  |
| Person Responsible Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                           | Other Details              |                              |                            |  |               |  |         |                 |                            |            |      |          |                    |             |             |                      |                   |             |                               |                |           |            |                  |                   |       |             |               |               |      |              |                    |             |  |  |       |             |  |  |          |          |  |  |           |                |  |  |        |                           |  |  |                                         |  |      |  |
| Flat No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | : Block No. 2/6           | From (blank for beginning) | : 1-4-2009                   |                            |  |               |  |         |                 |                            |            |      |          |                    |             |             |                      |                   |             |                               |                |           |            |                  |                   |       |             |               |               |      |              |                    |             |  |  |       |             |  |  |          |          |  |  |           |                |  |  |        |                           |  |  |                                         |  |      |  |
| Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | : Ramesh                  | To (blank for end)         | : 30-6-2009                  |                            |  |               |  |         |                 |                            |            |      |          |                    |             |             |                      |                   |             |                               |                |           |            |                  |                   |       |             |               |               |      |              |                    |             |  |  |       |             |  |  |          |          |  |  |           |                |  |  |        |                           |  |  |                                         |  |      |  |
| Designation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | : Manager - Accounts      | Challan Date Till          | : 30-6-2009                  |                            |  |               |  |         |                 |                            |            |      |          |                    |             |             |                      |                   |             |                               |                |           |            |                  |                   |       |             |               |               |      |              |                    |             |  |  |       |             |  |  |          |          |  |  |           |                |  |  |        |                           |  |  |                                         |  |      |  |
| Name of the premises/building                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | : Timber House            | Form Name                  | : Form 27E                   |                            |  |               |  |         |                 |                            |            |      |          |                    |             |             |                      |                   |             |                               |                |           |            |                  |                   |       |             |               |               |      |              |                    |             |  |  |       |             |  |  |          |          |  |  |           |                |  |  |        |                           |  |  |                                         |  |      |  |
| Road/Street/Lane                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | : Cross Street-10         | Place                      | : Bangalore                  |                            |  |               |  |         |                 |                            |            |      |          |                    |             |             |                      |                   |             |                               |                |           |            |                  |                   |       |             |               |               |      |              |                    |             |  |  |       |             |  |  |          |          |  |  |           |                |  |  |        |                           |  |  |                                         |  |      |  |
| Area/Location                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | : Koramangala             | Date                       | : 7-Jul-2009                 |                            |  |               |  |         |                 |                            |            |      |          |                    |             |             |                      |                   |             |                               |                |           |            |                  |                   |       |             |               |               |      |              |                    |             |  |  |       |             |  |  |          |          |  |  |           |                |  |  |        |                           |  |  |                                         |  |      |  |
| Town/City/District                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | : Bangalore               |                            |                              |                            |  |               |  |         |                 |                            |            |      |          |                    |             |             |                      |                   |             |                               |                |           |            |                  |                   |       |             |               |               |      |              |                    |             |  |  |       |             |  |  |          |          |  |  |           |                |  |  |        |                           |  |  |                                         |  |      |  |
| State                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | : Karnataka               |                            |                              |                            |  |               |  |         |                 |                            |            |      |          |                    |             |             |                      |                   |             |                               |                |           |            |                  |                   |       |             |               |               |      |              |                    |             |  |  |       |             |  |  |          |          |  |  |           |                |  |  |        |                           |  |  |                                         |  |      |  |
| Pin code                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | : 560028                  |                            |                              |                            |  |               |  |         |                 |                            |            |      |          |                    |             |             |                      |                   |             |                               |                |           |            |                  |                   |       |             |               |               |      |              |                    |             |  |  |       |             |  |  |          |          |  |  |           |                |  |  |        |                           |  |  |                                         |  |      |  |
| Telephone                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | : 080-22248850            |                            |                              |                            |  |               |  |         |                 |                            |            |      |          |                    |             |             |                      |                   |             |                               |                |           |            |                  |                   |       |             |               |               |      |              |                    |             |  |  |       |             |  |  |          |          |  |  |           |                |  |  |        |                           |  |  |                                         |  |      |  |
| E-mail                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | : sales@risalitradere.com |                            |                              |                            |  |               |  |         |                 |                            |            |      |          |                    |             |             |                      |                   |             |                               |                |           |            |                  |                   |       |             |               |               |      |              |                    |             |  |  |       |             |  |  |          |          |  |  |           |                |  |  |        |                           |  |  |                                         |  |      |  |
| Is Change in Address since last Return?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                           | : No                       |                              |                            |  |               |  |         |                 |                            |            |      |          |                    |             |             |                      |                   |             |                               |                |           |            |                  |                   |       |             |               |               |      |              |                    |             |  |  |       |             |  |  |          |          |  |  |           |                |  |  |        |                           |  |  |                                         |  |      |  |
| NOTE : Validate the exported file through the NSDL's File Validation Utility before sub                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                           |                            | <b>Export ?</b><br>Yes or No |                            |  |               |  |         |                 |                            |            |      |          |                    |             |             |                      |                   |             |                               |                |           |            |                  |                   |       |             |               |               |      |              |                    |             |  |  |       |             |  |  |          |          |  |  |           |                |  |  |        |                           |  |  |                                         |  |      |  |

Figure 15.22 Exporting eTCS Forms

- ❑ Press **Y** or **Enter** to export **eTCS Form 27E**

The exported file will be saved in the path specified in the output file name. The file can be validated through NSDL's freely downloadable utility called '**File Validation Utility**'. This can be used to verify whether the ETCS return filed by the deductors conforms to the prescribed format. Similarly, you can export other eTCS forms.

### 19.5.3 Form 27B

Form 27B should be furnished separately for each TCS return. Form 27B contains the control totals of the Amount paid and the Income tax collected at source. The control totals mentioned on Form 27B should match with the corresponding control totals in e-TCS returns.

Form 27B is a physical form to be attached with annual e-TCS returns Form 27E.

Go to **Gateway of Tally > Display > Statutory Reports > TCS Reports > Print Form 27B**

The **Print configuration options** available for **Form 27B** are displayed as shown below:

| PrintingTCSForm27B            |                           |                            |                                         |
|-------------------------------|---------------------------|----------------------------|-----------------------------------------|
| <b>Printer</b>                | : RnD Printer (Ne01:)     | <b>Paper Type</b>          | : A4                                    |
| <b>No. of Copies</b>          | : 1                       |                            |                                         |
| <b>Print Language</b>         | : English                 |                            | (Printing Dimensions)                   |
| <b>Method</b>                 | : Neat Mode               | <b>Paper Size</b>          | : [8.27" x 11.69"] or (210 mm x 297 mm) |
| <b>Page Range</b>             | : All                     | <b>Print Area</b>          | : [7.95" x 11.34"] or (202 mm x 288 mm) |
| Report Titles                 |                           |                            |                                         |
| TCSForm27B                    |                           |                            |                                         |
| (with Print Preview)          |                           |                            |                                         |
| Person Responsible Details    |                           | Other Details              |                                         |
| Flat No                       | : Block No-2/6            | From (blank for beginning) | : 1-4-2009                              |
| Name                          | : Ramesh                  | To (blank for end)         | : 30-6-2009                             |
| Designation                   | : Manager - Accounts      | Challan Date Till          | : 30-6-2009                             |
| Name of the premises/building | : Timber House            | Enclosed Form Type         | : Form 27E                              |
| Road/Street/Lane              | : Cross Street-10         | Previous Receipt No.       | :                                       |
| Area/Location                 | : Koramangala             | No. of Annexures enclosed  | : 1 CD                                  |
| Town/City/District            | : Bangalore               | Other Information          | :                                       |
| State                         | : Karnataka               | Place                      | : Bangalore                             |
| Pin code                      | : 560028                  | Date                       | : 7-Jul-2009                            |
| Telephone                     | : 080-22248850            |                            |                                         |
| E-mail                        | : sales@risalitradars.com |                            |                                         |
|                               |                           |                            | Print ?                                 |
|                               |                           |                            | Yes or No                               |

Figure 19.23 Print Configuration Form 27B

- ❑ Accept the Printing Form27B screen.
- ❑ Press **Alt+Z** to zoom the screen.



The print preview of **Form 27B** appears as shown below:

**Form No. 27B**

Form for furnishing information with the statement of collection of tax at source filed on computer media for the period  
(From 1/4/2009 to 30/6/2009)

1 (a) Tax Collection Account No.  (c) Financial Year   
 (b) Permanent Account No.  (d) Assessment Year   
 (f) Previous receipt number   
*(In Case return / statement has been filed earlier)*

2 Particulars of the collector

|                                 |                               |
|---------------------------------|-------------------------------|
| (a) Name                        | Risali Timber Traders         |
| (b) Type of Collector*          | Others                        |
| (b) Branch / Division (if any)  |                               |
| (c) Address                     |                               |
| Flat No.                        | Block No-2/6, Cross Street-10 |
| Name of the premises / building | Koramangala                   |
| Road / Street / Lane            | Bangalore                     |
| Area / Location                 |                               |
| Town / City / District          |                               |
| State                           | Karnataka                     |
| Pin code                        | 560028                        |
| Telephone                       | 08022248850                   |
| E-mail                          | sales@risalitradars.com       |

3 Name of the person responsible for collection of tax

|                                 |                         |
|---------------------------------|-------------------------|
| (a) Name                        | Ramesh                  |
| (b) Address                     |                         |
| Flat No.                        | Block No-2/6            |
| Name of the premises / building | Timber House            |
| Road / Street / Lane            | Cross Street-10         |
| Area / Location                 | Koramangala             |
| Town / City / District          | Bangalore               |
| State                           | Karnataka               |
| Pin code                        | 560028                  |
| Telephone                       | 080-22248850            |
| E-mail                          | sales@risalitradars.com |

4 Control totals

| Sr.No. | No. of party records | Amount paid Rs. | Tax Collected | Tax deposited (Total challan amount) Rs. |
|--------|----------------------|-----------------|---------------|------------------------------------------|
| Total  | 1                    | 3,12,500.00     | 8,047.00      | 8,047.00                                 |

5 Total Number of Annexures enclosed

6 Other Information

**VERIFICATION**

I, Ramesh \_\_\_\_\_, hereby certify that all the particulars furnished above are correct and complete.

Place: Bangalore Signature of person responsible for collecting tax at source \_\_\_\_\_  
 Date: 7-Jul-2009 Name and designation of person responsible for collecting tax at source Ramesh, Manager - Accounts

Figure 19.24 Print Preview of Form 27B

### Practice Exercise

**ParkView Agency** dealing in modern parking lots, earns its major income by providing the best parking lots in the city. This leads to a collection of TCS from their customers and paying it to the concerned department respectively.

Given below are transactions for the month of April 2009, create a company in the name of ParkView and pass the following transactions :

#### i. Create the following ledgers

| Name of the ledger         | Group Under    | Is TCS applicable | Maintain balance bill by bill | Inven-tory val-ues are affected | Type of Duty/ Tax | TCS Details                                           |
|----------------------------|----------------|-------------------|-------------------------------|---------------------------------|-------------------|-------------------------------------------------------|
| Sheetal Super Bazaar       | Sundry Debtors | Yes               | Yes                           | NA                              | NA                | Company - Resident                                    |
| Parking Lots Lease Income  | Sales A/c      | NA                | NA                            | No                              | NA                | NA                                                    |
| TCS on Park-ing Lots Lease | Duties & Taxes | NA                | NA                            | NA                              | TCS               | Contrac-tors\License\ Lease Relat-ing to Parking Lots |
| IDBI Bank                  | Bank Accounts  | NA                | NA                            | NA                              | NA                | NA                                                    |

#### ii. Create the following transactions

| Date    | Particulars                                                                                                                           |
|---------|---------------------------------------------------------------------------------------------------------------------------------------|
| 10-4-09 | ParkView Agency provided Sheetal Super Bazaar with a 3000 sqft of parking lot on lease for 2 years the invoice was raised for 950000. |
| 5-5-09  | TCS paid to the concerned authority                                                                                                   |



- View the TCS payment challan.
- Reconcile the TCS ledger and view the relevant reports related to TCS.
- Enter the following details
  - i. Challan number as DB 123
  - ii. Date as 5-5-2009
  - iii. Cheque/DD number 566214
  - iv. Bank name as IDBI Bank
  - v. BSR code as XY12

### Points to Remember

- ❑ TCS refers to the collection of tax at source by the seller (collector) from the buyer (collectee/payee) for the trade of goods specified u/s 206C (1) of the Income Tax Act, 1961.
- ❑ The term 'Seller' refers to the Central Government, a State Government, any local authority, Corporation or authority established by or under a Central, State or Provincial Act, any Firm or Co-operative society.
- ❑ The term 'Buyer' refers to a person who obtains goods from any sale, auction, tender, or any other mode.
- ❑ TCS collected shall be paid to the credit of the Central Government within one week from the end of the month in which the collection is made.
- ❑ To ensure proper checks and balances on TCS collections and subsequent credit taken there of by the collectee/payee, the collectors are required to file TCS returns with the Income Tax Department.

## Lesson 20: Excise for Dealers

### Lesson Objectives

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

- ❑ Basic terms related to Excise
- ❑ Enable Dealer Excise in Tally.ERP 9
- ❑ Create Masters and Ledgers related to Excise
- ❑ How to Record Excise transactions for dealers
- ❑ Generate Excise Invoice as per Rule 11
- ❑ Generate and Print Excise related Statutory Reports

Excise duty or Duty of Excise is a tax on goods produced or manufactured in India and intended for consumption in India. The Excise duty is levied at the time of production or manufacturing but for convenience is collected at the time of removal.

It is an indirect tax on the manufacturer or producer which is passed on to the ultimate consumer. The levy and collection of duty of Excise is provided under the authority of the Central Excise Act, 1944, at the rates specified under the Central Excise Tariff Act, 1985. The duty is commonly referred to as the Basic Excise Duty. Certain items like fibre, yarn and so on also attract Additional Excise Duty under the Additional Duties of Excise (Textiles and Textile Articles) Act, 1975.

### 20.1 Basic concepts

The following are some of the basic terms related to Excise.

#### **Excisable Goods**

Excisable goods are goods specified in the schedule under the Central Excise Tariff Act, 1985 as being subject to a duty of excise.

The basic conditions to be satisfied are as follows:

The goods must be:

- a. Movable.
- b. Marketable: The actual sale of goods in the market is not necessary as excise duty is chargeable on manufacture and not on sale.
- c. Specified in the Central Excise Tariff Act.

### Dealer of Excisable Goods

A dealer of excisable goods is a person who is registered under the Central Excise Rules.

Any of the following categories can be applicable to a registered dealer:

1. Depot of a manufacturer or the premises of the consignment agent of the manufacturer or any other premises from where the goods are sold on behalf of the manufacturer.
2. First stage dealer of excisable goods.
3. Second stage dealer of excisable goods.
4. Depot of an importer or the premises of the consignment agent of the importer.
5. First stage dealer of imported goods.
6. Second stage dealer of imported goods.

### First Stage Dealer

A First Stage Dealer is a person who purchases the goods directly from:

- i. The manufacturer registered under the provisions of Central Excise Rules, 2002, or representative of such manufacturer, under cover of an invoice.
- ii. An importer or from the representative of such importer, under the cover of an invoice.

### Second Stage Dealer

A Second Stage Dealer is a person who purchases the goods from a first stage dealer.

### Registration of Dealers

Every Dealer or Importer issuing Cenvatable Invoices should be registered with the jurisdictional Range Superintendent as per the procedure prescribed in Rule 9 of the Central Excise (No. 2) Rules 2001. The registration is valid only for the premises for which it is granted. In cases where the manufacturer or dealer, has more than one premise, it is necessary to obtain a separate registration for each premise.

The registration numbers are PAN based 15 digit alpha numeric. The first part denotes 10 character (alpha numeric) Permanent Account Number issued by Income tax authorities and the second part comprises of a fixed 2 character alpha code which is as follows:

| S.No. | Category                     | Code |
|-------|------------------------------|------|
| 1.    | Central Excise Manufacturers | XM   |
| 2.    | Registered Dealers           | XD   |

This is followed by three character numeric codes – 001, 002, 003, which denotes the number of premises registered by the manufacturer or the dealer.

### **CENVAT Credit**

A manufacturer or producer of final products is allowed to take tax credit known as CENVAT credit on the following payments:

- i. Duty of excise specified in the First and Second Schedule to the Excise Tariff Act (ED).
- ii. Additional duty of Excise leviable under Additional Duties of Excise (Textile and Textile Articles) (AED [T and TA]).
- iii. Additional duty of Excise leviable under Additional Duties of Excise (Goods of Special Importance) (AED [GSI]).
- iv. The National Calamity Contingent duty (NCCD) leviable under Finance Act.
- v. Education Cess on excisable goods.
- vi. Additional Duty leviable under Customs Tariff Act.

A manufacturer of excisable goods can avail of CENVAT credit for duty paid on the inputs purchased and utilise the same for the payment of excise on any final product.

## **20.2 Enabling Dealer Excise in Tally.ERP 9**

The Dealer Excise module in Tally.ERP 9, facilitates complete Excise Accounting for dealers engaged in the trading of excisable goods and desiring to issue cenvatable invoices. It minimises the possibility of erroneous data entry and ensures transparency and better levels of compliance with the statutes. It takes a one-time configuration in Tally.ERP 9 for Dealer Excise features to be activated.

### **20.2.1 Salient Features of Dealer Excise**

The following are the salient features of the excise module:

- i. Simple and user-friendly.
- ii. Easy to setup and use.
- iii. Generates Excise Invoice raised by first and second stage registered dealers to pass on Cenvat Credit.
- iv. Allows Batch-wise Inventory details.
- v. Provides an option to print details of Manufacturer/ Supplier and all other relevant particulars of the corresponding purchase invoice.
- vi. Tracks the item history of excisable goods, right from the instance of purchase till the time of sale/ passing / termination of Cenvat Credit.
- vii. Generates statutory returns and excise related reports such as Form II and Stock Register.
- viii. Provides the flexibility to adjust unassigned Cenvat Credit well within the prescribed lapse period. Monnet Ispat & Energy Ltd.
- ix. Facilitates various Excise duty parameters like BED, AED (GSI), SED, NCCD, AED (T and TA), AED (T and TW) and Education Cess.

## 20.3 Enabling Dealer Excise in Tally.ERP 9

It takes a one-time configuration in Tally.ERP 9 for Excise features to be activated.

Follow the steps given below to enable Excise in Tally.ERP 9 for a new company **Monnet Ispat & Energy Ltd.**

- ❑ Create Company
- ❑ Enable Excise
- ❑ Enable VAT

**Monnet Ispat & Energy Ltd., is dealing in Iron & Steel products such as Hot & Cold Rolled Coils, Sheets etc.**

### 20.3.1 Company Setup

Go to **Gateway of Tally > Alt + F3: Company Info. > Create Company**

- ❑ In the **Company Creation** screen,
  - Specify **Monnet Ispat & Energy Ltd.** as the **Company Name** and **Address details**
  - Select **India** in the **Statutory Compliance** for field
  - Specify the **State, Pin code & Accounts with Inventory** details
  - Specify **Financial Year From & Books beginning from date as 1-4-2009**

The completed **Company Creation** screen is displayed as shown below :

| Company Creation                     |                                                           | Ctrl + M                                                                       |                           |
|--------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------|
| Directory                            | : C:\Tally.ERP9\Data                                      |                                                                                |                           |
| Name                                 | : Monnet Ispat & Energy Ltd                               |                                                                                |                           |
| <b>Mailing &amp; Contact Details</b> |                                                           | <b>Company Details</b>                                                         |                           |
| Mailing Name                         | : Monnet Ispat & Energy Ltd                               | Currency Symbol                                                                | : Rs.                     |
| Address                              | : Plot No.36, Air Force Station<br>Yelahanka<br>Bangalore | Maintain                                                                       | : Accounts with Inventory |
|                                      |                                                           | Financial Year from                                                            | : 1-4-2009                |
|                                      |                                                           | Books beginning from                                                           | : 1-4-2009                |
| <b>Statutory compliance for</b>      |                                                           | <b>Security Control</b>                                                        |                           |
| State                                | : India                                                   | TallyVault Password (if any)                                                   | :                         |
| PIN Code                             | : Karnataka                                               | Repeat Password                                                                | :                         |
| Telephone No.                        | : 560063                                                  | (WARNING: forgetting your TallyVault password will render your data unusable!) |                           |
| Mobile No.                           | : 080-22216710                                            | Use Security Control                                                           | : No                      |
| E-Mail                               | : sales@monnetispat.com                                   | (Enable Security to avail Tally.NET Features)                                  |                           |
| <b>Base Currency Information</b>     |                                                           |                                                                                |                           |
| Base Currency Symbol                 | : Rs.                                                     | Show Amounts in Millions                                                       | : No                      |
| Formal Name                          | : Indian Rupees                                           | Put a SPACE between Amount and Symbol                                          | : Yes                     |
| Number of Decimal Places             | : 2                                                       | Decimal Places for Printing Amounts in V                                       | :                         |
| Is Symbol SUFFIXED to Amounts        | : No                                                      |                                                                                |                           |
| Symbol for Decimal Portion           | : paise                                                   |                                                                                |                           |
|                                      |                                                           |                                                                                | <b>Accept ?</b>           |
|                                      |                                                           |                                                                                | Yes or No                 |

Figure 20.1 Company Creation screen

- ❑ Press **Y** or **Enter** to accept the screen.

### Setup:

Go to **Gateway of Tally** of Monnet Ispat & Energy Ltd. and press **F11: Features (Statutory & Taxation Features)**.

- ❑ Set **Enable Dealer – Excise** to **Yes**
- ❑ Set **Set/Alter Dealer Excise Details** to **Yes**

The **Statutory & Taxation** features screen appears as shown

**Company Operations Alteration** Ctrl + M

Current Period:      Current Date:

Company: Monnet Ispat & Energy Ltd

**Statutory & Taxation**

|                                                                                                      |              |                                      |             |
|------------------------------------------------------------------------------------------------------|--------------|--------------------------------------|-------------|
| Enable Excise                                                                                        | ? <b>Yes</b> | Enable Tax Deducted at Source (TDS)  | ? <b>No</b> |
| Set/Alter Excise Details<br>(Note : 'Enable Maintain Multiple Godowns'<br>for Multiple Excise Units) | ? <b>Yes</b> | Set/Alter TDS Details                | ? <b>No</b> |
| Follow Excise rules for Invoicing                                                                    | ? <b>No</b>  | Enable Tax Collected at Source (TCS) | ? <b>No</b> |
| Enable Value Added Tax (VAT)                                                                         | ? <b>No</b>  | Set/Alter TCS Details                | ? <b>No</b> |
| Set/Alter VAT Details                                                                                | ? <b>No</b>  | Enable Fringe Benefit Tax (FBT)      | ? <b>No</b> |
| Enable Service Tax                                                                                   | ? <b>No</b>  | Set/Alter FBT Details                | ? <b>No</b> |
| Set/Alter Service Tax Details                                                                        | ? <b>No</b>  |                                      |             |

**Tax Information**

Local Sales Tax Number :  
Inter-state Sales Tax Number :  
PAN / Income - Tax No. :

F1: Accounts      F2: Inventory      F3: Statutory

Figure 20.2 Company Operations Alterations

- ❑ Press **Enter**, to view the **Excise Registration Details** screen

In the **Excise Registration Details** sub form appears as shown



| Excise Registration Details                               |   | Monnet Ispat & Energy Ltd                                               |   | Ctrl + M               |
|-----------------------------------------------------------|---|-------------------------------------------------------------------------|---|------------------------|
| Registration Type                                         | : | <div>Registration Types</div> <div>Dealer</div> <div>Manufacturer</div> |   |                        |
| Address                                                   | : | Plot No.36, Air Force Station                                           |   |                        |
| PIN Code                                                  | : | 560063                                                                  |   |                        |
| Telephone No.                                             | : | 080-22216710                                                            |   |                        |
| <b>Excise Details</b><br>(Dealer Unit)                    |   |                                                                         |   |                        |
| Unit Mailing Name<br>(Will be used in all Excise Reports) | : | Monnet Ispat & Energy Ltd                                               |   |                        |
| Excise Registration (ECC) No.                             | : |                                                                         |   |                        |
| Date of Registration                                      | : |                                                                         |   |                        |
| <b>Other Details</b>                                      |   |                                                                         |   |                        |
| <b>Range</b>                                              |   | <b>Division</b>                                                         |   | <b>Commissionerate</b> |
| Code                                                      | : | Code                                                                    | : | Code                   |
| Name                                                      | : | Name                                                                    | : | Name                   |
| Address                                                   | : | Address                                                                 | : | Address                |

Figure 20.3 Excise Registration Details Screen

1. **Registration Type:** Select **Dealer** from Registration Types list
2. **Address, Telephone No and PIN Code:** Address, Telephone No. and PIN Code details are captured from the company creation screen. If required, it can be altered.
3. **Excise Details:** Under this section provide Excise Details of the unit. Excise Details will be specific to the Registration Type selected.



**Registration Type** selected will be displayed below the heading - **Excise Details** to identify the unit as a manufacturer or a dealer.

4. **Unit Mailing Name:** The **Mailing Name** entered in the company creation will be displayed as the Unit Mailing Name. If required, it can be altered.



*Name entered in the **Unit Mailing Name** will be used in all **Excise Reports**.*

5. **Excise Registration (ECC) No.:** Enter **15** digits Excise Registration Number (ECC) of the Company/Unit, e.g. **MIEBA3201RXD001**
6. **Date of Registration:** Enter the date of Excise registration, e.g. **01-05-2001**
7. **Other Details:** In this section enter **Range**, **Division** and **Commissionerate** details
  - **Range:** Enter the code Name and Address of the range under which your company is registered.
    - **Code:** Enter Range Code as **060372**
    - **Name:** Enter Range Name as **Yelanka II**
    - **Address:** Enter the **Range Address**
  - **Division:** Enter the code Name and Address of the division under which your company is registered.
    - **Code:** Enter Division Code as **0903**
    - **Name:** Enter Division Name as **Division II**
    - **Address:** Enter the **Division Address**
  - **Commissionerate:** Enter the code Name and Address of the Commissionerate under which your company is registered.
    - **Code:** Enter Commissionerate Code as **06**
    - **Name:** Enter Commissionerate Name as **Bangalore IV**
    - **Address:** Enter the **Commissionerate Address**

| Excise Registration Details                                                            |                                                                                        | Monnet Ispat & Energy Ltd                                                                        |  | Ctrl + M |
|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|--|----------|
| <b>Excise Registration Details</b>                                                     |                                                                                        |                                                                                                  |  |          |
| Registration Type                                                                      | : <b>Dealer</b>                                                                        |                                                                                                  |  |          |
| Address                                                                                | : Plot No.36, Air Force Station<br>Yelahanka<br>Bangalore                              |                                                                                                  |  |          |
| PIN Code                                                                               | : <b>560063</b>                                                                        |                                                                                                  |  |          |
| Telephone No.                                                                          | : <b>080-22216710</b>                                                                  |                                                                                                  |  |          |
| <b>Excise Details</b><br>(Dealer Unit)                                                 |                                                                                        |                                                                                                  |  |          |
| Unit Mailing Name<br>(Will be used in all Excise Reports)                              | : <b>Monnet Ispat &amp; Energy Ltd</b>                                                 |                                                                                                  |  |          |
| Excise Registration (ECC) No.                                                          | : <b>MIEBA3201RXD001</b>                                                               |                                                                                                  |  |          |
| Date of Registration                                                                   | : <b>1-May-2001</b>                                                                    |                                                                                                  |  |          |
| <b>Other Details</b>                                                                   |                                                                                        |                                                                                                  |  |          |
| <b>Range</b>                                                                           | <b>Division</b>                                                                        | <b>Commissionerate</b>                                                                           |  |          |
| Code : <b>060372</b>                                                                   | Code : <b>0603</b>                                                                     | Code : <b>06</b>                                                                                 |  |          |
| Name : <b>Yelanka II</b>                                                               | Name : <b>Division II</b>                                                              | Name : <b>Bangalore IV</b>                                                                       |  |          |
| Address : 6th Floor, B Wing Kendriya<br>Sadan Koramangala,<br>Bangalore Urban - 560034 | Address : 4th Floor, B Wing Kendriya<br>Sadan Koramangala,<br>Bangalore Urban - 560034 | Address : P.B. No. 3200,Queens Road,<br>C.R. Building, Bangalore GPO<br>Bangalore Urban - 560001 |  |          |

Figure 20.4 Completed Excise Registration Details

8. Press **Enter** to accept and save Excise registration Details

### 20.3.2 Enabling VAT

To enable **VAT** Feature, for a company

- ❑ Set the option **Enable Value Added Tax (VAT)** to **Yes**.
- ❑ Enable the option **Set/Alter VAT Details** to **Yes**.
- ❑ Specify the **Company VAT Details** as shown below

| <u>VAT Details</u>            |             |
|-------------------------------|-------------|
| State                         | : Karnataka |
| Type of Dealer                | ? Regular   |
| Regular VAT Applicable From   | : 1-4-2009  |
| <u>Additional Information</u> |             |
| LVO/VSO Code                  | :           |
| Authorised Person             | :           |
| Status / Designation          | :           |
| Place                         | :           |

Figure 20.5 VAT Details

- Specify the **VAT TIN No., Inter-state Sales tax** and **Company's PAN / Income – Tax No** details.

The completed **Statutory & Taxation Features** screen appears as shown :

Company Operations Alteration Ctrl + M

---

Current Period:      Current Date:

Company: **Monnet Ispat & Energy Ltd**

**Statutory & Taxation**

|                                                                       |       |                                      |      |
|-----------------------------------------------------------------------|-------|--------------------------------------|------|
| Enable Excise                                                         | ? Yes | Enable Tax Deducted at Source (TDS)  | ? No |
| Set/Alter Excise Details                                              | ? Yes | Set/Alter TDS Details                | ? No |
| (Note : 'Enable Maintain Multiple Godowns' for Multiple Excise Units) |       | Enable Tax Collected at Source (TCS) | ? No |
| Follow Excise rules for Invoicing                                     | ? No  | Set/Alter TCS Details                | ? No |
| Enable Value Added Tax (VAT)                                          | ? Yes | Enable Fringe Benefit Tax (FBT)      | ? No |
| Set/Alter VAT Details                                                 | ? Yes | Set/Alter FBT Details                | ? No |
| Enable Service Tax                                                    | ? No  |                                      |      |
| Set/Alter Service Tax Details                                         | ? No  |                                      |      |

**Tax Information**

VAT TIN (Composition) :  
VAT TIN (Regular) : **11447521489**  
Local Sales Tax Number :  
Inter-state Sales Tax Number : **32457844119**  
PAN / Income - Tax No. : **AFBPP8540B**

Accept ?

F1: Accounts    F2: Inventory    F3: Statutory

Yes or No

Figure 20.6 Company Operations Alterations

- Press **Y** or **Enter** to accept the screen.

## 20.4 Creating Masters

### 20.4.1 Voucher Type Setup

Create Excise **Purchases** and **Excise Sales Voucher Types**, to record Excise transactions with the required specifications.

| Voucher Types      | Type of Voucher | Abbreviate | Use for Excise | Default Excise Unit        |
|--------------------|-----------------|------------|----------------|----------------------------|
| Excise - Purchases | Purchase        | Ex-Purc    | Yes            | Monnet Ispat & Energy Ltd. |
| Excise - Sales     | Sales           | Ex-Sale    | Yes            | Monnet Ispat & Energy Ltd. |

#### i. Voucher Type Creation — Excise Purchases

Go to **Gateway of Tally > Accounts Info. > Voucher Types > Create**

1. Enter **Excise Purchases** as **Name** of the Voucher Type.
2. Select the **Type of Voucher** as **Purchase** from the list of voucher types.

3. Type the **Abbr.** as **Ex-Purc.**
  4. Select the **Method of Voucher Numbering** as **Automatic**.
  5. By default **Use Common narration** is set to **Yes**.
  6. Set **Use for Excise** to **Yes**.
  7. In **Default Excise Unit** field select **Monnet Ispat & Energy Ltd.** from the **List of Excise Units**
- The completed **Excise - Purchase Voucher Type** screen is displayed as shown below:

| Voucher Type Creation                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  | Monnet Ispat & Energy Ltd                                                    |  | Ctrl + M |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------------------------------------------------------------------|--|----------|
| Name : <b>Excise Purchases</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |                                                                              |  |          |
| (Alias) :                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |                                                                              |  |          |
| <p align="center"><u>General</u></p> Type of Voucher : <b>Purchase</b><br>Abbr. : <b>Ex-Purc</b><br><hr/> Method of Voucher Numbering ? <b>Automatic</b><br>Use Advance Configuration ? <b>No</b><br><hr/> Use EFFECTIVE Dates for Vouchers ? <b>No</b><br>Make 'Optional' as default ? <b>No</b><br>Use Common Narration ? <b>Yes</b><br>Narrations for each entry ? <b>No</b><br><hr/> Use for Excise ? <b>Yes</b><br>Default Excise Unit : <b>Monnet Ispat &amp; Energy Ltd</b> |  | <p align="center"><u>Printing</u></p> Print after saving Voucher ? <b>No</b> |  |          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  | <p align="center"><u>Name of Class</u></p>                                   |  |          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  | <p align="center">Accept ?</p> <p align="center">Yes or No</p>               |  |          |

Figure 20.7 Voucher Type Creation — Excise Purchases

8. Press **Y** or **Enter** to accept the screen.

## ii. Voucher Type Creation — Excise Sales

Go to **Gateway of Tally > Accounts Info. > Voucher Types > Create**

1. Enter **Excise Sales** as **Name** of the Voucher Type.
2. Select the **Type of Voucher** as **sale** from the list of voucher types.
3. Type the **Abbr.** as **Ex-Sale**.
4. Select the **Method of Voucher Numbering** as **Automatic**.
5. By default **Use Common narration** is set to **Yes**.
6. Set **Use for Excise** to **Yes**.
7. In **Default Excise Unit** field select **Monnet Ispat & Energy Ltd.** from the **List of Excise Units**
8. Set **Print after saving Voucher** to **Yes**.
9. Type the **Default Print Title** as **Invoice**.
10. **Is Tax Invoice:** **Yes**.
11. Type the **Declaration**, if any.

The completed **Excise Sales Voucher Type** screen is displayed as shown below:

| Voucher Type Creation                                                                                                                                                                                                                                                                                                                                                                                                               |  | Monnet Ispat & Energy Ltd                                                                                                                                 |  | Ctrl + M                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------|
| Name : <b>Excise Sales</b><br>(alias) :                                                                                                                                                                                                                                                                                                                                                                                             |  |                                                                                                                                                           |  |                                     |
| <b>General</b><br>Type of Voucher : <b>Sales</b><br>Abbr. : Ex-Sale<br>Method of Voucher Numbering ? <b>Automatic</b><br>Use Advance Configuration ? <b>No</b><br>Use EFFECTIVE Dates for Vouchers ? <b>No</b><br>Make 'Optional' as default ? <b>No</b><br>Use Common Narration ? <b>Yes</b><br>Narrations for each entry ? <b>No</b><br>Use for Excise ? <b>Yes</b><br>Default Excise Unit : <b>Monnet Ispat &amp; Energy Ltd</b> |  | <b>Printing</b><br>Print after saving Voucher ? <b>Yes</b><br>Default Print Title : <b>INVOICE</b><br>Is Tax Invoice ? <b>Yes</b><br><b>Declaration :</b> |  | <b>Name of Class</b>                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |                                                                                                                                                           |  | Accept ?<br><b>Yes</b> or <b>No</b> |

Figure 20.8 Voucher Type Creation — Excise Sales

12. Press **Y** or **Enter** to accept the screen.

## 20.4.2 Creating Ledgers

Create Purchases, Sales and Party ledgers with the required Excise options.

### i. Create Party Ledger

| Ledger           | Under            | Maintain balances bill-by-bill | Excise Details |
|------------------|------------------|--------------------------------|----------------|
| Bhargavan Steels | Sundry Creditors | Yes                            | Yes            |

#### Step 1:

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

1. Enter the **Name** of the Supplier in the **Name** field. E.g. **Bhargavan Steels**.
2. Select **Sundry Creditors** as the group name in the **Under** field.
3. Set **Maintain Balances Bill by Bill** to **Yes** and enter the **Default Credit Period** if any.
4. Set **Inventory Values are affected** to **No**
5. In the **Mailing Details** and **Tax Information** section enter the supplier contact details, Income Tax and the Sales Tax numbers.
6. Enable **Set/Alter VAT Details** to **Yes** to display the **VAT Details** sub screen.

7. In the **VAT Details** screen;
  - ❑ Select the **Registered Dealer** as **Type of Dealer** from the Type of VAT Dealer list.
  - ❑ Enter the **TIN/Sales Tax No.** of the customer e.g. **KHJNN5680A**
8. Enable **Set/Alter Excise Details** to **Yes** to display the Excise Details screen.

Ensure that the **ledger creation** screen appears as shown below:

| Ledger Creation                                   |  | Monnet Ispat & Energy Ltd |                                       | Ctrl + |
|---------------------------------------------------|--|---------------------------|---------------------------------------|--------|
| Name : Bhargavan Steels<br>(alias) :              |  |                           | Total Op. Bal.                        |        |
| Under : Sundry Creditors<br>(Current Liabilities) |  |                           | Mailing Details                       |        |
| Maintain balances bill-by-bill ? Yes              |  |                           | Name : Bhargavan Steels               |        |
| Default Credit Period :                           |  |                           | Address : Plot No. 36/E               |        |
| Inventory values are affected ? No                |  |                           | MIDC Yelahanka                        |        |
|                                                   |  |                           | Bangalore                             |        |
|                                                   |  |                           | State : Karnataka                     |        |
|                                                   |  |                           | PIN Code : 560028                     |        |
|                                                   |  |                           | Tax Information                       |        |
|                                                   |  |                           | PAN / IT No. : AHBGG8550M             |        |
|                                                   |  |                           | Set/Alter VAT Details ? Yes           |        |
|                                                   |  |                           | Set/Alter Excise Details ? <b>Yes</b> |        |
| Opening Balance (on 1-Apr-2009) :                 |  |                           |                                       |        |

Figure 20.9 Ledger Creation — Bhargavan Steels

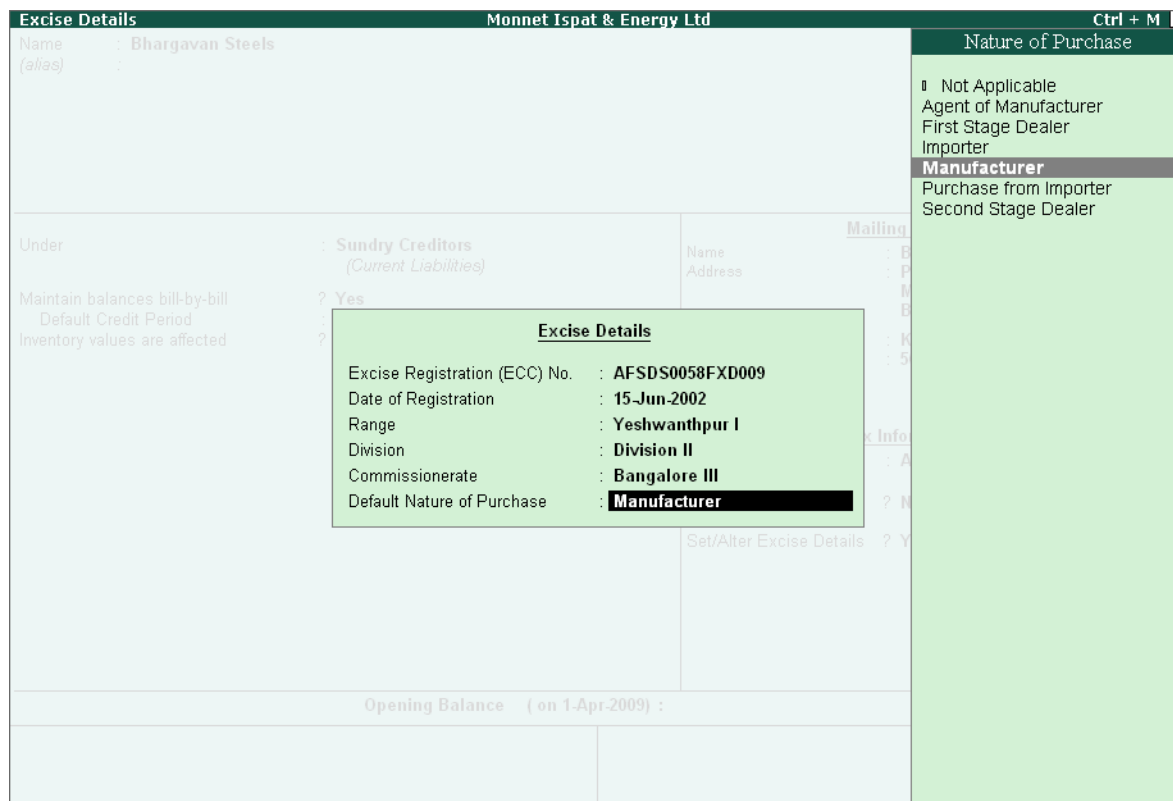
9. In the **Excise Details** screen,
  - ❑ Enter the **Excise Registration Number** of the supplier. E.g. **AFSDS0058FXD009**
  - ❑ Enter the **Date of Excise Registration** in **Date of Registration** field. E.g. **15-Jun-2002**
  - ❑ Enter the **Range** under which the supplier's company is registered. E.g. **Yeshwanthpur I**
  - ❑ Enter the **Division** under which the supplier's company is registered. E.g. **Division II**
  - ❑ Enter the **Commissionerate** under which the premise of the Supplier's company is registered. E.g. **Bangalore III**
  - ❑ Select the **Default Nature of Purchase** as **Manufacturer** from Nature of Purchase list



*The default type of purchases depends upon the status of the supplier, whether he is a Manufacturer / First Stage Dealer / Importer / Second Stage Dealer/ Agent of Manufacturer/Purchase from Importer.*



The completed **Excise Details** screen appears as shown below :



**Excise Details** Monnet Ispat & Energy Ltd Ctrl + M

Name : Bhargavan Steels  
(alias) :

Under : Sundry Creditors  
(Current Liabilities)

Maintain balances bill-by-bill ? Yes  
Default Credit Period  
Inventory values are affected ?

Excise Details

Excise Registration (ECC) No. : AFSDS0058FXD009  
Date of Registration : 15-Jun-2002  
Range : Yeshwanthpur I  
Division : Division II  
Commissionerate : Bangalore III  
Default Nature of Purchase : **Manufacturer**

Opening Balance ( on 1-Apr-2009) :

Figure 20.10 Excise Details screen

- Press **Ctrl+A** to accept the Excise Details screen.
- Accept the ledger creation screen.

Similarly create a ledger – **Jaykanth Engineering** under **Sundry Debtors** with the necessary Excise details and the default nature of purchase as a **Second Stage Dealer**.



*Tally.ERP 9 allows you to modify the **Nature of purchase** during a voucher entry, if required.*

## ii. Create Sales Ledger

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

| Ledger                  | Under          | Inventory values are affected | Used in VAT Returns | VAT/Tax Class |
|-------------------------|----------------|-------------------------------|---------------------|---------------|
| Sales – Excisable Goods | Sales Accounts | Yes                           | Yes                 | Sales @ 4%    |

Ensure that the completed **Sales – Excisable Goods** ledger appears as shown below:

| Ledger Creation                                                                                                                                                            |  | Monnet Ispat & Energy Ltd |                                                                            | Ctrl +                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------|----------------------------------------------------------------------------|-----------------------|
| Name : Sales – Excisable Goods<br>(alias) :                                                                                                                                |  |                           | Total Op. Bal.                                                             |                       |
| Under : Sales Accounts<br><br>Inventory values are affected ? Yes                                                                                                          |  |                           | <b>Mailing Details</b><br>Name :<br>Address :<br><br>State :<br>PIN Code : |                       |
| <b>Statutory Information</b><br><br>Used In VAT Returns ? Yes<br>Use for Assessable Value Calculation ? Yes<br>Apportion for ? VAT<br>Method of Apportion : Based on Value |  |                           | <b>Tax Information</b><br><br>PAN / IT No. :                               |                       |
| Opening Balance ( on 1-Apr-2009 ) :                                                                                                                                        |  |                           |                                                                            | Accept ?<br>Yes or No |

Figure 20.11 Ledger Creation — Sales - Excisable Goods

- Press **Y** or **Enter** to accept the ledger creation screen.

### iii. Purchase Ledger

| Ledger                      | Under             | Inventory values are affected | Used in VAT Returns | VAT/Tax Class  |
|-----------------------------|-------------------|-------------------------------|---------------------|----------------|
| Purchases – Excisable Goods | Purchase Accounts | Yes                           | Yes                 | Purchases @ 4% |

### iv. VAT Ledger

| Ledger         | Under          | Type of Duty/Tax | VAT/Tax Class  | Inventory values are affected |
|----------------|----------------|------------------|----------------|-------------------------------|
| Input VAT @ 4% | Duties & Taxes | VAT              | Input VAT @ 4% | No                            |

### 20.4.3 Creating Stock Items

In order to enter the transactions for Purchase and Sales, create the Stock items with the unit of measure. This will enable you to raise the Item invoice and get the stock summary with all the item details.

| Name             | Stock Group Name | UOM | Tariff Classification | Set/Alter Excise Details | Valuation Type | Rate Of VAT |
|------------------|------------------|-----|-----------------------|--------------------------|----------------|-------------|
| Hot Rolled Coils | Primary          | MT  | 72271000              | Yes                      | Ad Valorem     | 4%          |

Go to **Inventory Info. > Stock Items > Create**

#### Step 1: Create Stock Item

1. Enter the **Name** of the item as **Hot Rolled Coils**.
2. Specify the **Group** as **Primary**.
3. Define the **Units** as **MT** (Metric Tonnes).
4. In **Tariff Classification** field, select the applicable tariff classification e.g. **72271000** from the **List of Tariff Classifications** (Use **Alt + C** to create **Tariff Classifications**).
5. Enable **Set/Alter Excise Details** to **Yes** to display the **Excise Details** sub screen

| Stock Item Creation |                                    | Monnet Ispat & Energy Ltd                                                                              |                |
|---------------------|------------------------------------|--------------------------------------------------------------------------------------------------------|----------------|
| Name                | : Hot Rolled Coils                 |                                                                                                        |                |
| (alias)             | :                                  |                                                                                                        |                |
| Under               | : <input type="checkbox"/> Primary | <b>Tax Information</b>                                                                                 |                |
| Units               | : MT                               | Tariff Classification : 72271000<br>Set/Alter Excise Details ? <input checked="" type="checkbox"/> Yes |                |
|                     |                                    | <b>VAT Details</b>                                                                                     |                |
|                     |                                    | Commodity : <input type="checkbox"/> Not Applicable                                                    |                |
|                     |                                    | Rate of VAT (%) :                                                                                      |                |
|                     |                                    | Quantity                                                                                               | Rate per Value |
| Opening Balance :   |                                    |                                                                                                        |                |

Figure 20.12 Stock Item Creation

6. In the **Excise Details** Screen
  - ❑ **Excise Unit Name:** By default, Tally.ERP 9 displays **Monnet Ispat & Energy Ltd** as Excise Unit Name.
  - ❑ **Reporting UOM:** By default the unit of Measurement selected under Units will be considered as UOM for all the reports.

- **Set/Alter Duty Details:** Set this field to **Yes** to view the **Duty Details** screen.

| Excise Details for : <b>Hot Rolled Coils</b><br>Tariff Classification : <b>72271000</b> |               |                   |                        |                 |
|-----------------------------------------------------------------------------------------|---------------|-------------------|------------------------|-----------------|
| Excise Unit Name                                                                        | Reporting UOM | Conversion Factor | Set/Alter Duty Details | Stock Item Type |
| Monnet Ispat & Energy Ltd                                                               | MT            |                   | <b>Yes</b>             |                 |

Figure 20.13 Excise Details

- In **Duty Details** screen
  - Select the **Basic Excise Duty** in the **Type of Duty** field from the **List of Excise Duty Classifications**
  - Specify the **Rate of Duty** as **16%**
  - Select the **Education Cess** as the second duty in the **Type of Duty** field from the List of Excise Duty classifications
  - Specify the **Rate of Duty** as **2%**
  - Select the **Secondary Education Cess** as the third duty in the **Type of Duty** field from the List of Excise Duty classifications.
  - Specify the **Rate of Duty** as **1%**

The completed **Duty Details screen** appears as shown below:

| Excise Duty Details                                                                                                |                  |               |                                                                           |                        | Monnet Ispat & Energy Ltd                                                                                                                                                                                                                                                                                                                                                           |  | Ctrl + M |
|--------------------------------------------------------------------------------------------------------------------|------------------|---------------|---------------------------------------------------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------|
| Name : Hot Rolled Coils<br>(alias) :                                                                               |                  |               | Excise Details for : Hot Rolled Coils<br>Tariff Classification : 72271000 |                        | List of Excise Duty Classifications                                                                                                                                                                                                                                                                                                                                                 |  |          |
| Under                                                                                                              | Excise Unit Name | Reporting UOM | Conversion Factor                                                         | Set/Alter Duty Details |                                                                                                                                                                                                                                                                                                                                                                                     |  |          |
| Duty Details for : Hot Rolled Coils<br>Tariff Classification : 72271000<br>Excise Unit : Monnet Ispat & Energy Ltd |                  |               |                                                                           | Yes                    | <b>End of List</b><br>AED (GSI)<br>AED (GSI) of CVD<br>AED on HSD<br>AED on HSD of CVD<br>AED (PMT)<br>AED (PMT) of CVD<br>AED (TTA)<br>AED (TTA) of CVD<br>AED (TTW)<br>AED (TTW) of CVD<br>Countervailing Duty (CVD)<br>Education Cess on CVD<br>NCCD<br>NCCD of CVD<br>Secondary Education Cess on CVD<br>SED of CVD<br>Special AED<br>Special AED of CVD<br>Special Excise Duty |  |          |
| Type of Duty                                                                                                       | Applicable From  | Rate of Duty  | Method of Calculation                                                     |                        |                                                                                                                                                                                                                                                                                                                                                                                     |  |          |
| Basic Excise Duty                                                                                                  | 11-May-2007      | 16 %          | On Assessable Value                                                       |                        |                                                                                                                                                                                                                                                                                                                                                                                     |  |          |
| Education Cess                                                                                                     | 11-May-2007      | 2 %           | On Duty Value                                                             |                        |                                                                                                                                                                                                                                                                                                                                                                                     |  |          |
| Secondary Education Cess                                                                                           | 11-May-2007      | 1 %           | On Duty Value                                                             |                        |                                                                                                                                                                                                                                                                                                                                                                                     |  |          |
|                                                                                                                    |                  |               |                                                                           |                        |                                                                                                                                                                                                                                                                                                                                                                                     |  |          |

Figure 20.14 Duty Details

7. Accept to save **Excise Duty Details** screen.
8. **Rate of VAT (%)**: in this field enter the **Rate of VAT** applicable for the Stock Item e.g. **4%**

The completed **Stock Item creation** screen appears as shown below :

| Stock Item Creation |                    | Monnet Ispat & Energy Ltd                                          |           |
|---------------------|--------------------|--------------------------------------------------------------------|-----------|
| Name                | : Hot Rolled Coils |                                                                    |           |
| (alias)             | :                  |                                                                    |           |
| Under               | : [ Primary        | <b>Tax Information</b>                                             |           |
| Units               | : MT               | Tariff Classification : 72271000<br>Set/Alter Excise Details ? Yes |           |
|                     |                    | <b>VAT Details</b>                                                 |           |
|                     |                    | Commodity : [ Not Applicable<br>Rate of VAT (%) : 4                |           |
| Opening Balance     | :                  | Quantity                                                           | Rate per  |
|                     |                    | V                                                                  | Accept ?  |
|                     |                    |                                                                    | Yes or No |

Figure 20.15 Stock Item Creation



*In cases, where the excisable commodity attracts Additional duties of Excise and Special duties of Excise, these can be activated as required from the screen shown.*

9. Press **Y** or **Enter** to accept the screen.

## 20.5 Entering Transactions

According to the provisions mentioned in the Central Excise Rules, 2002, a Selling Dealer is eligible to pass **CENVAT Credit** to the purchasing dealer provided they are registered. Such a sale should be made under the cover of an invoice issued in terms of the provisions of Central Excise.

The following chart shows the flow of purchase and sales between the Manufacturer, Agent of Manufacturer, First Stage Dealer or Second Stage Dealer and the passing of CENVAT Credit by the Selling Dealer.

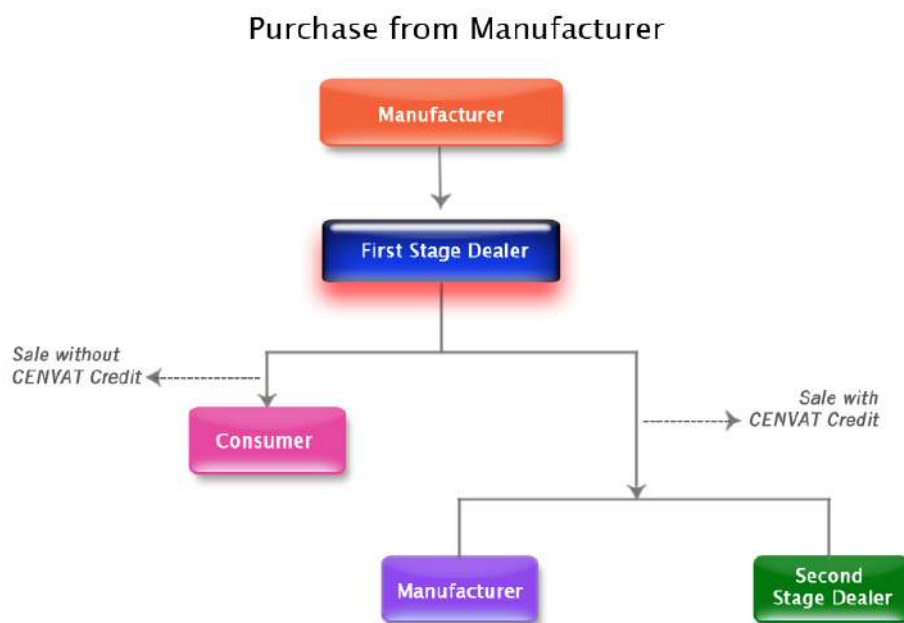
**i. Purchases from Manufacturer**

Figure 20.16 Purchases from Manufacturer/Importer

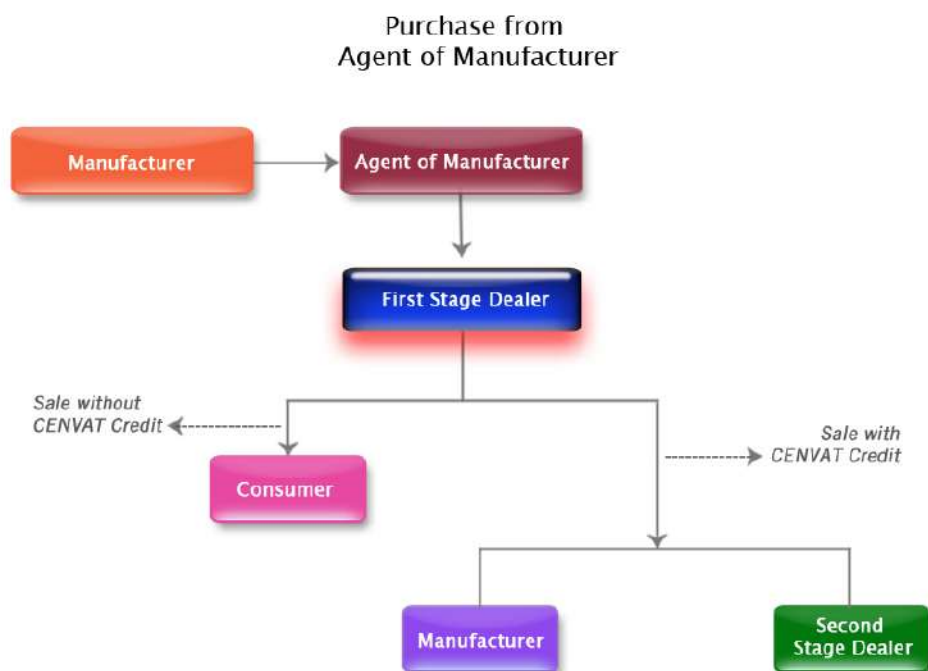
**ii. Purchase from Agent of Manufacturer**

Figure 20.17 Purchase from Agent of Manufacturer

### iii. Purchase from Importer

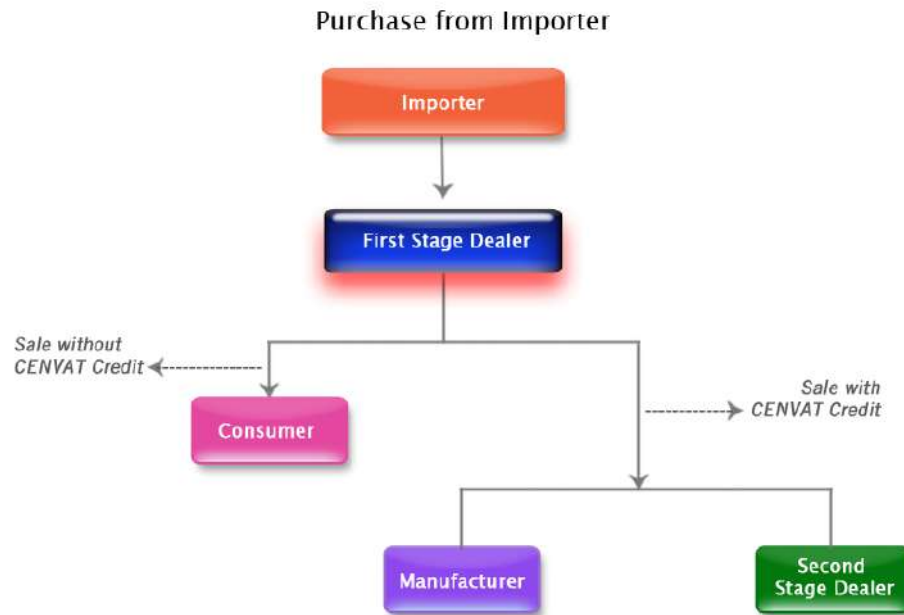


Figure 20.18 Purchase from Importer

### iv. Purchases from First Stage Dealer

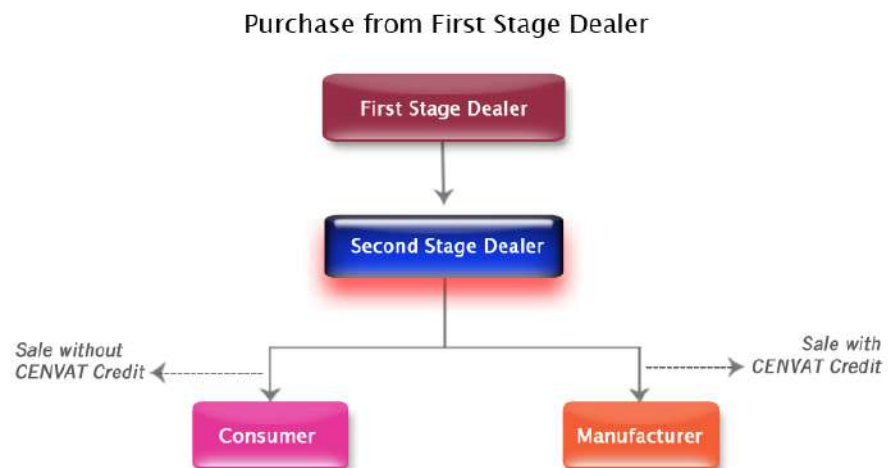


Figure 20.19 Purchases from First Stage Dealer



## v. Purchases from the Second Stage Dealer

Purchase from Second Stage Dealer

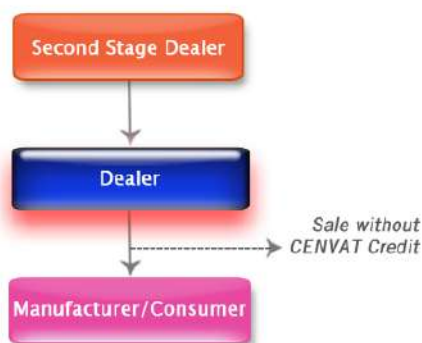


Figure 20.20 Purchases from the Second Stage Dealer

### 20.5.1 Creating Purchases

*On the April 10, 2009, Monnet Ispat & Energy Ltd. purchased the following goods from M/s. Bhargavan Steels (Manufacturer) vide B.No. BS/101.*

| Item Description  | Qty (Mts) | Rate | Assessable Value |
|-------------------|-----------|------|------------------|
| Hot Rolled Coils. | 400       | 500  | 2,00,000         |

| Excise Duty @ 16% | Education Cess @ 2% | Sec. Educ. Cess @ 1% | VAT @ 4% | Invoice Amount |
|-------------------|---------------------|----------------------|----------|----------------|
| 32,000            | 640                 | 320                  | 9,318.40 | 2,42,278.40    |

#### Step 1: Create Purchase Invoice

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchase > select Excise Purchase** from the **List of Types**.

#### Setup:

- In the **F12: Configuration** set **Use Common Ledger A/c for Item Allocation** to **No** as shown below:

| <u>Purchase Invoice Configuration</u>                                                 |              |
|---------------------------------------------------------------------------------------|--------------|
| Accept Supplementary Details<br>(Address Details, Despatch Details etc.)              | ? Yes        |
| Allow Separate Buyer and Consignee Names                                              | ? No         |
| Use Common Ledger A/c for Item Allocation                                             | ? <b>No.</b> |
| Use Defaults for Bill Allocations                                                     | ? No         |
| Use Additional Description(s) for Item Name                                           | ? No         |
| Consolidate Stock Items with same rates                                               | ? No         |
| <u>Importers' Options</u>                                                             |              |
| Specify Import Shipping details                                                       | ? No         |
| Specify Marks & Nos./Container No.                                                    | ? No         |
| Specify No. and Kind of Packages                                                      | ? No         |
| <u>Other Options</u>                                                                  |              |
| Show turnover achieved with Customer                                                  | ? No         |
| Allow modification of ALL fields during entry                                         | ? No         |
| Warn on Negative Stock Balance                                                        | ? Yes        |
| Honor Expiry Dates usage for Batches                                                  | ? Yes        |
| Calculate Tax on current Sub-Total<br>(else calculations are on Inventory Total only) | ? No         |
| Allow selection of VAT/Tax Class during entry                                         | ? No         |
| Warn on Mismatch in VAT Rates                                                         | ? No         |
| Activate 'E1' or 'E2' Transaction (VAT)                                               | ? No         |

Figure 20.21 F12: Configuration

1. Press **F2** and change the date to **10-4-09**.
2. Select **Bhargavan Steels** in **Party's A/c Name**.
3. Press **Enter** to view the **Suppliers details** screen.
4. Specify the manufacturer of the goods in the Manufacturer / Importer details section, if the supplier of the goods, is not the manufacturer.

The completed **suppliers detail screen** is displayed as shown below:

| Party Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                               | Monnet Ispat & Energy Ltd |          | Ctrl + M    |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------------|----------|-------------|--------------------|--|----------|---------------------------|---------|-----------------------------------------------|-------------------|--------------|-----------------|-------------------|-------|------------------|----------|---------------|-----------------|-----------------|---------------------------------|--|------|---|---------|---|-----------------|---|-------|---|----------|---|-----------------|---|-------------|---|--------------|---|
| Excise Purchases No. 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                               |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Supplier Invoice No. : B.No. BS/101                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                               | Date : 10-Apr-2009        |          | 10-Apr-2009 |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Excise Unit : Monnet Ispat & Energy Ltd                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                               |                           |          | Friday      |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Party's A/c Name : Bhargavan Steels                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                               |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Nature of Purchase : Manufacturer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                               |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Current Balance :                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                               |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Purchase Ledger :                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                               |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| VAT/Tax Class :                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                               |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Name of Item                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                               | Quantity                  | Rate per | Amount      |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| <table border="1"> <thead> <tr> <th colspan="2">Supplier's Details</th> </tr> </thead> <tbody> <tr> <td>Supplier</td> <td>: <b>Bhargavan Steels</b></td> </tr> <tr> <td>Address</td> <td>: Plot No. 36/E<br/>MDC Yelahanka<br/>Bangalore</td> </tr> <tr> <td>TIN/Sales Tax No.</td> <td>: KHJNN5680A</td> </tr> <tr> <td>Excise Regn No.</td> <td>: AFSDS0058FXD009</td> </tr> <tr> <td>Range</td> <td>: Yeshwanthpur I</td> </tr> <tr> <td>Division</td> <td>: Division II</td> </tr> <tr> <td>Commissionerate</td> <td>: Bangalore III</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">Manufacturer / Importer Details</th> </tr> </thead> <tbody> <tr> <td>Name</td> <td>:</td> </tr> <tr> <td>Address</td> <td>:</td> </tr> <tr> <td>Excise Regn No.</td> <td>:</td> </tr> <tr> <td>Range</td> <td>:</td> </tr> <tr> <td>Division</td> <td>:</td> </tr> <tr> <td>Commissionerate</td> <td>:</td> </tr> <tr> <td>Invoice No.</td> <td>:</td> </tr> <tr> <td>Invoice Date</td> <td>:</td> </tr> </tbody> </table> |                                               |                           |          |             | Supplier's Details |  | Supplier | : <b>Bhargavan Steels</b> | Address | : Plot No. 36/E<br>MDC Yelahanka<br>Bangalore | TIN/Sales Tax No. | : KHJNN5680A | Excise Regn No. | : AFSDS0058FXD009 | Range | : Yeshwanthpur I | Division | : Division II | Commissionerate | : Bangalore III | Manufacturer / Importer Details |  | Name | : | Address | : | Excise Regn No. | : | Range | : | Division | : | Commissionerate | : | Invoice No. | : | Invoice Date | : |
| Supplier's Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                               |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Supplier                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | : <b>Bhargavan Steels</b>                     |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Address                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | : Plot No. 36/E<br>MDC Yelahanka<br>Bangalore |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| TIN/Sales Tax No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | : KHJNN5680A                                  |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Excise Regn No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | : AFSDS0058FXD009                             |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Range                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | : Yeshwanthpur I                              |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Division                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | : Division II                                 |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Commissionerate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | : Bangalore III                               |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Manufacturer / Importer Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                               |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | :                                             |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Address                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | :                                             |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Excise Regn No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | :                                             |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Range                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | :                                             |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Division                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | :                                             |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Commissionerate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | :                                             |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Invoice No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | :                                             |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |
| Invoice Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | :                                             |                           |          |             |                    |  |          |                           |         |                                               |                   |              |                 |                   |       |                  |          |               |                 |                 |                                 |  |      |   |         |   |                 |   |       |   |          |   |                 |   |             |   |              |   |

Figure 20.22 Supplier's Details screen

5. Press **Enter** to accept the screen.
6. Press **Enter** to accept the nature of purchase. The **Nature of purchase** field is by default set to **Manufacturer** based on the predefinition in the ledger master. You can modify the same depending upon the status of the dealer.
7. Select **Hot Rolled Coils** in the Name of the Item field.
8. Type the **Quantity** as **400**.
9. Specify the **Amount** as **232960** and press **Enter**.
10. The **Stock Item Excise** details screen is displayed.
  - Specify **1** in the RG 23 Entry No. field
  - Accept the Supplier Invoice No. as **BS/101** and Supplier Invoice Date as 10-04-09 (The Supplier Invoice No. & Supplier Invoice Date is defaulted from voucher screen)
  - Specify **12** in the PLA/RG 23 Entry No. field (The PLA RG 23 SI. No. represents the display of this particular transaction in the relevant page of RG 23 D Register)
  - Type the Assessable Value as **Rs. 2,00,000** (Assessable Value [Basic Value of Goods] = Qty x Rate i.e., 400MT X Rs. 500) and press Enter

The completed **Excise Details** subscreen is displayed as shown.

| Excise Details                                                              |                     | Monnet Ispat & Energy Ltd           |                 | Ctrl + M           |               |
|-----------------------------------------------------------------------------|---------------------|-------------------------------------|-----------------|--------------------|---------------|
| Excise Purchases No. 1                                                      |                     | Supplier Invoice No. : BS/101       |                 | Date : 10-Apr-2009 |               |
| Excise Unit : Monnet Ispat & Energy Ltd                                     |                     | Party's A/c Name : Bhargavan Steels |                 | 10-Apr-2009 Friday |               |
| Excise Details for : Hot Rolled Coils<br>(Tariff Classification : 72271000) |                     |                                     |                 |                    |               |
| RG 23D Entry No. : 1                                                        |                     |                                     |                 |                    |               |
| <b>Supplier Invoice Details</b>                                             |                     |                                     |                 |                    |               |
| Supplier Invoice No. : BS/101                                               |                     |                                     |                 |                    |               |
| Supplier Invoice Date : 10-Apr-2009                                         |                     |                                     |                 |                    |               |
| PLA/RG 23 Entry No. : 12                                                    |                     |                                     |                 |                    |               |
| Assessable Value : 2,00,000.00                                              |                     |                                     |                 |                    |               |
| <b>Type of Duty</b>                                                         | <b>Rate of Duty</b> | <b>Duty Amount</b>                  | <b>Quantity</b> | <b>Rate per</b>    | <b>Amount</b> |
| Basic Excise Duty                                                           | 16 %                | 32,000.00                           | 400 MT          | 582.40 MT          | 2,32,960.00   |
| Education Cess                                                              | 2 %                 | 640.00                              |                 |                    |               |
| Secondary Education Cess                                                    | 1 %                 | 320.00                              |                 |                    |               |
| <b>Total</b>                                                                |                     | <b>32,960.00</b>                    | 400 MT          |                    | 2,32,960.00   |

Figure 20.23 Excise Details for: Hot Rolled coils

- The **Excise Duty**, **Education Cess** and **Secondary Education Cess** amounts are automatically calculated on the basis of the configuration in the stock item master.



*However, in some cases though the excise duty is chargeable at a specified rate, the net burden on the buyer may be less than such percentage. In such cases Tally.ERP 9 provides the flexibility to modify the amount of tax.*

- Press **Y** or **Enter** to accept the screen.
11. In the **Accounting Details** screen,
- Select **Purchases – Excisable Goods** in the particulars column, the **VAT/ Tax class** is by default set to **Purchases @ 4%**.

| Accounting Details                        |                | Monnet Ispat & Energy Ltd |          | Ctrl + M                |  |
|-------------------------------------------|----------------|---------------------------|----------|-------------------------|--|
| Excise Purchases No. 1                    |                |                           |          | List of Ledger Accounts |  |
| Supplier Invoice No. : BS/101             |                |                           |          |                         |  |
| Date : 10-Apr-2009                        |                |                           |          |                         |  |
| Excise Unit : Monnet Ispat & Energy Ltd   |                |                           |          |                         |  |
| Party's A/c Name : Bhargavan Steels       |                |                           |          |                         |  |
| Accounting Details for : Hot Rolled Coils |                |                           |          |                         |  |
| Upto: Rs. 2,32,960.00 Dr                  |                |                           |          |                         |  |
| Particulars                               | VAT/Tax Class  | Amount                    | Quantity |                         |  |
| Purchases – Excisable Goods               | Purchases @ 4% | 2,32,960.00               | 400      |                         |  |
| Cur Bal: 2,32,960.00 Dr                   |                |                           |          |                         |  |
|                                           |                | 2,32,960.00               | 400      |                         |  |

Figure 20.24 Accounting Details screen

- Press **Enter** to accept the **Amount**.
  - Press **Enter** again.
12. Select **Input VAT @ 4%** ledger and press **Enter** to automatically display the **VAT Amount** i.e. **Rs. 9318.40**
13. Set **Show Statutory Details** to **Yes** to view **Statutory Details** of the transaction

The **Statutory Details** screen is displayed as shown:

| Statutory Details                                           |                                       | Monnet Ispat & Energy Ltd |             | Ctrl + M              |  |
|-------------------------------------------------------------|---------------------------------------|---------------------------|-------------|-----------------------|--|
| Excise Purchase<br>Supplier Invoice No<br>Excise Unit       | Statutory Details                     |                           |             | 10-Apr-2009<br>Friday |  |
|                                                             | Particulars                           | Excise                    | VAT         |                       |  |
| Party's A/c Name<br>Nature of Purchase<br>Current Balance : | Assessable Value                      | 2,32,960.00               | 2,32,960.00 |                       |  |
|                                                             | Hot Rolled Coils                      |                           | 2,32,960.00 |                       |  |
| Name of Item                                                | Item Value                            | 2,32,960.00               | 2,32,960.00 | Amount                |  |
| Hot Rolled Coils                                            | VAT Amount                            |                           | 9,318.40    | 2,32,960.00           |  |
|                                                             | Input VAT @ 4%                        | 4 %                       | 9,318.40    |                       |  |
| Input VAT @ 4%                                              | Hot Rolled Coils @ 4 % On 2,32,960.00 |                           | 9,318.40    | 9,318.40              |  |
| Show Statutory De<br>Narration:                             |                                       |                           |             | 2,42,278.40           |  |

Figure 20.25 Statutory Details Screen

14. In the **Bill-wise Details** screen, specify the **Type of Ref** as **New Ref** and type **BS/101** in the **Name** field.
15. Press **Enter** to accept the screen.
16. Type the details of the transaction in the **Narration** field.

The completed **Excise -Purchase Invoice** is displayed as shown below:

| Accounting Voucher Creation             |          | Monnet Ispat & Energy Ltd |             | Ctrl + M    |
|-----------------------------------------|----------|---------------------------|-------------|-------------|
| <b>Excise Purchases</b> No. 1           |          |                           |             | 10-Apr-2009 |
| Supplier Invoice No. : BS/101           |          | Date : 10-Apr-2009        |             | Friday      |
| Excise Unit : Monnet Ispat & Energy Ltd |          |                           |             |             |
| Party's A/c Name : Bhargavan Steels     |          |                           |             |             |
| Nature of Purchase : Manufacturer       |          |                           |             |             |
| Current Balance :                       |          |                           |             |             |
| Name of Item                            | Quantity | Rate per                  | Amount      |             |
| Hot Rolled Coils                        | 400 MT   | 582.40 MT                 | 2,32,960.00 |             |
| Input VAT @ 4%                          |          | 4 %                       | 9,318.40    |             |
| Show Statutory Details ? Yes            |          |                           |             |             |
| Narration:                              |          |                           |             |             |
| Goods purchased from the manufacturer_  |          |                           |             |             |
|                                         |          | 400 MT                    | 2,42,278.40 |             |

Figure 20.26 Excise- Purchase Invoice

17. Press **Y** or **Enter** to accept the Excise - Purchase Invoice.

## 20.5.2 Excise Invoicing

Tally.ERP 9 allows you to generate and print **Cenvat Invoices** in the prescribed format besides a Non-Cenvatable Invoice. The following mandatory stipulations on the preparation of Cenvat Invoices are met by Tally.ERP 9:

1. Name, Address and Central Excise Registration number of the registered location issuing the invoice, name of the jurisdictional range / Division / Commissionerate and the company's Income Tax Number and Sales Tax Registration Number is pre-printed on the Invoice.
2. The mandatory four copies are prepared and each copy is marked as follows:
  - a. Original copy marked as Original for a Buyer.
  - b. Duplicate marked as Duplicate for Transporter (to be used for availing Cenvat credit).
  - c. Triplicate marked as Triplicate for Central Excise.
  - d. Quadruplicate marked as Quadruplicate for a Registered person.
3. The copies of the invoices issued by a first stage dealer and a second stage dealer are marked as First Stage Dealer and Second Stage Dealer respectively.

4. The dealer is required to issue only one invoice per consignment ,if all the packages in the consignment are despatched in one lot. However, in cases where the consignment is despatched in batches either on the same day or different days or loaded on more than one vehicle, a separate invoice is made for each lot or consignment.
5. Each Cenvat Invoice issued by the location bears a printed serial number, beginning from the 1st of April of the year. The starting serial number as well as formats for recording the excise can be easily intimated to the commissioner, whose jurisdiction the company falls. An acknowledgement of such an intimation can be obtained.
6. Records and Invoice generated through computer are also recognised. The serial number likely to be used in the forthcoming quarter should be intimated to the Assistant Commissioner. A revised intimation is sent when the serial numbers are exhausted.

### 20.5.3 Creating Sales Invoice

**Record the following sales transaction made by Monnet Ispat & Energy Ltd. on the April 15, 2009, to Jaykanth Engineering, Bangalore.**

| Item Description | Quantity | Rate | VAT |
|------------------|----------|------|-----|
| Hot Rolled Coils | 200 MT   | 600  | 4%  |

#### Setup:

- Create a ledger – **Output VAT @ 4%.**

#### Step 1: Create Excise - Sales

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales** > select **Excise - Sales** from the **List of Types**.

1. Press **F2** and change the date to **15-4-09**
2. In **Ref** field, enter the reference number of the transaction
3. The Excise Unit field displays **Monnet Ispat & Energy Ltd.** as selected during voucher type creation.
4. Select **Jaykanth Engineering** in **Party's A/c Name** and press **Enter**.
5. Specify the details of the despatch, if any in the **Despatch Details** screen displayed.
6. The **Date** and **Time** of the consignment is displayed in the **Excise Details** column along with the buyer Excise details.



The completed **Despatch Details Screen** appears as shown below:

| Party Details                                                                                                                                                                                                                                                                                                                                         |          | Monnet Ispat & Energy Ltd |     | Ctrl + M    |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------------------------|-----|-------------|--|
| Excise Sales No. 1                                                                                                                                                                                                                                                                                                                                    |          |                           |     | 15-Apr-2009 |  |
| Ref. :                                                                                                                                                                                                                                                                                                                                                |          |                           |     | Wednesday   |  |
| Excise Unit : Monnet Ispat & Energy Ltd                                                                                                                                                                                                                                                                                                               |          |                           |     |             |  |
| Party's A/c Name : Jaykanth Engineering                                                                                                                                                                                                                                                                                                               |          |                           |     |             |  |
| Current Balance :                                                                                                                                                                                                                                                                                                                                     |          |                           |     |             |  |
| Name of Item                                                                                                                                                                                                                                                                                                                                          | Quantity | Rate                      | per | Amount      |  |
| <b>Despatch Details</b><br>Delivery Note No(s) : <b>DN/123</b> dt. <b>15-Apr-2009</b> Despatch Doc. No. : <b>911/09-10</b><br>Despatched through : <b>Road</b><br>Destination : <b>Bangalore</b><br>Motor Vehicle No. : <b>KA-06 SG-1990</b>                                                                                                          |          |                           |     |             |  |
| <b>Order Details</b><br>Order No(s) : Mode/Terms of Payment : <b>20 Days</b>                                                                                                                                                                                                                                                                          |          |                           |     |             |  |
| <b>VAT/Excise Details</b><br>Date & Time of Invoice : <b>15-Apr-2009 at 10:42</b><br>Date & Time of Removal : <b>15-Apr-2009 at 10:42</b>                                                                                                                                                                                                             |          |                           |     |             |  |
| <b>Buyer's Details</b><br>Buyer : <b>Jaykanth Engineering</b><br>Address : <b>121, Light Industrial Area</b><br><b>Hosur Main Road</b><br><b>Bangalore</b><br>TIN/Sales Tax No. : <b>KHMIE5690B</b><br>Excise Regn No. : <b>AFSDY0089FDC002</b><br>Range : <b>Hosur IV</b><br>Division : <b>Division IV</b><br>Commissionerate : <b>Bangalore IV.</b> |          |                           |     |             |  |

Figure 20.27 Despatch Details

- Press **Enter** to accept the screen.
- 7. Select **Hot Rolled Coils** in the Name of the Item field and press **Enter**.
- 8. The **Supplier Details** screen is displayed.
  - Select the relevant Invoice Number **BS/101** from the **List of Purchases**.

Figure 20.28 Supplier Details

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Figure 20.29 Supplier Details

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Figure 20.30 Accounting Details

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Figure 20.31 Excise — Sales

1. Press **PgUp** key to view the above sales invoice and press **Alt+P** (To print).

| Voucher Printing                                         |                       |                   |                                         |
|----------------------------------------------------------|-----------------------|-------------------|-----------------------------------------|
| <b>Printer</b>                                           | : RnD Printer (Ne01:) | <b>Paper Type</b> | : A4                                    |
| <b>No. of Copies</b>                                     | : 1                   |                   |                                         |
| <b>Print Language</b>                                    | : English             |                   | (Printing Dimensions)                   |
| <b>Method</b>                                            | : Neat Mode           | <b>Paper Size</b> | : (8.27" x 11.69") or (210 mm x 297 mm) |
| <b>Page Range</b>                                        | : All                 | <b>Print Area</b> | : (7.95" x 11.34") or (202 mm x 288 mm) |
| Report Titles                                            |                       |                   |                                         |
| <b>INVOICE</b>                                           |                       |                   |                                         |
| (ISSUE OF INVOICE UNDER RULE 11 OF CENTRAL EXCISE RULES) |                       |                   |                                         |
| (with Print Preview)                                     |                       |                   |                                         |
|                                                          |                       |                   | <b>Print ?</b>                          |
|                                                          |                       |                   | Yes or No                               |

Figure 20.32 Voucher Printing

2. Press **F12: Configure (Invoice Printing Configuration)** and Set the following to **Yes**.

- ❑ **Print Date and Time**
- ❑ **Print Trader Supplier Info**
- ❑ **Print Purchase Excise Duty details**
- ❑ **Print Purchase Assessable Value**

The completed **Printing Configuration** screen is displayed as shown below:

| Invoice Print Configuration   |  | Monnet Ispat & Energy Ltd                                               |                                                      | Ctrl + M                 |             |
|-------------------------------|--|-------------------------------------------------------------------------|------------------------------------------------------|--------------------------|-------------|
| Excise Sales No. 1            |  | <b>Invoice Printing Configuration</b>                                   |                                                      | 15-Apr-2009<br>Wednesday |             |
| Ref. :                        |  | Title of Document : <b>INVOICE</b>                                      |                                                      |                          |             |
| Excise Unit : Monnet          |  | (for Optional Voucher) : <b>PROFORMA INVOICE</b>                        |                                                      |                          |             |
| Party's A/c Name : Bhargava   |  | Sub Title (if any) :                                                    |                                                      |                          |             |
| Current Balance : 1,17,400.00 |  | Height of Normal Invoice (inches) : <b>10</b> Simple : <b>10</b>        |                                                      |                          |             |
| Name of Item                  |  | Width of Normal Invoice (inches) : <b>7.50</b> Simple : <b>7.50</b>     |                                                      |                          |             |
|                               |  | Space to leave on top (default 0.25) : <b>0.25</b> Simple : <b>0.25</b> |                                                      |                          |             |
|                               |  | Space to leave on left (default 0.5) : <b>0.50</b> Simple : <b>0.50</b> |                                                      |                          |             |
| Hot Rolled Coils              |  | Print as Commercial Invoice ? <b>No</b>                                 | Print Serial No. ? <b>Yes</b>                        | Rate                     | Amount      |
|                               |  | Print Voucher Reference ? <b>Yes</b>                                    | Print Quantity Column ? <b>Yes</b>                   | 0.00 MT                  | 1,20,000.00 |
|                               |  | Print Order Details ? <b>Yes</b>                                        | Print Actual Quantity Column ? <b>No</b>             |                          |             |
|                               |  | Print Terms of Payment and Delivery ? <b>Yes</b>                        | Print Rate Column ? <b>Yes</b>                       | 4 %                      | 4,800.00    |
|                               |  | Print details of Despatch ? <b>Yes</b>                                  | Print VAT % Column ? <b>No</b>                       |                          |             |
|                               |  | Print Tax Analysis of Items ? <b>Yes</b>                                | Print Date & Time ? <b>Yes</b>                       |                          |             |
|                               |  | Print VAT Analysis of Items ? <b>Yes</b>                                | Print Batch Details ? <b>No</b>                      |                          |             |
|                               |  | Print Company's Tax Regn. Numbers ? <b>Yes</b>                          | Print Rate of Duty with Items ? <b>No</b>            |                          |             |
|                               |  | Print Buyer's Tax Regn. Number ? <b>Yes</b>                             | Print Sub-Totals after each line ? <b>No</b>         |                          |             |
|                               |  | Print Declaration ? <b>Yes</b>                                          | Print Narration ? <b>No</b>                          |                          |             |
|                               |  | Print Trader Importer Declaration ? <b>No</b>                           | Print Narration for each entry ? <b>No</b>           |                          |             |
|                               |  |                                                                         | Print Passed On Duty Assessable Value ? <b>No</b>    |                          |             |
|                               |  |                                                                         | Print Trader Supplier Info ? <b>Yes</b>              |                          |             |
|                               |  |                                                                         | Print Supplier Name and Address ? <b>No</b>          |                          |             |
|                               |  |                                                                         | Print Mgr / Importer Name and Address ? <b>No</b>    |                          |             |
|                               |  |                                                                         | Print Purchase Excise Duty Details ? <b>Yes</b>      |                          |             |
|                               |  |                                                                         | Print Purchase Assessable Value ? <b>Yes</b>         |                          |             |
|                               |  |                                                                         | Print Mgr / Importer Excise Duty Details ? <b>No</b> |                          |             |
| Show Statutory Details        |  | Place : <b>Bangalore</b>                                                |                                                      |                          |             |
| Narration:                    |  | Date : <b>15-4-2009</b>                                                 |                                                      |                          |             |
| Being Excisable Goods So      |  | Method to use for Stock Item Name : <b>Name Only</b>                    |                                                      |                          |             |
|                               |  | Jurisdiction : <b>Bangalore</b>                                         |                                                      |                          |             |
|                               |  | Generated by : <b>This is a Computer Generated Invoice</b>              |                                                      |                          | 1,24,800.00 |

Figure 20.33 Invoice Printing Configuration

3. Press **Ctrl+A** to accept the Screen.
4. Press **Enter** from the **Voucher Printing** screen to print **Sales Invoice** under Rule 11 of the Central Excise Rules, 2002
5. Press **Alt+Z** or click on **Zoom button** to view an enlarged version of the report.

The print preview of **First Stage Dealer's Sales Invoice of Excisable Goods** to a second stage dealer is displayed as shown below:

| INVOICE<br>(ISSUE OF INVOICE UNDER RULE 11 OF CENTRAL EXCISE RULES 2002)                                                                                                                                                                                               |                               |                             |                    |                  |                                                                                                                                                                                                                                                                                                    |                    |                    |               |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------------|--------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|---------------|--|
| First Stage Dealer                                                                                                                                                                                                                                                     |                               |                             |                    |                  |                                                                                                                                                                                                                                                                                                    |                    |                    |               |  |
| <b>Monnet Ispat &amp; Energy Ltd</b><br>Plot No.38, Air Force Station, Yelahanka, Bangalore<br>Phone : 080-22216710 / E-mail : sales@monnetispat.com                                                                                                                   |                               |                             |                    |                  | Range : Yelahanka (M) 002 / 4th Floor, 8 Wing Koodiga Salim Koodiga, Bangalore Urban - 560004<br>Division : Division II (M) / 4th Floor, 8 Wing Koodiga Salim Koodiga, Bangalore Urban - 560004<br>Commissionerate : Bangalore / 4th Floor, 8 Wing Koodiga Salim Koodiga, Bangalore Urban - 560004 |                    |                    |               |  |
| VAT TIN : 11447521489<br>CST No. : 32457844119<br>Excise Regn No.: MIEBA3201RXD001                                                                                                                                                                                     |                               |                             |                    |                  | Buyer<br><b>Jaykanth Engineering</b><br>121, Light Industrial Area<br>Hosur Main Road<br>Bangalore                                                                                                                                                                                                 |                    |                    |               |  |
| VAT TIN : KHMIE5690B<br>Excise Regn No.: AFSDY0089FDC002<br>Range : Hosur IV<br>Division : Division IV<br>Commissionerate : Bangalore IV                                                                                                                               |                               |                             |                    |                  | Invoice No. : 1<br>Buyer's Order No. :<br>Delivery Note : DN/123<br>Supplier's Ref. :<br>Despatched through : Road<br>Date & Time of Removal of Goods : 15-Apr-2009 at 10:42<br>Date & Time of issue of invoice : 15-Apr-2009 at 10:42<br>Mode/Terms of Payment : 20 Days                          |                    |                    |               |  |
| Dated : 15-Apr-2009<br>Despatch Document No. : 911/09-10<br>Destination : Bangalore<br>Motor Vehicle No. : KA-06 SG-1990<br>Authenticated By : for Monnet Ispat & Energy Ltd<br>Authorised Signatory :                                                                 |                               |                             |                    |                  |                                                                                                                                                                                                                                                                                                    |                    |                    |               |  |
| Sl No.                                                                                                                                                                                                                                                                 | Description of Goods          | Tariff / HSN Classification | Quantity Shipped   | Quantity Billed  | Rate                                                                                                                                                                                                                                                                                               | per                | Amount             |               |  |
| 1                                                                                                                                                                                                                                                                      | Hot Rolled Coils              | 72271000                    | 200 MT             | 200 MT           | 600.00                                                                                                                                                                                                                                                                                             | MT                 | 1,20,000.00        |               |  |
|                                                                                                                                                                                                                                                                        | Output VAT @ 4% (1,20,000.00) |                             |                    |                  | 4                                                                                                                                                                                                                                                                                                  | %                  | 4,800.00           |               |  |
| <b>Total</b>                                                                                                                                                                                                                                                           |                               |                             | <b>200 MT</b>      | <b>200 MT</b>    |                                                                                                                                                                                                                                                                                                    |                    | <b>1,24,800.00</b> |               |  |
| Amount Chargeable (in words) : <b>Rs. One Lakh Twenty Four Thousand Eight Hundred Only</b><br>VAT Amount (in words) : <b>Rs. Four Thousand Eight Hundred Only (Rs. 4,800.00)</b>                                                                                       |                               |                             |                    |                  |                                                                                                                                                                                                                                                                                                    |                    |                    |               |  |
| Description of Goods                                                                                                                                                                                                                                                   | Rate of BED                   | BED Amount                  | Rate of Ed Cess    | Ed Cess Amount   | Rate of Sec Ed Cess                                                                                                                                                                                                                                                                                | Sec Ed Cess Amount |                    |               |  |
| Hot Rolled Coils                                                                                                                                                                                                                                                       | 18 %                          | 16,000.00                   | 2 %                | 320.00           | 1 %                                                                                                                                                                                                                                                                                                | 160.00             |                    |               |  |
| <b>Total</b>                                                                                                                                                                                                                                                           |                               | <b>16,000.00</b>            |                    | <b>320.00</b>    |                                                                                                                                                                                                                                                                                                    | <b>160.00</b>      |                    |               |  |
| Amount of Duty (in words) : <b>Rs. Sixteen Thousand Only</b><br>Amount of Cess (in words) : <b>Rs. Four Hundred Eighty Only</b>                                                                                                                                        |                               |                             |                    |                  |                                                                                                                                                                                                                                                                                                    |                    |                    |               |  |
| Manufacturer/Importer Duty Details                                                                                                                                                                                                                                     |                               |                             |                    |                  |                                                                                                                                                                                                                                                                                                    |                    |                    |               |  |
| Description of Goods                                                                                                                                                                                                                                                   | Tariff Classification         | Quantity                    | Assessable Value   | BED Amount       | Ed Cess Amount                                                                                                                                                                                                                                                                                     | Sec Ed Cess Amount | Total Duty Amount  | Duty per Unit |  |
| Hot Rolled Coils                                                                                                                                                                                                                                                       | 72271000                      | 400 MT                      | 2,00,000.00        | 32,000.00        | 640.00                                                                                                                                                                                                                                                                                             | 320.00             | 32,960.00          | 82.40         |  |
| <b>Total</b>                                                                                                                                                                                                                                                           |                               | <b>400 MT</b>               | <b>2,00,000.00</b> | <b>32,000.00</b> | <b>640.00</b>                                                                                                                                                                                                                                                                                      | <b>320.00</b>      | <b>32,960.00</b>   |               |  |
| Amount of Duty (in words) : <b>Rs. Thirty Two Thousand Only</b><br>Amount of Cess (in words) : <b>Rs. Nine Hundred Sixty Only</b>                                                                                                                                      |                               |                             |                    |                  |                                                                                                                                                                                                                                                                                                    |                    |                    |               |  |
| Remarks: Being Excisable Goods Sold<br>Declaration: We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.                                                                                          |                               |                             |                    |                  |                                                                                                                                                                                                                                                                                                    |                    |                    |               |  |
| Excise Declaration<br>Certified that the goods have been issued out of duty paid goods duty recorded consignment wise and entered in the stock record. Further the duty passed on is proportionate to the quantity (i.e., the duty per unit passed on the same as that |                               |                             |                    |                  | <b>for Monnet Ispat &amp; Energy Ltd</b><br>Authorised Signatory                                                                                                                                                                                                                                   |                    |                    |               |  |
| SUBJECT TO BANGALORE JURISDICTION<br>This is a Computer Generated Invoice                                                                                                                                                                                              |                               |                             |                    |                  |                                                                                                                                                                                                                                                                                                    |                    |                    |               |  |

Figure 20.34 Excise — Invoice

This Invoice displays the Excise details of the buyer, seller and manufacturer in accordance with the Excise rules. It reveals the Item history, including the details of the purchases with their



respective tariff and duties. This serves as an evidence for the passing of CENVAT Credit to the subsequent dealer/ manufacturer.

It also specifies the manufacturer's name, address and Excise details besides recording the date and time of the removal of goods from the dealer's premises. The Invoice is marked as the First Stage Dealer, depicting the position of the selling dealer and has to be authenticated by the authorised signatory in the relevant space provided in the document.

## 20.6 Excise Reports

Dealers registered with the Central Excise are required to maintain a prescribed register with the proper entries of the consignments received or issued by them.

A dealer registered under Excise Rules are required to submit to the Range Superintendent a quarterly return and other documents for verification namely, the **Stock Register** (earlier referred as RG 23D) and **Form II**.

In Tally.ERP 9, you can generate and print all statutory and excise related forms and report required by a dealer of excisable goods.

### 20.6.1 Excise Stock Register

The registered dealer issuing invoices for cenvatable goods should maintain a stock account as prescribed in the form RG - 23D. The details of the consignments received under the cover of invoice issued in terms of the provisions of Central Excise Rules, 2002 should also be recorded. However, consignments without a Cenvatable Invoice need not be entered.

In respect of any consignment, part of which is sold under Centavable invoice and the other part under the cover of non-cenvatable invoice, then the details of sales under non-cenvatable invoices have also to be entered in the prescribed stock register by making a consolidated entry at the end of the day indicating such quantity and invoice numbers.

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Dealer > Excise Stock Register**

- ❑ Select **Hot Rolled Coils** and press **Enter** to display the stock register.
- ❑ To print the **Stock Register** press **Alt+P**

The printed **Stock Register** is displayed as shown below:

**Monnet Ispat & Energy Ltd**  
 Plot No.36, Air Force Station  
 Yelahanka  
Bangalore

**Excise Stock Register**  
**Hot Rolled Coils**  
 1-Apr-2009 to 15-Apr-2009

Units : **MT**
Excise Tariff Classification : **72271000**
Page 1

| Receipt |                           |                                                                       |                  |            |        |                    |               |                  |           |               | Issue                                                                     |              |            |            |
|---------|---------------------------|-----------------------------------------------------------------------|------------------|------------|--------|--------------------|---------------|------------------|-----------|---------------|---------------------------------------------------------------------------|--------------|------------|------------|
| Sl.     | Invoice No. / Date        | Name and Address of the Supplier                                      | Nature of Purch. | Quantity   | Rate   | Assess-able Value  | Duty per Unit | Total Duty       | Ce-ss per | Total Cess    | Duty Details                                                              | Issu-ed Qua- | Total Duty | Total Cess |
| 1       | BS/101<br><br>10-Apr-2009 | Bhargavan Steels<br>Plot No. 36/E,<br>MIDC<br>Yelahanka,<br>Bangalore | Manufacturer     | 400        | 500.00 | 2,00,000.00        | 80.00         | 32,000.00        | 2.40      | 960.00        | Duty Passed On<br><br>Duty Not Passed On<br><br><br>Total<br>Balance Duty | 200          | 16,000.00  | 480.00     |
|         |                           |                                                                       |                  |            |        |                    |               |                  |           |               |                                                                           | 200          | 16,000.00  | 480.00     |
|         |                           |                                                                       |                  |            |        |                    |               |                  |           |               |                                                                           | 200          | 16,000.00  | 480.00     |
|         |                           |                                                                       |                  |            |        |                    |               |                  |           |               |                                                                           |              |            |            |
|         |                           |                                                                       | <b>Total</b>     | <b>400</b> |        | <b>2,00,000.00</b> |               | <b>32,000.00</b> |           | <b>960.00</b> |                                                                           |              |            |            |

Figure 20.35 Print Preview of Stock Register



*In case of **Sales Returns**, the issued quantity will be reduced by the returned quantity and the received quantity will be reduced in the case of purchase returns.*

## 20.6.2 Excise Purchase Bill Register

Excise Purchase Bill Register is a Purchase bill wise report displaying the details of purchases (Receipts) and sales (Issues) of excisable goods in a given period. It precisely shows Receipts and Issues of Excisable goods alongwith the information on the duty amount passed, duty amount not passed and the balance of duty including Cess amount available during the specified period.

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Dealer > Excise Purchase Bill Register**

- In **Selected Excise Unit** screen
  - By default, **Monnet Ispat & Energy Ltd** appears in **Name of Excise Unit** field
  - Select **Hot Rolled Coils** from the **List of Excise Stock Items** and press **Enter**

| Select Excise Unit                      |  | Monnet Ispat & Energy Ltd                       |                  | Ctrl + M                   |
|-----------------------------------------|--|-------------------------------------------------|------------------|----------------------------|
| Current Period<br>1-4-2009 to 31-3-2010 |  | <b>Excise Stock Register</b>                    |                  | List of Excise Stock Items |
| List of Selected Com                    |  | Name of Excise Unit : Monnet Ispat & Energy Ltd | Hot Rolled Coils |                            |
| Name of Company                         |  | Name of Item :                                  |                  |                            |
| Date of Last Entry                      |  | Gateway of T                                    |                  |                            |

Figure 20.36 Select Excise Unit

The **Excise Purchase Bill Register** of Monnet Ispat & Energy Ltd., is as shown.

| Excise Stock Register                 |                       |                                                                 | Monnet Ispat & Energy Ltd               |          |        |                  |               | Ctrl + M   |               |
|---------------------------------------|-----------------------|-----------------------------------------------------------------|-----------------------------------------|----------|--------|------------------|---------------|------------|---------------|
| Unit Name : Monnet Ispat & Energy Ltd |                       |                                                                 | 1-Apr-2009 to 30-Apr-2009               |          |        |                  |               |            |               |
| Stock Item : Hot Rolled Coils         |                       |                                                                 |                                         |          |        |                  |               |            |               |
| Units : MT                            |                       |                                                                 | Excise Tariff Classification : 72271000 |          |        |                  |               |            |               |
| Receipt                               |                       |                                                                 |                                         |          |        |                  |               |            |               |
| Sl. No.                               | Invoice No. / Date    | Name and Address of the Supplier                                | Nature of Purchase                      | Quantity | Rate   | Assessable Value | Duty per Unit | Total Duty | Cess per Unit |
|                                       |                       |                                                                 |                                         |          |        |                  |               |            | 5 more ...    |
| 1                                     | BS/101<br>10-Apr-2009 | Bhargavan Steels<br>Plot No. 36/E, MIDC<br>Yelahanka, Bangalore | Manufacturer                            | 400      | 500.00 | 2,00,000.00      | 80.00         | 32,000.00  | 2.40          |
|                                       |                       |                                                                 |                                         |          |        |                  |               |            |               |
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Figure 20.37 Excise Purchase Bill Register - Page 1

- Scroll to the right using Right ⇨ arrow button

| Excise Stock Register                 |                       |               |            |               |            | Monnet Ispat & Energy Ltd               |                       |            |            | Ctrl + M |  |
|---------------------------------------|-----------------------|---------------|------------|---------------|------------|-----------------------------------------|-----------------------|------------|------------|----------|--|
| Unit Name : Monnet Ispat & Energy Ltd |                       |               |            |               |            | 1-Apr-2009 to 30-Apr-2009               |                       |            |            |          |  |
| Stock Item : Hot Rolled Coils         |                       |               |            |               |            |                                         |                       |            |            |          |  |
| Units : MT                            |                       |               |            |               |            | Excise Tariff Classification : 72271000 |                       |            |            |          |  |
| Sl. No.                               | Invoice No. / Date    | Duty per Unit | Total Duty | Cess per Unit | Total Cess | Duty Details                            | Issue Issued Quantity | Total Duty | Total Cess |          |  |
|                                       |                       | ← ... 5 more  |            |               |            |                                         |                       |            |            |          |  |
| 1                                     | BS/101<br>10-Apr-2009 | 80.00         | 32,000.00  | 2.40          | 960.00     | Duty Passed On<br>Duty Not Passed On    | 200                   | 16,000.00  | 480.00     |          |  |
|                                       |                       |               |            |               |            | Total                                   | 200                   | 16,000.00  | 480.00     |          |  |
|                                       |                       |               |            |               |            | Balance Duty                            | 200                   | 16,000.00  | 480.00     |          |  |
|                                       |                       |               | 32,000.00  |               | 960.00     |                                         |                       |            |            |          |  |

Figure 20.38 Excise Purchase Bill Register - Page 2

## 20.7 Sales and Purchase Extract

Excise Sales and Purchase Extract report displays the details of purchase and sales transactions of all excisable goods (Excise Invoice as well as Commercial Invoice).

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Dealer > Sales and Purchase Extract**

- In the **Sales and Purchase Extract** printing screen,
  - Press **Backspace** and in Excise Unit field select **Monnet Ispat & Energy Ltd.** from the List of Trader Excise Unit
  - Specify the **From** date as **1-4-2009** and **To** date as **30-4-2009**
  - Specify **Place** and **Date**

| Printing Sales And Purchase Extract                                                                                                                         |                       |                   |                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------|-----------------------------------------|
| <b>Printer</b>                                                                                                                                              | : RnD Printer (Ne01:) | <b>Paper Type</b> | : A4                                    |
| <b>No. of Copies</b>                                                                                                                                        | : 1                   |                   |                                         |
| <b>Print Language</b>                                                                                                                                       | : English             |                   | (Printing Dimensions)                   |
| <b>Method</b>                                                                                                                                               | : Neat Mode           | <b>Paper Size</b> | : (8.27" x 11.69") or (210 mm x 297 mm) |
| <b>Page Range</b>                                                                                                                                           | : All                 | <b>Print Area</b> | : (7.95" x 11.34") or (202 mm x 288 mm) |
| <b>Report Titles</b>                                                                                                                                        |                       |                   |                                         |
| <b>Sales And Purchase Extract</b><br>Quarterly Return under Rule 9 of the CENVAT Rules, 2004 for the Registered Dealers<br>(with Print Preview)             |                       |                   |                                         |
| Excise Unit : <b>Monnet Ispat &amp; Energy Ltd</b><br>From : <b>1-4-2009</b><br>To : <b>30-4-2009</b><br>Place : <b>Bangalore</b><br>Date : <b>5-5-2009</b> |                       |                   |                                         |
|                                                                                                                                                             |                       |                   | <b>Print ?</b><br><b>Yes or No</b>      |

Figure 20.39 Sales and Purchase Extract Printing Configuration

■ **Press Enter to Print**

The printed **Sales and Purchase Extract** of Monnet Ispat & Energy Ltd. is as shown.

| Sales And Purchase Extract                                                         |                          |                                                              |                               |               |                  |                   |                       |
|------------------------------------------------------------------------------------|--------------------------|--------------------------------------------------------------|-------------------------------|---------------|------------------|-------------------|-----------------------|
| Quarterly Return under Rule 9 of the CENVAT Rules, 2004 for the Registered Dealers |                          |                                                              |                               |               |                  |                   |                       |
| Return for the Quarterly Ending <b>30-Apr-2009</b>                                 |                          |                                                              |                               |               |                  |                   |                       |
| 1. Name of the First Stage / Second Stage Dealer                                   |                          | : <b>Monnet Ispat &amp; Energy Ltd</b>                       |                               |               |                  |                   |                       |
| 2. Excise Registration Number                                                      |                          | : <b>MIEBA3201RXD001</b>                                     |                               |               |                  |                   |                       |
| 3. Address                                                                         |                          | : <b>Plot No.36, Air Force Station, Yelahanka, Bangalore</b> |                               |               |                  |                   |                       |
| <b>4. Particulars of invoice issued by First Stage / Second Stage Dealer</b>       |                          |                                                              |                               |               |                  |                   |                       |
| Sl. No.                                                                            | Invoice Number with Date | For all the items in the Document                            |                               |               |                  |                   |                       |
|                                                                                    |                          | Description of the Goods                                     | Central Excise Tariff Heading | Quantity      | Amount of Duty   | Amount of Ed Cess | Amount of Sec Ed Cess |
| 1                                                                                  | 1 / 15-Apr-2009          | Hot Rolled Coils                                             | 72271000                      | 200 MT        | 16,000.00        | 320.00            | 160.00                |
|                                                                                    |                          |                                                              | <b>Total</b>                  | <b>200 MT</b> | <b>16,000.00</b> | <b>320.00</b>     | <b>160.00</b>         |

Figure 20.40 Sales and Purchase Extract (Page 1)

**5. Particulars of the Documents based on which the Credit is Passed on**

| Sl. | Invoice /<br>Bill of Entry<br><br>Number<br>with Date | Name and Address<br>of the First Stage /<br><br>Second Stage<br>Dealer | Name and Address<br>of the<br>Manufacturer<br>/ Importer           | For all the items in the Document |                                     |               |                   |                         |                             |
|-----|-------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------|-------------------------------------|---------------|-------------------|-------------------------|-----------------------------|
|     |                                                       |                                                                        |                                                                    | Description<br>of the Goods       | Central<br>Excise Tariff<br>Heading | Quantity      | Amount<br>of Duty | Amount<br>of Ed<br>Cess | Amount<br>of Sec<br>Ed Cess |
| 1   | BSY101/10-Apr-2009                                    |                                                                        | Bhargavan Steels<br>Plot No. 36/E, MIDC<br>Yelahanka,<br>Bangalore | Hot Rolled Coils                  | 72271000                            | 400 MT        | 32,000.00         | 640.00                  | 320.00                      |
|     |                                                       |                                                                        |                                                                    |                                   | <b>Total</b>                        | <b>400 MT</b> | <b>32,000.00</b>  | <b>640.00</b>           | <b>320.00</b>               |

Place : **Bangalore**  
Date : **5-May-2009**

Signature of the Registered Person or  
the Authorised Signatory

Seal of the Registered Dealer

Figure 20.41 Sales and Purchase Extract (Page 2)

### 20.7.1 Form RG 23D

**Form RG 23D** is the commodity wise Stock Register displaying the details of Receipts and sales Issues of excisable goods in a given period. It precisely shows Receipts and Issues of Excisable goods alongwith the information on the duty amount passed, duty amount not passed and the balance of duty including Cess amount available during the specified period.

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Dealer > Form RG 23D > Select All Items** to view Form RG 23D for all Items

- In **Selected Excise Unit** screen
  - By default, **Monnet Ispat & Energy Ltd** appears in **Name of Excise Unit** field

The **Form RG 23D Register** is displayed as shown

| FORM RG 23D All Items Monnet Ispat & Energy Ltd Ctrl + M                                                          |            |                                                                                                                                                                                             |                              |          |        |                  |                   |                |                          |                      |
|-------------------------------------------------------------------------------------------------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------|--------|------------------|-------------------|----------------|--------------------------|----------------------|
| Unit Name : Monnet Ispat & Energy Ltd 1-Apr-2009 to 30-Apr-2009                                                   |            |                                                                                                                                                                                             |                              |          |        |                  |                   |                |                          |                      |
| Invoice No. / Date                                                                                                | RG 23D No. | Name and Address of Manufacturer / Importer including Central Excise Regn. No. / Range / Division / Commissionerate                                                                         | Particulars                  | Quantity | Rate   | Assessable Value | Basic Excise Duty | Education Cess | Secondary Education Cess | Excise Duty per Unit |
|                                                                                                                   |            |                                                                                                                                                                                             |                              |          |        |                  |                   |                |                          | 1 more ... →         |
| BS/101<br>10-Apr-2009 /<br>Excise<br>Purchases<br><u>Duty Passed On</u><br><br>1<br>15-Apr-2009 /<br>Excise Sales | 1          | Bhargavan Steels<br>Plot No. 36/E, MIDC<br>Yelahanka,<br>Bangalore<br><br>Jaykanth Engineering<br>121, Light Industrial<br>Area, Hosur Main<br>Road, Bangalore<br><br>Total<br>Balance Duty | Hot Rolled Coils<br>72271000 | 400 MT   | 500.00 | 2,00,000.00      | 32,000.00         | 640.00         | 320.00                   | 82.40                |
|                                                                                                                   |            |                                                                                                                                                                                             |                              | 200 MT   |        |                  | 16,000.00         | 320.00         | 160.00                   | 82.40                |
|                                                                                                                   |            |                                                                                                                                                                                             |                              | 200 MT   |        |                  | 16,000.00         | 320.00         | 160.00                   |                      |
|                                                                                                                   |            |                                                                                                                                                                                             |                              | 200 MT   |        |                  | 16,000.00         | 320.00         | 160.00                   |                      |

Figure 20.42 RG 23D Register

### 20.7.2 Quarterly Return - Form II

A first stage dealer or a second stage dealer is required to submit a return. This has to be done in the form specified within fifteen days from the close of each quarter, to the Superintendent of Central Excise.

To print **Quarterly Return - Form II**,

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Dealer > select Form - 2** and press **Enter**.

| PrintingForm - 2                                                                                                                                      |                       |                                                                                                               |                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| <b>Printer</b>                                                                                                                                        | : RnD Printer (Ne01:) | <b>Paper Type</b>                                                                                             | : A4                                    |
| <b>No. of Copies</b>                                                                                                                                  | : 1                   |                                                                                                               |                                         |
| <b>Print Language</b>                                                                                                                                 | : English             |                                                                                                               | (Printing Dimensions)                   |
| <b>Method</b>                                                                                                                                         | : Neat Mode           | <b>Paper Size</b>                                                                                             | : (11.69" x 8.27") or (297 mm x 210 mm) |
| <b>Page Range</b>                                                                                                                                     | : All                 | <b>Print Area</b>                                                                                             | : (11.34" x 7.95") or (288 mm x 202 mm) |
| Report Titles                                                                                                                                         |                       |                                                                                                               |                                         |
| <p align="center"><b>Form - 2</b><br/>Quarterly Return under Rule 9 of the CENVAT Rules, 2004 for the Registered Dealers<br/>(with Print Preview)</p> |                       |                                                                                                               |                                         |
| <p>Excise Unit : <b>Monnet Ispat &amp; Energy Ltd</b></p>                                                                                             |                       |                                                                                                               |                                         |
| From : <b>1-4-2009</b>                                                                                                                                |                       | <div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>Print ?</b><br/> Yes or No </div> |                                         |
| To : <b>30-6-2009</b>                                                                                                                                 |                       |                                                                                                               |                                         |
| Place : <b>Bangalore</b>                                                                                                                              |                       |                                                                                                               |                                         |
| Date : <b>15-7-2009</b>                                                                                                                               |                       |                                                                                                               |                                         |

Figure 20.43 Print Configuration

- In the **Form - 2** printing screen,
    - Press **Backspace** and in Excise Unit field select **Monnet Ispat & Energy Ltd.** from the List of Trader Excise Unit
    - Specify the period of the report from **1-4-2009** to **30-6-2009**.
    - Type the **Place** and **Date** of report.
    - Press **Enter** to print **Form 2**.
  - Press **Alt+Z** or click on **Zoom button** to view an enlarged version of the report.
- The **printed Form 2** for the quarter ending 30th June 2009 is displayed as shown below:

| Form - 2                                                                           |                          |                                   |                               |                                                              |                  |                   |                       |
|------------------------------------------------------------------------------------|--------------------------|-----------------------------------|-------------------------------|--------------------------------------------------------------|------------------|-------------------|-----------------------|
| Quarterly Return under Rule 9 of the CENVAT Rules, 2004 for the Registered Dealers |                          |                                   |                               |                                                              |                  |                   |                       |
| Return for the Quarterly Ending <b>30-Jun-2009</b>                                 |                          |                                   |                               |                                                              |                  |                   |                       |
| 1. Name of the First Stage / Second Stage Dealer                                   |                          |                                   |                               | : <b>Monnet Ispat &amp; Energy Ltd</b>                       |                  |                   |                       |
| 2. Excise Registration Number                                                      |                          |                                   |                               | : <b>MIEBA3201RXD001</b>                                     |                  |                   |                       |
| 3. Address                                                                         |                          |                                   |                               | : <b>Plot No.36, Air Force Station, Yelahanka, Bangalore</b> |                  |                   |                       |
| <b>4. Particulars of invoice issued by First Stage / Second Stage Dealer</b>       |                          |                                   |                               |                                                              |                  |                   |                       |
| Sl. No.                                                                            | Invoice Number with Date | For the Main Item in the Document |                               |                                                              |                  |                   |                       |
|                                                                                    |                          | Description of the Goods          | Central Excise Tariff Heading | Quantity                                                     | Amount of Duty   | Amount of Ed Cess | Amount of Sec Ed Cess |
| 1                                                                                  | 1 / 15-Apr-2009          | Hot Rolled Coils                  | 72271000                      | 200 MT                                                       | 16,000.00        | 320.00            | 160.00                |
|                                                                                    |                          |                                   | <b>Total</b>                  | <b>200 MT</b>                                                | <b>16,000.00</b> | <b>320.00</b>     | <b>160.00</b>         |

Figure 20.44 Print Preview of Form-2 Page-1



**5. Particulars of the Documents based on which the Credit is Passed on**

| Sl. | Invoice /<br>Bill of Entry<br><br>Number<br>with Date | Name and Address<br>of the First Stage /<br><br>Second Stage<br>Dealer | Name and Address<br>of the<br>Manufacturer<br>/ Importer           | For the Main Item in the Document |                                     |               |                   |                         |                             |
|-----|-------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------|-------------------------------------|---------------|-------------------|-------------------------|-----------------------------|
|     |                                                       |                                                                        |                                                                    | Description<br>of the Goods       | Central<br>Excise Tariff<br>Heading | Quantity      | Amount<br>of Duty | Amount<br>of Ed<br>Cess | Amount<br>of Sec<br>Ed Cess |
| 1   | BSY101/10-Apr-2009                                    |                                                                        | Bhargavan Steels<br>Plot No. 36/E, MIDC<br>Yelahanka,<br>Bangalore | Hot Rolled Coils                  | 72271000                            | 400 MT        | 32,000.00         | 640.00                  | 320.00                      |
|     |                                                       |                                                                        |                                                                    |                                   | <b>Total</b>                        | <b>400 MT</b> | <b>32,000.00</b>  | <b>640.00</b>           | <b>320.00</b>               |

Place : **Bangalore**  
Date : **15-Jul-2009**

Signature of the Registered Person or  
the Authorised Signatory

Seal of the Registered Dealer

Figure 20.45 Print Preview of Form-2 Page-2

### 20.7.3 Accounting for Returns of Goods

In the normal course of business, customers may return goods sold to them due to defective quality, price differences etc. Debit and Credit Notes are used to adjust entries for transactions involving the return of excisable goods.

#### Sales Returns

*On 25-4-09, Jaykanth Engineering returned Hot Rolled Coils, the details of which are as given below:*

| Item Description  | Quantity | Rate | VAT |
|-------------------|----------|------|-----|
| Hot Rolled Coils. | 5 MT     | 600  | 4%  |

#### Setup :

- In the **F11: Features (Accounting Features)**,
  - Set **Use Debit/Credit Notes** to **Yes**
  - Set **Use Invoice mode for Credit Notes** to **Yes**
  - Set **Use Invoice mode for Debit Notes** to **Yes**

| Company: <b>Monnet Ispat &amp; Energy Ltd</b>        |              |                                            |              |
|------------------------------------------------------|--------------|--------------------------------------------|--------------|
| <b>Accounting Features</b>                           |              |                                            |              |
| <b>General</b>                                       |              | <b>Invoicing</b>                           |              |
| Integrate Accounts and Inventory                     | ? <b>Yes</b> | Allow Invoicing                            | ? <b>Yes</b> |
| Income/Expense Statement instead of P & L            | ? <b>No</b>  | Enter Purchases in Invoice Format          | ? <b>Yes</b> |
| Allow Multi-Currency                                 | ? <b>No</b>  | Use Debit/Credit Notes                     | ? <b>Yes</b> |
|                                                      |              | Use Invoice mode for Credit Notes          | ? <b>Yes</b> |
|                                                      |              | Use Invoice mode for Debit Notes           | ? <b>Yes</b> |
| <b>Outstandings Management</b>                       |              | <b>Budgets &amp; Scenario Management</b>   |              |
| Maintain Bill-wise Details                           | ? <b>Yes</b> | Maintain Budgets and Controls              | ? <b>No</b>  |
| (for Non-Trading A/cs also)                          | ? <b>No</b>  | Use Reversing Journals & Optional Vouchers | ? <b>No</b>  |
| Activate Interest Calculation                        | ? <b>No</b>  |                                            |              |
| (use advanced parameters)                            | ? <b>No</b>  |                                            |              |
| <b>Cost/Profit Centres Management</b>                |              | <b>Other Features</b>                      |              |
| Maintain Payroll                                     | ? <b>No</b>  | Enable Cheque Printing                     | ? <b>No</b>  |
| Maintain Cost Centres                                | ? <b>No</b>  | Set/Alter Cheque Printing Configuration    | ? <b>No</b>  |
| Use Cost Centre for Job Costing                      | ? <b>No</b>  | Allow Zero valued entries                  | ? <b>No</b>  |
| More than ONE Payroll / Cost Category                | ? <b>No</b>  |                                            |              |
| Use Pre-defined Cost Centre Allocations during Entry | ? <b>No</b>  |                                            |              |
| Show Opening Balance for Revenue Items in Reports    | ? <b>No</b>  |                                            |              |
| F1: Accounts    F2: Inventory    F3: Statutory       |              |                                            |              |

Figure 20.46 F11: Company Features

- Press **Ctrl+A** to accept the screen.
- Create **Excise Sales Returns Voucher Type**
  - Create Credit Note Voucher Type for Excise as discussed in our earlier lessons.

Ensure that the completed **Excise - Sales Returns** Voucher Type appears as shown below:

| Voucher Type Creation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                          | Monnet Ispat & Energy Ltd                                                                  |  | Ctrl + M                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------------------------------------------------------------------------|--|---------------------------------------------------|
| Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | : Excise - Sales Returns |                                                                                            |  |                                                   |
| (alias)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | :                        |                                                                                            |  |                                                   |
| <p align="center"><b><u>General</u></b></p> <p>Type of Voucher : <b>Credit Note</b></p> <p>Abbr. : Ex-C/Note</p> <hr/> <p>Method of Voucher Numbering ? <b>Automatic</b></p> <p>Use Advance Configuration ? <b>No</b></p> <hr/> <p>Use EFFECTIVE Dates for Vouchers ? <b>No</b></p> <p>Make 'Optional' as default ? <b>No</b></p> <p>Use Common Narration ? <b>Yes</b></p> <p>Narrations for each entry ? <b>No</b></p> <hr/> <p>Use for Excise ? <b>Yes</b></p> <p>Default Excise Unit : <b>Monnet Ispat &amp; Energy Ltd</b></p> |                          | <p align="center"><b><u>Printing</u></b></p> <p>Print after saving Voucher ? <b>No</b></p> |  | <p align="center"><b><u>Name of Class</u></b></p> |

**Accept ?**

Yes or No

Figure 20.47 Voucher Type Creation Excise – Sales Returns

### Step 1: Create Credit Note

Go to **Gateway of Tally > Accounting Vouchers > Ctrl+F8: Credit Note > select Excise - Sales Returns** from the **List of Types**.

1. Press **F2** and change the date to **25-4-09**.
2. Select **Goods Sold Returned** as the type of **VAT Adjustment** in the **Used for** field and press **Enter**.
3. Select **Jaykanth Engineering** in the **Party's A/c Name**.
4. Press **Enter** to view the **Receipt Details** screen and accept the default details.
5. Select **Hot Rolled Coils** in the **Name of the Item** field and press **Enter**.
6. The **Supplier Details** screen is displayed.
  - Specify the **Sales Invoice Number** as **1** and the date of the invoice appears.

- ❑ Select BS/101 as the **Supplier Invoice No.** from the **List of Purchases**.
- ❑ Type the returned **Quantity** as **5** in the **Quantity Return** column.

Figure 20.49 Supplier Details

- 

10. Select **Output VAT @ 4%** ledger.
11. The **VAT Amount** is displayed automatically.
12. To view the statutory details of the transaction set **Show Statutory Details** to **Yes**
13. In the **Bill-wise Details** screen, select **Agst Ref** as the type of reference and **1** as the **Bill No.**
14. Type the details of the transaction in the **Narration** field.

The completed **Sales Returns** entry appears as shown below:

| Accounting Voucher Creation             |          | Monnet Ispat & Energy Ltd     |          | Ctrl + M    |
|-----------------------------------------|----------|-------------------------------|----------|-------------|
| <b>Excise - Sales Returns</b> No. 1     |          |                               |          | 25-Apr-2009 |
| Ref. :                                  |          |                               |          | Saturday    |
| Excise Unit : Monnet Ispat & Energy Ltd |          | Used for: Goods Sold Returned |          |             |
| Party's A/c Name : Jaykanth Engineering |          |                               |          |             |
| Current Balance : 1,24,800.00 Dr        |          |                               |          |             |
| Name of Item                            | Quantity | Rate per                      | Amount   |             |
| Hot Rolled Coils                        | 5 MT     | 600.00 MT                     | 3,000.00 |             |
| Output VAT @ 4%                         |          | 4 %                           | 120.00   |             |
| Show Statutory Details ? Yes            |          |                               |          |             |
| Narration:                              |          |                               |          |             |
| Being the goods returned accounted for  |          |                               |          |             |
|                                         |          | 5 MT                          | 3,120.00 |             |

Figure 20.50 Accounting Voucher — Excise-Sales Returns

15. Press **Y** or **Enter** to accept the screen.

### Step 2 : Display Excise Stock Register

In the Excise Stock Register, the issued quantity will be reduced by the quantity returned. In the case of purchase returns, create a **Debit Voucher Type** with **Use for Dealer Excise** set to **Yes** and pass an entry as explained above.

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Dealer> Excise Stock Register**

- Select **Hot Rolled coils** and press **Enter**.

The **Excise Stock Register** after the Sales Returns will appear as shown below:

| Excise Stock Register                 |                       |                                                                 |                    | Monnet Ispat & Energy Ltd               |        |                  |               | Ctrl + M   |               |
|---------------------------------------|-----------------------|-----------------------------------------------------------------|--------------------|-----------------------------------------|--------|------------------|---------------|------------|---------------|
| Unit Name : Monnet Ispat & Energy Ltd |                       |                                                                 |                    | 1-Apr-2009 to 30-Apr-2009               |        |                  |               |            |               |
| Stock Item : Hot Rolled Coils         |                       |                                                                 |                    |                                         |        |                  |               |            |               |
| Units : MT                            |                       |                                                                 |                    | Excise Tariff Classification : 72271000 |        |                  |               |            |               |
| Receipt                               |                       |                                                                 |                    |                                         |        |                  |               |            |               |
| Sl. No.                               | Invoice No. / Date    | Name and Address of the Supplier                                | Nature of Purchase | Quantity                                | Rate   | Assessable Value | Duty per Unit | Total Duty | Cess per Unit |
| 1                                     | BS/101<br>10-Apr-2009 | Bhargavan Steels<br>Plot No. 36/E, MIDC<br>Yelahanka, Bangalore | Manufacturer       | 400                                     | 500.00 | 2,00,000.00      | 80.00         | 32,000.00  | 2.40          |
| Total                                 |                       |                                                                 |                    | 400                                     |        | 2,00,000.00      |               | 32,000.00  |               |

Figure 20.51 Excise Stock Register

### Practice Exercise

1. **Jayanth Industries Pvt Ltd.**, dealing in cold rolled coils, has a bank account in SBI with an opening balance of Rs. 800000.

Given below are the transactions for the month of May 2009. Create Jayanth Industries Pvt Ltd. and pass the following transactions:



*In the F11: Features (Statutory & Taxation Features), Enable **Excise for Dealers** and **VAT** to Yes.*

- Create the following **Voucher types** and select/enter the fields as given in the table:

| Name of Voucher Types | Type of Voucher | Abbr.     | Method of voucher Numbering | Use for Dealer Excise |
|-----------------------|-----------------|-----------|-----------------------------|-----------------------|
| Excise - Purchases    | Purchase        | Ex - Purc | Automatic                   | Yes                   |
| Excise - Sales        | Sales           | Ex- sal   | Automatic                   | Yes                   |
| Excise-Sales Returns  | Credit Note     | Ex-C/Note | Automatic                   | Yes                   |

- Create the following **Ledgers** in the masters and select/ enter the fields as given in the table:

| Name of the Ledger            | Under            | Maintain balances bill-by-bill | Excise Details |
|-------------------------------|------------------|--------------------------------|----------------|
| Vishveshwara Steel Industries | Sundry Creditors | Yes                            | Yes            |
| Ashok Engineers               | Sundry Debtors   | Yes                            | Yes            |



- *In **Excise Details** Screen — Enter **Excise Regn. No.**, **Range**, **Division**, **Commissionerate** and **Select as Manufacturer** for **Default Nature of Purchase**.*
- *In the **Excise Details** Screen — Enter **Excise Regn. No.**, **Range**, **Division**, **Commissionerate** and **Select the Second Stage Dealer** for **Default Nature of Purchase**.*



- Create the following **Ledgers** in the masters and select/ enter the fields as given in the table:

| Name of the ledger          | Under             | Inventory Values are affected | Used in VAT Returns | VAT/Tax Class  |
|-----------------------------|-------------------|-------------------------------|---------------------|----------------|
| Purchases - Excisable Goods | Purchase Accounts | Yes                           | Yes                 | Purchases @ 4% |
| Sales - Excisable Goods     | Sales Accounts    | Yes                           | Yes                 | Sales @ 4%     |

- Create the following **Ledgers** for VAT and enter the fields as given in the table below:

| Name Of the ledger | Under          | Type of Duty/Tax | VAT/Tax Class   | Inventory values are affected |
|--------------------|----------------|------------------|-----------------|-------------------------------|
| Input VAT @ 4%     | Duties & Taxes | VAT              | Input VAT @ 4%  | No                            |
| Output VAT @ 4%    | Duties & Taxes | VAT              | Output VAT @ 4% | No                            |

- Create the following **Units of Measure** and enter the fields as given in the table below:

| Type   | Symbol | Formal Name   | Number of Decimal Places |
|--------|--------|---------------|--------------------------|
| Simple | MT     | Metric Tonnes | 0                        |

- Create the following **Stock Items** and enter the fields as given in the table below:

| Name              | Under   | Units | Excise Details |
|-------------------|---------|-------|----------------|
| Cold Rolled Coils | Primary | MT    | Yes            |



**In Duty Details for: Hot Rolled Coils**

- *Tariff Classification: 74476000*
- *Type of Duty: Basic Excise Duty*
- *Rate of Duty: 16%*
- *Method of Calculation: On Assessable Value*
- *Type of Duty: Education Cess*
- *Rate of Duty: 2%*
- *Method of Calculation: On Duty value*
- *Type of Duty: Secondary Education Cess*
- *Rate of Duty: 1%*
- *Method of Calculation: On Duty value*

**Given below are the transactions :**

1. On 12-5-2009, Jayanth Industries purchased the following items from Vishveshwara Steel Industries (Manufacturer) (Invoice No. 10056).

| Item Description    | Hot Rolled Coils |
|---------------------|------------------|
| Quantity (MT)       | 200              |
| Rate                | 600              |
| Assessable Value    | 1,20,000         |
| Excise Duty @ 15%   | 19,200           |
| Education Cess @ 2% | 384              |
| Total Amount        | 1,39,584         |
| VAT @ 4%            | 5,583.36         |
| Invoice Amount      | 1,45,167.36      |

2. On 20-5-2009, Jayanth Industries sold the following items to Ashok Engineers.

| Item Description | Hot Rolled Coils |
|------------------|------------------|
| Quantity (MT)    | 150              |
| Rate             | 800              |
| VAT              | 4%               |

3. On 22-5-2009, Ashok Engineers returned the following items to Jayanth Industries

| Item Description | Hot Rolled Coils |
|------------------|------------------|
| Quantity (MT)    | 10               |
| Rate             | 800              |
| VAT              | 4%               |

### Points to Remember

- ❑ Excise duty is tax charged on goods manufactured and consumed within India.
- ❑ Goods to be Excisable must satisfy the three basic conditions i.e, it must be movable, marketable and specified in the Central Excise Tariff Act.
- ❑ CENVAT Credit is the set-off of duty paid on inputs used in the manufacture of final products, against the duty liability on such final products.
- ❑ Only the registered dealers are eligible to pass on or avail as the case may be the CENVAT Credit.
- ❑ Tally.ERP 9 permits you to create specific voucher types like Excise-Purchase & Excise-Sales for entering the excise related transactions.
- ❑ Supplier/ Buyer details can be entered during invoice entry.
- ❑ Tally.ERP 9 permits you to generate & print both Cenvatable & Non-Cenvatable Sales Invoice.
- ❑ A Registered Dealer is required to maintain Statutory Reports like Stock Register of the cenvatable goods & Quarterly Return of the Excise Duty paid. Tally.ERP 9 permits you to generate and print these Statutory Reports.
- ❑ Tally.ERP 9 also allows you to make adjustments in the records for the sales return of Cenvatable goods and view its effect in the Statutory Reports.

## Lesson 21: Excise for Manufacturers

### Lesson Objectives

On completion of this lesson, you will learn how to

- ❑ Configure Excise for Manufacturers in Tally.ERP 9
- ❑ Record Excise Purchase and Sales
- ❑ Generate Excise Reports

Excise duty or Duty of Excise is a tax on goods produced or manufactured in India and intended for home consumption i.e, sale in India. The Excise duty is chargeable at the time of production or manufacturing, but for convenience it is charged at the time of removal.

It is basically an indirect tax on the manufacturer or producer which is passed on to the ultimate consumer. The levy and collection of duty of Excise is provided under authority of the Central Excise Act, 1944 at the rates specified under Central Excise Tariff Act, 1985. The duty is commonly referred to as the Basic Excise Duty. Certain items like fibre, yarn and so on also attract Additional Excise Duty under Additional Duties of Excise (Textiles and Textile Articles) Act, 1975 in addition to Basic duty of Excise.

### 21.1 Basic Concepts of Excise Duty

The following are some of the basic terms related to Excise.

#### 21.1.1 Scope and Applicability

Excisable goods means goods specified in the schedule to the Central Excise Tariff Act, 1985 as being subject to a duty of excise.

The basic conditions to be satisfied are,

- ❑ The goods must be movable.

- ❑ The goods must be marketable i.e., saleable in the market as such goods. Actual sale of goods in the market is not necessary as excise duty is chargeable on manufacture and not on sale.
- ❑ The goods must be specified in the Central Excise Tariff Act.

### Who is a Manufacturer ?

Manufacturer is a person who actually manufactures or produces excisable goods, i.e. one that actually brings into existence a new and identifiable product.

### What is Excisable Goods ?

Excisable goods means, goods specified in the schedule to the Central Excise Tariff Act, 1985 as being subject to a duty of excise.

### Types of Excise Duties

As per Excise Act, the various duties of Excise are explained below :

1. **Basic Excise Duty:** This is the duty charged under section 3 of the Central Excises and Salt Act, 1944 on all excisable goods other than salt which are produced or manufactured in India. Basic Excise Duty [also known as Central Value Added Tax (CENVAT)] is levied at the rates specified in Central Excise Tariff Act.
2. **Special Excise Duty:** As per Section 37 of the Finance Act, 1978 Special excise Duty was levied on all excisable goods on which Basic excise Duty was levied under the Central Excises and Salt Act, 1944. Special Excise Duty is levied at the rates specified in the Second Schedule to Central Excise Tariff Act, 1985.
3. **Education Cess on excise duty:** Section 93 of Finance (No. 2) Act, 2004 states that education cess is 'duty of excise', to be calculated on aggregate of all duties of excise including special excise duty or any other duty of excise, but excluding education cess on excisable goods.
4. **Excise duty in case of clearances by EOU:** The EOU units are expected to export all their production. However, if they clear their final product in DTA (domestic tariff area), the rate of excise duty will be equal to customs duty on like article if imported in India.
5. **National Calamity contingent Duty (NCCD):** A 'National Calamity Contingent Duty' (NCCD) has been imposed vide section 136 of Finance Act, 2001 [clause 129 of Finance Bill, 2001, w.e.f. 1.3.2001]. This duty is imposed on pan masala, chewing tobacco and cigarettes.
6. **Duties under other Acts:** Some duties and cesses are levied on manufactured products under other Acts. The administrative machinery of central excise is used to collect those taxes. Provisions of Central Excise Act and Rules have been made applicable for levy and collection of these duties / cesses.
7. **Additional Duty on goods of special importance** - Some goods of special importance are levied Additional Excise under Additional Duties of Excise (Goods of Special Importance) Act, 1957. The 'Additional Duty' is in addition to excise duty. This scheme was introduced based on the suggestion made by the manufacturers to Government, that multiple level taxes and duties should be avoided. Levy and collection of all taxes at one stage by single authority will be convenient for payment and administration. Hence, by agreement between Central and State Governments, it was decided to make a beginning in 1957, by selecting some items where additional duty will be collected instead of sales tax and such additional duty will be distributed

among various States. Revenue from this duty is distributed among State Governments on the basis of percentages given in the second schedule to the Act. Some items covered are textile articles like cotton fabrics, silk and wool fabrics, man-made fibres, terry fabrics, metallised yarn, embroidery; sugar, branded tobacco, pan masala containing tobacco and cigarettes.

8. **Duty on Medical and Toilet preparations:** An duty of excise is imposed on medical preparations under Medical and Toilet Preparations (Excise Duties) Act, 1955.
9. **Additional duty on mineral products** - Additional duty on mineral products (like motor spirit, kerosene, diesel and furnace oil) is payable under Mineral Products (Additional Duties of Excise and Customs) Act, 1958.
10. **Additional Customs Duty commonly known as countervailing Duty (CVD):** Countervailing duty (CVD) is imposed on the Imports.
11. **Special Additional Duty of Customs (Special CVD):** Special CVD is being imposed on items bound under the Information Technology Agreement (except information technology software), and also on specified inputs/raw materials for manufacture of electronics/IT goods.
12. **Additional Duties of Excise (Textiles and Textile Articles) [AED (TTA)]**
13. **Additional Duty of Excise (Tea and Tea Waste) [AED (TTW)]**
14. **Secondary Higher Education Cess**

### 21.1.2 Excise Valuation Methods

Value of the excisable goods has to be necessarily determined to levy the duty on the goods. Under the Central Excise Act, 1944, the following methods of valuation of goods are considered for the assessment of Duty.

1. **Ad valorem/ Transaction Value:** Transaction value means the value of goods which are sold at the time and place of removal and includes in addition to the amount charged as price, any amount that the buyer is liable to pay to, including any amount charged for, or to make provision for, advertising or publicity, marketing and selling, organization expenses, storage, outward handling, servicing, warranty, commission or any other matter.

Transaction value, on each removal of goods, shall be determined on the fulfilment of the following conditions:

- ❑ The goods should be sold at the time and place of removal
  - ❑ Buyer and Assessee should not be related
  - ❑ Price should be the sole consideration for the sale
  - ❑ Each removal will be treated as a separate transaction and 'value' for each removal will be separately fixed.
2. **Ad Quantum:** In case of Ad Quantum, the duty is payable on the basis of certain units Like Weight, Length, volume etc. For Example, Duty on cigarette is payable on the basis of length of the cigarette, duty on Sugar is based on per Kg.
  3. **Value determined on the basis of Maximum Retail Sale Price:** Retail sale price means the maximum price at which the excisable goods in packaged form may be sold to the ultimate consumer and includes all taxes local or otherwise, freight, transport charges, commission payable to dealers, and all charges towards advertisement, delivery, packing, forwarding and the like, as the case may be, and the price is the sole consideration for such sale.

The following factors need to be considered while determining the value on the basis of maximum retail sale price

- ❑ Where, on the packages of any excisable goods, more than one retail sale price is declared, the maximum of such retail sale price shall be deemed to be the retail sale price
- ❑ Where, the retail price, declared on the package of any excisable goods at the time of its clearance from the place of manufacture, is altered to increase the retail sale price, such altered retail sale price shall be deemed to be the retail sale price.
- ❑ Where, different retail sale prices are declared on different packages for the sale of any excisable goods in packaged form in different areas, each such retail price shall be the retail sale price for the purposes of valuation of the excisable goods intended to be sold in the area to which the retail sale price relates.

### 21.1.3 CENVAT Credit

The Government entitles the manufacturer of excisable goods to take credit of Excise duty paid on the inputs or raw materials known as CENVAT Credit. A manufacturer or producer can avail CENVAT Credit on the following duties as specified in the Cenvat Credit Rules, 2002.

- ❑ **Basic Excise Duty** on inputs specified in the First Schedule to Central Excise tariff Act (corresponding CVD on imported goods is allowable).
- ❑ **Special Excise Duty** on goods specified in the Second Schedule to the Tariff Act (corresponding CVD on imported goods is allowable).
- ❑ **Additional Excise Duty** paid under Additional Duties of Excise (Textile and Textile Article).
- ❑ **Additional Excise Duty** paid under Additional Duties of Excise (Goods of Special Importance).
- ❑ **National Calamity Contingent duty** (NCCD).
- ❑ **Education Cess** and Secondary and Higher Education Cess on Excise Duty.
- ❑ **Additional custom duty** leviable under Customs Tariff Act (Spl. CVD)
- ❑ **Education Cess** and Secondary and Higher Education Cess on CVD
- ❑ **Additional Excise Duty** paid under Clause 85 of Finance Bill, 2005 on Pan Masala and Certain other Tobacco products.
- ❑ **Service tax** on input services.
- ❑ **Education Cess** and Secondary & Higher Education Cess paid on service tax. This credit can be utilised only for payment of education cess on the final product or output services.

### 21.1.4 Registration of Manufacturers

Every manufacturer of excisable goods on which excise duty is leviable or persons who desire to issue CENVATABLE invoices under the provisions of the CENVAT Credit Rules, 2001 are required to be registered as per the procedure prescribed in Rule 9 of Central Excise (No. 2) Rules 2001. The registration is valid only for the premises it is granted. Where the manufacturer or dealer, has more than one premise it is necessary to obtain a separate registration for each premises from the respective Range Superintendent having jurisdiction over the premises, whether it be a factory or a depot / branch office desiring to issue CENVAT invoices.



The registration numbers are PAN based 15 digit alpha numeric. The first part denotes 10 character (alpha numeric) Permanent Account number issued by Income tax authorities and the second part comprises of a fixed 2 character alpha code which is as follows:

| Category                                                         | Code |
|------------------------------------------------------------------|------|
| Central Excise Manufacturer<br>(Including registered warehouses) | XM   |
| Registered Dealer                                                | XD   |

This is followed by a three character numeric code - 001, 002, 003 etc., i.e, where a manufacturer has only one factory / dealer's premise / warehouse, the last three character will be 001. If there are more than one factories / dealer's premises / warehouses of such a person holding common PAN for all such premises, the last three characters would be 002, 003 etc.

### 21.1.5 Requirements of Excise Invoice

The Registered Location of a manufacturer is required to issue invoice in the prescribed format containing the following details:

- ❑ Minimum four copies of Invoice are required to be prepared and the copies of the invoice should be marked at the top in the following manner:
  - Original copy should be marked as Original for Buyer
  - Duplicate should be marked as Duplicate for Transporter (to be used for availing CENVAT credit)
  - Triplicate should be marked as Triplicate for Central Excise
  - Quadruplicate should be marked as Quadruplicate for Registered person
- ❑ The dealer is required to issue only one invoice in respect of the consignment wherein all the packages are dispatched in one lot. However, in cases where the consignment is dispatched separately either on the same day or on different days or loaded on more than one vehicle, a separate invoice shall be made out for each lot or consignment.
- ❑ The copies of the invoices issued by a first stage dealer and a second stage dealer shall be marked at the top as First Stage Dealer and Second Stage Dealer respectively.
- ❑ Name, address and Central Excise Registration number of the registered location issuing the invoice, name of the jurisdictional range / Division / Commissionerate and company's Income Tax Number and Sales Tax Registration Number should pre-printed on the Invoice.
- ❑ Only one invoice book of each type shall be used by the registered location.
- ❑ Each CENVAT Invoice issued by the location should bear a printed serial number, beginning from 1st April of the year.

- The serial numbers of the invoices to be used are to be intimated to the respective jurisdictional Assistant Commissioner of Central Excise and obtain a dated acknowledgement of such intimation.
- Records and Invoice generated through computer are also recognized. In that case, the serial number likely to be used in the forthcoming quarter should be intimated to the Asst. Commissioner. As soon as the said serial Nos. are exhausted, a revised intimation may be sent. Such registered Location should also send details of the software used including the format for information of the Asst. Commissioner in case he demands.
- In case of Records and Invoice generated through computer, the serial number likely to be used in the forthcoming quarter should be intimated to the jurisdictional Assistant Commissioner of Central Excise. The details of software used including a format used for information, is also required to be sent to the Assistant Commissioner.

### 21.1.6 Types of Duties and Method of Calculation

| Duties of Excise                | Type   | Method of Calculation            |
|---------------------------------|--------|----------------------------------|
| Basic Excise Duty (BED)         | Excise | on Assessable Value              |
| Special Excise Duty (SED)       | Excise | on Assessable Value              |
| AED (GSI)                       | Excise | on Assessable Value              |
| AED (TTA)                       | Excise | on BED + SED                     |
| AED (TTW)                       | Excise | on BED + SED                     |
| AED (PM&T)                      | Excise | on BED + SED                     |
| NCCD                            | Excise | on BED + SED + AED (GSI)         |
| Special AED                     | Excise | on Quantity                      |
| AED on High Speed Diesel        | Excise | on Quantity                      |
| Educational Cess                | Excise | On Total Excise Duty             |
| SHE Cess on Excise duty         | Excise | On Total Excise Duty             |
| Countervailing Duty(CVD)        | CVD    | on Assessable Value+ BCD         |
| SED of CVD                      | CVD    | on Assessable Value+ BCD         |
| AED (GSI) of CVD                | CVD    | on Assessable Value+ BCD         |
| AED (TTA) of CVD                | CVD    | on CVD + SED–CVD                 |
| AED (TTW) of CVD                | CVD    | on CVD + SED–CVD                 |
| AED (PM&T) of CVD               | CVD    | on CVD + SED–CVD                 |
| NCCD of CVD                     | CVD    | on CVD + SED–CVD + AED (GSI)–CVD |
| Special AED of CVD              | CVD    | on Quantity                      |
| AED on High Speed Diesel of CVD | CVD    | on Quantity                      |

| Duties of Excise            | Type    | Method of Calculation    |
|-----------------------------|---------|--------------------------|
| Educational Cess on CVD     | CVD     | On Total CVD             |
| SHE Cess on CVD             | CVD     | On Total CVD             |
| Basic Custom Duty           | Customs | on Assessable Value      |
| Additional Duty on Customs  | Customs | on BCD                   |
| Educational Cess on Customs | Customs | on Total Customs and CVD |
| SHE Cess on Customs         | Customs | on Total Customs and CVD |
| Special Custom Duty         | Customs | on Current Sub Total     |

### 21.1.7 Time and Mode of Payment of Duty

| S.No | Particulars                                                                              | Periodicity | Due Date                                                                                                                                                                                         |
|------|------------------------------------------------------------------------------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.   | Assesses (Large Units) who are not availing the concession of duty based on turnover     | Fortnightly | On <b>20th</b> of a month for the clearances made between <b>1st</b> to <b>15th</b> .<br>On <b>5th</b> of the subsequent month for clearance made between <b>16th</b> to <b>end of a month</b> . |
| 2.   | Assesseees who are neither Large Units nor availing concession of duty based on turnover | Monthly     | <b>15th</b> of the subsequent month                                                                                                                                                              |
| 3.   | Assesseees availing small scale industries (SSI) concession of duty based on turnover    | Monthly     | <b>15th</b> of the subsequent month                                                                                                                                                              |



*In case of clearances made in the month of **March**, the payment should be made on the **31st** of the same month.*

### 21.1.8 Returns & Timelines

The following Returns are required to be filed under Excise for Manufacturers:

| Form No.                  | Particulars                                                                                                  | Periodicity | Due Date                                               |
|---------------------------|--------------------------------------------------------------------------------------------------------------|-------------|--------------------------------------------------------|
| ER-1                      | Return by Assesses, who are not availing the concession of duty based on turnover (large units) (e>Returns). | Monthly     | On or before 10th of the subse-quent month             |
|                           | Return by Assesseees, who are nei-ther Large Units nor availing con-cession of duty based on turnover.       | Monthly     | On or before 10th of the subse-quent month             |
| Monthly Return for CENVAT | Return by large and Regular units                                                                            | Monthly     | On or before 10th of the subse-quent month (With ER-1) |
| ER-3                      | Return by Assesseees availing small scale industries (SSI) concession of duty based on turnover              | Quarterly   | Within 20days from the close of quarter                |

## 21.2 Configuring Excise in Tally.ERP 9

Tally.ERP 9's simple yet powerful Excise feature enables you to record transactions related to Excise with ease. The Excise functionality in Tally.ERP 9 has the following features:

### Salient Features of Excise in Tally.ERP 9

- ❑ Simple and user-friendly.
- ❑ Easy to setup and use.
- ❑ Allows Multiple Excise units (Manufacturer as well as Dealer) in a Single Company
- ❑ Allows Tariff (HSN) / Commodity Code for Excisable items
- ❑ Facilitates various Excise duty parameters like BED, AED (GSI), SED, NCCD, AED (T and TA), AED (T&TW), Education Cess and so on.
- ❑ Generate Excise Invoice as per Rule 11 of Excise Rules 2001.
- ❑ Allows additional ledgers such as expenses / incomes to form part of Assessable value.
- ❑ Allows calculation of duty for different Items under different valuation methods in a single invoice.
- ❑ Allows recording of Exempt, Export & Special Rate transactions.
- ❑ Facilitates reversal of CENVAT Credit and also full or partial CENVAT Credit on Inputs and Capital Goods/ Service Tax towards Duty payable.
- ❑ Generate and print Excise payment challan in G.A.R. -7 Challan.

- Generate Excise Reports viz., Excise Computation Report, PLA Register, CENVAT Credit Register, ER-1 & ER-3 returns.

### 21.2.1 Enabling Excise in Tally.ERP 9

It's a one time configuration in Tally.ERP 9 for Excise features to be enabled for Manufacturers.

Let us consider the example of **M/s. Metal Craft Engineering Pvt. Ltd.**, who are engaged in the business of manufacturing Hot Rolled Beams, Cold Rolled Channels, Slotted angles and so on.

#### Step 1 : Create Company

Go to Gateway of Tally > Alt + F3: Cmp Info > Create Company/ Alter

- In the **Company Creation/ Company Alteration** screen
  - Specify the **Country, State and Accounts with Inventory** details
  - Enter the other details as shown

The completed **Company Creation** screen is displayed as shown:

| Company Creation                     |                                                                   | Ctrl + M                                                                        |                           |
|--------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------|
| Directory                            | : C:\Tally.ERP9\Data                                              |                                                                                 |                           |
| Name                                 | : Metal Craft Engineering Pvt Ltd                                 |                                                                                 |                           |
| <b>Mailing &amp; Contact Details</b> |                                                                   | <b>Company Details</b>                                                          |                           |
| Mailing Name                         | : Metal Craft Engineering Pvt Ltd                                 | Currency Symbol                                                                 | : Rs.                     |
| Address                              | : 17/8, Peenya Industrial Area<br>2nd Phase, B Cross<br>Bangalore | Maintain                                                                        | : Accounts with Inventory |
|                                      |                                                                   | Financial Year from                                                             | : 1-4-2009                |
|                                      |                                                                   | Books beginning from                                                            | : 1-4-2009                |
| <b>Security Control</b>              |                                                                   |                                                                                 |                           |
| Statutory compliance for             | : India                                                           | Disallow opening in Educational mode ?                                          | No                        |
| State                                | : Karnataka                                                       | TallyVault Password (if any)                                                    | :                         |
| PIN Code                             | : 560058                                                          | Repeat Password                                                                 | :                         |
| Telephone No.                        | : 08028378699                                                     | (WARNING: forgetting your TallyVault password will render your data unusable!!) |                           |
| E-Mail                               | : sales@metalcrafterngg.com                                       | Use Security Control                                                            | ? No                      |
|                                      |                                                                   | (Enable Security to avail Tally.NET Features)                                   |                           |
| <b>Base Currency Information</b>     |                                                                   |                                                                                 |                           |
| Base Currency Symbol                 | : Rs.                                                             | Show Amounts in Millions                                                        | ? No                      |
| Formal Name                          | : Indian Rupees                                                   | Put a SPACE between Amount and Symbol                                           | ? Yes                     |
| Number of Decimal Places             | : 2                                                               | Decimal Places for Printing Amounts in V                                        |                           |
| Is Symbol SUFFIXED to Amounts ?      | No                                                                |                                                                                 |                           |
| Symbol for Decimal Portion           | : paise                                                           |                                                                                 |                           |
|                                      |                                                                   | Accept ?                                                                        |                           |
|                                      |                                                                   | Yes or No                                                                       |                           |

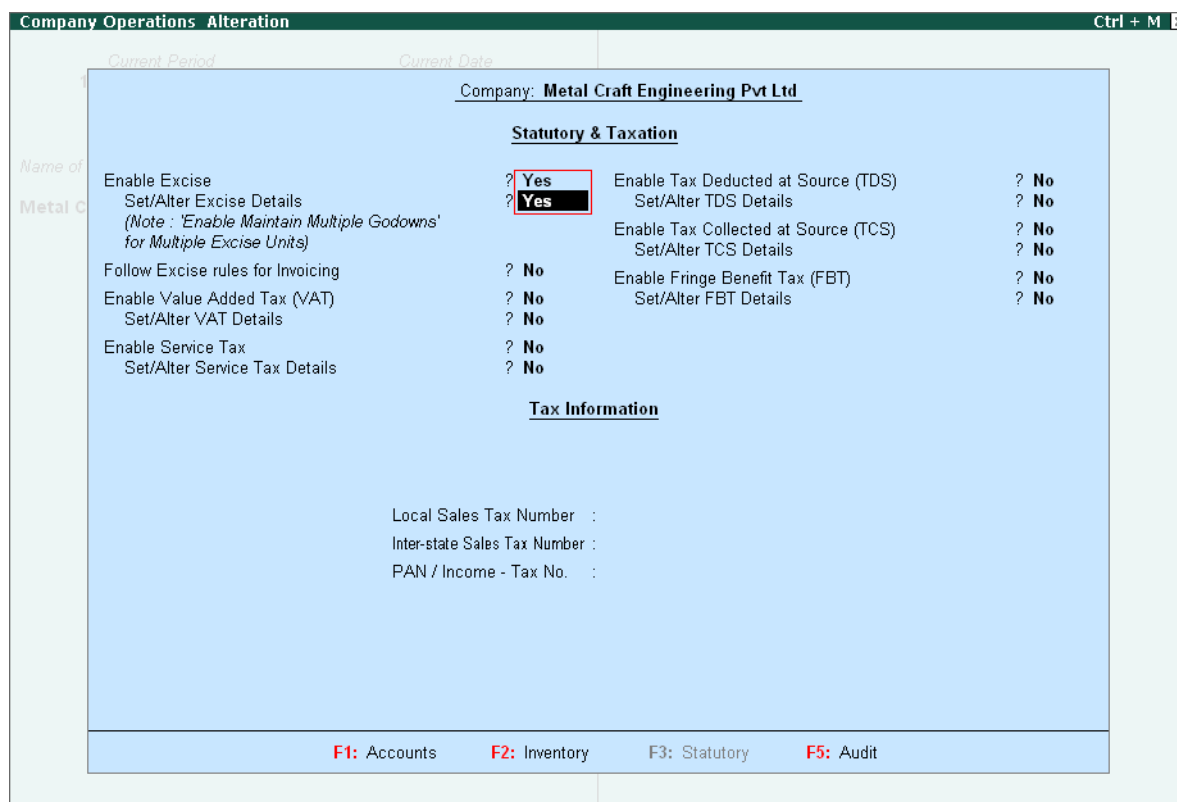
Figure 21.1 Company Creation

#### Step 2 : Enable Excise

To enable Excise for Manufacturers, follow the steps given below :

Go to **Gateway of Tally > F11: Features > Statutory & Taxation**

- ❑ Set **Enable Excise** to **Yes**
- ❑ Enable **Set/Alter Excise Details** to **Yes**



**Company Operations Alteration** Ctrl + M

Current Period:   
Current Date:   
Company: **Metal Craft Engineering Pvt Ltd**

**Statutory & Taxation**

|                                                                                                      |              |                                      |             |
|------------------------------------------------------------------------------------------------------|--------------|--------------------------------------|-------------|
| Enable Excise                                                                                        | ? <b>Yes</b> | Enable Tax Deducted at Source (TDS)  | ? <b>No</b> |
| Set/Alter Excise Details<br>(Note : 'Enable Maintain Multiple Godowns'<br>for Multiple Excise Units) | ? <b>Yes</b> | Set/Alter TDS Details                | ? <b>No</b> |
| Follow Excise rules for Invoicing                                                                    | ? <b>No</b>  | Enable Tax Collected at Source (TCS) | ? <b>No</b> |
| Enable Value Added Tax (VAT)                                                                         | ? <b>No</b>  | Set/Alter TCS Details                | ? <b>No</b> |
| Set/Alter VAT Details                                                                                | ? <b>No</b>  | Enable Fringe Benefit Tax (FBT)      | ? <b>No</b> |
| Enable Service Tax                                                                                   | ? <b>No</b>  | Set/Alter FBT Details                | ? <b>No</b> |
| Set/Alter Service Tax Details                                                                        | ? <b>No</b>  |                                      |             |

**Tax Information**

Local Sales Tax Number :   
Inter-state Sales Tax Number :   
PAN / Income - Tax No. :

**F1:** Accounts    **F2:** Inventory    **F3:** Statutory    **F5:** Audit

Figure 21.2 Enabling Excise

The **Excise Registration Details** sub-form is displayed as shown:

| Excise Registration Details                                                         |                 | Metal Craft Engineering Pvt Ltd                                                |  | Ctrl + M |
|-------------------------------------------------------------------------------------|-----------------|--------------------------------------------------------------------------------|--|----------|
| Registration Type :                                                                 |                 | <div>Registration Types</div> <div>Dealer</div> <div><b>Manufacturer</b></div> |  |          |
| Address : 17/B, Peenya Industrial Area                                              |                 |                                                                                |  |          |
| PIN Code : 560058                                                                   |                 |                                                                                |  |          |
| Telephone No. : 08028378699                                                         |                 |                                                                                |  |          |
| <b>Excise Details</b><br>(Dealer Unit)                                              |                 |                                                                                |  |          |
| Unit Mailing Name : Metal Craft Engineering<br>(Will be used in all Excise Reports) |                 |                                                                                |  |          |
| Excise Registration (ECC) No. :                                                     |                 |                                                                                |  |          |
| Date of Registration :                                                              |                 |                                                                                |  |          |
| <b>Other Details</b>                                                                |                 |                                                                                |  |          |
| <b>Range</b>                                                                        | <b>Division</b> | <b>Commissionerate</b>                                                         |  |          |
| Code :                                                                              | Code :          | Code :                                                                         |  |          |
| Name :                                                                              | Name :          | Name :                                                                         |  |          |
| Address :                                                                           | Address :       | Address :                                                                      |  |          |

Figure 21.3 Excise Registration Details

4. **Registration Type:** Select **Manufacturer** from Registration Types list
5. **Address, Telephone No and PIN Code:** Address, Telephone No. and PIN Code details are captured from the company creation screen. If required, it can be altered.
6. **Excise Details:** Under this section provide Excise Details of the unit. Excise Details will be specific to the Registration Type selected.



*Registration Type selected will be displayed below the heading - **Excise Details** to identify the unit as a manufacturer or a dealer.*

- **Unit Mailing Name:** The **Mailing Name** entered in the company creation will be displayed as the Unit Mailing Name. If required, it can be altered.



**Name entered in the Unit Mailing Name will be used in all Excise Reports.**

- ❑ **Excise Registration (ECC) No.:** Enter **15** digits Excise Registration Number (ECC) of the Company/Unit, e.g. **KABCC3220DXL003**
- ❑ **Date of Registration:** Enter the date of Excise registration, e.g. **01-05-2001**
- ❑ **Type of Manufacturer:** select the appropriate **Manufacturer Type** from the list of Types of Manufacturer, e.g. Regular

| Excise Registration Details                               |   | Metal Craft Engineering Pvt Ltd                                                             |  | Ctrl + M               |
|-----------------------------------------------------------|---|---------------------------------------------------------------------------------------------|--|------------------------|
| <b>Excise Registration Details</b>                        |   |                                                                                             |  |                        |
| Registration Type                                         | : | <b>Manufacturer</b>                                                                         |  |                        |
| Address                                                   | : | 17/8, Peenya Industrial Area<br>2nd Phase, B Cross<br>Bangalore                             |  |                        |
| PIN Code                                                  | : | 560058                                                                                      |  |                        |
| Telephone No.                                             | : | 08028378699                                                                                 |  |                        |
| <b>Excise Details</b><br>(Manufacturer Unit)              |   |                                                                                             |  |                        |
| Unit Mailing Name<br>(Will be used in all Excise Reports) | : | <b>Metal Craft Engineering</b>                                                              |  |                        |
| Excise Registration (ECC) No.                             | : | <b>KABCC3220DXL003</b>                                                                      |  |                        |
| Date of Registration                                      | : | <b>1-May-2001</b>                                                                           |  |                        |
| Type of Manufacturer                                      | : | <div>Types of Manufacturer</div> <div>Regular</div> <div>Small Scale Industries (SSI)</div> |  |                        |
| Large Tax payer Unit (LTU) Code                           | : |                                                                                             |  |                        |
| Excise Book Name (as per Rule 11)                         | : |                                                                                             |  |                        |
| <b>Other Details</b>                                      |   |                                                                                             |  |                        |
| <b>Range</b>                                              |   | <b>Division</b>                                                                             |  | <b>Commissionerate</b> |
| Code :                                                    |   | Code :                                                                                      |  | Code :                 |
| Name :                                                    |   | Name :                                                                                      |  | Name :                 |
| Address :                                                 |   | Address :                                                                                   |  | Address :              |

Figure 21.4 Excise Registration Details

- ❑ **Large Tax Payer Unit (LTU) Code:** Enter the LTU code, if your company/unit is a large tax payer and has opted for assessment in Large Tax Payer Unit. **Skip the Large Tax Payer Unit (LTU) Code field.**





**Large Tax Payers** are those assesseees who pay large amounts of Tax. They are the eligible taxpayer for the purposes of being served by the LTU. For e.g.: **Rs.5 Crores.**

- ❑ **Excise Book Name (as per Rule 11):** Enter the **Excise Book Name** which is allowed by the Commissioner of Central Excise for the company/unit.
- ❑ Select the option **New Number** from the **List of Excise Books**, to view **Serial Number Alteration (Secondary)** screen.

| Serial Number Alteration (Secondary) |                 |                               |                 | Metal Craft Engineering Pvt Ltd |                 |             |  |
|--------------------------------------|-----------------|-------------------------------|-----------------|---------------------------------|-----------------|-------------|--|
| Name :                               |                 |                               |                 |                                 |                 |             |  |
| (alias) :                            |                 |                               |                 |                                 |                 |             |  |
| Method of Numbering                  |                 | ? Automatic (Manual Override) |                 |                                 |                 |             |  |
| Prevent Duplicates                   |                 | ? Yes                         |                 |                                 |                 |             |  |
| Starting Number                      |                 | ? 1                           |                 |                                 |                 |             |  |
| Width of Numerical Part              |                 | :                             |                 |                                 |                 |             |  |
| Prefill with ZERO                    |                 | ? No                          |                 |                                 |                 |             |  |
| Restart Numbering                    |                 |                               | Prefix Details  |                                 | Suffix Details  |             |  |
| Applicable From                      | Starting Number | Particulars                   | Applicable From | Particulars                     | Applicable From | Particulars |  |
| 1-Apr-2009                           | 1 Yearly        |                               | 1-Apr-2009      |                                 | 1-Apr-2009      |             |  |

Figure 21.5 Serial Number Alteration

- **Name:** Enter the excise invoice book name allowed by the Commissioner of Central Excise for the company/unit, e.g. **MCE/Rule11/Book-1/09-10**  
**MCE** - Denotes **Company Name**.  
**Rule 11:** Denotes that invoice book is maintained as per Rule 11 of Central Excise Rules.

**Book-1:** Denotes the Book Number, which is allowed for the current financial year.

**09-10:** Denotes the financial year.

- **Method of Numbering:** By default **Automatic (Manual Override)** is displayed as the method of numbering.



*It is recommended to use **Automatic (Manual override)** method of numbering to automatically generate serial numbers for Excise Invoices in Tally.ERP 9.*

- **Prevent Duplicates:** By default this field will be set to **Yes**.
- **Starting Number:** Enter the **Starting Voucher Number** which is allowed by the Commissioner of Central Excise. E.g. **101**
- **Width of Numerical part:** Mention the width of the numerical part.
- **Prefill with Zero:** when this option is set to **No** the digits before the invoice number will be blank. If this field is set to **Yes** the invoice number will be prefilled with Zeros based on the width of numerical part e.g. **00001**(where the width of numerical part is set to 5).
- **Restart Numbering:** In this field enter the **Starting Number** as **101** and ensure under Particulars the Type of Period is Yearly
- In this section user can set the dates to restart the voucher number by defining the types of period (Daily, Monthly, Never, weekly or Yearly).
- **Prefix Details:** Here enter the information to be prefixed with voucher number
- **Applicable From:** Enter **1-4-2009** in **Applicable From** field. The date mentioned in this field indicates the date from when the prefix should be displayed along with the voucher number.
- **Particulars:** Enter the information to be prefixed to the voucher number E.g. **MCE/**
- **Suffix Details:** Here enter the information to be suffixed with the voucher number

**Applicable From:** Enter **1-4-2009** in **Applicable From** field. The date mentioned in this field indicates the date from when the suffix should be displayed along with the voucher number.

**Particulars:** Enter the information to be suffixed to the voucher number E.g. **/09-10**

| Serial Number Alteration (Secondary)                                                                              |                 |             |                 | Metal Craft Engineering Pvt Ltd      |                 |             |  |
|-------------------------------------------------------------------------------------------------------------------|-----------------|-------------|-----------------|--------------------------------------|-----------------|-------------|--|
| Name : <b>Book - I/09-10</b>                                                                                      |                 |             |                 |                                      |                 |             |  |
| (alias) :                                                                                                         |                 |             |                 |                                      |                 |             |  |
| Method of Numbering                                                                                               |                 |             |                 | ? <b>Automatic (Manual Override)</b> |                 |             |  |
| Prevent Duplicates                                                                                                |                 |             |                 | ? <b>Yes</b>                         |                 |             |  |
| Starting Number                                                                                                   |                 |             |                 | ? <b>101</b>                         |                 |             |  |
| Width of Numerical Part                                                                                           |                 |             |                 | : <b>0</b>                           |                 |             |  |
| Prefill with ZERO                                                                                                 |                 |             |                 | ? <b>No</b>                          |                 |             |  |
| Restart Numbering                                                                                                 |                 |             | Prefix Details  |                                      | Suffix Details  |             |  |
| Applicable From                                                                                                   | Starting Number | Particulars | Applicable From | Particulars                          | Applicable From | Particulars |  |
| 1-Apr-2009                                                                                                        | 101             | Yearly      | 1-Apr-2009      | MCE/                                 | 1-Apr-2009      | /09-10      |  |
|                                                                                                                   |                 |             |                 |                                      |                 |             |  |
| <div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>Accept ?</b><br/> Yes or No </div> |                 |             |                 |                                      |                 |             |  |

Figure 21.6 Serial Number Alteration

Tally.ERP 9 allows you to create more than one Excise Book Name for the same company or Unit. To create more **serial numbers**, you can either follow the steps given above or go to **Serial Number** option in **Accounts info** menu.

**7. Other Details:** In this section enter **Range**, **Division** and **Commissionerate** details

- ❑ **Range:** Enter the code Name and Address of the range under which your company is registered.
  - **Code:** Enter Range Code as **090506**
  - **Name:** Enter Range Name as **Hosur**
  - **Address:** Enter the **Range Address**
- ❑ **Division:** Enter the code Name and Address of the division under which your company is registered.
  - **Code:** Enter Division Code as **0905**
  - **Name:** Enter Division Name as **Division II**
  - **Address:** Enter the **Division Address**
- ❑ **Commissionerate:** Enter the code Name and Address of the Commissionerate under which your company is registered.
  - **Code:** Enter Commissionerate Code as **06**

- Name: Enter Commissionerate Name as **Bangalore V**
- Address: Enter the **Commissionerate Address**

| Excise Registration Details                                                      |                                                                                  | Metal Craft Engineering Pvt Ltd                                                          |  | Ctrl + M |
|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|--|----------|
| <b>Excise Registration Details</b>                                               |                                                                                  |                                                                                          |  |          |
| Registration Type                                                                | : <b>Manufacturer</b>                                                            |                                                                                          |  |          |
| Address                                                                          | : 17/8, Peenya Industrial Area<br>2nd Phase, B Cross<br>Bangalore                |                                                                                          |  |          |
| PIN Code                                                                         | : <b>560058</b>                                                                  |                                                                                          |  |          |
| Telephone No.                                                                    | : <b>08028378699</b>                                                             |                                                                                          |  |          |
| <b>Excise Details</b><br>(Manufacturer Unit)                                     |                                                                                  |                                                                                          |  |          |
| Unit Mailing Name<br>(Will be used in all Excise Reports)                        | : <b>Metal Craft Engineering</b>                                                 |                                                                                          |  |          |
| Excise Registration (ECC) No.                                                    | : <b>KABCC3220DXL003</b>                                                         |                                                                                          |  |          |
| Date of Registration                                                             | : <b>1-May-2001</b>                                                              |                                                                                          |  |          |
| Type of Manufacturer                                                             | : <b>Regular</b>                                                                 |                                                                                          |  |          |
| Large Tax payer Unit (LTU) Code                                                  | :                                                                                |                                                                                          |  |          |
| Excise Book Name (as per Rule 11)                                                | : <b>Book - I/09-10</b>                                                          |                                                                                          |  |          |
| <b>Other Details</b>                                                             |                                                                                  |                                                                                          |  |          |
| <b>Range</b>                                                                     | <b>Division</b>                                                                  | <b>Commissionerate</b>                                                                   |  |          |
| Code : <b>090506</b>                                                             | Code : <b>0905</b>                                                               | Code : <b>06</b>                                                                         |  |          |
| Name : <b>Hosur</b>                                                              | Name : <b>Division II</b>                                                        | Name : <b>Bangalore-V</b>                                                                |  |          |
| Address : <b>No.13, I Floor, Ganesh Complex, Hosur Road, Bangalore - 560 009</b> | Address : <b>7th Floor, 'C' Wing, Kendriya Sadan, Koramangala, Bangalore- 34</b> | Address : <b>Commissionerate, Central Revenue Building, Queens Road, Bangalore - 01.</b> |  |          |

Figure 21.7 Excise Registration Details

8. Press **Enter** to accept and save Excise Registration Details and go back to **F3: Statutory and Taxation** Screen

### Step 3 : Enable Value Added Tax (VAT)

To enable **VAT Feature**, for a company

- Set the option **Enable Value Added Tax (VAT)** to **Yes**
- Enable the option **Set/Alter VAT Details** to **Yes**
- Enter the **Type of Dealer** and **Date of Applicability** in **VAT Details** screen as shown

| <u>VAT Details</u>            |             |
|-------------------------------|-------------|
| State                         | : Karnataka |
| Type of Dealer                | ? Regular   |
| Regular VAT Applicable From   | : 1.4.2009  |
| <u>Additional Information</u> |             |
| LVO/VSO Code                  | :           |
| Authorised Person             | :           |
| Status / Designation          | :           |
| Place                         | :           |

Figure 21.8 Enabling VAT

- ❑ Press **Enter** to save and go back to **F11: Statutory & Taxation features** screen
- ❑ Enter VAT TIN e.g. **11567844129**
- ❑ Enter Inter-state Sales Tax Number e.g. **32457841339**
- ❑ Enter Company's PAN / Income - Tax No. e.g. **AHEPN5342B**

Company: **Metal Craft Engineering Pvt Ltd**

**Statutory & Taxation**

|                                                                       |              |                                      |             |
|-----------------------------------------------------------------------|--------------|--------------------------------------|-------------|
| Enable Excise                                                         | ? <b>Yes</b> | Enable Tax Deducted at Source (TDS)  | ? <b>No</b> |
| Set/Alter Excise Details                                              | ? <b>Yes</b> | Set/Alter TDS Details                | ? <b>No</b> |
| (Note : 'Enable Maintain Multiple Godowns' for Multiple Excise Units) |              | Enable Tax Collected at Source (TCS) | ? <b>No</b> |
| Follow Excise rules for Invoicing                                     | ? <b>No</b>  | Set/Alter TCS Details                | ? <b>No</b> |
| Enable Value Added Tax (VAT)                                          | ? <b>Yes</b> | Enable Fringe Benefit Tax (FBT)      | ? <b>No</b> |
| Set/Alter VAT Details                                                 | ? <b>Yes</b> | Set/Alter FBT Details                | ? <b>No</b> |
| Enable Service Tax                                                    | ? <b>No</b>  |                                      |             |
| Set/Alter Service Tax Details                                         | ? <b>No</b>  |                                      |             |

**Tax Information**

VAT TIN (Composition) :  
 VAT TIN (Regular) : **11567844129**  
 Local Sales Tax Number :  
 Inter-state Sales Tax Number : **32457841339**  
 PAN / Income - Tax No. : **AHEPN5342B**

**Accept ?**

**F1: Accounts    F2: Inventory    F3: Statutory    F5: Audit**

**Yes or No**

Figure 21.9 F11: Statutory &amp; Taxation Features

- Press **Enter** to accept and save.

## 21.3 Creation of Masters

Once you have enabled Excise in Tally.ERP 9 in the manner as discussed above, the Excise options will now be available in the ledger masters.

### 21.3.1 Creating Ledgers

Before creating transactions create the following ledger masters in the manner as discussed.

#### i. Create Purchase Ledgers

| Ledger            | Under             | Inventory values are affected | Used In VAT Returns | VAT/Tax Class     |
|-------------------|-------------------|-------------------------------|---------------------|-------------------|
| Purchases @ 4%    | Purchase Accounts | Yes                           | Yes                 | Purchases @ 4%    |
| Purchases @ 12.5% | Purchase Accounts | Yes                           | Yes                 | Purchases @ 12.5% |

To create a **Purchase Ledger**:

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

1. Enter the **Name** of the purchase ledger you wish to create, for e.g., **Purchase @ 4%** Select **Purchase Accounts** as the group name in the **Under** field.
2. Set **Inventory values are affected** to **Yes**.
3. Select **Not Applicable** in **Type of Ledger** field
4. Set the option **Used In VAT Returns** to **Yes** to display the default VAT/Tax Class sub screen.

| Ledger Creation                      |                                                      | Metal Craft Engineering Pvt Ltd | Ctrl           |
|--------------------------------------|------------------------------------------------------|---------------------------------|----------------|
| Name                                 | : Purchase @ 4%                                      |                                 | Total Op. Bal. |
| (alias)                              | :                                                    |                                 |                |
| Notes :                              |                                                      |                                 |                |
| Under                                | : Purchase Accounts                                  | <b>Mailing Details</b>          |                |
| Inventory values are affected        | ? Yes                                                | Name                            | :              |
| Type of Ledger                       | ? <input checked="" type="checkbox"/> Not Applicable | Address                         | :              |
|                                      |                                                      | State                           | :              |
|                                      |                                                      | PIN Code                        | :              |
| <b>Statutory Information</b>         |                                                      | Contact Person                  | :              |
| Used In VAT Returns                  | ? <input checked="" type="checkbox"/> Yes            | Telephone No.                   | :              |
| Use for Assessable Value Calculation | ? No                                                 | Fax                             | :              |
|                                      |                                                      | E-Mail                          | :              |
|                                      |                                                      | <b>Tax Information</b>          |                |
|                                      |                                                      | PAN / IT No.                    | :              |
| Opening Balance ( on 1-Apr-2009 ) :  |                                                      |                                 |                |

Figure 21.10 Purchase Ledger Creation

5. Select the required **VAT/Tax Class**, for e.g., **Purchases @ 4%**.

**VAT/Tax Class** Metal Craft Engineering Pvt Ltd Ctrl + M X

Name : Purchase @ 4%  
(alias) :

Total Op. Bal.  
5,00,000.00 Dr  
Difference  
5,00,000.00 Dr

Notes :

Under : Purchase Accounts  
Inventory values are affected ? Yes  
Type of Ledger ? ☐ Not Applicable

Mailing Details  
Name :  
Address :  
State :

Used In VAT Returns  
Use for Assessable Value Calculation

**VAT/Tax Class**  
**Purchases @ 4%**

| Particulars                        | Activated From | Deactivated From |
|------------------------------------|----------------|------------------|
| Not Applicable                     |                |                  |
| Consignment/Branch Transfer Inward |                |                  |
| Imports                            |                |                  |
| Inter-State Purchases              |                |                  |
| Purchases @ 1%                     |                |                  |
| Purchases @ 12.5%                  |                |                  |
| Purchases @ 2%                     | 1-Apr-2009     |                  |
| Purchases @ 20%                    |                |                  |
| <b>Purchases @ 4%</b>              |                |                  |
| Purchases - Capital Goods @ 12.5%  |                |                  |
| Purchases - Capital Goods @ 4%     |                |                  |
| Purchases - Exempt                 |                |                  |

3 more ... ↓

Figure 21.11 VAT/Tax Class

## 6. Set Use for Assessable Value Calculation to No.



When the option **Assessable Value Calculation (for Excise /VAT)** is set to **Yes**, the Value given against this ledger will be used to calculate the assessable value of the stock item to compute the excise duty or VAT.



Figure 21.12 Purchase Ledger

Similarly, create **Purchase @ 12.5%** under Purchase Accounts.

| Ledger        | Under          | Inventory values are affected | Used In VAT Returns | VAT/Tax Class |
|---------------|----------------|-------------------------------|---------------------|---------------|
| Sales @ 4%    | Sales Accounts | Yes                           | Yes                 | Sales @ 4%    |
| Sales @ 12.5% | Sales Accounts | Yes                           | Yes                 | Sales @ 12.5% |

To create a **Sales Ledger**,

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

1. Enter the **Name** of the sales ledger you wish to create, for e.g., **Sales @ 4%**.
2. Select **Sales Accounts** as the group name in the **Under** field.
3. Set **Inventory values are affected** to **Yes**.
4. Select **Not Applicable** in **Type of Ledger** field
5. Set the option **Used In VAT Returns** to **Yes** to display the default VAT/Tax Class sub screen.

| Ledger Creation                        |  | Metal Craft Engineering Pvt Ltd | Ctrl           |
|----------------------------------------|--|---------------------------------|----------------|
| Name : Sales @ 4%                      |  |                                 | Total Op. Bal. |
| (alias) :                              |  |                                 |                |
| Notes :                                |  |                                 |                |
| Under : Sales Accounts                 |  | Mailing Details                 |                |
| Inventory values are affected ? Yes    |  | Name :                          |                |
| Type of Ledger ? <b>Not Applicable</b> |  | Address :                       |                |
|                                        |  | State :                         |                |
|                                        |  | PIN Code :                      |                |
|                                        |  | Contact Person :                |                |
|                                        |  | Telephone No. :                 |                |
|                                        |  | Fax :                           |                |
|                                        |  | E-Mail :                        |                |
|                                        |  | Tax Information                 |                |
|                                        |  | PAN / IT No. :                  |                |
| Opening Balance (on 1-Apr-2009) :      |  |                                 |                |

Figure 21.13 Sales Ledger Creation

6. Select the required **VAT/Tax Class**, for e.g., **Sales @ 4%**.

**VAT/Tax Class** Metal Craft Engineering Pvt Ltd Ctrl + M x

Name : Sales @ 4%  
(alias) :

Total Op. Bal.

Notes :

Under : Sales Accounts

Inventory values are affected ? Yes  
Type of Ledger ? ☐ Not Applicable

Mailing Details  
Name :  
Address :  
State :

VAT/Tax Class

**Sales @ 4%**

VAT/TAX Class

| Particulars                                        | Activated From | Deactivated From |
|----------------------------------------------------|----------------|------------------|
| ↑ ... 2 more                                       |                |                  |
| Consignment/Branch Transfer Outward (Within State) |                |                  |
| Exports                                            |                |                  |
| Inter-State Sales                                  |                |                  |
| Inter- State Sales - Exempted                      | 1-Apr-2009     |                  |
| Labour Charges (Interstate)                        |                |                  |
| Labour, Service, Job Work & Other Charges          |                |                  |
| Other Exempt Sales                                 |                |                  |
| Sales @ 1%                                         |                |                  |
| Sales @ 12.5%                                      |                |                  |
| Sales @ 2%                                         | 1-Apr-2009     |                  |
| Sales @ 20%                                        |                |                  |
| <b>Sales @ 4%</b>                                  |                |                  |
| 6 more ... ↓                                       |                |                  |

Figure 21.14 VAT/Tax Class

## 7. Set **Use for Assessable Value Calculation** to **No**.



When the option **Assessable Value Calculation (for Excise /VAT)** is set to **Yes**, the Value given against this ledger will be used to calculate the assessable value of the stock item to compute the excise duty or VAT.

| Ledger Creation                                                                                               |  | Metal Craft Engineering Pvt Ltd |                                                                            | Ctrl                  |
|---------------------------------------------------------------------------------------------------------------|--|---------------------------------|----------------------------------------------------------------------------|-----------------------|
| Name : Sales @ 4%<br>(alias) :                                                                                |  |                                 | Total Op. Bal.                                                             |                       |
| Under : Sales Accounts<br><br>Inventory values are affected ? Yes<br>Type of Ledger ? <b>I Not Applicable</b> |  |                                 | <b>Mailing Details</b><br>Name :<br>Address :<br><br>State :<br>PIN Code : |                       |
| <b>Statutory Information</b><br><br>Used In VAT Returns ? Yes<br>Use for Assessable Value Calculation ? No    |  |                                 | <b>Tax Information</b><br><br>PAN / IT No. :                               |                       |
| Opening Balance ( on 1-Apr-2009 ) :                                                                           |  |                                 |                                                                            | Accept ?<br>Yes or No |

Figure 21.15 Sales Ledger

8. Press **Enter** to Accept and save.

Similarly, create **Sales @ 12.5%** under Sales Accounts.

### iii. Creating Customer Ledgers

| Ledger                  | Under          | Maintain Balances Bill by Bill | Inventory values are affected | Set/Alter Excise Details |
|-------------------------|----------------|--------------------------------|-------------------------------|--------------------------|
| Simplex Casting Limited | Sundry Debtors | Yes                            | No                            | Yes                      |
| General Fabricators     | Sundry Debtors | Yes                            | No                            | Yes                      |

To create the **Sundry Debtor (Customer)** Ledger,

Go to **Gateway of Tally > Accounts Info > Ledgers > Create**

1. Enter the **Name** of the **Customer** in the Name field i.e., **Simplex Casting Limited**
2. Select the group **Sundry Debtors** in the **Under** field.
3. Set **Maintain Balances Bill by Bill** to **Yes** and enter the **Default Credit Period**, if any
4. Set **Inventory Values are affected** to **No**

5. In **Mailing Details** and **Tax Information** sections enter the supplier contact details, Income Tax and the Sales Tax numbers.
6. Enable **Set/Alter Excise Details** to **Yes** to display the **Excise Details** sub screen.

| Ledger Creation                   |                                      | Metal Craft Engineering Pvt Ltd                                                                                                                                                |  | Ctrl           |
|-----------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------|
| Name                              | : Simplex Casting Limited            |                                                                                                                                                                                |  | Total Op. Bal. |
| (alias)                           | :                                    |                                                                                                                                                                                |  |                |
| Notes :                           |                                      |                                                                                                                                                                                |  |                |
| Under                             | : Sundry Debtors<br>(Current Assets) |                                                                                                                                                                                |  |                |
| Maintain balances bill-by-bill    | ? Yes                                |                                                                                                                                                                                |  |                |
| Default Credit Period             | :                                    |                                                                                                                                                                                |  |                |
| Inventory values are affected     | ? No                                 |                                                                                                                                                                                |  |                |
|                                   |                                      | <b>Mailing Details</b><br>Name : Simplex Casting Limited<br>Address : No.27/1<br>Peenya Industrial Area<br>Yeshwanthpur<br>Bangalore<br>State : Karnataka<br>PIN Code : 560022 |  |                |
|                                   |                                      | <b>Tax Information</b><br>PAN / IT No. : AHETN5621C<br>Set/Alter VAT Details ? No<br>Set/Alter Excise Details ? <b>Yes</b>                                                     |  |                |
| Opening Balance (on 1-Apr-2009) : |                                      |                                                                                                                                                                                |  |                |

Figure 21.16 Party Ledger Creation

7. In the **Excise Details** screen;
  - ❑ Enter the **Excise Registration (ECC) No.** of the customer e.g. **SCL49024HIAP002**
  - ❑ Enter the **Date of Excise Registration** in Date of Registration field e.g. **21-Nov-2003**
  - ❑ Enter the **Range** under which the supplier's company is registered. E.g. **Madiwala – II**
  - ❑ Enter the **Division** under which the supplier's company is registered. E.g. **Madiwala**
  - ❑ Enter the **Commissionerate** under which the premise of the Supplier's company is registered. E.g. **Bangalore II**
  - ❑ In **Default Nature of Purchase** field select the option **Not Applicable**
  - ❑ Select the **Nature of Removal** as **Domestic** from Types of Removal list.

| Excise Details                                                                                 |  | Metal Craft Engineering Pvt Ltd                                                                                                                                                                                                                                                   |                | Ctrl + M |  |
|------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------|--|
| Name : Simplex Casting Limited<br>(alias) :                                                    |  |                                                                                                                                                                                                                                                                                   | Total Op. Bal. |          |  |
| Under : Sundry Debtors<br>(Current Assets)                                                     |  | Mailing Details                                                                                                                                                                                                                                                                   |                |          |  |
| Maintain balances bill-by-bill ?<br>Default Credit Period ?<br>Inventory values are affected ? |  | Name : Simplex Casting Limited<br>Address : No.27/1<br>Peenya Industrial Area<br>Yeshwanthpur<br>Bangalore<br>Karnataka<br>560022                                                                                                                                                 |                |          |  |
|                                                                                                |  | <b>Excise Details</b><br>Excise Registration (ECC) No. : SCL49024HIAP002<br>Date of Registration : 21-Nov-2003<br>Range : Madiwala - II<br>Division : Madiwala<br>Commissionerate : Bangalore II<br>Default Nature of Purchase : I Not Applicable<br>Nature of Removal : Domestic |                |          |  |
|                                                                                                |  | <b>Types of Removal</b><br>Domestic<br>Exempt<br>Export<br>Special Rate                                                                                                                                                                                                           |                |          |  |
| Opening Balance ( on 1-Apr-2008) :                                                             |  |                                                                                                                                                                                                                                                                                   |                |          |  |

Figure 21.17 Excise Details



*The **Nature of Removal** depends upon the removal, whether it is for **Domestic/Exports/Exempt sales**. It is mandatory to specify the nature of removal, however, you can alter the same during voucher entry.*

- Press **Enter**

| Ledger Creation                             |                                | Metal Craft Engineering Pvt Ltd | Ctrl |
|---------------------------------------------|--------------------------------|---------------------------------|------|
| Name : Simplex Casting Limited<br>(alias) : |                                | Total Op. Bal.                  |      |
| Notes :                                     |                                |                                 |      |
| Under : Sundry Debtors<br>(Current Assets)  | Mailing Details                |                                 |      |
| Maintain balances bill-by-bill ? Yes        | Name : Simplex Casting Limited |                                 |      |
| Default Credit Period :                     | Address : No.27/1              |                                 |      |
| Inventory values are affected ? No          | Peenya Industrial Area         |                                 |      |
|                                             | Yeshwanthpur                   |                                 |      |
|                                             | Bangalore                      |                                 |      |
|                                             | State : Karnataka              |                                 |      |
|                                             | PIN Code : 560022              |                                 |      |
|                                             | Tax Information                |                                 |      |
|                                             | PAN / IT No. : AHETN5621C      |                                 |      |
|                                             | Set/Alter VAT Details ? No     |                                 |      |
|                                             | Set/Alter Excise Details ? Yes |                                 |      |
| Opening Balance (on 1-Apr-2009) :           |                                | Accept ?                        |      |
|                                             |                                | Yes or No                       |      |

Figure 21.18 Party Ledger

8. Press **Enter** to Accept and save



*The **Set/Alter Excise Details** option appears for ledgers created under **Sundry Creditors** and **Sundry Debtors** .*

Similarly, create **General Fabricators** under **Sundry Debtors**.

#### iv. Creating Supplier Ledgers

| Ledger                         | Under            | Maintain Balances Bill by Bill | Inventory values are affected | Set/Alter Excise Details |
|--------------------------------|------------------|--------------------------------|-------------------------------|--------------------------|
| Durga Steel Industries         | Sundry Creditors | Yes                            | No                            | Yes                      |
| Beekay Engineering Corporation | Sundry Creditors | Yes                            | No                            | Yes                      |

To Create the **Sundry Creditor (Supplier)** Ledger,

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

1. Enter the **Name** of the Supplier in the **Name** field. E.g. **Durga Steel Industries**.
2. Select **Sundry Creditors** as the group name in the **Under** field.
3. Set **Maintain Balances Bill by Bill** to **Yes** and enter the **Default Credit Period** if any.
4. Set **Inventory Values are affected** to **No**
5. In the **Mailing Details** and **Tax Information** section enter the supplier contact details, Income Tax and the Sales Tax numbers.
6. Enable **Set/Alter Excise Details** to **Yes** to display the Excise Details screen.

| Ledger Creation                   |                                      | Metal Craft Engineering Pvt Ltd                                                                                                                                                |  | Ctrl                  |
|-----------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------|
| Name                              | : Simplex Casting Limited            |                                                                                                                                                                                |  | Total Op. Bal.        |
| (alias)                           | :                                    |                                                                                                                                                                                |  |                       |
| Notes :                           |                                      |                                                                                                                                                                                |  |                       |
| Under                             | : Sundry Debtors<br>(Current Assets) | <b>Mailing Details</b><br>Name : Simplex Casting Limited<br>Address : No.27/1<br>Peenya Industrial Area<br>Yeshwanthpur<br>Bangalore<br>State : Karnataka<br>PIN Code : 560022 |  |                       |
| Maintain balances bill-by-bill    | ? Yes                                | <b>Tax Information</b><br>PAN / IT No. : AHETN5621C<br>Set/Alter VAT Details ? No<br>Set/Alter Excise Details ? Yes                                                            |  |                       |
| Default Credit Period             | :                                    |                                                                                                                                                                                |  |                       |
| Inventory values are affected     | ? No                                 |                                                                                                                                                                                |  |                       |
| Opening Balance (on 1-Apr-2009) : |                                      |                                                                                                                                                                                |  | Accept ?<br>Yes or No |

Figure 21.19 Party Ledger Creation

7. In the **Excise Details** screen,
  - Enter the **Excise Registration Number** of the supplier. E.g. **DSIFB0023XKC002**
  - Enter the **Date of Excise Registration** in **Date of Registration** field. E.g. **04-Dec-1998**
  - Enter the **Range** under which the supplier's company is registered. E.g. **Whitefield**
  - Enter the **Division** under which the supplier's company is registered. E.g. **Bangalore IV**
  - Enter the **Commissionerate** under which the premise of the Supplier's company is registered. E.g. **Bangalore I**
  - Select the **Default Nature of Purchase** as **Manufacturer** from Nature of Purchase



| Excise Details                             |                                             | Metal Craft Engineering Pvt Ltd                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                             | Ctrl + M |  |
|--------------------------------------------|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--|
| Name : Durga Steel Industries<br>(alias) : |                                             |                                                                                                                                                                                                                                                                                                                                                                                             | Nature of Purchase                                                                                                                                                                                                                                                                                                                          |          |  |
|                                            |                                             |                                                                                                                                                                                                                                                                                                                                                                                             | <input type="checkbox"/> Not Applicable<br><input type="checkbox"/> Agent of Manufacturer<br><input type="checkbox"/> First Stage Dealer<br><input type="checkbox"/> Importer<br><input checked="" type="checkbox"/> <b>Manufacturer</b><br><input type="checkbox"/> Purchase from Importer<br><input type="checkbox"/> Second Stage Dealer |          |  |
| Under                                      | : Sundry Creditors<br>(Current Liabilities) | Name                                                                                                                                                                                                                                                                                                                                                                                        | :                                                                                                                                                                                                                                                                                                                                           | Mailing  |  |
|                                            |                                             | Address                                                                                                                                                                                                                                                                                                                                                                                     | :                                                                                                                                                                                                                                                                                                                                           |          |  |
| Maintain balances bill-by-bill             | ?                                           | <div>Excise Details</div> <div>           Excise Registration (ECC) No. : DSIFB0023XKC002<br/>           Date of Registration : 4-Dec-1998<br/>           Range : Whitefield<br/>           Division : Bangalore IV<br/>           Commissionerate : Bangalore I<br/>           Default Nature of Purchase : <b>Manufacturer</b><br/>           Nature of Removal : Domestic         </div> |                                                                                                                                                                                                                                                                                                                                             |          |  |
| Default Credit Period                      | :                                           |                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                             |          |  |
| Inventory values are affected              | ?                                           |                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                             |          |  |
|                                            |                                             |                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                             |          |  |
| Opening Balance ( on 1-Apr-2008) :         |                                             |                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                             |          |  |
|                                            |                                             |                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                             |          |  |

Figure 21.20 Excise Details

- ❑ Select the **Nature of Removal** as **Domestic** from Types of Removal list

| Ledger Creation                                   |  | Metal Craft Engineering Pvt Ltd                                                                                                                                    |  | Ctrl +                |
|---------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------|
| Name : Durga Steel Industries                     |  |                                                                                                                                                                    |  | Total Op. Bal.        |
| (alias) :                                         |  |                                                                                                                                                                    |  |                       |
| Under : Sundry Creditors<br>(Current Liabilities) |  | <b>Mailing Details</b><br>Name : Durga Steel Industries<br>Address : #360<br>Light Industrial Area<br>Hosur<br>Bangalore<br>State : Karnataka<br>PIN Code : 560068 |  |                       |
| Maintain balances bill-by-bill ? Yes              |  | <b>Tax Information</b><br>PAN / IT No. : AQBPP85736<br>TIN/Sales Tax No. : 11258203199<br>Set/Alter Excise Details ? Yes                                           |  |                       |
| Default Credit Period :                           |  |                                                                                                                                                                    |  |                       |
| Inventory values are affected ? No                |  |                                                                                                                                                                    |  |                       |
| Opening Balance ( on 1-Apr-2009) :                |  |                                                                                                                                                                    |  | Accept ?<br>Yes or No |

Figure 21.21 Party Ledger

8. Press **Enter** to accept and save.

Similarly, create **Beekay Engineering Corporation** under Sundry Creditors

### 21.3.2 Creating Excise Duty Ledgers

| Ledger                        | Under          | Type of Duty/Tax | Duty Head                | Inventory values are affected |
|-------------------------------|----------------|------------------|--------------------------|-------------------------------|
| Basic Excise Duty @ 16%       | Duties & Taxes | Excise           | Basic Excise Duty        | No                            |
| Education Cess @ 2%           | Duties & Taxes | Excise           | Education Cess           | No                            |
| Secondary Education Cess @ 1% | Duties & Taxes | Excise           | Secondary Education Cess | No                            |

### i. Creating Basic Excise Duty Ledger

To create a **Basic Excise Duty** Ledger,

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

1. Enter the **Name** of the excise duty ledger you wish to create, for e.g., **Basic Excise Duty @ 16%**
2. Select **Duties & Taxes** as the group name in the **Under** field.
3. Select **Excise** from the **Type of Duty/Tax** list in the field **Type of Duty/Tax**.
4. In **Excise Accounting Code** field enter the accounting code of **Basic Excise Duty- 00490001**
5. In **Duty Head** field select **Basic Excise Duty** from the **List of Excise Duty Classification**

| Ledger Creation                    |                                           | Metal Craft Engineering Pvt Ltd | Ctrl + M                                                                                                                                                                                                                                    |
|------------------------------------|-------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name                               | : Basic Excise Duty @ 16%                 | Total Op. Bal.                  | List of Excise Duty Classifications<br>AED (GSI)<br>AED on HSD<br>AED (PMT)<br>AED (TTA)<br>AED (TTW)<br><b>Basic Excise Duty</b><br>Education Cess<br>NCCD<br>Other Cess<br>Secondary Education Cess<br>Special AED<br>Special Excise Duty |
| (alias)                            | :                                         |                                 |                                                                                                                                                                                                                                             |
| Under                              | : Duties & Taxes<br>(Current Liabilities) |                                 |                                                                                                                                                                                                                                             |
| Type of Duty/Tax                   | : Excise                                  |                                 |                                                                                                                                                                                                                                             |
| Excise Accounting Code             | : 00490001                                |                                 |                                                                                                                                                                                                                                             |
| Duty Head                          | : Basic Excise Duty                       |                                 |                                                                                                                                                                                                                                             |
| Percentage of Calculation (eg 5)   | : 0 %                                     |                                 |                                                                                                                                                                                                                                             |
| Opening Balance ( on 1-Apr-2009) : |                                           |                                 |                                                                                                                                                                                                                                             |

Figure 21.22 Basic Excise Duty Ledger Creation

6. Set the option **Inventory values are affected** to **No**
7. In **Percentage of Calculation** field enter **16%** as the percentage of calculation
8. In **Method of Calculation** field, Tally.ERP 9 defaults **On Assessable Value** as the method of calculation.
9. Select **Not Applicable** in **Rounding Method** field

| Ledger Creation                    |                                                      | Metal Craft Engineering P |
|------------------------------------|------------------------------------------------------|---------------------------|
| Name                               | : <b>Basic Excise Duty @ 16%</b>                     | Total Op. Bal.            |
| (alias)                            | :                                                    |                           |
|                                    |                                                      |                           |
| Under                              | : <b>Duties &amp; Taxes</b><br>(Current Liabilities) |                           |
| Type of Duty/Tax                   | : <b>Excise</b>                                      |                           |
| Excise Accounting Code             | : <b>00490001</b>                                    |                           |
| Duty Head                          | : <b>Basic Excise Duty</b>                           |                           |
| Percentage of Calculation (eg 5)   | ? <b>16 %</b>                                        |                           |
| Method of Calculation              | : <b>On Assessable Value</b>                         |                           |
| Rounding Method                    | : <b>Not Applicable</b>                              |                           |
|                                    |                                                      |                           |
| Opening Balance ( on 1-Apr-2009) : |                                                      | Accept ?                  |
|                                    |                                                      | Yes or No                 |

Figure 21.23 Basic Excise Duty Ledger

10. Press **Enter** to Accept.



**Excise Duty** is calculated on the **assessable value** (Basic Value of Goods plus additional expenses, if applicable).

## ii. Creating Education Cess Ledger

To create a **Education Cess** Ledger,

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

1. Enter the **Name** of the **Education Cess** ledger you wish to create, for e.g., **Education Cess @ 2%**
2. Select **Duties & Taxes** as the group name in the **Under** field.
3. Select **Excise** from the Type of Duty/Tax list in **Type of Duty/Tax** field.
4. In **Excise Accounting Code** field, enter the accounting code of **Education Cess - 00490020**
5. In **Duty Head** field select **Education Cess** from the **List of Excise Duty Classification**

| Ledger Creation                                            |  | Metal Craft Engineering Pvt Ltd | Ctrl + M                                                                                                                                                                                                                                           |
|------------------------------------------------------------|--|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name : <b>Education Cess @ 2%</b>                          |  | Total Op. Bal.                  | <b>List of Excise Duty Classifications</b><br>AED (GSI)<br>AED on HSD<br>AED (PMT)<br>AED (TTA)<br>AED (TTW)<br>Basic Excise Duty<br><b>Education Cess</b><br>NCCD<br>Other Cess<br>Secondary Education Cess<br>Special AED<br>Special Excise Duty |
| (alias) :                                                  |  |                                 |                                                                                                                                                                                                                                                    |
| Under : <b>Duties &amp; Taxes</b><br>(Current Liabilities) |  |                                 |                                                                                                                                                                                                                                                    |
| Type of Duty/Tax : <b>Excise</b>                           |  |                                 |                                                                                                                                                                                                                                                    |
| Excise Accounting Code : <b>00490020</b>                   |  |                                 |                                                                                                                                                                                                                                                    |
| Duty Head : <b>Education Cess</b>                          |  |                                 |                                                                                                                                                                                                                                                    |
| Percentage of Calculation (eg 5) : <b>0 %</b>              |  |                                 |                                                                                                                                                                                                                                                    |
| Opening Balance ( on 1-Apr-2009) :                         |  |                                 |                                                                                                                                                                                                                                                    |

Figure 21.24 Education Cess Ledger Creation

6. Set the option **Inventory values are affected** to **No**
7. In **Percentage of Calculation** field, enter **2%** as the **percentage of calculation**
8. In **Method of Calculation** field, by default Tally.ERP 9 selects **On Total Excise Duty** as the method of calculation
9. Select **Not Applicable** in **Rounding Method** field

| Ledger Creation                   |                                           | Metal Craft Engineering P |
|-----------------------------------|-------------------------------------------|---------------------------|
| Name                              | : Education Cess @ 2%                     | Total Op. Bal.            |
| (alias)                           | :                                         |                           |
| Under                             | : Duties & Taxes<br>(Current Liabilities) |                           |
| Type of Duty/Tax                  | : Excise                                  |                           |
| Excise Accounting Code            | : 00490020                                |                           |
| Duty Head                         | : Education Cess                          |                           |
| Percentage of Calculation (eg 5)  | ? 2 %                                     |                           |
| Method of Calculation             | : On Total Excise Duty                    |                           |
| Rounding Method                   | : <input type="checkbox"/> Not Applicable |                           |
| Opening Balance (on 1-Apr-2009) : |                                           | Accept ?                  |
|                                   |                                           | Yes or No                 |

Figure 21.25 Education Cess Ledger

10. Press **Enter** to Accept to save

### iii. Creating Secondary Education Cess Ledger

To create a **Secondary and Higher Education (SHE) Cess** Ledger,

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

1. Enter the **Name** of the Secondary and Higher Education Cess ledger you wish to create, for e.g., **Secondary Education Cess @ 1%**
2. Select **Duties & Taxes** as the group name in the **Under** field.
3. Select **Excise** from the Type of Duty/Tax list in the field **Type of Duty/Tax**.
4. In **Excise Accounting Code** field, enter the accounting code of **Secondary Education Cess - 00490006**
5. In **Duty Head** field, select **Secondary Education Cess** from the **List of Duty Heads**

| Ledger Creation                                            |                                    | Metal Craft Engineering Pvt Ltd                                                                                                                             | Ctrl + M                                                                                                                    |
|------------------------------------------------------------|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Name : <b>Secondary Education Cess @ 1%</b><br>(alias) :   | Total Op. Bal.                     |                                                                                                                                                             | List of Excise Duty Classifications                                                                                         |
| Under : <b>Duties &amp; Taxes</b><br>(Current Liabilities) |                                    | Gateway of Accounts /<br>Ledger<br><br>Single Ledger<br><br>Create<br>Display<br>Alter<br><br>Multiple Ledger<br><br>Create<br>Display<br>Alter<br><br>Quit | AED (GSI)<br>AED on HSD<br>AED (PMT)<br>AED (TTA)<br>AED (TTW)<br>Basic Excise Duty<br>Education Cess<br>NCCD<br>Other Cess |
| Type of Duty/Tax : <b>Excise</b>                           | <b>Secondary Education Cess</b>    |                                                                                                                                                             |                                                                                                                             |
| Excise Accounting Code : <b>00490006</b>                   | Special AED<br>Special Excise Duty |                                                                                                                                                             |                                                                                                                             |
| Duty Head : <b>Secondary Education Cess</b>                |                                    |                                                                                                                                                             |                                                                                                                             |
| Percentage of Calculation (eg 5) : ? 0 %                   |                                    |                                                                                                                                                             |                                                                                                                             |
| Opening Balance ( on 1-Apr-2009) :                         |                                    |                                                                                                                                                             |                                                                                                                             |

Figure 21.26 Secondary Education Cess Ledger Creation

- Set the option **Inventory values are affected** to **No**
- In the **Percentage of Calculation** field enter **1%** as the percentage of calculation
- In **Method of Calculation** field, by default Tally.ERP 9 selects **On Total Excise Duty** as the method of calculation.
- Select **Not Applicable** in **Rounding Method** field

| Ledger Creation                    |                                           | Metal Craft Engineering P |
|------------------------------------|-------------------------------------------|---------------------------|
| Name                               | : Secondary Education Cess @ 1%           | Total Op. Bal.            |
| (alias)                            | :                                         |                           |
|                                    |                                           |                           |
| Under                              | : Duties & Taxes<br>(Current Liabilities) |                           |
| Type of Duty/Tax                   | : Excise                                  |                           |
| Excise Accounting Code             | : 00490006                                |                           |
| Duty Head                          | : Secondary Education Cess                |                           |
| Percentage of Calculation (eg 5)   | ? 1 %                                     |                           |
| Method of Calculation              | : On Total Excise Duty                    |                           |
| Rounding Method                    | : <input type="checkbox"/> Not Applicable |                           |
|                                    |                                           |                           |
| Opening Balance ( on 1-Apr-2009) : |                                           | Accept ?                  |
|                                    |                                           | Yes or No                 |

Figure 21.27 Secondary Education Cess Ledger

10. Press **Enter** to accept to save

### 21.3.3 Creating CENVAT Ledgers

| Ledger                            | Under          | Type of Duty/ Tax | Excise Account- ingCode | Duty Head                | Percent- age of Calcula- tion | Method of Calculation |
|-----------------------------------|----------------|-------------------|-------------------------|--------------------------|-------------------------------|-----------------------|
| Basic Excise Duty (CENVAT)        | Current Assets | CENVAT            | 00490027                | Basic Excise Duty        | 16%                           | On Assessable Value   |
| Education Cess (CENVAT)           | Current Assets | CENVAT            | 00490028                | Education Cess           | 2%                            | On Total Excise Duty  |
| Secondary Education Cess (CENVAT) | Current Assets | CENVAT            | 00490029                | Secondary Education Cess | 1%                            | On Total Excise Duty  |



To create a **Basic Excise Duty (CENVAT)** Ledger,

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

1. Enter the **Name** of the excise duty ledger you wish to create, for e.g., **Basic Excise Duty (CENVAT)**
2. Select **Current Assets** as the group name in the **Under** field.
3. Select **CENVAT** from the **Type of Duty/Tax** list in the field **Type of Duty/Tax**.
4. In **Excise Accounting Code** field enter the accounting code of **Basic Excise Duty (CENVAT)** - **00490027**
5. In **Duty Head** field, select **Basic Excise Duty** from the **List of Excise Duty Classification**

| Ledger Creation                               |            | Metal Craft Engineering Pvt Ltd                                                                                                    |  | Ctrl + M |
|-----------------------------------------------|------------|------------------------------------------------------------------------------------------------------------------------------------|--|----------|
| Name : <b>Basic Excise Duty (CENVAT)</b>      |            | List of Excise Duty Classifications                                                                                                |  |          |
| {alias} :                                     |            |                                                                                                                                    |  |          |
| Under : <b>Current Assets</b>                 | Name :     | <b>Basic Excise Duty</b><br>Education Cess<br>NCCD<br>Other Cess<br>Secondary Education Cess<br>Special AED<br>Special Excise Duty |  |          |
| Type of Duty/Tax : <b>CENVAT</b>              | Address :  |                                                                                                                                    |  |          |
| Excise Accounting Code : <b>00490027</b>      | State :    | <b>Tax Info</b><br>PAN / IT No. :                                                                                                  |  |          |
| Duty Head : <b>Basic Excise Duty</b>          | PIN Code : |                                                                                                                                    |  |          |
| Inventory values are affected ? <b>No</b>     |            |                                                                                                                                    |  |          |
| Percentage of Calculation (eg 5) ? <b>0 %</b> |            |                                                                                                                                    |  |          |
| Opening Balance ( on 1-Apr-2009) :            |            |                                                                                                                                    |  |          |
|                                               |            |                                                                                                                                    |  |          |

Figure 21.28 Basic Excise Duty (CENVAT) Ledger Creation

6. Set the option **Inventory values are affected** to **No**
7. In **Percentage of Calculation** field, enter **16%** as the percentage of calculation
8. In **Method of Calculation** field, by default Tally.ERP 9 selects **On Assessable Value** as the method of calculation.
9. Select **Not Applicable** in **Rounding Method** field

| Ledger Creation                    |                              | Metal Craft Engineering Pvt Ltd                                                                                            | Ctrl +         |
|------------------------------------|------------------------------|----------------------------------------------------------------------------------------------------------------------------|----------------|
| Name                               | : Basic Excise Duty (CENVAT) |                                                                                                                            | Total Op. Bal. |
| (alias)                            | :                            |                                                                                                                            |                |
| Under                              | : Current Assets             |                                                                                                                            |                |
| Type of Duty/Tax                   | : CENVAT                     |                                                                                                                            |                |
| Excise Accounting Code             | : 00490027                   |                                                                                                                            |                |
| Duty Head                          | : Basic Excise Duty          |                                                                                                                            |                |
| Inventory values are affected      | ? No                         |                                                                                                                            |                |
| Percentage of Calculation (eg 5)   | ? 16 %                       |                                                                                                                            |                |
| Method of Calculation              | : On Assessable Value        |                                                                                                                            |                |
| Rounding Method                    | : I Not Applicable           |                                                                                                                            |                |
|                                    |                              | <b>Mailing Details</b><br>Name :<br>Address :<br><br>State :<br>PIN Code :<br><br><b>Tax Information</b><br>PAN / IT No. : |                |
| Opening Balance ( on 1-Apr-2009) : |                              | Accept ?<br>Yes or No                                                                                                      |                |

Figure 21.29 Basic Excise Duty (CENVAT) Ledger

10. Press **Enter** to Accept to save



*To avail Cenvat credit, it is recommended to create required duty ledgers under **Current Assets** group with **Type of Duty/Tax** as **CENVAT**.*

Similarly, create **Education Cess (CENVAT)**, **Secondary Education Cess (CENVAT)** under **Current Assets** Group.

### 21.3.4 Creating VAT Ledgers

| Ledger             | Under          | Type of Duty/Tax | VAT/Tax Class      | Inventory values are affected |
|--------------------|----------------|------------------|--------------------|-------------------------------|
| Input VAT @ 4%     | Duties & Taxes | VAT              | Input VAT @ 4%     | No                            |
| Input VAT @ 12.5%  | Duties & Taxes | VAT              | Input VAT @ 12.5%  | No                            |
| Output VAT @ 4%    | Duties & Taxes | VAT              | Output VAT @ 4%    | No                            |
| Output VAT @ 12.5% | Duties & Taxes | VAT              | Output VAT @ 12.5% | No                            |

To create a **Input VAT** Ledger,

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

1. Enter the **Name** of the input VAT ledger you wish to create, for e.g., **Input VAT @ 4%**.
2. Select **Duties & Taxes** as the group name in the **Under** field.
3. Select **VAT** from the **Type of Duty/Tax** list in the **Type of Duty/Tax** field
4. Select the required **VAT/Tax Class**, for e.g., **Input VAT @ 4%** from the VAT/TAX Class list.

**Ledger Creation** Metal Craft Engineering Pvt Ltd Ctrl + M

Name : Input VAT @ 4%  
(alias) :

Under : Duties & Taxes  
(Current Liabilities)

Type of Duty/Tax : VAT  
VAT/Tax Class : Input VAT @ 4%

Percentage of Calculation :  
Method of Calculation :  
Rounding Method :

**VAT/TAX Class**

| Particulars                         | Activated From | Deactivated From |
|-------------------------------------|----------------|------------------|
| Not Applicable                      |                |                  |
| Input VAT @ 1%                      |                |                  |
| Input VAT @ 12.5%                   |                |                  |
| Input VAT @ 2%                      | 1-Apr-2009     |                  |
| Input VAT @ 20%                     |                |                  |
| <b>Input VAT @ 4%</b>               |                |                  |
| Output VAT @ 1%                     |                |                  |
| Output VAT @ 12.5%                  |                |                  |
| Output VAT @ 2%                     | 1-Apr-2009     |                  |
| Output VAT @ 20%                    |                |                  |
| Output VAT @ 4%                     |                |                  |
| Output VAT - Works Contract @ 12.5% | 1-Apr-2009     |                  |
| Output VAT - Works Contract @ 4%    | 1-Apr-2009     |                  |
| Purchases - Capital Goods @ 12.5%   |                |                  |
| Purchases - Capital Goods @ 4%      |                |                  |

Open

Gateway of Tally ...  
Accounts Info. ...  
**Ledgers**

Single Ledger  
Create  
Display  
Alter

Multiple Ledgers  
Create  
Display  
Alter  
Quit

Figure 21.30 Input Vat Ledger

5. **Percentage of Calculation** and **Method of Calculation** are updated automatically based on the Type of Duty/Tax and VAT/Tax Class selected.

| Ledger Creation                                 |                | Metal Craft Engineering P |
|-------------------------------------------------|----------------|---------------------------|
| Name : Input VAT @ 4%                           | Total Op. Bal. |                           |
| (alias) :                                       |                |                           |
| Under : Duties & Taxes<br>(Current Liabilities) |                |                           |
| Type of Duty/Tax : VAT                          |                |                           |
| VAT/Tax Class : Input VAT @ 4%                  |                |                           |
| Percentage of Calculation (eg 5) ? 4 %          |                |                           |
| Method of Calculation : On VAT Rate             |                |                           |
| Rounding Method : Not Applicable                |                |                           |
| Opening Balance ( on 1-Apr-2009) :              |                | Accept ?<br>Yes or No     |

Figure 21.31 Input VAT Ledger Completed Screen

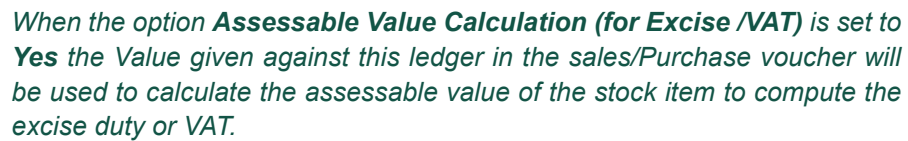
6. Press **Enter** to Accept and save.

Similarly, create **Input VAT @ 12.5%**, **Output VAT @ 4%**, **Output VAT @ 12.5%** under **Current Duties & Taxes** group.

### 21.3.5 Creating Expenses Ledgers

| Ledger          | Under             | Inventory values are affected | Use for Assessable Value Calculation (for Excise / VAT) | Method of Apportion |
|-----------------|-------------------|-------------------------------|---------------------------------------------------------|---------------------|
| Packing Charges | Indirect Expenses | No                            | Yes                                                     | Based on Value      |
| Freight Charges | Indirect Expenses | No                            | Yes                                                     | Based on Value      |
| Labour Charges  | Indirect Expenses | No                            | Yes                                                     | Based on Value      |

1. Enter the **Name** of the expense ledger you wish to create, for e.g., **Packing Charges**
2. Select **Indirect Expenses** as the group name in the **Under** field.
3. Set **Inventory values are affected** to **No**
4. Select **Not Applicable** in **Type of Ledger** field
5. Set the option **Use for Assessable Value Calculation (for Excise /VAT)** to **Yes**



- | Ledger Creation                      |                           | Metal Craft Engineering Pvt Ltd |   | Ctrl           |
|--------------------------------------|---------------------------|---------------------------------|---|----------------|
| Name : Packing Charges               |                           |                                 |   | Total Op. Bal. |
| (alias) :                            |                           |                                 |   |                |
| Under : Indirect Expenses            |                           | Mailing Details                 |   |                |
| Inventory values are affected        | ? No                      | Name                            | : |                |
| Type of Ledger                       | ? <b>I Not Applicable</b> | Address                         | : |                |
|                                      |                           | State                           | : |                |
|                                      |                           | PIN Code                        | : |                |
| Statutory Information                |                           | Tax Information                 |   |                |
| Used In VAT Returns                  | ? No                      | PAN / IT No.                    | : |                |
| Use for Assessable Value Calculation | ? Yes                     | Methods of Apportion            |   |                |
| Apportion for                        | ? Excise & VAT            | Based on Quantity               |   |                |
| Method of Apportion                  | : <b>Based on Value</b>   | Based on Value                  |   |                |
| Opening Balance ( on 1-Apr-2009) :   |                           |                                 |   |                |

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### Based on Value

If **Based on Value** method of apportion is selected, the expenses will be apportioned based on the Value of the Stock item.

For e.g.

**Packing charges** is 1,000

Value of **Item X** is 10,000

Value of **Item Y** is 5,000

Then,

Apportionment of Packing Charges to **Item X**:  $1,000 \times 10,000 / 15,000 = 666.67$

Apportionment of Packing Charges to **Item Y**:  $1,000 \times 5,000 / 15,000 = 333.33$

Assessable Value of **Item X** (10,666.67) = Value of **Item X** (10,000) + Packing Charges (666.67)

Assessable Value of **Item Y** (5,333.33) = Value of **Item Y** (5,000) + Packing Charges (333.33)

### Based on Quantity

If **Based on Quantity** method of apportion is selected, the expenses will be apportioned based on the quantity of the Stock item.

For eg.,

**Packing charges** is 1,000

Quantity of **Item X** is 100 and Value is 10,000

Quantity of **Item Y** is 75 and Value is 5,000

Then,

Apportionment of Packing Charges to **Item X**:  $1,000 \times 100 / 175 = 571.43$

Apportionment of Packing Charges to **Item Y**:  $1,000 \times 75 / 175 = 428.57$

Assessable Value of **Item X** (10,571.43) = Value of **Item X** (10,000) + Packing Charges (571.43)

Assessable Value of **Item Y** (5,428.57) = Value of **Item Y** (5,000) + Packing Charges (428.57).

8. Press **Enter**

| Ledger Alteration                          |  | Metal Craft Engineering Pvt Ltd |                 | Ctrl      |
|--------------------------------------------|--|---------------------------------|-----------------|-----------|
| Name : Packing Charges<br>(alias) :        |  |                                 | Total Op. Bal.  |           |
| Under : Indirect Expenses                  |  |                                 | Mailing Details |           |
| Inventory values are affected ? No         |  |                                 | Name :          |           |
| Type of Ledger ? Indirect Expenses         |  |                                 | Address :       |           |
|                                            |  |                                 | State :         |           |
|                                            |  |                                 | PIN Code :      |           |
| Statutory Information                      |  |                                 | Tax Information |           |
| Used In VAT Returns ? No                   |  |                                 | PAN / IT No. :  |           |
| Use for Assessable Value Calculation ? Yes |  |                                 |                 |           |
| Apportion for ? Excise & VAT               |  |                                 |                 |           |
| Method of Apportion : Based on Value       |  |                                 |                 |           |
| Opening Balance ( on 1-Apr-2009 ) :        |  |                                 |                 | Accept ?  |
|                                            |  |                                 |                 | Yes or No |

Figure 21.33 Expense Ledger

9. Press **Enter** to accept and save

Similarly, create **Freight Charges** and **Labour Charges** under **Indirect Expenses** Group.

### 21.3.6 Creating Excise Voucher Types

| Voucher Types         | Type of Voucher | Abbreviate  | Use for Excise | Default Excise Unit     |
|-----------------------|-----------------|-------------|----------------|-------------------------|
| Excise - Purchases    | Purchase        | Ex-Purc     | Yes            | Metal Craft Engineering |
| Excise - Sales        | Sales           | Ex-Sale     | Yes            | Metal Craft Engineering |
| Sales Returns         | Credit Note     | Ex-C/Note   | Yes            | Metal Craft Engineering |
| Purchase Returns      | Debit Note      | Ex-D/Note   | Yes            | Metal Craft Engineering |
| Manufacturing Journal | Stock Journal   | Ex-Stk Jrnl | -              | -                       |

The Excise Voucher Types for **Purchase**, **Sales**, **Sales Returns**, **Purchase Returns** and **Manufacturing Journal** has to be created before creating the invoices.

### i. Creating Purchase Voucher Type

To create the **Purchase Voucher Type**,

Go to **Gateway of Tally > Accounts Info > Voucher Type > Create**

1. Enter the name of the Voucher type in **Name** Field e.g. **Excise - Purchases**
2. Select **Purchase** as the voucher type in **Type of Voucher** Field
3. You may **abbreviate** the Voucher type as per your requirement e.g. **Ex-Purc**
4. Select the appropriate **Method of Voucher Numbering** e.g. **Automatic**
5. Set **Use Advanced Configuration** to **Yes** to specify the advanced settings for the numbering method selected, if required.
6. Set **Use for Excise** to **Yes** to enter Excise Purchase to capture **Assessable Value** and **Excise Duty breakup**.
7. In **Default Excise Unit** field select **Metal Craft Engineering** from the **List of Excise Units**

| Voucher Type Creation              |                                  | Metal Craft Engineering Pvt Ltd |             | Ctrl + M             |
|------------------------------------|----------------------------------|---------------------------------|-------------|----------------------|
| Name : <b>Excise - Purchases</b>   |                                  |                                 |             |                      |
| (alias) :                          |                                  |                                 |             |                      |
| <b>General</b>                     |                                  | <b>Printing</b>                 |             | <b>Name of Class</b> |
| Type of Voucher                    | : <b>Purchase</b>                | Print after saving Voucher      | ? <b>No</b> |                      |
| Abbr.                              | : Ex-Purc                        |                                 |             |                      |
| Method of Voucher Numbering        | ? <b>Automatic</b>               |                                 |             |                      |
| Use Advance Configuration          | ? <b>No</b>                      |                                 |             |                      |
| Use EFFECTIVE Dates for Vouchers ? | <b>No</b>                        |                                 |             |                      |
| Make 'Optional' as default         | ? <b>No</b>                      |                                 |             |                      |
| Use Common Narration               | ? <b>Yes</b>                     |                                 |             |                      |
| Narrations for each entry          | ? <b>No</b>                      |                                 |             |                      |
| Use for Excise                     | ? <b>Yes</b>                     |                                 |             |                      |
| Default Excise Unit                | : <b>Metal Craft Engineering</b> |                                 |             |                      |

List of Excise Units

|                                      |
|--------------------------------------|
| Metal Craft Engineering              |
| Metal Craft Engineering Manufacturer |

Figure 21.34 Excise Purchase Voucher Type Creation

8. Set **Print after saving Voucher** to **No**.



| Voucher Type Creation                                                                                                                                                                                                                                                                                                                                                                                                            |  | Metal Craft Engineering Pvt Ltd                           | Ctrl + M                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------|-------------------------------------|
| Name : <b>Excise - Purchases</b>                                                                                                                                                                                                                                                                                                                                                                                                 |  |                                                           |                                     |
| (alias) :                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                                                           |                                     |
| <b>General</b><br>Type of Voucher : <b>Purchase</b><br>Abbr. : Ex-Purc<br>Method of Voucher Numbering ? <b>Automatic</b><br>Use Advance Configuration ? <b>No</b><br>Use EFFECTIVE Dates for Vouchers ? <b>No</b><br>Make 'Optional' as default ? <b>No</b><br>Use Common Narration ? <b>Yes</b><br>Narrations for each entry ? <b>No</b><br>Use for Excise ? <b>Yes</b><br>Default Excise Unit : <b>Metal Craft Engineering</b> |  | <b>Printing</b><br>Print after saving Voucher ? <b>No</b> | <b>Name of Class</b>                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |                                                           | Accept ?<br><b>Yes</b> or <b>No</b> |

Figure 21.35 Excise Purchase Voucher Type

9. Press **Enter** to accept and save.



- ❑ The **Use for Excise** option will be available in Purchase, Sales, Debit Note and Credit Note Voucher Types, only if the **Excise Feature** is enabled in the **F11 : Statutory & Taxation**.
- ❑ In case, where a company has more than **One Excise Unit**, it is recommended to create **Voucher types** for each **Excise Unit** separately.

Similarly, create **Excise Sales Voucher Type**, **Excise Debit Note** and **Credit Note** Voucher Types.

## ii. Manufacturing Journal Voucher Type

Manufacturing Journal is used to account the issue of raw materials to production floor and for the receipt of finished goods. In Tally.ERP 9, you can create a Manufacturing Journal under Stock Journal or alter the existing Stock Journal

### Alter the Stock Journal

Go to **Gateway of Tally > Accounts Info. > Voucher Types > Alter**

- ❑ Set the option **Use as a Manufacturing Journal** to **Yes**

| Voucher Type Alteration                                                                                                                                                                                                                                                                                                                              |  | Metal Craft Engineering Pvt Ltd                           | Ctrl + M              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------|-----------------------|
| Name : <b>Stock Journal</b><br>(alias) :                                                                                                                                                                                                                                                                                                             |  |                                                           |                       |
| <b>General</b><br>Type of Voucher : <b>Stock Journal</b><br>Abbr. : Stk Jml<br>Method of Voucher Numbering ? <b>Automatic</b><br>Use Advance Configuration ? <b>No</b><br>Use EFFECTIVE Dates for Vouchers ? <b>No</b><br>Make 'Optional' as default ? <b>No</b><br>Use Common Narration ? <b>Yes</b><br>Use as a Manufacturing Journal ? <b>Yes</b> |  | <b>Printing</b><br>Print after saving Voucher ? <b>No</b> | <b>Name of Class</b>  |
|                                                                                                                                                                                                                                                                                                                                                      |  |                                                           | Accept ?<br>Yes or No |

Figure 21.36 Stock Journal Voucher Alteration



You may also create a separate Stock Journal for **Manufacturing Journal** with the option **Use as a Manufacturing Journal**.

### 21.3.7 Creating Tariff Classification

As per the Excise Tariff Act, all the excisable goods are classified under a specific code known as Tariff Classification code, which consists of 8 digits. Out of these eight digits, the first 4 digits denote Chapter and heading and next 2 digits represent sub-heading and the last 2 digits indicate sub-sub heading of the particular article/commodity.

To create a **Tariff Classification**,

Go to **Gateway of Tally > Inventory Info. > Tariff Classification > Create**

1. Enter the name of the **Tariff Classification** e.g. **72221111** in the **Name** field.
2. In **Used For** field select **Excise** from the **list of Tax Type**.



The HSN code refers to **Harmonised System of Nomenclature (HSN)**. It is an internationally standardized system of names and numbers for classifying traded products developed and maintained by the World Customs Organization.

| Tariff/VAT Commodity Creation |                 | Metal Craft Engineering                                                                                                                                                       |          |      |               |     |
|-------------------------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------|---------------|-----|
| Name                          | : 7222111       |                                                                                                                                                                               |          |      |               |     |
| (alias)                       | :               |                                                                                                                                                                               |          |      |               |     |
| Used for                      | : <b>Excise</b> | <table border="1"> <thead> <tr> <th>Tax Type</th> </tr> </thead> <tbody> <tr> <td>Both</td> </tr> <tr> <td><b>Excise</b></td> </tr> <tr> <td>VAT</td> </tr> </tbody> </table> | Tax Type | Both | <b>Excise</b> | VAT |
| Tax Type                      |                 |                                                                                                                                                                               |          |      |               |     |
| Both                          |                 |                                                                                                                                                                               |          |      |               |     |
| <b>Excise</b>                 |                 |                                                                                                                                                                               |          |      |               |     |
| VAT                           |                 |                                                                                                                                                                               |          |      |               |     |
| HSN Code                      | :               |                                                                                                                                                                               |          |      |               |     |
| <b>VAT</b>                    |                 |                                                                                                                                                                               |          |      |               |     |
| Commodity Code                | :               |                                                                                                                                                                               |          |      |               |     |
| Schedule Number               | :               |                                                                                                                                                                               |          |      |               |     |
| Schedule Serial Number        | :               |                                                                                                                                                                               |          |      |               |     |
| Notes                         | :               |                                                                                                                                                                               |          |      |               |     |

Figure 21.37 Tariff Classification



- ❑ The **Tariff Classification** created with the option **Both** will be available during creation of Stock Items, when Excise as well as VAT are applicable.
- ❑ Selecting any one i.e., either **VAT** or **Excise** will restrict display of Tariff classification only for the Stock items for which it is applicable.
- ❑ When the option **VAT** or **Both** is selected, you will be able to enter details of **Schedule Number** and **Schedule Serial Number**.

3. In **Notes** field, enter any additional information

| Tariff/VAT Commodity Creation |           | Metal Craft Engineerin       |
|-------------------------------|-----------|------------------------------|
| Name                          | : 7222111 |                              |
| (alias)                       | :         |                              |
| Used for                      | : Excise  |                              |
| HSN Code                      | :         |                              |
| <b>VAT</b>                    |           |                              |
| Commodity Code                | :         |                              |
| Schedule Number               | :         |                              |
| Schedule Serial Number        | :         |                              |
| Notes                         | :         |                              |
|                               |           | <b>Accept ?</b><br>Yes or No |

Figure 21.38 Tariff Classification

4. Press **Enter** to accept and save.

### 21.3.8 Creating Stock Items

| Name                         | Stock Group Name | UOM | Tariff Classification | Set/Alter Excise Details | Valuation Type | Rate Of VAT |
|------------------------------|------------------|-----|-----------------------|--------------------------|----------------|-------------|
| Iron Bars                    | Raw Materials    | Kgs | 72221111              | Yes                      | MRP Based      | 4%          |
| Steel Sheets                 | Raw Materials    | Kgs | 72221191              | Yes                      | Ad Quantum     | 12.5%       |
| Hot Rolled Beams - 25mm      | Finished Goods   | Nos | 72221199              | Yes                      | Ad Valorem     | 4%          |
| Cold Rolled Channels - 10 mm | Finished Goods   | Nos | 72221992              | Yes                      | Ad Valorem     | 12.5%       |
| Slotted Angle - 10mm         | Finished Goods   | Nos | 72221166              | Yes                      | Ad Valorem     | 12.5%       |

#### i. Create Stock Items on MRP

To create a **Stock Item on MRP**,

Go to **Gateway of Tally > Inventory Info. > Stock item > Create**

1. Enter the **name** of the Stock Item i.e., **Iron Bars** in the Name field.
2. Select the **Stock Group Name** as **Raw Materials** in the **Under** field (Use **Alt + C** to create **Stock Group**)

3. Select the **unit of measurement** as **Kgs (Kilograms)** of the stock item in the Units field (Use **Alt + C** to create **Unit of Measurement**)
4. In **Tariff Classification** field, select the applicable tariff classification e.g. **72221111** from the **List of Tariff Classifications**

| Stock Item Creation                  |                                         | Metal Craft Engineering Pvt Ltd                                                                |                 | Ctrl + M     |
|--------------------------------------|-----------------------------------------|------------------------------------------------------------------------------------------------|-----------------|--------------|
| Name : <b>Iron Bars</b><br>(alias) : |                                         | List of Tariff Classifications                                                                 |                 |              |
|                                      |                                         | <input type="checkbox"/> Not Applicable<br><input checked="" type="checkbox"/> <b>72221111</b> |                 |              |
| Under : <b>Raw Materials</b>         | <b>Tax Information</b>                  |                                                                                                |                 |              |
| Units : <b>Kgs</b>                   | Tariff Classification : <b>72221111</b> |                                                                                                |                 |              |
|                                      | Set/Alter Excise Details ? <b>No</b>    |                                                                                                |                 |              |
|                                      | <b>VAT Details</b>                      |                                                                                                |                 |              |
|                                      | Commodity :                             |                                                                                                |                 |              |
|                                      | Rate of VAT (%) :                       |                                                                                                |                 |              |
| Opening Balance :                    |                                         | <b>Quantity</b>                                                                                | <b>Rate per</b> | <b>Value</b> |
|                                      |                                         |                                                                                                |                 |              |

Gateway of Inventory  
 Stock  
 Single Stock  
 Create  
 Display  
 Alter  
 Multiple Stock  
 Create  
 Display  
 Alter  
 Update Excise  
 Quit

Figure 21.39 Stock Item Creation

5. Enable **Set/Alter Excise Details** to **Yes** to display the **Excise Details** sub screen

| Stock Item Creation |                 | Metal Craft Engineering Pvt Ltd |                |
|---------------------|-----------------|---------------------------------|----------------|
| Name                | : Iron Bars     |                                 |                |
| (alias)             | :               |                                 |                |
| Under               | : Raw Materials | <b>Tax Information</b>          |                |
| Units               | : Kgs           | Tariff Classification           | : 72221111     |
|                     |                 | Set/Alter Excise Details        | ? <b>Yes</b>   |
|                     |                 | Rate of VAT (%)                 | :              |
| Opening Balance     |                 | Quantity                        | Rate per Value |

Figure 21.40 Stock Item Creation

6. In the **Excise Details** Screen

- **Excise Unit Name:** By default, Tally.ERP 9 displays **Metal Craft Engineering** as Excise Unit Name.



- *In Tally.ERP 9, the Excise units whether created for Dealer / Manufacturer are identified as **Godowns**. However, when the option **Maintain Multiple Godowns/Excise Units** is not enabled in **F11: Inventory Features (F2)** Tally.ERP 9 by default, identifies the Default Godown named **Main Location** as the **Excise Unit Name***
- *To create more than one Excise Unit, enable **Maintain Multiple Godowns/Excise Units** in **F11: Inventory Features (F2)**.*

- **Reporting UOM:** Select **Kgs** as **Reporting UOM** (All the reports will display the Stock item details based on the reporting UOM selected).



*As per **Central Excise Act**, the stock items are required to be reported in the prescribed unit of measurements. The Applicable Unit of Quantity for Iron Bars is **Kgs (Kilograms)**. Hence, select **Kgs (Kilograms)** as the **Reporting UOM**.*

- **Set/Alter Duty Details:** Set this field to **Yes** to view the **Duty Details** screen.

| Excise Details for : <b>Iron Bars</b><br>Tariff Classification : <b>72221111</b> |               |                   |                        |                 |                         |
|----------------------------------------------------------------------------------|---------------|-------------------|------------------------|-----------------|-------------------------|
| Excise Unit Name                                                                 | Reporting UOM | Conversion Factor | Set/Alter Duty Details | Stock Item Type | Set/Alter Reporting BOM |
| Metal Craft Engineering Pvt Ltd                                                  | Kgs           |                   | <b>Yes</b>             | Principal Input | No                      |
|                                                                                  |               |                   |                        |                 |                         |

Figure 21.41 Excise Details

- In **Duty Details** screen
  - In **valuation Type** field Select **MRP** Based from the **List of Valuation Type**
  - In **MRP** field enter the Rate as Rs. **35**
  - Select the **Basic Excise Duty** in the **Type of Duty** field from the **List of Excise Duty Classifications**
  - Specify the **Rate of Duty** as **16%**
  - Select the **Education Cess** as the second duty in the **Type of Duty** field from the List of Excise Duty classifications
  - Specify the **Rate of Duty** as **2%**
  - Select the **Secondary Education Cess** as the third duty in the **Type of Duty** field from the List of Excise Duty classifications.
  - Specify the **Rate of Duty** as **1%**

| Excise Duty Details                   |                 |              |            | Metal Craft Engineering Pvt Ltd |       | Ctrl + M                                                                                                                                                                                                                   |
|---------------------------------------|-----------------|--------------|------------|---------------------------------|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name : Iron Bars                      |                 |              |            |                                 |       | <b>List of Excise Duty Classifications</b><br><b>End of List</b><br>AED (GSI)<br>AED on HSD<br>AED (PMT)<br>AED (TTA)<br>AED (TTW)<br>NCCD<br>Other Cess<br>Secondary Education Cess<br>Special AED<br>Special Excise Duty |
| (alias) :                             |                 |              |            |                                 |       |                                                                                                                                                                                                                            |
| Excise Details for : Iron Bars        |                 |              |            |                                 |       |                                                                                                                                                                                                                            |
| Tariff Classification : 72221111      |                 |              |            |                                 |       |                                                                                                                                                                                                                            |
| Under                                 | Excise Unit     | Reporting    | Conversion | Set/Alter                       |       |                                                                                                                                                                                                                            |
|                                       | Name            | UOM          | Factor     | Duty Details                    |       |                                                                                                                                                                                                                            |
| Duty Details for : Iron Bars          |                 |              |            | Yes                             | Other |                                                                                                                                                                                                                            |
| Tariff Classification : 72221111      |                 |              |            |                                 |       |                                                                                                                                                                                                                            |
| Excise Unit : Metal Craft Engineering |                 |              |            |                                 |       |                                                                                                                                                                                                                            |
| Valuation Type : <b>MRP Based</b>     |                 |              |            |                                 |       |                                                                                                                                                                                                                            |
| MRP : 35.00/Kgs                       |                 |              |            |                                 |       |                                                                                                                                                                                                                            |
| Abatement % :                         |                 |              |            |                                 |       |                                                                                                                                                                                                                            |
| Type of Duty                          | Applicable From | Rate of Duty |            | per                             |       |                                                                                                                                                                                                                            |
| Basic Excise Duty                     | 1-Jun-2007      | 16 %         |            |                                 |       |                                                                                                                                                                                                                            |
| Education Cess                        | 1-Jun-2007      | 2 %          |            |                                 |       |                                                                                                                                                                                                                            |
| Secondary Education Cess              | 1-Jun-2007      | 1 %          |            |                                 |       |                                                                                                                                                                                                                            |
|                                       |                 |              |            |                                 |       |                                                                                                                                                                                                                            |
|                                       |                 |              |            |                                 |       |                                                                                                                                                                                                                            |

Figure 21.42 Duty Details

- Accept to save **Duty Details** screen.
- In **Excise Details** screen, under **Stock Item Type** field select as **Principal Input** from the **List of Item Types**



| Excise Details for : <b>Iron Bars</b><br>Tariff Classification : <b>72221111</b> |               |                   |                        |                 |
|----------------------------------------------------------------------------------|---------------|-------------------|------------------------|-----------------|
| Excise Unit Name                                                                 | Reporting UOM | Conversion Factor | Set/Alter Duty Details | Stock Item Type |
| Metal Craft Engineering                                                          | Kgs           |                   | Yes                    | Principal Input |
| List of Item Types                                                               |               |                   |                        |                 |
| Capital Goods                                                                    |               |                   |                        |                 |
| Finished Goods                                                                   |               |                   |                        |                 |
| Others                                                                           |               |                   |                        |                 |
| Principal Input                                                                  |               |                   |                        |                 |

Figure 21.43 Excise Details

7. **Rate of VAT (%)**: in this field enter the **Rate of VAT** applicable for the Stock Item e.g. **4%**

| Stock Item Creation                  |                                                                                                            | Metal Craft Engineering Pvt Ltd |                  |
|--------------------------------------|------------------------------------------------------------------------------------------------------------|---------------------------------|------------------|
| Name : <b>Iron Bars</b><br>(alias) : |                                                                                                            |                                 |                  |
| Under : <b>Raw Materials</b>         | <u>Tax Information</u><br>Tariff Classification : <b>72221111</b><br>Set/Alter Excise Details ? <b>Yes</b> |                                 |                  |
| Units : <b>Kgs</b>                   | <u>VAT Details</u><br>Commodity : <b>[ Not Applicable</b><br>Rate of VAT (%) : <b>4</b>                    |                                 |                  |
| Opening Balance :                    | Quantity                                                                                                   | Rate per                        | Accept ?         |
|                                      |                                                                                                            |                                 | <b>Yes or No</b> |

Figure 21.44 Stock Item Creation

8. Press **Enter** to accept and save

## ii. Create Stock Items on Ad Quantum

To create a **Stock Item** on **Ad Quantum**,

Go to **Gateway of Tally > Inventory Info. > Stock item > Create**

1. Enter the **name** of the Stock Item e.g. **Steel Sheets** in the **Name** field
2. Select the **Group Name** e.g. **Raw Materials** in the **Under** field
3. Select the **unit of measurement** e.g. **Kgs (kilograms)** of the stock item in the **Units** field
4. In **Tariff Classification** field select the applicable tariff classification e.g. **72221191** from the **List of Tariff Classifications** (Use **Alt + C** to create **Tariff Classifications**)
5. Enable **Set/Alter Excise Details** to **Yes** to display the **Excise Details** sub screen.
6. In the **Excise Details** Screen
  - **Excise Unit Name:** By default Tally.ERP 9 displays **Metal Craft Engineering** as Excise Unit Name.
  - **Reporting UOM:** Select **Kgs** as **Reporting UOM**. All the reports will display the Stock item details based on the reporting UOM selected
  - **Set/Alter Duty Details:** Set this field to **Yes** to view the **Duty Details** screen.
  - In **Duty Details** screen
    - In **valuation Type** field Select **Ad Quantum Based** from the **List of Valuation Type**
    - Select the **Basic Excise Duty** in the **Type of Duty** field from the **List of Excise Duty Classifications**
    - Specify the **Rate of Duty** as **16%**
    - Select the **Education Cess** as the second duty in the **Type of Duty** field from the List of Excise Duty classifications
    - Specify the **Rate of Duty** as **2%**
    - Select the **Secondary Education Cess** as the third duty in the **Type of Duty** field from the List of Excise Duty classifications.
    - Specify the **Rate of Duty** as **1%**

| Excise Duty Details                   |                  |                  |                   | Metal Craft Engineering Pvt Ltd                                                                                                                                                                                           |       | Ctrl + M |
|---------------------------------------|------------------|------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|----------|
| Name : Steel Sheets                   |                  |                  |                   | List of Excise Duty Classifications                                                                                                                                                                                       |       |          |
| (alias) :                             |                  |                  |                   | <div> <div>End of List</div> <div> AED (GSI)<br/> AED on HSD<br/> AED (PMT)<br/> AED (TTA)<br/> AED (TTW)<br/> NCCD<br/> Other Cess<br/> Secondary Education Cess<br/> Special AED<br/> Special Excise Duty </div> </div> |       |          |
| Excise Details for : Steel Sheets     |                  |                  |                   |                                                                                                                                                                                                                           |       |          |
| Tariff Classification : 72221191      |                  |                  |                   |                                                                                                                                                                                                                           |       |          |
| Under                                 | Excise Unit Name | Reporting UOM    | Conversion Factor | Set/Alter Duty Details                                                                                                                                                                                                    |       |          |
| Duty Details for : Steel Sheets       |                  |                  |                   | Yes                                                                                                                                                                                                                       | Other |          |
| Tariff Classification : 72221191      |                  |                  |                   |                                                                                                                                                                                                                           |       |          |
| Excise Unit : Metal Craft Engineering |                  |                  |                   |                                                                                                                                                                                                                           |       |          |
| Valuation Type : Ad Quantum           |                  |                  |                   |                                                                                                                                                                                                                           |       |          |
| Type of Duty                          | Applicable From  | Rate of Duty per |                   |                                                                                                                                                                                                                           |       |          |
| Basic Excise Duty                     | 1-Jun-2007       | 16 /Kgs          |                   |                                                                                                                                                                                                                           |       |          |
| Education Cess                        | 1-Jun-2007       | 2 /Kgs           |                   |                                                                                                                                                                                                                           |       |          |
| Secondary Education Cess              | 1-Jun-2007       | 1 /Kgs           |                   |                                                                                                                                                                                                                           |       |          |
|                                       |                  |                  |                   |                                                                                                                                                                                                                           |       |          |
|                                       |                  |                  |                   |                                                                                                                                                                                                                           |       |          |

Figure 21.45 Duty Details

- Accept to save **Duty Details** screen.
- In **Excise Details** screen, under **Stock Item Type** field select as **Principal Input** from the **List of Item Types**

7. **Rate of VAT (%)**: in this field enter the **Rate of VAT** applicable for the Stock Item e.g. **12.5%**

| Stock Item Creation |                 | Metal Craft Engineering Pvt Ltd  |           |
|---------------------|-----------------|----------------------------------|-----------|
| Name                | : Steel Sheets  |                                  |           |
| (alias)             | :               |                                  |           |
| Under               | : Raw Materials | <u>Tax Information</u>           |           |
| Units               | : Kgs           | Tariff Classification : 72221191 |           |
|                     |                 | Set/Alter Excise Details ? Yes   |           |
|                     |                 | <u>VAT Details</u>               |           |
|                     |                 | Commodity : I Not Applicable     |           |
|                     |                 | Rate of VAT (%) : 12.50          |           |
| Opening Balance     | Quantity        | Rate per                         | Accept ?  |
| :                   |                 |                                  | Yes or No |

Figure 21.46 Stock Item Creation

8. Press **Enter** to accept and save.

### iii. Create Stock Items on Ad Valorem

To create a **Stock Item (Finished Good)** on Ad Valorem

**Setup :**

In **F12: Configuration (Stock Item Configuration)**

- ❑ Set the option **Allow ADVANCED entries in Masters** to **Yes**
- ❑ Set the option **Allow Component list details (Bill of Materials)** to **Yes**

Go to **Gateway of Tally > Inventory Info. > Stock item > Create**

1. Enter the name of the **Stock Item** e.g. **Hot Rolled Beams - 25mm** in the **Name** field.
2. Select the **Stock Group Name** e.g. **Finished Goods** in the **Under** field (Use **Alt + C** to create **Unit of Measurement**)
3. Select the **unit of measurement** e.g. **Nos (numbers)** of the stock item in the **Units** field
4. Enable **Set Components (BoM)** to **Yes** and press enter to view Stock Item Components (BoM) screen
5. In **Stock Item Components (BoM)** screen
  - ❑ In **Unit of manufacture** field enter as **1**
  - ❑ Under **Item** and **Quantity** field enter the details as shown

**Stock Item Components (BoM)** Metal Craft Engineering Pvt Ltd Ctrl + M

Name : Hot Rolled Beams - 25mm  
(alias) :

Under : Finished Goods  
Units : Nos  
Alter Components (BoM) ? Yes

| Item         | Quantity |
|--------------|----------|
| Iron Bars    | 2 Kgs    |
| Steel Sheets | 1 Kgs    |

Components of : Hot Rolled Beams - 25mm  
Unit of manufacture : 1 Nos

Listing Method  
Market Valuation Method  
Pre Diff. due to Physical  
Pre Negative Balance  
at all Sales as Net  
at all Purchases as  
at all Rejections in

List of Stock Items

End of List

Iron Bars

Steel Sheets

Figure 21.47 Stock item – BOM

6. In **Tariff Classification** field, select the applicable tariff classification e.g. **72221199** from the **List of Tariff Classifications** (Use **Alt + C** to create **Tariff Classifications**)
7. Enable **Set/Alter Excise Details** to **Yes** to display the **Excise Details** sub screen.
8. In the **Excise Details** Screen
  - ❑ **Excise Unit Name:** By default Tally.ERP 9 displays **Metal Craft Engineering** as **Excise Unit Name**.
  - ❑ **Reporting UOM:** select **Nos (numbers)** as **Reporting UOM**. All the reports will display the Stock item details based on the reporting UOM selected.
  - ❑ **Set/Alter Duty Details:** Set this field to **Yes** to view the Duty Details screen.
  - ❑ In **Duty Details** screen
    - In **Valuation Type** select **Ad Valorem** from **List of Valuation Type**.
    - Select the **Basic Excise Duty** in the **Type of Duty** field from the List of Excise Duty classifications
    - Specify the **Rate of Duty** as **16%**
    - Select the **Education Cess** as the second duty in the **Type of Duty** field from the List of Excise Duty classifications
    - Specify the **Rate of Duty** as **2%**

- Select the **Secondary Education Cess** as the third duty in the **Type of Duty** field from the List of Excise Duty classifications.
- Specify the **Rate of Duty** as **1%**

**Excise Duty Details** Metal Craft Engineering Pvt Ltd Ctrl + M

Name : Hot Rolled Beams - 25mm  
(alias) :

Excise Details for : Hot Rolled Beams - 25mm  
Tariff Classification : 72221199

Under : Excise Unit : Reporting UOM : Conversion Factor : Set/Alter Duty Details : Stock Item Type :

Duty Details for : Hot Rolled Beams - 25mm  
Tariff Classification : 72221199  
Excise Unit : Metal Craft Engineering

Valuation Type : **Ad Valorem**

| Type of Duty             | Applicable From | Rate of Duty per |
|--------------------------|-----------------|------------------|
| Basic Excise Duty        | 1-Jun-2007      | 16 %             |
| Education Cess           | 1-Jun-2007      | 2 %              |
| Secondary Education Cess | 1-Jun-2007      | 1 %              |
|                          |                 |                  |
|                          |                 |                  |

List of Excise Duty Classifications

■ End of List

AED (GSI)  
AED on HSD  
AED (PMT)  
AED (TTA)  
AED (TTW)  
NCCD  
Other Cess  
Secondary Education Cess  
Special AED  
Special Excise Duty

Figure 21.48 Duty Details

- In **Excise Details** screen, under **Stock Item Type** select as **Finished Goods** from the **List of Item Types**

| Excise Details for : Hot Rolled Beams - 25mm<br>Tariff Classification : 72221199 |               |                   |                        |                 |                         |
|----------------------------------------------------------------------------------|---------------|-------------------|------------------------|-----------------|-------------------------|
| Excise Unit Name                                                                 | Reporting UOM | Conversion Factor | Set/Alter Duty Details | Stock Item Type | Set/Alter Reporting BOM |
| Metal Craft Engineering                                                          | Nos           |                   | Yes                    | Finished Goods  | No                      |

List of Item Types

Capital Goods

**Finished Goods**

Others

Principal Input

Figure 21.49 Excise Details

- ❑ Set the option **Set/ Alter Reporting BOM** to **Yes**.

| Excise Details for : Hot Rolled Beams - 25mm<br>Tariff Classification : 72221199 |               |                   |                        |                 |                         |
|----------------------------------------------------------------------------------|---------------|-------------------|------------------------|-----------------|-------------------------|
| Excise Unit Name                                                                 | Reporting UOM | Conversion Factor | Set/Alter Duty Details | Stock Item Type | Set/Alter Reporting BOM |
| Metal Craft Engineering                                                          | Nos           |                   | Yes                    | Finished Goods  | <b>Yes</b>              |

Figure 21.50 Excise Details

- ❑ **Reporting BOM** Screen is displayed as shown

| Components of       | : Hot Rolled Beams - 25mm |
|---------------------|---------------------------|
| Unit of Manufacture | : [REDACTED]              |
| Item                | Quantity                  |
|                     |                           |

Figure 21.51 Set/Alter Reporting BOM



Specify the **Stock Item Components (BOM)** under the option **Set/ Alter Reporting BOM**, only when the Stock item has different components list other than those defined under the BOM for Production. The Bill of Materials (BOM) defined under this option is used only for reporting purpose.

9. **Rate of VAT (%)**: in this field enter the **Rate of VAT** applicable for the Stock Item e.g. **4%**



| Stock Item Creation                         |                                                                                              | Metal Craft Engineering Pvt Ltd |                                                                                                                                                                                                             | Ctrl + M  |
|---------------------------------------------|----------------------------------------------------------------------------------------------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Name : Hot Rolled Beams - 25mm<br>(alias) : |                                                                                              |                                 |                                                                                                                                                                                                             |           |
| Under : Finished Goods                      | <b>Tax Information</b><br>Tariff Classification : 72221199<br>Set/Alter Excise Details ? Yes |                                 | <b>Behaviour</b><br>Costing Method : Avg. Cost<br>Market Valuation Method : Avg. Price                                                                                                                      |           |
| Units : Nos                                 | <b>VAT Details</b><br>Commodity : [ Not Applicable<br>Rate of VAT (%) : 4                    |                                 | Ignore Diff. due to Physical Counting ? No<br>Ignore Negative Balances ? No<br>Treat all Sales as New Manufacture ? No<br>Treat all Purchases as Consumed ? No<br>Treat all Rejections inward as Scrap ? No |           |
| Set Components (BoM) ? Yes                  |                                                                                              |                                 |                                                                                                                                                                                                             |           |
| Opening Balance :                           |                                                                                              |                                 | Quantity Rate per Value                                                                                                                                                                                     | Accept ?  |
|                                             |                                                                                              |                                 |                                                                                                                                                                                                             | Yes or No |

Figure 21.52 Stock Item – MRP

10. Press **Enter** to accept and save.



*Wherever, **Additional duties of Excise** and **Special duties of Excise** are applicable on the Exciseable Item, the same can be activated as required from the **List of Excise Duty Classifications**.*

#### iv. Creating Stock Item - Finished Goods (Ad Valorem)

Go to **Gateway of Tally > Inventory Info. > Stock item > Create**

1. Enter the name of the **Stock Item** e.g. **Cold Rolled Channels - 10 mm** in the **Name** field.
2. Select the **Stock Group Name** e.g. **Finished Goods** in the **Under** field.
3. Select the **unit of measurement** e.g. **Nos (numbers)** of the stock item in the **Units** field.
4. Enable **Set Components (BoM)** to **Yes** and press enter to view Stock Item Components (BoM) screen
5. In **Stock Item Components (BoM)** screen
  - In **Unit of manufacture** field enter as **1**
  - Under **Item** and **Quantity** field enter the details as shown

**Stock Item Components (BoM)** Metal Craft Engineering Pvt Ltd Ctrl + M

Name : Cold Rolled Channels - 10mm  
(alias) :

Under : Finished Goods  
Units : Nos  
Set Components (BoM) ? Yes

| Item         | Quantity |
|--------------|----------|
| Iron Bars    | 1 Kgs    |
| Steel Sheets | 1 Kgs    |

Components of : Cold Rolled Channels - 10mm  
Unit of manufacture : 1 Nos

**List of Stock Items** Ctrl + M

End of List

Hot Rolled Beams - 25mm  
Iron Bars  
Steel Sheets

Figure 21.53 Stock item – BOM

6. In **Tariff Classification** field select the applicable tariff classification e.g. **72221992** from the **List of Tariff Classifications** (Use **Alt + C** to create **Tariff Classifications**)
7. Enable **Set/Alter Excise Details** to **Yes** to display the **Excise Details** sub screen.
8. In the **Excise Details** Screen
  - **Excise Unit Name:** By default Tally.ERP 9 displays **Metal Craft Engineering** as **Excise Unit Name**
  - **Reporting UOM:** select **Nos (numbers)** as **Reporting UOM**. All the reports will display the Stock item details based on the reporting UOM selected
  - **Set/Alter Duty Details:** Set this field to **Yes** to view the Duty Details screen
  - In the **Duty Details** screen
    - In **Valuation Type**, select **Ad Valorem** from **List of Valuation Type**.
    - Select the **Basic Excise Duty** in the **Type of Duty** field from the List of Excise Duty classifications
    - Specify the **Rate of Duty** as **16%**
    - Select the **Education Cess** as the second duty in the **Type of Duty** field from the List of Excise Duty classifications
    - Specify the **Rate of Duty** as **2%**

- Select the **Secondary Education Cess** as the third duty in the **Type of Duty** field from the List of Excise Duty classifications.
  - Specify the **Rate of Duty** as **1%**
  - In **Excise Details** screen, under **Stock Item Type** field select as **Finished Goods** from the **List of Item Types**
  - Set the option **Set/ Alter Reporting BOM** to **Yes**.
  - **Reporting BOM** screen is displayed as shown
9. **Rate of VAT (%)**: in this field enter the **Rate of VAT** applicable for the Stock Item e.g. **12.5%**

| Stock Item Creation                                                 |                                                                                                                                                                               | Metal Craft Engineering Pvt Ltd |                                                                                                                                                                                                                                                                                                       | Ctrl + M |
|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Name : Cold Rolled Channels - 10mm<br>(alias) :                     |                                                                                                                                                                               |                                 |                                                                                                                                                                                                                                                                                                       |          |
| Under : Finished Goods<br>Units : Nos<br>Set Components (BoM) ? Yes | <b>Tax Information</b><br>Tariff Classification : 72221992<br>Set/Alter Excise Details ? Yes<br><b>VAT Details</b><br>Commodity : [ Not Applicable<br>Rate of VAT (%) : 12.50 |                                 | <b>Behaviour</b><br>Costing Method : Avg. Cost<br>Market Valuation Method : Avg. Price<br>Ignore Diff. due to Physical Counting ? No<br>Ignore Negative Balances ? No<br>Treat all Sales as New Manufacture ? No<br>Treat all Purchases as Consumed ? No<br>Treat all Rejections inward as Scrap ? No |          |
| Opening Balance :                                                   |                                                                                                                                                                               | Quantity                        | Rate per                                                                                                                                                                                                                                                                                              | Value    |
|                                                                     |                                                                                                                                                                               | Accept ?<br>Yes or No           |                                                                                                                                                                                                                                                                                                       |          |

Figure 21.54 Stock Item – MRP

10. Press **Enter** to accept and save.

Similarly, create **Slotted Angle - 10mm** in the manner as discussed above.

## 21.4 Processing Transactions

Once the required Party ledgers, Purchase, Sales and Tax Ledgers are created in the manner as discussed above, let us consider the following transactions pertaining to Excise Manufacturing.

### 21.4.1 Purchase of Excisable Goods

#### Example 1:

*On 01/04/09, M/s. Metal Craft Engineering purchased the following Excisable goods from Durga Steel Industries*

| Item Description | Qty (Kgs) | Rate (Rs) |
|------------------|-----------|-----------|
| Iron Bars        | 1000      | 35        |

*The above items are subject to Basic Excise Duty @ 16%, Education Cess @ 2%, Sec. Educational Cess @ 1% and VAT @ 4%.*

### Step 1 : Create Excise Purchase Voucher

To create a **Purchase Voucher**

#### Setup :

- In **F12: Configuration (Purchase Invoice Configuration)**, ensure the option **Use Common Ledger A/c for Item Allocation** is set to **Yes**

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchases**

1. In **Voucher Type** sub form select **Excise - Purchases** as the voucher type
2. Ensure that the **Purchase Voucher** is in **Item Invoice Mode**



*In Tally.ERP 9, **Excise Purchase Transactions** are required to be recorded in **Invoice Mode Only**.*

3. Enter the **Date** as **1-4-2009**
4. In **Supplier Invoice No.** field enter the Invoice No. as **MCE/201**
5. In the **Party's A/c Name** field, select the supplier i.e. **Durga Steel Industries** from the List of Ledger Accounts
6. Select **Manufacturer** in **n Nature of Purchase** field

| Accounting Voucher Creation                                                                                                                                                                                                                                                            |          | Metal Craft Engineering Pvt Ltd                                                                                                                                                                                                                              | Ctrl + M |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| <b>Excise - Purchases</b> No. 1<br>Supplier Invoice No. : MCE/201 Date : 1-Apr-2009<br>Excise Unit : Metal Craft Engineering<br><br>Party's A/c Name : Durga Steel Industries<br>Nature of Purchase : <b>Manufacturer</b><br>Current Balance :<br>Purchase Ledger :<br>VAT/Tax Class : |          | Nature of Purchase<br><input type="checkbox"/> Not Applicable<br><input type="checkbox"/> First Stage Dealer<br><input type="checkbox"/> Importer<br><input checked="" type="checkbox"/> <b>Manufacturer</b><br><input type="checkbox"/> Second Stage Dealer |          |
| Name of Item                                                                                                                                                                                                                                                                           | Quantity |                                                                                                                                                                                                                                                              |          |
|                                                                                                                                                                                                                                                                                        |          |                                                                                                                                                                                                                                                              |          |
| Narration:                                                                                                                                                                                                                                                                             |          |                                                                                                                                                                                                                                                              |          |

Figure 21.55 Nature of Purchase

7. In the **Purchase Ledger** field, select the ledger **Purchase @ 4%** from List of Ledger Accounts
8. **VAT/Tax Class** field automatically gets updated with the VAT/Tax class as selected in the purchase ledger, which can be changed.
9. In **Name of Item** field select the Stock Item i.e. **Iron Bars**
10. In **Quantity** field, enter the quantity as **1,000**
11. In **Rate** field, enter the rate as **Rs. 35**. The **Amount** will be displayed automatically
12. Select Duty Ledger i.e. **Basic Excise Duty @ 16%**. **Amount** will be calculated and displayed automatically.
13. Select **Education Cess @ 2%** and **Secondary Education Cess @ 1%** ledgers. **Amount** will be calculated and displayed automatically
14. Select **Input VAT @ 4%**, the **Amount** will be displayed automatically

| Accounting Voucher Creation               |           | Metal Craft Engineering Pvt Ltd                               |           | Ctrl + M   |
|-------------------------------------------|-----------|---------------------------------------------------------------|-----------|------------|
| <b>Excise - Purchases</b> No. 1           |           |                                                               |           | 1-Apr-2009 |
| Supplier Invoice No. : MCE/201            |           | Date : 1-Apr-2009                                             |           | Wednesday  |
| Excise Unit : Metal Craft Engineering     |           |                                                               |           |            |
| Party's A/c Name : Durga Steel Industries |           |                                                               |           |            |
| Nature of Purchase : Manufacturer         |           |                                                               |           |            |
| Current Balance :                         |           |                                                               |           |            |
| Purchase Ledger : Purchases @ 4%          |           |                                                               |           |            |
| VAT/Tax Class: Purchases @ 4%             |           |                                                               |           |            |
| Name of Item                              | Quantity  | Rate per                                                      | Amount    |            |
| Iron Bars                                 | 1,000 Kgs | 35.00 Kgs                                                     | 35,000.00 |            |
| Rate : 16% MRP: 35.00/Kgs Abatement: 0%   |           |                                                               |           |            |
| Basic Excise Duty @ 16%                   |           | 16 %                                                          | 5,600.00  |            |
| Education Cess @ 2%                       |           | 2 %                                                           | 112.00    |            |
| Secondary Education Cess @ 1%             |           | 1 %                                                           | 56.00     |            |
| Input VAT @ 4%                            |           | 4 %                                                           | 1,630.72  |            |
| Show Statutory Details ? <b>No</b>        |           | <div> <div>Yes / No</div> <div>No</div> <div>Yes</div> </div> |           |            |
| Narration:                                |           | 1,000 Kgs                                                     | 42,398.72 |            |

Figure 21.56 Excise Purchase Invoice

15. Set the option **Show Statutory Details** to **Yes** to view **Statutory Details** screen

16. In **Statutory Details** screen, press **Alt + F1: Detailed** to view details of duty calculation.

The **Statutory Details** screen is displayed as shown.

| Statutory Details             |  | Metal Craft Engineering Pvt Ltd                         |                  | Ctrl + M         |           |
|-------------------------------|--|---------------------------------------------------------|------------------|------------------|-----------|
| Excise - Purchase             |  | <b>Statutory Details</b>                                |                  | 1-Apr-2009       |           |
| Supplier Invoice No           |  |                                                         |                  | Wednesday        |           |
| Excise Unit                   |  | Particulars                                             | Excise           | VAT              |           |
| Party's A/c Name              |  | <b>Assessable Value</b>                                 | <b>35,000.00</b> | <b>40,768.00</b> |           |
| Nature of Purchase            |  | <b>Iron Bars</b> On 1,000 Kgs @ 35.00/Kgs Abatement: 0% | <b>35,000.00</b> | <b>40,768.00</b> |           |
| Current Balance               |  | Item MRP                                                |                  | 35,000.00        |           |
| Purchase Ledger               |  | Basic Excise Duty @ 16%                                 |                  | 5,600.00         |           |
| VAT/Tax Class: P              |  | Education Cess @ 2%                                     |                  | 112.00           |           |
| Name of Item                  |  | Secondary Education Cess @ 1%                           |                  | 56.00            | Amount    |
| Iron Bars                     |  | <b>Excise Duty Value</b>                                | <b>5,768.00</b>  |                  |           |
| Rate                          |  | <b>Basic Excise Duty @ 16%</b>                          | <b>16 %</b>      | <b>5,600.00</b>  | 35,000.00 |
|                               |  | Iron Bars @ 16 % On 35,000.00                           |                  | 5,600.00         |           |
| Basic Excise Duty @ 16%       |  | <b>Education Cess @ 2%</b>                              | <b>2 %</b>       | <b>112.00</b>    | 5,600.00  |
| Education Cess @ 2%           |  | Iron Bars @ 2 % On 5,600.00                             |                  | 112.00           | 112.00    |
| Secondary Education Cess @ 1% |  | <b>Secondary Education Cess @ 1%</b>                    | <b>1 %</b>       | <b>56.00</b>     | 56.00     |
| Input VAT @ 4%                |  | Iron Bars @ 1 % On 5,600.00                             |                  | 56.00            | 1,630.72  |
|                               |  | <b>VAT Amount</b>                                       |                  | <b>1,630.72</b>  |           |
|                               |  | <b>Input VAT @ 4%</b>                                   | <b>4 %</b>       | <b>1,630.72</b>  |           |
|                               |  | Iron Bars @ 4 % On 40,768.00                            |                  | 1,630.72         |           |
| Show Statutory De             |  |                                                         |                  |                  | 42,398.72 |
| Narration:                    |  |                                                         |                  |                  |           |

Figure 21.57 Statutory Details



*In Statutory details screen, **Item/ ledger wise assessable value and Duty/ Tax calculations** are displayed.*

17. In **Bill-wise Details** screen, select **Type of Ref** as **New Ref** and in other fields retain the default details.

| Bill-wise Details for : <b>Durga Steel Industries</b> |                |                                                |                  |           |
|-------------------------------------------------------|----------------|------------------------------------------------|------------------|-----------|
| Upto: <b>Rs. 42,398.72 Cr</b>                         |                |                                                |                  |           |
| Type of Ref                                           | Name           | Due Date, or<br>Credit Days<br>(wef. 1-4-2009) | Amount           | Dr/<br>Cr |
| New Ref                                               | <b>MCE/201</b> | <b>30 Days</b><br>( 1-May-2009 )               | <b>42,398.72</b> | <b>Cr</b> |
|                                                       |                |                                                | <b>42,398.72</b> | <b>Cr</b> |

Figure 21.58 Bill-wise Details

18. Enter the **Narration**, if required

The completed **Excise Purchase Voucher** is displayed as shown:



| Accounting Voucher Creation               |           | Metal Craft Engineering Pvt Ltd |           | Ctrl + M   |
|-------------------------------------------|-----------|---------------------------------|-----------|------------|
| <b>Excise - Purchases</b> No. 1           |           |                                 |           | 1-Apr-2009 |
| Supplier Invoice No. : MCE/201            |           | Date : 1-Apr-2009               |           | Wednesday  |
| Excise Unit : Metal Craft Engineering     |           |                                 |           |            |
| Party's A/c Name : Durga Steel Industries |           |                                 |           |            |
| Nature of Purchase : Manufacturer         |           |                                 |           |            |
| Current Balance :                         |           |                                 |           |            |
| Purchase Ledger : Purchases @ 4%          |           |                                 |           |            |
| VAT/Tax Class: Purchases @ 4%             |           |                                 |           |            |
| Name of Item                              | Quantity  | Rate per                        | Amount    |            |
| <b>Iron Bars</b>                          | 1,000 Kgs | 35.00 Kgs                       | 35,000.00 |            |
| Rate : 16% MRP: 35.00/Kgs Abatement: 0%   |           |                                 |           |            |
| Basic Excise Duty @ 16%                   |           | 16 %                            | 5,600.00  |            |
| Education Cess @ 2%                       |           | 2 %                             | 112.00    |            |
| Secondary Education Cess @ 1%             |           | 1 %                             | 56.00     |            |
| Input VAT @ 4%                            |           | 4 %                             | 1,630.72  |            |
| Show Statutory Details ? Yes              |           |                                 |           |            |
| Narration:                                |           | 1,000 Kgs 42,398.72             |           |            |
| Purchased Iron Bars_                      |           |                                 |           |            |

Figure 21.59 Purchase Voucher

19. Press **Enter** to save and accept.

### Example 2:

*On 03/04/09, M/s. Metal Craft Engineering purchased the following Excisable goods from Beekay Engineering Corporation*

| Item Description | Qty (Kgs) | Rate (Rs) |
|------------------|-----------|-----------|
| Steel Sheets     | 600       | 42        |

*The above items are subject to Basic Excise Duty @ 16%, Education Cess @ 2%, Sec. Educational Cess @ 1% and VAT @ 12.5%.*

*The Duties of Excise payable in the above purchase are claimable as CENVAT Credit.*

**Step 1 : Create Excise Purchase Voucher****Setup :**

In **F12: Configuration (Purchase Invoice Configuration)**,

- Ensure **Use Common Ledger A/c for Item Allocation** is set to **Yes**
- Set **Calculate Tax on Current subtotal** (*else calculations are on Inventory Total only*) to **Yes**

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchases**

1. In **Voucher Type** sub form, select **Excise - Purchases** as the voucher type
2. Ensure that the **Purchase Voucher** is in **Item Invoice Mode**
3. Enter the **Date** as **3-4-2009**
4. In **Supplier Invoice No.** field enter the Invoice No. as **DSI/202**
5. In **Party's A/c Name** field select the supplier i.e. **Beekay Engineering Corporation** from the **List of Ledger Accounts**
6. In **Nature of Purchase** field the option **Manufacturer** is displayed automatically
7. In **Purchase Ledger** field select the ledger **Purchase @ 12.5%** from List of Ledger Accounts, the **VAT/Tax Class** field automatically gets updated with the VAT/Tax class as selected in the purchase ledger
8. In **Name of Item** field select the Stock Item i.e. **Steel Sheets**
9. In **Quantity** field enter the quantity as **600**
10. In **Rate** field enter the rate as **Rs. 42**, the **Amount** will be displayed automatically
11. Select **Duty Ledger** i.e. **Basic Excise Duty (CENVAT)**.



*In order to avail **Cenvat Credit**, create the duty ledgers under **Current Assets** with Duty/Tax type as **CENVAT**.*

12. The **Amount** for **Basic Excise duty (CENVAT)** ledger will be displayed automatically
13. Similarly, select **Education Cess (CENVAT)** and **Secondary Education Cess (CENVAT)** ledger subsequently
14. Select **Input VAT @ 12.5%**, the **Amount** will be displayed automatically
15. Set the option **Show Statutory Details** to **Yes** to view **Statutory Details** screen
  - In **Statutory Details** screen, press **Alt + F1: Detailed** to view details of duty calculation. The **Statutory Details** screen is displayed as shown

| Statutory Details                 | Metal Craft Engineering Pvt Ltd   |                   |                  |                  | Ctrl + M   |
|-----------------------------------|-----------------------------------|-------------------|------------------|------------------|------------|
| Excise - Purchase                 | <b>Statutory Details</b>          |                   |                  |                  | 3-Apr-2009 |
| Supplier Invoice No               |                                   |                   |                  |                  | Friday     |
| Excise Unit                       |                                   |                   |                  |                  |            |
|                                   | <b>Particulars</b>                |                   | <b>Excise</b>    | <b>VAT</b>       |            |
| Party's A/c Name                  | <b>Assessable Value</b>           |                   |                  |                  |            |
| Nature of Purchase                |                                   |                   |                  |                  |            |
| Current Balance                   | <b>Steel Sheets</b>               | <b>On 600 Kgs</b> |                  | <b>36,600.00</b> |            |
| Purchase Ledger                   | Item Quantity                     |                   |                  | 25,200.00        |            |
| VAT/Tax Class: P                  | Basic Excise Duty (CENVAT)        |                   |                  | 9,600.00         |            |
| Name of Item                      | Education Cess (CENVAT)           |                   |                  | 1,200.00         |            |
|                                   | Secondary Education Cess (CENVAT) |                   |                  | 600.00           | Amount     |
|                                   | <b>Excise Duty Value</b>          |                   | <b>11,400.00</b> |                  |            |
| Steel Sheets                      | Basic Excise Duty (CENVAT)        | 16 %              | 9,600.00         |                  | 25,200.00  |
| Rate : 1                          | Steel Sheets @ 16 / Kgs On        | 600 Kgs           | 9,600.00         |                  |            |
| Basic Excise Duty (CENVAT)        | Education Cess (CENVAT)           | 2 %               | 1,200.00         |                  | 9,600.00   |
| Education Cess (CENVAT)           | Steel Sheets @ 2 / Kgs On         | 600 Kgs           | 1,200.00         |                  | 1,200.00   |
| Secondary Education Cess (CENVAT) | Secondary Education Cess (CENVAT) | 1 %               | 600.00           |                  | 600.00     |
| Input VAT @12.5%                  | Steel Sheets @ 1 / Kgs On         | 600 Kgs           | 600.00           |                  | 4,575.00   |
|                                   | <b>VAT Amount</b>                 |                   |                  | <b>4,575.00</b>  |            |
|                                   | Input VAT @12.5%                  | 12.50 %           | 4,575.00         |                  |            |
|                                   | Steel Sheets @ 12.50 % On         | 36,600.00         | 4,575.00         |                  |            |
| Show Statutory De                 |                                   |                   |                  |                  |            |
| Narration:                        |                                   |                   |                  |                  | 41,175.00  |
| Purchased Steel S                 |                                   |                   |                  |                  |            |

Figure 21.60 Statutory Details

16. In **Bill-wise Details** screen, select **Type of Ref** as **New Ref** and in other fields retain the default details.

17. Enter the **Narration**, if required

The completed **Excise Purchase Voucher** is displayed as shown:

| Accounting Voucher Creation                                                                                                                                                                        |          | Metal Craft Engineering Pvt Ltd |           | Ctrl + M             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------------------------------|-----------|----------------------|
| <b>Excise - Purchases</b> No. 2                                                                                                                                                                    |          | Supplier Invoice No. : DSI/202  |           | Date : 3-Apr-2009    |
| Excise Unit : Metal Craft Engineering Pvt Ltd                                                                                                                                                      |          |                                 |           | 3-Apr-2009<br>Friday |
| Party's A/c Name : Beekay Engineering Corporation<br>Nature of Purchase : Manufacturer<br>Current Balance : 41,175.00 Cr<br>Purchase Ledger : Purchase @ 12.5%<br>VAT/Tax Class: Purchases @ 12.5% |          |                                 |           |                      |
| Name of Item                                                                                                                                                                                       | Quantity | Rate per                        | Amount    |                      |
| Steel Sheets<br>Rate : 16/Kgs                                                                                                                                                                      | 600 Kgs  | 42.00 Kgs                       | 25,200.00 |                      |
| Basic Excise Duty (CENVAT)                                                                                                                                                                         |          | 16 %                            | 9,600.00  |                      |
| Education Cess (CENVAT)                                                                                                                                                                            |          | 2 %                             | 1,200.00  |                      |
| Secondary Education Cess (CENVAT)                                                                                                                                                                  |          | 1 %                             | 600.00    |                      |
| Input VAT @12.5%                                                                                                                                                                                   |          | 12.50 %                         | 4,575.00  |                      |
| Show Statutory Details ? Yes                                                                                                                                                                       |          |                                 |           |                      |
| Narration:                                                                                                                                                                                         |          | 600 Kgs                         | 41,175.00 |                      |
| Purchased Steel Sheets,                                                                                                                                                                            |          |                                 |           |                      |

Figure 21.61 Purchase Voucher

18. Press **Enter** to save and accept.

## 21.4.2 Manufacturing Excisable Goods

### Example 3:

*On 06/04/09, M/s. Metal Craft Engineering manufactured the following excisable goods*

|                         | Qty (Nos) |
|-------------------------|-----------|
| Hot Rolled Beams - 25mm | 300       |

*To Manufacture 1 Nos of Hot Rolled Beams - 25mm, the following inputs are required at the given proportions.*

| Item Description | Qty (Kgs) |
|------------------|-----------|
| Iron Bars        | 2         |
| Steel Sheets     | 1         |

*Labour Charges of Rs. 1,000/- was incurred during the process of manufacturing.*

### Step 1 : Create Manufacturing Journal Voucher

Go to **Gateway of Tally > Inventory Vouchers > Alt +F7: Stock Journal**

1. Select **Manufacturing journal** from the list of **Voucher Types**
2. Press **F2** and enter the **Voucher Date** as **6-4-2009**
3. In **Name of Product** field, select **Hot Rolled Beams - 25mm** from the **List of Items**. (Tally.ERP 9 automatically updates the components required to manufacture **Hot Rolled Beams - 25mm**, as defined in Bill of Materials of the respective Stock Item).
4. In **Quantity** field, enter **300** as the quantity manufactured (Tally.ERP 9 automatically updates the **Quantity, Rate** and **Amount** of the components used in the manufacture of **Hot Rolled Beams - 25mm**).
5. Select the Ledger **Labour charges** and enter the amount **1000** as the **additional cost** incurred for manufacturing the finished goods.
6. Enter the **Narration**, if required.

The completed **Excise Manufacturing Journal Voucher** is displayed as shown :

| Inventory Voucher Creation                            |                 | Metal Craft Engineering Pvt Ltd |               | Ctrl + M                    |                   |
|-------------------------------------------------------|-----------------|---------------------------------|---------------|-----------------------------|-------------------|
| <b>Manufacturing Journal</b> No. 1                    |                 |                                 |               | 6-Apr-2009<br>Monday        |                   |
| <b>Manufacture of Materials</b>                       |                 |                                 |               |                             |                   |
| Name of Product : Hot Rolled Beams - 25mm Qty 300 Nos |                 |                                 |               |                             |                   |
| <b>Components (Consumption)</b>                       |                 |                                 |               | <b>Cost of Components :</b> |                   |
| <b>Name of Item</b>                                   | <b>Quantity</b> | <b>Rate</b>                     | <b>Amount</b> | <b>Type of Addl. Cost</b>   | <b>%age</b>       |
| Iron Bars                                             | 600 Kgs         | 35.00/Kgs                       | 21,000.00     | Labour Charges              | 1,000.00          |
| Steel Sheets                                          | 300 Kgs         | 42.00/Kgs                       | 12,600.00     |                             |                   |
|                                                       |                 |                                 |               | <b>Total Addl. cost</b>     | <b>1,000.00</b>   |
|                                                       |                 |                                 |               | <b>Effective Cost</b>       | <b>34,600.00</b>  |
|                                                       |                 |                                 |               | <b>Effective Rate</b>       | <b>115.33/Nos</b> |
| 900 Kgs 33,600.00                                     |                 |                                 |               |                             |                   |
| Narration:                                            |                 |                                 |               |                             |                   |

Figure 21.62 Manufacturing Journal

7. Press **Enter** to accept and save.



The procedure to create **Manufacturing Journal Voucher Type** is explained in **Creation of Masters** section.

#### Example 4:

On 07/04/09, M/s. Metal Craft Engineering manufactured the following excisable goods

| Item Description            | Qty (Nos) |
|-----------------------------|-----------|
| Cold Rolled Channels - 10mm | 200       |

To Manufacture 1 Nos of Cold Rolled Channels - 10mm, the following inputs are required in the given proportion.

| Item Description | Qty (Kgs) |
|------------------|-----------|
| Iron Bars        | 1         |
| Steel Sheets     | 1         |

Labour Charges of Rs. 1,500/- was incurred during the process of manufacturing.

#### Step 1 : Create a Manufacturing Journal

Go to **Gateway of Tally > Inventory Vouchers > Alt +F7: Stock Journal**

1. Select **Manufacturing journal** from the list of **Voucher Types**
2. Press **F2** and enter the **Voucher Date** as **7-4-2009**
3. In **Name of Product** field, select **Cold Rolled Channels - 10 mm** from the **List of Items**. Tally.ERP 9 automatically updates the components required to manufacture **Cold Rolled Channels - 10 mm** as defined in BOM of finished goods.
4. In **Quantity** field enter **200** as the quantity manufactured. Tally.ERP 9 automatically updates the **Quantity, Rate** and **Amount** of the components used in the manufacture of **Cold Rolled Channels - 10 mm**
5. Select the Ledger **Labour charges** and enter the amount **1500** as the **additional cost** incurred for manufacturing the finished goods.
6. Enter the **Narration**, if required.

The completed **Excise Manufacturing Journal Voucher** is displayed as shown:

| Inventory Voucher Creation                                |          | Metal Craft Engineering Pvt Ltd |                                          | Ctrl + M              |             |
|-----------------------------------------------------------|----------|---------------------------------|------------------------------------------|-----------------------|-------------|
| Manufacturing Journal No. 2                               |          |                                 |                                          | 7-Apr-2009<br>Tuesday |             |
| <b>Manufacture of Materials</b>                           |          |                                 |                                          |                       |             |
| Name of Product : Cold Rolled Channels - 10mm Qty 200 Nos |          |                                 |                                          |                       |             |
| Components (Consumption)                                  |          |                                 | Cost of Components : 77.00/Nos 15,400.00 |                       |             |
| Name of Item                                              | Quantity | Rate                            | Amount                                   | Type of Addl. Cost    | %age        |
| Iron Bars                                                 | 200 Kgs  | 35.00/Kgs                       | 7,000.00                                 | Labour Charges        | 1,500.00    |
| Steel Sheets                                              | 200 Kgs  | 42.00/Kgs                       | 8,400.00                                 |                       |             |
|                                                           |          |                                 |                                          | Total Addl. cost      | : 1,500.00  |
|                                                           |          |                                 |                                          | Effective Cost        | : 16,900.00 |
|                                                           |          |                                 |                                          | Effective Rate        | : 84.50/Nos |
|                                                           |          |                                 | 400 Kgs                                  | 15,400.00             |             |
| Narration:                                                |          |                                 |                                          |                       |             |

Figure 21.63 Manufacturing Journal

7. Press **Enter** to accept and save.

### 21.4.3 Sale of Excisable Goods

As discussed in earlier sections, it is mandatory to generate **Excise Invoice** under **Rule 11 of Excise Rules 2002**, for removal of excisable goods from a factory / warehouse. Such Invoice should be serially numbered and contain the registration number, description, classification, time and date of removal, rate of duty, quantity and value, of goods and the duty payable. Let us consider the following transaction to illustrate the same.

#### Example 5:

**On 10/04/09, M/s. Metal Craft Engineering sold the following excisable goods to Simplex Casting Limited (vide Invoice No. MCE/101/09-10).**

| Item Description        | Qty (Nos) | Rate (Rs.) |
|-------------------------|-----------|------------|
| Hot Rolled Beams - 25mm | 200       | 360        |

*The above goods are subject to Basic Excise Duty @ 16%, Education Cess @ 2%, Sec. Educ. Cess @ 1% and VAT @ 4%.*

### Step 1 : Create a Sales Voucher

To create a **Sales Voucher**

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

1. Select **Excise - Sales** as the voucher type from the list of Voucher Types
2. Ensure that the **Sales Voucher** is in **Item Invoice** Mode
3. Enter the **Date** as **10-4-2009**
4. Enter the **Ref** details as **SCL/321**
5. In **Excise Unit** field, **Metal Craft Engineering** is defaulted automatically
6. The **Excise Book Name** and the **Serial No.** is defaulted automatically
7. In **Party A/c Name** field, select **Simplex Casting Limited** from the **List of Ledger Accounts**
8. In **Party Details** sub form,
  - Enter the **Despatch and Order Details**
  - Enter the **Sl.No.** in **PLA /RG-23** Register
  - The **Date** and **Time of Invoice** is defaulted automatically based on the system time and date, the same can be changed as required)
  - The **Date** and **Time of removal** is automatically set by default based on the system time and date (the same can be changed as and when required).
  - The **Buyer Details** are automatically selected by default based on the ledger specifications



| Despatch Details         |                                                                                                                                    |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Delivery Note No(s) :    | Despatch Doc. No. : SCL/789<br>Despatched through : Road Transport<br>Destination : Bangalore<br>Motor Vehicle No. : KA-07 GC-2375 |
| Order Details            |                                                                                                                                    |
| Order No(s) :            | Mode/Terms of Payment : 30 Days<br>Terms of Delivery : Credit                                                                      |
| VAT/Excise Details       |                                                                                                                                    |
| Sl. No. in PL/AR-23 :    | 12                                                                                                                                 |
| Date & Time of Invoice : | 10-Apr-2009 at 10:52                                                                                                               |
| Date & Time of Removal : | 10-Apr-2009 at 10:52                                                                                                               |
| Buyer's Details          |                                                                                                                                    |
| Buyer :                  | Simplex Casting Limited                                                                                                            |
| Address :                | No.27/1<br>Peenya Industrial Area<br>Yeshwanthpur<br>Bangalore                                                                     |
| TIN/Sales Tax No. :      | 1120548723                                                                                                                         |
| CST Number :             |                                                                                                                                    |
| Type of Dealer :         | Registered Dealer                                                                                                                  |
| Excise Regn No. :        | SCL49024HIAP002                                                                                                                    |
| Range :                  | Madiwala - II                                                                                                                      |
| Division :               | Madiwala                                                                                                                           |
| Commissionerate :        | Bangalore II                                                                                                                       |

Figure 21.64 Despatch Details



As per Excise Rules, it is mandatory to record the **Time** and **date of removal** of excisable goods in the **Sales Invoice**.

9. In **Nature of Removal** field, select the option **Domestic** from the list of **Types of Removals**



The **Types of Removals** available in Tally.ERP 9 are :

**Domestic** : This option is selected when the removal of goods is intended for domestic or local Sales within the country.

**Export** : This option is selected when the removal of goods is intended for Export outside the country.

**Exempt** : This option is selected when the removal of goods is for purpose of Exempt sales (under any notification, if applicable).

10. Select **Sales @ 4%** from the **List of Ledger Accounts** in **Sales Ledger** field. The **VAT/Tax Class** field is defaulted automatically

11. In **Name of Item** field.

- Select the Stock Item i.e. **Hot Rolled Beams - 25mm**

- Enter the quantity as **200** and **Rate** as **360**, the **Amount** will be displayed automatically
- 12. Select **Basic Excise Duty @ 16%**, the **Amount** will be calculated and displayed automatically.
- 13. Select **Education Cess @ 2%** and **Secondary Education Cess @ 1%** ledgers. **Amount** will be calculated and displayed automatically
- 14. Select **Output VAT @ 4%**, the **Amount** will be displayed automatically
- 15. Set **Yes** in the **Show Statutory Details** field and press **Enter**

| Accounting Voucher Creation                                                                                                                                                                                                                                                                                                                                                                                                                      |          | Metal Craft Engineering Pvt Ltd |                  | Ctrl + M              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------------------------------|------------------|-----------------------|
| <b>Excise - Sales</b> No. 1                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                 |                  | 10-Apr-2009<br>Friday |
| Ref.: SCL/321                                                                                                                                                                                                                                                                                                                                                                                                                                    |          |                                 |                  |                       |
| Excise Unit : Metal Craft Engineering                                                                                                                                                                                                                                                                                                                                                                                                            |          |                                 |                  |                       |
| Excise Book Name: Book - I/09-10 Serial No. MCE/101/09-10                                                                                                                                                                                                                                                                                                                                                                                        |          |                                 |                  |                       |
| Party's A/c Name: Simplex Casting Limited                                                                                                                                                                                                                                                                                                                                                                                                        |          |                                 |                  |                       |
| Nature of Removal: Domestic                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                 |                  |                       |
| Current Balance:                                                                                                                                                                                                                                                                                                                                                                                                                                 |          |                                 |                  |                       |
| Sales Ledger: Sales @ 4%                                                                                                                                                                                                                                                                                                                                                                                                                         |          |                                 |                  |                       |
| VAT/Tax Class: Sales @ 4%                                                                                                                                                                                                                                                                                                                                                                                                                        |          |                                 |                  |                       |
| Name of Item                                                                                                                                                                                                                                                                                                                                                                                                                                     | Quantity | Rate per                        | Amount           |                       |
| Hot Rolled Beams - 25mm<br>Rate : 16%                                                                                                                                                                                                                                                                                                                                                                                                            | 200 Nos  | 360.00 Nos                      | 72,000.00        |                       |
| Basic Excise Duty @ 16%                                                                                                                                                                                                                                                                                                                                                                                                                          |          | 16 %                            | 11,520.00        |                       |
| Education Cess @ 2%                                                                                                                                                                                                                                                                                                                                                                                                                              |          | 2 %                             | 230.40           |                       |
| Secondary Education Cess @ 1%                                                                                                                                                                                                                                                                                                                                                                                                                    |          | 1 %                             | 115.20           |                       |
| Output VAT @ 4%                                                                                                                                                                                                                                                                                                                                                                                                                                  |          | 4 %                             | 3,354.62         |                       |
| <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div> Show Statutory Details ? <b>Yes</b><br/> Narration: </div> <div> <div style="border: 1px solid black; padding: 2px;">Yes / No</div> <div style="display: flex; flex-direction: column; align-items: center;"> <div>No</div> <div style="background-color: #d3d3d3; width: 20px; height: 10px; margin: 2px;"></div> <div>Yes</div> </div> </div> </div> |          |                                 |                  |                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                  |          | 200 Nos                         | <b>87,220.22</b> |                       |

Figure 21.65 Sales Voucher

- 16. In **Statutory Details** screen, press **Alt + F1: Detailed** to view details of duty calculation.

| Statutory Details                                                  |  | Metal Craft Engineering Pvt Ltd   |  |           |  | Ctrl + M  |                       |
|--------------------------------------------------------------------|--|-----------------------------------|--|-----------|--|-----------|-----------------------|
| Excise - Sales<br>Ref : SCL/321<br>Excise Unit<br>Excise Book Name |  | Statutory Details                 |  |           |  |           | 10-Apr-2009<br>Friday |
|                                                                    |  | Particulars                       |  | Excise    |  | VAT       |                       |
|                                                                    |  | Assessable Value                  |  | 72,000.00 |  | 83,865.60 |                       |
| Party's A/c Name :                                                 |  | Hot Rolled Beams - 25mm           |  | 72,000.00 |  | 83,865.60 |                       |
| Nature of Removal :                                                |  | Item Value                        |  | 72,000.00 |  | 72,000.00 |                       |
| Current Balance :                                                  |  | Basic Excise Duty @ 16%           |  |           |  | 11,520.00 |                       |
| Sales Ledger : Sales                                               |  | Education Cess @ 2%               |  |           |  | 230.40    |                       |
| VAT/Tax Class : S                                                  |  | Secondary Education Cess @ 1%     |  |           |  | 115.20    |                       |
| Name of Item                                                       |  | Excise Duty Value                 |  | 11,865.60 |  |           | Amount                |
|                                                                    |  | Basic Excise Duty @ 16%           |  | 16 %      |  | 11,520.00 |                       |
| Hot Rolled Beams - 25mm                                            |  | Hot Rolled Beams - 25mm @ 16 % On |  | 72,000.00 |  | 11,520.00 | 72,000.00             |
| Rate : 1                                                           |  | Education Cess @ 2%               |  | 2 %       |  | 230.40    |                       |
|                                                                    |  | Hot Rolled Beams - 25mm @ 2 % On  |  | 11,520.00 |  | 230.40    |                       |
| Basic Excise Duty @ 16%                                            |  | Secondary Education Cess @ 1%     |  | 1 %       |  | 115.20    | 11,520.00             |
| Education Cess @ 2%                                                |  | Hot Rolled Beams - 25mm @ 1 % On  |  | 11,520.00 |  | 115.20    | 230.40                |
| Secondary Education Cess @ 1%                                      |  | VAT Amount                        |  |           |  | 3,354.62  | 115.20                |
| Output VAT @ 4%                                                    |  | Output VAT @ 4%                   |  | 4 %       |  | 3,354.62  | 3,354.62              |
|                                                                    |  | Hot Rolled Beams - 25mm @ 4 % On  |  | 83,865.60 |  | 3,354.62  |                       |
| Show Statutory De                                                  |  |                                   |  |           |  |           |                       |
| Narration:                                                         |  |                                   |  |           |  |           | 87,220.22             |

Figure 21.66 Statutory Details

17. In **Bill-wise Details** screen, select **Type of Ref** as **New Ref** and retain the default details in the other fields .

| Bill-wise Details for : <b>Simplex Casting Limited</b> |                |                                                 |                  |           |
|--------------------------------------------------------|----------------|-------------------------------------------------|------------------|-----------|
| Upto: <b>Rs. 87,220.22 Dr</b>                          |                |                                                 |                  |           |
| Type of Ref                                            | Name           | Due Date, or<br>Credit Days<br>(wef: 10-4-2009) | Amount           | Dr/<br>Cr |
| New Ref                                                | <b>SCL/321</b> | <b>30 Days</b><br>( 10-May-2009 )               | <b>87,220.22</b> | <b>Dr</b> |
|                                                        |                |                                                 | <b>87,220.22</b> | <b>Dr</b> |

Figure 21.67 Bill-wise Details

18. Enter the **Narration**, if required

The completed **Excise Sales Voucher** is displayed as shown:

| Accounting Voucher Creation                |          | Metal Craft Engineering Pvt Ltd |           | Ctrl + M    |
|--------------------------------------------|----------|---------------------------------|-----------|-------------|
| <b>Excise - Sales</b> No. 1                |          |                                 |           | 10-Apr-2009 |
| Ref : SCL/321                              |          |                                 |           | Friday      |
| Excise Unit : Metal Craft Engineering      |          |                                 |           |             |
| Excise Book Name : Book - 1/09-10          |          | Serial No. MCE/101/09-10        |           |             |
| Party's A/c Name : Simplex Casting Limited |          |                                 |           |             |
| Nature of Removal : Domestic               |          |                                 |           |             |
| Current Balance :                          |          |                                 |           |             |
| Sales Ledger : Sales @ 4%                  |          |                                 |           |             |
| VAT/Tax Class: Sales @ 4%                  |          |                                 |           |             |
| Name of Item                               | Quantity | Rate per                        | Amount    |             |
| Hot Rolled Beams - 25mm                    | 200 Nos  | 360.00 Nos                      | 72,000.00 |             |
| Rate : 16%                                 |          |                                 |           |             |
| Basic Excise Duty @ 16%                    |          | 16 %                            | 11,520.00 |             |
| Education Cess @ 2%                        |          | 2 %                             | 230.40    |             |
| Secondary Education Cess @ 1%              |          | 1 %                             | 115.20    |             |
| Output VAT @ 4%                            |          | 4 %                             | 3,354.62  |             |
| Show Statutory Details ? Yes               |          |                                 |           |             |
| Narration:                                 |          | 200 Nos                         | 87,220.22 |             |

Figure 21.68 Sales Voucher

19. Press **Enter** to save and accept.

## Step 2 : Print Excise Invoice under Rule 11

- Press **Page Up** from the above screen and press **Alt+P** (if **Print after saving option** is enabled in **Excise - Sales Voucher Type**, Tally.ERP 9 will automatically redirect you to the **Voucher Printing Screen**)

| Voucher Printing                                         |                       |                   |                                         |
|----------------------------------------------------------|-----------------------|-------------------|-----------------------------------------|
| <b>Printer</b>                                           | : RnD Printer (Ne01:) | <b>Paper Type</b> | : A4                                    |
| <b>No. of Copies</b>                                     | : 1                   |                   |                                         |
| <b>Print Language</b>                                    | : English             |                   |                                         |
| <b>Method</b>                                            | : Neat Mode           | <b>Paper Size</b> | : (8.27" x 11.69") or (210 mm x 297 mm) |
| <b>Page Range</b>                                        | : All                 | <b>Print Area</b> | : (7.95" x 11.34") or (202 mm x 288 mm) |
| <b>Report Titles</b>                                     |                       |                   |                                         |
| <b>EXCISE INVOICE</b>                                    |                       |                   |                                         |
| (ISSUE OF INVOICE UNDER RULE 11 OF CENTRAL EXCISE RULES) |                       |                   |                                         |
| (with Print Preview)                                     |                       |                   |                                         |
|                                                          |                       |                   | <b>Print ?</b>                          |
|                                                          |                       |                   | <b>Yes or No</b>                        |

Figure 21.69 Voucher Printing

2. Press **F12: Configure** and set the following options to **Yes**

- ❑ **Print Excise Duty Details of Items**
- ❑ **Print Tax Analysis of Items**
- ❑ **Print VAT Analysis of Items**
- ❑ **Print Date & Time**

| Invoice Printing Configuration                             |              |                                  |                     |
|------------------------------------------------------------|--------------|----------------------------------|---------------------|
| Title of Document                                          | :            | <b>EXCISE INVOICE</b>            |                     |
| (for Optional Voucher)                                     | :            | <b>PROFORMA INVOICE</b>          |                     |
| Sub Title (if any)                                         | :            |                                  |                     |
| Height of Normal Invoice (inches)                          | :            | <b>10</b>                        | Simple: <b>10</b>   |
| Width of Normal Invoice (inches)                           | :            | <b>7.50</b>                      | Simple: <b>7.50</b> |
| Space to leave on top (default 0.25)                       | :            | <b>0.25</b>                      | Simple: <b>0.25</b> |
| Space to leave on left (default 0.5)                       | :            | <b>0.50</b>                      | Simple: <b>0.50</b> |
| Print as Commercial Invoice                                | ? <b>No</b>  | Print Serial No.                 | ? <b>Yes</b>        |
| Print Voucher Reference                                    | ? <b>Yes</b> | Print Part No.                   | ? <b>No</b>         |
| Print Order Details                                        | ? <b>Yes</b> | Print Quantity Column            | ? <b>Yes</b>        |
| Print Terms of Payment and Delivery                        | ? <b>Yes</b> | Print Actual Quantity Column     | ? <b>No</b>         |
| Print details of Despatch                                  | ? <b>Yes</b> | Print Rate Column                | ? <b>Yes</b>        |
| Print Multi Page Excise Invoice                            | ? <b>No</b>  | Print VAT % Column               | ? <b>No</b>         |
| Print Excise Duty Details of Items                         | ? <b>Yes</b> | Print Date & Time                | ? <b>Yes</b>        |
| Print Item Taxable Values                                  | ? <b>Yes</b> | Print Batch Details              | ? <b>Yes</b>        |
| Print Tax Analysis of Items                                | ? <b>Yes</b> | Print Rate of Duty with Items    | ? <b>No</b>         |
| Print VAT Analysis of Items                                | ? <b>Yes</b> | Print Sub-Totals after each line | ? <b>No</b>         |
| Print Company's Tax Regn. Numbers                          | ? <b>Yes</b> | Print Narration                  | ? <b>No</b>         |
| Print Buyer's Tax Regn. Number                             | ? <b>Yes</b> | Print Narration for each entry   | ? <b>No</b>         |
| Print Buyer's CST Regn. Number                             | ? <b>Yes</b> |                                  |                     |
| Print Declaration                                          | ? <b>Yes</b> |                                  |                     |
| Print Excise Declaration                                   | ? <b>Yes</b> |                                  |                     |
| Method to use for Stock Item Name : <b>Name Only</b>       |              |                                  |                     |
| Jurisdiction : <b>Bangalore</b>                            |              |                                  |                     |
| Generated by : <b>This is a Computer Generated Invoice</b> |              |                                  |                     |

Figure 21.70 Print Configuration

3. Press **Enter** to print Excise Invoice

The printed **Excise Sales Invoice** as per Rule 11 of Excise Rules is displayed as shown.

Figure 21.71 Printed Excise Invoice

**Example 6:**

*On 16/04/09, M/s. Metal Craft Engineering sold the following excisable goods to General Fabricators (vide Invoice No. MCE/102/09-10).*

| Item Description            | Qty (Nos) | Rate (Rs.) | Total Value | VAT (%) |
|-----------------------------|-----------|------------|-------------|---------|
| Hot Rolled Beams - 25mm     | 100       | 360        | 36,000      | 4%      |
| Cold Rolled Channels - 10mm | 100       | 300        | 30,000      | 12.5%   |

*The above goods are subject to Basic Excise Duty @ 16%, Education Cess @ 2%, Sec. Educ. Cess @ 1%.*

*Additionally, Packing Charges of Rs. 5,000 was incurred during transit and the same is also subject to Excise Duty as applicable on the goods.*

In order to create **Excise Sales Invoice** for Stock Items subject to multiple VAT rates, ensure that **Use Common Ledger A/c for Item Allocation** is set to **No** in **F12: Configuration (Sales Invoice Configuration)**.

**Step 1 : Create Sales Voucher**

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

1. Select **Excise - Sales** as the voucher type
2. Ensure that the **Sales Voucher** is in **Item Invoice Mode**
3. Enter the **Date** as **16-4-2009**
4. Enter the **Ref** details as **GEN/332**
5. **Metal Craft Engineering** is defaulted automatically in the **Excise Unit** field
6. **Excise Book Name** and the **Serial No.** field is automatically prefilled based on predefined configurations
7. In **Party A/c Name** field, select **General Fabricators** from the List of Ledger Accounts
8. In **Party Details** sub form,
  - ❑ Enter the **Despatch and Order Details**
  - ❑ Enter the **SI.No.** in **PLA /RG-23** Register
  - ❑ The **Date** and **Time of Invoice** is defaulted automatically based on the system time and date, the same can be changed as required)
  - ❑ The **Date** and **Time of removal** is automatically set by default based on the system time and date (the same can be changed as and when required)
  - ❑ The **Buyer Details** are automatically selected by default based on the ledger specifications



| Despatch Details         |                                                                                                                                    |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Delivery Note No(s) :    | Despatch Doc. No. : GEN/332<br>Despatched through : Road Transport<br>Destination : Bangalore<br>Motor Vehicle No. : KA-09 HY-3323 |
| Order Details            |                                                                                                                                    |
| Order No(s) :            | Mode/Terms of Payment : 30 Days<br>Terms of Delivery : COD                                                                         |
| VAT/Excise Details       |                                                                                                                                    |
| Sl. No. in PL/AR-23 :    | 13                                                                                                                                 |
| Date & Time of Invoice : | 16-Apr-2009 at 13:34                                                                                                               |
| Date & Time of Removal : | 16-Apr-2009 at 13:34                                                                                                               |
| Buyer's Details          |                                                                                                                                    |
| Buyer :                  | General Fabricators                                                                                                                |
| Address :                | No. 36<br>Light Industrial Area<br>Hosur<br>Bangalore                                                                              |
| TIN/Sales Tax No. :      | 56247512583                                                                                                                        |
| CST Number :             |                                                                                                                                    |
| Type of Dealer :         | Registered Dealer                                                                                                                  |
| Excise Regn No. :        | SLOP203145784                                                                                                                      |
| Range :                  | HOSUR                                                                                                                              |
| Division :               | HOSUR MAIN                                                                                                                         |
| Commissionerate :        | BANGALORE II                                                                                                                       |

Figure 21.72 Despatch Details

9. In **Nature of Removal** field, select **Domestic** from the list of **Types of Removals**
10. In **Name of Item** field,
  - Select the Stock Item as **Hot Rolled Beams - 25mm**
  - **Quantity** as **100** and the **Rate** as **360**, the **Amount** will be displayed automatically
11. In Accounting Details for screen, select **Sales @ 4%** from the **List of Ledger Accounts**. The **VAT/Tax Class** field is automatically defaulted
12. Similarly, select **Cold Rolled Channels - 10mm** as the second Stock Item
13. Enter **100** as **Quantity** and **300** as **Rate**
14. In Accounting Details for screen, select **Sales @ 12.5%** from the **List of Ledger Accounts**. The **VAT/Tax Class** field is automatically defaulted
15. Select **Packing Charges** ledger and specify the amount as **5000**
16. Select **Basic Excise Duty @ 16%**, the **Amount** will be calculated and displayed automatically.
17. Select **Education Cess @ 2%** and **Secondary Education Cess @ 1%** ledgers. **Amount** will be calculated and displayed automatically
18. Select **Output VAT @ 4%**, the **Amount** will be calculated and displayed automatically.
19. Select **Output VAT @ 12.5%**, the **Amount** will be calculated and displayed automatically.
20. Set **Show Statutory Details** to **Yes** and press **Enter**
21. In **Statutory Details** screen, press **Alt + F1: Detailed** to view details of duty calculations.

| Statutory Details           |                   | Metal Craft Engineering Pvt Ltd          |           | Ctrl + M    |          |
|-----------------------------|-------------------|------------------------------------------|-----------|-------------|----------|
| Excise - Sales              | Ref : GEN/332     | Statutory Details                        |           | 16-Apr-2009 |          |
| Excise Unit                 | Excise Book Name  | Particulars                              | Excise    | VAT         | Thursday |
| Party's A/c Name            | Nature of Removal | Assessable Value                         | 71,000.00 | 82,700.80   |          |
| Current Balance :           | Name of Item      | Hot Rolled Beams - 25mm                  | 38,727.27 | 45,109.52   |          |
| Hot Rolled Beams - 25mm     | Rate : 1          | Item Value                               | 36,000.00 | 36,000.00   |          |
| Cold Rolled Channels - 10mm | Rate : 1          | Packing Charges                          | 2,727.27  | 2,727.27    |          |
| Packing Charges             |                   | Basic Excise Duty @ 16%                  |           | 6,196.36    |          |
| Basic Excise Duty @ 16%     |                   | Education Cess @ 2%                      |           | 123.93      |          |
| Education Cess @ 2%         |                   | Secondary Education Cess @ 1%            |           | 61.96       |          |
| Output VAT @ 4%             |                   | Cold Rolled Channels - 10mm              | 32,272.73 | 37,591.28   |          |
| Output VAT @ 12.5%          |                   | Item Value                               | 30,000.00 | 30,000.00   |          |
|                             |                   | Packing Charges                          | 2,272.73  | 2,272.73    |          |
|                             |                   | Basic Excise Duty @ 16%                  |           | 5,163.64    |          |
|                             |                   | Education Cess @ 2%                      |           | 103.27      |          |
|                             |                   | Secondary Education Cess @ 1%            |           | 51.64       |          |
|                             |                   | Excise Duty Value                        | 11,700.80 |             |          |
|                             |                   | Basic Excise Duty @ 16%                  | 16 %      | 11,360.00   |          |
|                             |                   | Hot Rolled Beams - 25mm @ 16 % On        | 38,727.27 | 6,196.36    |          |
|                             |                   | Cold Rolled Channels - 10mm @ 16 % On    | 32,272.73 | 5,163.64    |          |
|                             |                   | Education Cess @ 2%                      | 2 %       | 227.20      |          |
|                             |                   | Hot Rolled Beams - 25mm @ 2 % On         | 6,196.36  | 123.93      |          |
|                             |                   | Cold Rolled Channels - 10mm @ 2 % On     | 5,163.64  | 103.27      |          |
|                             |                   | Secondary Education Cess @ 1%            | 1 %       | 113.60      |          |
|                             |                   | Hot Rolled Beams - 25mm @ 1 % On         | 6,196.36  | 61.96       |          |
|                             |                   | Cold Rolled Channels - 10mm @ 1 % On     | 5,163.64  | 51.64       |          |
|                             |                   | VAT Amount                               |           | 6,503.29    |          |
|                             |                   | Output VAT @ 4%                          | 4 %       | 1,804.38    |          |
|                             |                   | Hot Rolled Beams - 25mm @ 4 % On         | 45,109.52 | 1,804.38    |          |
|                             |                   | Output VAT @ 12.5%                       | 12.50 %   | 4,698.91    |          |
|                             |                   | Cold Rolled Channels - 10mm @ 12.50 % On | 37,591.28 | 4,698.91    |          |

Figure 21.73 Statutory Details

22. In **Bill-wise Details** screen, select **Type of Ref** as **New Ref**, **Name** as **GEN/332** and in other fields retain the default details.

23. Enter the **Narration**, if required

The completed **Excise Sales Voucher** is displayed as shown:

| Accounting Voucher Creation                   |          | Metal Craft Engineering Pvt Ltd |           | Ctrl + M    |
|-----------------------------------------------|----------|---------------------------------|-----------|-------------|
| <b>Excise - Sales</b> No. 2                   |          |                                 |           | 16-Apr-2009 |
| Ref. : GEN/332                                |          |                                 |           | Thursday    |
| Excise Unit : Metal Craft Engineering Pvt Ltd |          |                                 |           |             |
| Excise Book Name : Book - 1/09-10             |          | Serial No. MCE/102/09-10        |           |             |
| Party's A/c Name : General Fabricators        |          |                                 |           |             |
| Nature of Removal : Domestic                  |          |                                 |           |             |
| Current Balance : 89,204.09 Dr                |          |                                 |           |             |
| Name of Item                                  | Quantity | Rate per                        | Amount    |             |
| Hot Rolled Beams - 25mm                       | 100 Nos  | 360.00 Nos                      | 36,000.00 |             |
| Rate : 16%                                    |          |                                 |           |             |
| Cold Rolled Channels - 10mm                   | 100 Nos  | 300.00 Nos                      | 30,000.00 |             |
| Rate : 16%                                    |          |                                 |           |             |
|                                               |          |                                 | 66,000.00 |             |
| Packing Charges                               |          |                                 | 5,000.00  |             |
| Basic Excise Duty @ 16%                       |          | 16 %                            | 11,360.00 |             |
| Education Cess @ 2%                           |          | 2 %                             | 227.20    |             |
| Secondary Education Cess @ 1%                 |          | 1 %                             | 113.60    |             |
| Output VAT @ 4%                               |          | 4 %                             | 1,804.38  |             |
| Output VAT @ 12.5%                            |          | 12.50 %                         | 4,698.91  |             |
| Show Statutory Details ? Yes                  |          |                                 |           |             |
| Narration:                                    |          |                                 |           |             |
|                                               |          | 200 Nos                         | 89,204.09 |             |

Figure 21.74 Sales Voucher

24. Press **Enter** to accept and save.



In the above case, the **Method of Apportion** for **Packing charges** ledger is selected as **Based on Value**. Thus, The value of Packing Charges of Rs. 5,000/- is apportioned based on the value of the goods. i.e., **Rs. 2,727.27** ( $5,000 \times 36,000 / 66,000$ ) is subject to Excise Duty at applicable rates and VAT @ 4% for the respective item and **Rs. 2,272.72** ( $5,000 \times 30,000 / 66,000$ ) is subject to Excise Duty at the applicable rates and VAT @ 12.5% for the respective item.

## Step 2 : Print Excise Invoice under Rule 11

- Press **Page up** from the above screen and press **Alt+P** (if **Print after saving option** is enabled in **Excise - Sales Voucher Type**, Tally.ERP 9 will be automatically redirect to **Voucher Printing** Screen)
- Press **F12: Configure** and ensure that the following options are set to **Yes**
  - ☐ **Print Excise Duty Details of Items**

- ❑ **Print Tax Analysis of Items**
- ❑ **Print VAT Analysis of Items**
- ❑ **Print Date & Time**

3. Press **Enter** to print the Excise Invoice

The printed **Excise Sales Invoice** as per Rule 11 of Excise Rules is displayed as shown.

Printed on 27-Apr-2010 at 12:33

**EXCISE INVOICE**  
(ISSUE OF INVOICE UNDER RULE 11 OF CENTRAL EXCISE RULES 2002)

|                                                                                                                                                                  |  |                                                                                                                                                                                                                                                                                                           |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>Metal Craft Engineering</b><br><b>17/8, Peenya Industrial Area, 2nd Phase, B Cross, Bangalore</b><br>Phone : 08028378699 / E-mail : sales@metalcrafterngg.com |  | Range : Hosur / 090586 / No.13, 11Rm, Ganesh Complex, Hosur Road, Bangalore - 560 009<br>Division : Division II / 0905 / 7th Floor, C Wing, Keshikya Sadan, Kuvempu Nagar, Bangalore - 56<br>Commissionerate : Bangalore-VI / 06 / Commissionerate, Central Revenue Building, Queens Road, Bangalore - 01 |  |
| VAT TIN : 11567844129<br>CST No. : 32457841339<br>Excise Regn No. : KABCC3220DXL003                                                                              |  | Buyer<br><b>General Fabricators</b><br>No. 36<br>Light Industrial Area<br>Hosur<br>Bangalore<br>VAT TIN : 56247512583<br>Excise Regn No. : SLOP203145784<br>Range : HOSUR<br>Division : HOSUR MAIN<br>Commissionerate : BANGALORE II                                                                      |  |
| Invoice No.<br><b>MCE/102/09-10</b>                                                                                                                              |  | Dated<br><b>16-Apr-2009</b>                                                                                                                                                                                                                                                                               |  |
| Buyer's Order No.                                                                                                                                                |  | Dated                                                                                                                                                                                                                                                                                                     |  |
| Delivery Note                                                                                                                                                    |  | Dated                                                                                                                                                                                                                                                                                                     |  |
| Supplier's Ref.<br><b>GEN/332</b>                                                                                                                                |  | Despatch Document No.<br><b>GEN/332</b>                                                                                                                                                                                                                                                                   |  |
| Despatched through<br><b>Road Transport</b>                                                                                                                      |  | Destination<br><b>Bangalore</b>                                                                                                                                                                                                                                                                           |  |
| Date & Time of Removal of Goods<br><b>16-Apr-2009 at 13:34</b>                                                                                                   |  | Motor Vehicle No.<br><b>KA-09 HY-3323</b>                                                                                                                                                                                                                                                                 |  |
| Date & Time of issue of Invoice<br><b>16-Apr-2009 at 13:34</b>                                                                                                   |  | Authenticated By<br><b>for Metal Craft Engineering</b>                                                                                                                                                                                                                                                    |  |
| Mode/Terms of Payment<br><b>30 Days</b>                                                                                                                          |  | Authorised Signatory                                                                                                                                                                                                                                                                                      |  |

| SI No.       | Description of Goods           | Tariff / HSN Classification | Quantity       | Rate    | per | Amount           |
|--------------|--------------------------------|-----------------------------|----------------|---------|-----|------------------|
| 1            | Hot Rolled Beams - 25mm        | 72221199                    | 100 Nos        | 360.00  | Nos | 36,000.00        |
| 2            | Cold Rolled Channels - 10mm    | 72221992                    | 100 Nos        | 300.00  | Nos | 30,000.00        |
|              | Packing Charges                |                             |                |         |     | 66,000.00        |
|              | Basic Excise Duty @ 16%        |                             |                | 16 %    |     | 5,000.00         |
|              | Education Cess @ 2%            |                             |                | 2 %     |     | 11,360.00        |
|              | Secondary Education Cess @ 1%  |                             |                | 1 %     |     | 227.20           |
|              | Output VAT @ 4% (45,109.52)    |                             |                | 4 %     |     | 113.60           |
|              | Output VAT @ 12.5% (37,591.28) |                             |                | 12.50 % |     | 1,804.38         |
|              |                                |                             |                |         |     | 4,898.91         |
| <b>Total</b> |                                |                             | <b>200 Nos</b> |         |     | <b>89,204.09</b> |

Amount Chargeable (in words) : **Rs. Eighty Nine Thousand Two Hundred Four and Nine paise Only**  
 VAT Amount (in words) : **Rs. Six Thousand Five Hundred Three and Twenty Nine paise Only (Rs. 6,503.29)**

| Description of Goods        | Assessable Value | Rate of BED | BED Amount       | Rate of Ed Cess | Ed Cess Amount | Rate of Sec Ed Cess | Sec Ed Cess Amount |
|-----------------------------|------------------|-------------|------------------|-----------------|----------------|---------------------|--------------------|
| Hot Rolled Beams - 25mm     | 38,727.27        | 16 %        | 6,196.36         | 2 %             | 123.93         | 1 %                 | 61.96              |
| Cold Rolled Channels - 10mm | 32,272.73        | 16 %        | 5,163.64         | 2 %             | 103.27         | 1 %                 | 51.64              |
| <b>Total</b>                |                  |             | <b>11,360.00</b> |                 | <b>227.20</b>  |                     | <b>113.60</b>      |

Amount of Duty (in words) : **Rs. Eleven Thousand Three Hundred Sixty Only**  
 Amount of Cess (in words) : **Rs. Three Hundred Forty and Eighty paise Only**  
 Serial No. In FLAIRS-23 : **13**

Declaration : We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.

Excise Declaration  
 We declare to the best of our knowledge and belief that the particulars stated herein are true and correct and there is no additional consideration accruing to us either directly or indirectly in any manner other than the amounts indicated here.

**for Metal Craft Engineering**  
 Authorised Signatory

SUBJECT TO BANGALORE JURISDICTION  
 This is a Computer Generated Invoice

E & O E

Figure 21.75 Print Preview – Excise Invoice

**Example 7:**

*On 21/04/09, M/s. Metal Craft Engineering manufactured the following excisable goods*

| Item Description     | Qty (Nos) |
|----------------------|-----------|
| Slotted Angle - 10mm | 50        |

*To Manufacture 1 Nos of Slotted Angle - 10mm, the following inputs are required in the given proportions.*

|              | Qty (Kgs) |
|--------------|-----------|
| Steel Sheets | 1         |

*Additionally, Labour Charges of Rs. 300 was incurred.*

Create necessary Stock Items with the required Bill of Materials (BoM) and create the Manufacturing Journal as discussed in **Example 3**.

The completed **Excise Manufacturing Journal** is displayed as shown:

| Inventory Voucher Creation                        |          | Metal Craft Engineering Pvt Ltd |                            | Ctrl + M               |        |
|---------------------------------------------------|----------|---------------------------------|----------------------------|------------------------|--------|
| Manufacturing Journal No. 3                       |          |                                 |                            | 21-Apr-2009<br>Tuesday |        |
| <b>Manufacture of Materials</b>                   |          |                                 |                            |                        |        |
| Name of Product : Slotted Angle - 10mm Qty 50 Nos |          |                                 |                            |                        |        |
| Components (Consumption)                          |          |                                 | Cost of Components :       |                        |        |
| Name of Item                                      | Quantity | Rate                            | Amount                     | Type of Addl. Cost     | %-age  |
| Steel Sheets                                      | 50 Kgs   | 42.00/Kgs                       | 2,100.00                   | Labour Charges         | 300.00 |
|                                                   |          |                                 | Total Addl. cost : 300.00  |                        |        |
|                                                   |          |                                 | Effective Cost : 2,400.00  |                        |        |
|                                                   |          |                                 | Effective Rate : 48.00/Nos |                        |        |
| 50 Kgs                                            |          |                                 | 2,100.00                   |                        |        |
| Narration: .                                      |          |                                 |                            |                        |        |

Figure 21.76 Manufacturing Journal

- Press **Enter** to accept.

**Example 8:**

*On 22/04/09, M/s. Metal Craft Engineering sold the following excisable goods to Simplex Casting Limited (vide Invoice No. MCE/103/09-10).*

| Item Description            | Qty (Nos) | Rate (Rs.) | Total Value | VAT (%) |
|-----------------------------|-----------|------------|-------------|---------|
| Slotted Angle - 10mm        | 50        | 250        | 12,500      | 12.5%   |
| Cold Rolled Channels - 10mm | 100       | 300        | 30,000      | 12.5%   |

*The above goods are subject to Basic Excise Duty @ 16%, Education Cess @ 2%, Sec. Educ. Cess @ 1%.*

**Step 1 : Create Excise Sales Voucher**

To create a **Sales Voucher**

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

1. Select **Excise - Sales** as the voucher type
2. Ensure that the **Sales Voucher** is in **Item Invoice** Mode
3. Enter the **Date** as **22-4-2009**
4. Enter the **Ref** details as **SCL/410**
5. **Metal Craft Engineering** is displayed automatically in **Excise Unit** field
6. **Excise Book Name** and the **Serial No.** field is automatically prefilled based on predefined configurations
7. Select **Simplex Casting Limited** in the **Party A/c Name** field. In **Party Details** screen, enter the required details
8. Select **Domestic** in **Nature of Removal** field
9. Select **Slotted Angle - 10mm** in **Name of Item** field
10. Enter **Quantity** as **50** and **Rate** as **250**, press **Enter** the amount will be calculated automatically
11. In **Accounting Details for** screen, select **Sales @ 12.5%**, the **VAT/Tax Class** is defaulted automatically
12. Similarly, select **Cold Rolled Channels - 10mm** as the second stock item
13. Enter **Quantity** as **100** and **Rate** as **300**, press **Enter** the amount will be calculated automatically
14. In **Accounting Details for** screen, select **Sales @ 12.5%**, the **VAT/Tax Class** is defaulted automatically
15. Select **Basic Excise Duty @ 16%**, the **Amount** will be calculated and displayed automatically.
16. Select **Education Cess @ 2%** and **Secondary Education Cess @ 1%**, the **Amount** will be calculated and displayed automatically
17. Select **Output VAT @ 4%**, the **Amount** will be displayed automatically
18. Set **Show Statutory Details** to **Yes** and press **Enter**
19. In **Statutory Details** screen, press **Alt+F1** to view in detailed mode

| Statutory Details             | Metal Craft Engineering Pvt Ltd                    |           |           | Ctrl + M    |
|-------------------------------|----------------------------------------------------|-----------|-----------|-------------|
| Excise - Sales                | Statutory Details                                  |           |           | 22-Apr-2009 |
| Ref : SCL410                  |                                                    |           |           | Wednesday   |
| Excise Unit                   | Particulars                                        | Excise    | VAT       |             |
| Excise Book Name              |                                                    |           |           |             |
|                               | Assessable Value                                   | 30,000.00 | 48,394.00 |             |
| Party's A/c Name              | Slotted Angle - 10mm On 50 Nos                     |           | 13,450.00 |             |
| Nature of Removal             | Item Quantity                                      |           | 12,500.00 |             |
| Current Balance               | Basic Excise Duty @ 16%                            |           | 800.00    |             |
| Name of Item                  | Education Cess @ 2%                                |           | 100.00    | Amount      |
|                               | Secondary Education Cess @ 1%                      |           | 50.00     |             |
| Slotted Angle - 10mm          | Cold Rolled Channels - 10mm                        | 30,000.00 | 34,944.00 | 12,500.00   |
| Rate : 1                      | Item Value                                         | 30,000.00 | 30,000.00 |             |
| Cold Rolled Channels - 10mm   | Basic Excise Duty @ 16%                            |           | 4,800.00  | 30,000.00   |
| Rate : 1                      | Education Cess @ 2%                                |           | 96.00     |             |
|                               | Secondary Education Cess @ 1%                      |           | 48.00     |             |
|                               | Excise Duty Value                                  | 5,894.00  |           | 42,500.00   |
| Basic Excise Duty @ 16%       | Basic Excise Duty @ 16%                            | 16 %      | 5,600.00  | 5,600.00    |
| Education Cess @ 2%           | Slotted Angle - 10mm @ 16 / Nos On 50 Nos          |           | 800.00    | 196.00      |
| Secondary Education Cess @ 1% | Cold Rolled Channels - 10mm @ 16 % On 30,000.00    |           | 4,800.00  | 98.00       |
| Output VAT @ 12.5%            | Education Cess @ 2%                                | 2 %       | 196.00    | 6,049.25    |
|                               | Slotted Angle - 10mm @ 2 / Nos On 50 Nos           |           | 100.00    |             |
|                               | Cold Rolled Channels - 10mm @ 2 % On 4,800.00      |           | 96.00     |             |
|                               | Secondary Education Cess @ 1%                      | 1 %       | 98.00     |             |
|                               | Slotted Angle - 10mm @ 1 / Nos On 50 Nos           |           | 50.00     |             |
|                               | Cold Rolled Channels - 10mm @ 1 % On 4,800.00      |           | 48.00     |             |
|                               | VAT Amount                                         |           | 6,049.25  |             |
|                               | Output VAT @ 12.5%                                 | 12.50 %   | 6,049.25  |             |
|                               | Slotted Angle - 10mm @ 12.50 % On 13,450.00        |           | 1,681.25  |             |
|                               | Cold Rolled Channels - 10mm @ 12.50 % On 34,944.00 |           | 4,368.00  |             |
| Show Statutory De             |                                                    |           |           | 54,443.25   |
| Narration:                    |                                                    |           |           |             |

Figure 21.77 Statutory Details

20. In **Bill-wise Details** screen, select **Type of Ref** as **New Ref** and in other fields retain the default details.

21. Enter the **Narration**, if required

The completed **Excise Sales Voucher** is displayed as shown :



| Accounting Voucher Creation                |          | Metal Craft Engineering Pvt Ltd |     | Ctrl + M          |  |
|--------------------------------------------|----------|---------------------------------|-----|-------------------|--|
| <b>Excise - Sales</b> No. 3                |          |                                 |     | 22-Apr-2009       |  |
| Ref. : SCL/410                             |          |                                 |     | Wednesday         |  |
| Excise Unit : Metal Craft Engineering      |          |                                 |     |                   |  |
| Excise Book Name : Book - 1/09-10          |          | Serial No. MCE/103/09-10        |     |                   |  |
| Party's A/c Name : Simplex Casting Limited |          |                                 |     |                   |  |
| Nature of Removal : Domestic               |          |                                 |     |                   |  |
| Current Balance : 87,220.22 Dr             |          |                                 |     |                   |  |
| Name of Item                               | Quantity | Rate                            | per | Amount            |  |
| Slotted Angle - 10mm                       | 50 Nos   | 250.00                          | Nos | 12,500.00         |  |
| Rate : 16/Nos                              |          |                                 |     |                   |  |
| Cold Rolled Channels - 10mm                | 100 Nos  | 300.00                          | Nos | 30,000.00         |  |
| Rate : 16%                                 |          |                                 |     |                   |  |
|                                            |          |                                 |     | 42,500.00         |  |
| Basic Excise Duty @ 16%                    |          | 16                              | %   | 5,600.00          |  |
| Education Cess @ 2%                        |          | 2                               | %   | 196.00            |  |
| Secondary Education Cess @ 1%              |          | 1                               | %   | 98.00             |  |
| Output VAT @ 12.5%                         |          | 12.50                           | %   | 6,049.25          |  |
| Show Statutory Details ? Yes               |          |                                 |     |                   |  |
| Narration:                                 |          |                                 |     | 150 Nos 54,443.25 |  |

Figure 21.78 Sales Voucher

22.Press **Enter** to save and accept.

## Step 2 : Print Excise Invoice under Rule 11

- Press **Page Up** from the above screen and press **Alt+P**

The printed **Excise Sales Invoice** as per Rule 11 of Excise Rules is displayed as shown

Printed on 27-Apr-2010 at 12:41

**EXCISE INVOICE**  
(ISSUE OF INVOICE UNDER RULE 11 OF CENTRAL EXCISE RULES 2002)

|                                                                                                                                                                  |  |                                                                                                                                                                                                                                                                                                                                     |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>Metal Craft Engineering</b><br><b>17/8, Peenya Industrial Area, 2nd Phase, B Cross, Bangalore</b><br>Phone : 08028378699 / E-mail : sales@metalcrafterngg.com |  | Range : <b>Hesur / 0905/6 / No.13, 11th Floor, Ganesh Complex, Hesur Road, Bangalore - 560 009</b><br>Division : <b>Division II / 0905 / 7th Floor, 'C' Wing, Keshava Sadan, Kinnaraswamy, Bangalore - 56</b><br>Commissionerate : <b>Bangalore V / 06 / Commissionerate, Central Revenue Building, Ganesw Road, Bangalore - 01</b> |  |
| VAT TIN : <b>11567844129</b><br>CST No. : <b>32457841339</b><br>Excise Regn No. : <b>KABCC3220DXL003</b>                                                         |  | Buyer<br><b>Simplex Casting Limited</b><br>No.27/1<br>Peenya Industrial Area<br>Yeshwanthpur<br>Bangalore<br><br>VAT TIN : <b>58456213451</b><br>Excise Regn No. : <b>APLO112450XC125</b><br>Range : <b>Yeswanthpur</b><br>Division : <b>Yeswanthpur II</b><br>Commissionerate : <b>Bangalore IV</b>                                |  |
| Invoice No.<br><b>MCE/103/09-10</b>                                                                                                                              |  | Dated<br><b>22-Apr-2009</b>                                                                                                                                                                                                                                                                                                         |  |
| Buyer's Order No.                                                                                                                                                |  | Dated                                                                                                                                                                                                                                                                                                                               |  |
| Delivery Note                                                                                                                                                    |  | Dated                                                                                                                                                                                                                                                                                                                               |  |
| Supplier's Ref.<br><b>SCL/410</b>                                                                                                                                |  | Despatch Document No.<br><b>SCL/410</b>                                                                                                                                                                                                                                                                                             |  |
| Despatched through<br><b>By Rail</b>                                                                                                                             |  | Destination<br><b>Bangalore</b>                                                                                                                                                                                                                                                                                                     |  |
| Date & Time of Removal of Goods<br><b>22-Apr-2009 at 18:30</b>                                                                                                   |  | Motor Vehicle No.<br><b>KA-01 ML-3254</b>                                                                                                                                                                                                                                                                                           |  |
| Date & Time of issue of Invoice<br><b>22-Apr-2009 at 18:30</b>                                                                                                   |  | Authenticated By<br><b>for Metal Craft Engineering</b>                                                                                                                                                                                                                                                                              |  |
| Mode/Terms of Payment<br><b>30 Days</b>                                                                                                                          |  | Authorised Signatory                                                                                                                                                                                                                                                                                                                |  |

| Sl No.       | Description of Goods           | Tariff / HSN Classification | Quantity       | Rate   | per | Amount           |
|--------------|--------------------------------|-----------------------------|----------------|--------|-----|------------------|
| 1            | Slotted Angle - 10mm           | 72221166                    | 50 Nos         | 250.00 | Nos | 12,500.00        |
| 2            | Cold Rolled Channels - 10mm    | 72221992                    | 100 Nos        | 300.00 | Nos | 30,000.00        |
|              | Basic Excise Duty @ 16%        |                             |                | 16     | %   | 5,600.00         |
|              | Education Cess @ 2%            |                             |                | 2      | %   | 196.00           |
|              | Secondary Education Cess @ 1%  |                             |                | 1      | %   | 98.00            |
|              | Output VAT @ 12.5% (48,394.00) |                             |                | 12.50  | %   | 6,049.25         |
| <b>Total</b> |                                |                             | <b>150 Nos</b> |        |     | <b>54,443.25</b> |

Amount Chargeable (in words) : **Rs. Fifty Four Thousand Four Hundred Forty Three and Twenty Five paise Only**  
 VAT Amount (in words) : **Rs. Six Thousand Forty Nine and Twenty Five paise Only (Rs. 6,049.25)**

| Description of Goods          | Assessable Value | Rate of BED | BED Amount      | Rate of Ed Cess | Ed Cess Amount | Rate of Sec Ed Cess | Sec Ed Cess Amount |
|-------------------------------|------------------|-------------|-----------------|-----------------|----------------|---------------------|--------------------|
| Slotted Angle - 10mm (50 Nos) |                  | 16/Nos      | 800.00          | 2/Nos           | 100.00         | 1/Nos               | 50.00              |
| Cold Rolled Channels - 10mm   | 30,000.00        | 16 %        | 4,800.00        | 2 %             | 96.00          | 1 %                 | 48.00              |
| <b>Total</b>                  | <b>30,000.00</b> |             | <b>5,600.00</b> |                 | <b>196.00</b>  |                     | <b>98.00</b>       |

Amount of Duty (in words) : **Rs. Five Thousand Six Hundred Only**  
 Amount of Cess (in words) : **Rs. Two Hundred Ninety Four Only**  
 Serial No. in PLAIRG-23 : **14**

Declaration : We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.

|                                                                                                                                                                                                                                                                             |                                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| Excise Declaration<br>We declare to the best of our knowledge and belief that the particulars stated herein are true and correct and there is no additional consideration accruing to us either directly or indirectly in any manner other than the amounts indicated here. | <b>for Metal Craft Engineering</b><br><br>Authorised Signatory |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|

SUBJECT TO BANGALORE JURISDICTION E & O.E  
 This is a Computer Generated Invoice

Figure 21.79 Print Preview – Excise Invoice

#### 21.4.4 Return of Goods

It is mandatory to account for return of excisable goods sold under the cover of Excise Invoice as per rule 11 of Excise Rules 2002 and to precisely maintain excise books & reports. Let us consider the following transaction to illustrate the same.

##### Example 9:

*On 28/04/09, M/s. Simplex Casting Limited returned the following goods to Metal Craft Engineering.*

| Item Description        | Qty (Nos) | Rate (Rs.) | Total Value | VAT (%) |
|-------------------------|-----------|------------|-------------|---------|
| Hot Rolled Beams - 25mm | 10        | 360        | 3600        | 4%      |

*The above goods were sold under Invoice No. MCE/101/09-10 dt. 10/04/09.*

#### Step 1 : Create Credit Note

##### Setup :

In **F11: Features (Accounting Features)**

- ☐ Set **Use Debit/Credit Notes** to **Yes**
- ☐ Set **Use Invoice mode for Credit Notes** to **Yes**

Go to **Gateway of Tally > Accounting Vouchers > Ctrl + F8: Credit Note**

1. Select **Excise - Credit Note** as the voucher type
2. Ensure that the **Credit Note Voucher** is in **Item Invoice Mode**
3. Enter the **Date** as **28-4-2009**
4. Enter the **Ref** details as **SCL/CN/001**
5. **Metal Craft Engineering** is automatically selected by default in the **Excise Unit** field
6. Select **Goods Sold Returned** as the type of **VAT Adjustment** in the **Used for** field and press **Enter**
7. Select **Simplex Casting Limited** in **Party A/c Name** field
8. In **Name of Item** field, select **Hot Rolled Beams - 25mm**
9. Enter the **Quantity** as **10** and **Rate** as **360**
10. In **Accounting Details for** screen, select **Sales @ 4%** and press **Enter**, the **VAT/Tax Class** is automatically selected by default
11. Select **Basic Excise Duty @ 16%**, **Education Cess @ 2%** and **Secondary Education Cess @ 1%** ledgers subsequently and press **Enter**. The **Amount** will be calculated and displayed automatically
12. Select **Output VAT @ 4%**, the **Amount** will be displayed automatically
13. Set **Show Statutory Details** to **Yes** and press **Enter**
14. In **Statutory Details** screen, press **Alt+F1** to view in detailed mode

| Statutory Details             |  | Metal Craft Engineering Pvt Ltd          |                 | Ctrl + M        |          |
|-------------------------------|--|------------------------------------------|-----------------|-----------------|----------|
| Excise-Credit Not             |  | <b>Statutory Details</b>                 |                 | 28-Apr-2009     |          |
| Ref : SCL/CN/001              |  |                                          |                 | Tuesday         |          |
| Excise Unit                   |  | Particulars                              | Excise          | VAT             |          |
| Party's A/c Name              |  | <b>Assessable Value</b>                  | <b>3,600.00</b> | <b>4,193.28</b> |          |
| Current Balance :             |  | <i>Hot Rolled Beams - 25mm</i>           | <i>3,600.00</i> | <i>4,193.28</i> |          |
| Name of Item                  |  | <i>Item Value</i>                        | <i>3,600.00</i> | <i>3,600.00</i> | Amount   |
| Hot Rolled Beams - 25mm       |  | <i>Basic Excise Duty @ 16%</i>           |                 | <i>576.00</i>   |          |
| Rate : 1                      |  | <i>Education Cess @ 2%</i>               |                 | <i>11.52</i>    |          |
|                               |  | <i>Secondary Education Cess @ 1%</i>     |                 | <i>5.76</i>     | 3,600.00 |
|                               |  | <b>Excise Duty Value</b>                 | <b>593.28</b>   |                 |          |
|                               |  | <i>Basic Excise Duty @ 16%</i>           | <b>16 %</b>     | <b>576.00</b>   |          |
| Basic Excise Duty @ 16%       |  | <i>Hot Rolled Beams - 25mm @ 16 % On</i> | <i>3,600.00</i> | <i>576.00</i>   | 576.00   |
| Education Cess @ 2%           |  | <i>Education Cess @ 2%</i>               | <b>2 %</b>      | <b>11.52</b>    | 11.52    |
| Secondary Education Cess @ 1% |  | <i>Hot Rolled Beams - 25mm @ 2 % On</i>  | <i>576.00</i>   | <i>11.52</i>    | 5.76     |
| Output VAT @ 4%               |  | <i>Secondary Education Cess @ 1%</i>     | <b>1 %</b>      | <b>5.76</b>     | 167.73   |
|                               |  | <i>Hot Rolled Beams - 25mm @ 1 % On</i>  | <i>576.00</i>   | <i>5.76</i>     |          |
|                               |  | <b>VAT Amount</b>                        |                 | <b>167.73</b>   |          |
|                               |  | <i>Output VAT @ 4%</i>                   | <b>4 %</b>      | <b>167.73</b>   |          |
|                               |  | <i>Hot Rolled Beams - 25mm @ 4 % On</i>  | <i>4,193.28</i> | <i>167.73</i>   |          |
| Show Statutory De             |  |                                          |                 |                 | 4,361.01 |
| Narration:                    |  |                                          |                 |                 |          |

Figure 21.80 Statutory Details

15. In the **Bill-wise Details** screen, select **Type of Ref** as **Agst Ref** and select **SCL/321** dated **10-4-2009**.

| Bill-wise Details for : <b>Simplex Casting Limited</b><br>Upto: <b>Rs. 4,361.01 Cr</b> |                |                                                 |                 |            |
|----------------------------------------------------------------------------------------|----------------|-------------------------------------------------|-----------------|------------|
| Type of Ref                                                                            | Name           | Due Date, or<br>Credit Days<br>(wef: 28-4-2009) | Amount          | Dr/<br>Cr  |
| Agst Ref                                                                               | <b>SCL/321</b> | <b>30 Days</b><br>( 10-May-2009 )               | <b>4,361.01</b> | <b>Cr.</b> |
|                                                                                        |                |                                                 | <b>4,361.01</b> | <b>Cr</b>  |

Figure 21.81 Bill-wise Details

16. Enter the **Narration**, if required

The completed **Excise Credit Note** is displayed as shown :

| Accounting Voucher Creation                |          | Metal Craft Engineering Pvt Ltd |          | Ctrl + M    |
|--------------------------------------------|----------|---------------------------------|----------|-------------|
| <b>Excise-Credit Note</b> No. 1            |          |                                 |          | 28-Apr-2009 |
| Ref. : SCL/CN/001                          |          | Used for: Goods Sold Returned   |          | Tuesday     |
| Excise Unit : Metal Craft Engineering      |          |                                 |          |             |
| Party's A/c Name : Simplex Casting Limited |          |                                 |          |             |
| Current Balance : 1,41,663.47 Dr           |          |                                 |          |             |
| Name of Item                               | Quantity | Rate per                        | Amount   |             |
| Hot Rolled Beams - 25mm                    | 10 Nos   | 360.00 Nos                      | 3,600.00 |             |
| Rate : 16%                                 |          |                                 |          |             |
| Basic Excise Duty @ 16%                    |          | 16 %                            | 576.00   |             |
| Education Cess @ 2%                        |          | 2 %                             | 11.52    |             |
| Secondary Education Cess @ 1%              |          | 1 %                             | 5.76     |             |
| Output VAT @ 4%                            |          | 4 %                             | 167.73   |             |
| Show Statutory Details ? Yes               |          |                                 |          |             |
| Narration:                                 |          |                                 |          |             |
|                                            |          | 10 Nos                          | 4,361.01 |             |

Figure 21.82 Credit Note Voucher

17. Press **Enter** to accept and save

Similarly, in case of Purchase Returns you can create the required Debit Note Voucher Type and pass the Debit Note Voucher with the returned goods.

### 21.4.5 Availing CENVAT Credit

As discussed earlier, Government entitles the manufacturer of exciseable goods to avail CENVAT credit on Excise duty (Viz., BED, SED, AED, NCCD, Cess etc) paid on the inputs / raw materials.

To record the CENVAT adjustment in Tally.ERP 9, Excise Duty Ledgers are debited and CENVAT Duty Ledgers are credited respectively, in order to nullify the balances in the CENVAT ledgers. Let us consider the following transaction to illustrate the same.

#### Example 10:

*On 30/04/09, M/s. Metal Craft Engineering Pvt. Ltd., availed CENVAT Credit on Duties of Excise paid on purchases, during the month of April 2009.*

*The details of available CENVAT Credit for April 2009 are as follows*

| Duties of Excise                  | Amount (Rs.) |
|-----------------------------------|--------------|
| Basic Excise Duty (CENVAT)        | 9,600        |
| Education Cess (CENVAT)           | 1,200        |
| Secondary Education Cess (CENVAT) | 600          |

### Step 1 : Create Journal Voucher Class

Go to **Gateway of Tally > Accounts info. > Voucher Types > Alter > Journal**

- ❑ Tab down to **Name of Class** field
- ❑ Enter the **Name of Class** as **CENVAT Credit Adjustment** and press **Enter**
- ❑ In **Voucher Type Class** screen, set **Use Class for Excise / CENVAT Adjustment** to **Yes**

| Voucher Type Class             |                                             | Metal Craft Engineering Pvt Ltd | Ctrl + M                 |
|--------------------------------|---------------------------------------------|---------------------------------|--------------------------|
| Name : Journal (alias)         | Class : <u>CENVAT Credit Adjustment</u>     |                                 |                          |
|                                | Use Class for VAT Adjustments ?             | No                              |                          |
|                                | Use Class for Excise / CENVAT Adjustments ? | Yes                             |                          |
|                                | Ledger account to use                       |                                 |                          |
|                                | Ledger Name                                 |                                 |                          |
| Type of Voucher                |                                             |                                 | Name of Class            |
| Abbr.                          |                                             |                                 | CENVAT Credit Adjustment |
| Method of Voucher              |                                             |                                 |                          |
| Use Advance Contra             |                                             |                                 |                          |
| Use EFFECTIVE Date             |                                             |                                 |                          |
| Make 'Optional' as default     |                                             |                                 |                          |
| Use Common Narrations for each |                                             |                                 |                          |

Figure 21.83 Journal Voucher Class Creation

- ❑ Press **Enter** to accept.

The completed **Journal Voucher Type** is displayed as shown:

| Voucher Type Alteration                                                                                                                                                                                                                                                                                                               |  | Metal Craft Engineering Pvt Ltd                           | Ctrl + M                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------|---------------------------------------------------------|
| Name : <b>Journal</b><br>(Alias) :                                                                                                                                                                                                                                                                                                    |  |                                                           |                                                         |
| <b>General</b><br>Type of Voucher : <b>Journal</b><br>Abbr. : Jrnl<br>Method of Voucher Numbering ? <b>Automatic</b><br>Use Advance Configuration ? <b>No</b><br>Use EFFECTIVE Dates for Vouchers ? <b>No</b><br>Make 'Optional' as default ? <b>No</b><br>Use Common Narration ? <b>Yes</b><br>Narrations for each entry ? <b>No</b> |  | <b>Printing</b><br>Print after saving Voucher ? <b>No</b> | <b>Name of Class</b><br><b>CENVAT Credit Adjustment</b> |
|                                                                                                                                                                                                                                                                                                                                       |  |                                                           | Accept ?<br>Yes or No                                   |

Figure 21.84 Journal Voucher

- Press **Enter** to accept and save.

## Step 2 : Create Journal Voucher

Go to **Gateway of Tally > Accounting Vouchers > F7: Journal**

1. Select **CENVAT Credit Adjustment** as the Voucher Class

| Voucher Type                            |                                                                                                                |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Name : <b>Journal</b>                   | Voucher Class List                                                                                             |
| Class : <b>CENVAT Credit Adjustment</b> | <input type="checkbox"/> Not Applicable<br><input checked="" type="checkbox"/> <b>CENVAT Credit Adjustment</b> |

Figure 21.85 Journal Voucher Class Selection

2. Enter the **Date** as **30-4-2009**
3. Select **CENVAT Adjustment** in **Used for** field



| Accounting Voucher Creation |       | Metal Craft Engineering Pvt Ltd          |  | Ctrl + M                |               |
|-----------------------------|-------|------------------------------------------|--|-------------------------|---------------|
| <b>Journal</b>              | No. 1 | Voucher Class : CENVAT Credit Adjustment |  | 30-Apr-2009<br>Thursday |               |
| Excise Unit :               |       | Used for: CENVAT Adjustment              |  |                         |               |
|                             |       | Excise Adjustments                       |  |                         |               |
| <b>Particulars</b>          |       | Adjustment towards Advance Duty Paid     |  | <b>Debit</b>            | <b>Credit</b> |
| Dr                          |       | CENVAT Adjustment                        |  |                         |               |

Figure 21.86 User for field

4. Press **Alt + L** or click on **L: Excise Helper** button to view **CENVAT Adjustments** screen

| Accounting Voucher Creation |       | Metal Craft Engineering Pvt Ltd          |  | Ctrl + M                        |  |
|-----------------------------|-------|------------------------------------------|--|---------------------------------|--|
| <b>Journal</b>              | No. 1 | Voucher Class : CENVAT Credit Adjustment |  | Excise Units                    |  |
| Excise Unit :               |       | Used for: CENVAT Adjustment              |  | Metal Craft Engineering Pvt Ltd |  |
| <b>Particulars</b>          |       |                                          |  |                                 |  |
| Dr                          |       |                                          |  |                                 |  |
| Narration:                  |       |                                          |  |                                 |  |

F1: Inventory Buttons

F2: Date

F3: Company

F4: Contra

F5: Payment

F6: Receipt

F7: Journal

F8: Sales

F8: Credit Note

F9: Purchase

F9: Debit Note

F10: Rev Jml

F10: Memos

**L: Excise Helper**

I: Post-Dated

L: Optional

Figure 21.87 Excise Helper button

In **CENVAT Adjustments** screen

- ❑ In **Excise Unit** field, select **Metal Craft Engineering** from the **List of Excise Units**.
- ❑ On selecting Excise Unit, the **CENVAT credit available** details will be displayed in **Available Amount** column
- ❑ In **Payable From** and **To** field mention the period for which the payment is done i.e., **From 1-4-2009 to 30-4-2009**.

- On specifying the **Payable From** and **To** date, the **duty payable** for the period specified will be displayed in **Payable Amount** column

| Excise Duties Adjustments |                                   |                  |                   |
|---------------------------|-----------------------------------|------------------|-------------------|
| Excise Unit               | : Metal Craft Engineering Pvt Ltd |                  |                   |
| Payable From              | : 1-Apr-2009                      | To               | : 30-Apr-2009     |
| Duty Head                 | Payable Amount                    | Available Amount | Adjustable Amount |
| Basic Excise Duty         | 10,176.00                         | 9,600.00         |                   |
| Education Cess            | 653.60                            | 1,200.00         |                   |
| Secondary Education Cess  | 326.80                            | 600.00           |                   |
| <b>Total</b>              | <b>11,156.40</b>                  | <b>11,400.00</b> |                   |

Figure 21.88 Excise Duty Adjustments



- **Rs. 9,600** is the **CENVAT Credit (Basic Excise Duty amount)** available for adjustment towards excise duty payable
  - **Rs. 1,200** is the **CENVAT Credit (Education Cess amount)** available for adjustment towards excise duty payable. Credit of Education Cess on Excisable goods and imported goods can be utilised only for payment of education cess on final products.
  - **Rs. 600** is the **CENVAT Credit (Secondary Education Cess amount)** available for adjustment towards excise duty payable. Credit of SHE Cess on Excisable goods and imported goods can be utilised only for payment of education cess on final products.
- In **Adjustable Amount** column, specify the amount to be adjusted as
    - **Basic Excise Duty – Rs. 9,600**
    - **Education Cess – Rs. 600**
    - **Secondary Education Cess – Rs. 300**
  - Press **Enter** to save the adjustment. Tally.ERP 9 displays **Proceed to Adjust Excise Duties** screen for confirmation to adjust excise duties

| Excise Duties Adjustments                                                                                                                                     |                  |                  |                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|-------------------|
| Excise Unit : Metal Craft Engineering Pvt Ltd                                                                                                                 |                  |                  |                   |
| Payable From : 1-Apr-2009 To : 30-Apr-2009                                                                                                                    |                  |                  |                   |
| Duty Head                                                                                                                                                     | Payable Amount   | Available Amount | Adjustable Amount |
| Basic Excise Duty                                                                                                                                             |                  | 9,600.00         | 9,600.00          |
| Education Cess                                                                                                                                                |                  | 1,200.00         | 600.00            |
| Secondary Education Cess                                                                                                                                      |                  | 600.00           | 300.00            |
| <div style="border: 1px solid black; padding: 5px; text-align: center;">           Proceed to Adjust Excise Duties ?<br/><br/> <b>Yes</b> or <b>No</b> </div> |                  |                  |                   |
| <b>Total</b>                                                                                                                                                  | <b>29,460.40</b> | <b>11,400.00</b> | <b>10,500.00</b>  |

Figure 21.89 Adjust Excise Duties

- ❑ Press **Enter** to save the **CENVAT Adjustments**.
- ❑ Now, the **Journal Voucher** automatically displays the **CENVAT Ledgers** adjusted against the respective **Duty Payable ledgers** with the specified amounts.

| Accounting Voucher Creation                                       |           | Metal Craft Engineering Pvt Ltd          |  | Ctrl + M                |
|-------------------------------------------------------------------|-----------|------------------------------------------|--|-------------------------|
| <b>Journal</b>                                                    | No. 1     | Voucher Class : CENVAT Credit Adjustment |  | 30-Apr-2009<br>Thursday |
| Excise Unit : Metal Craft Engineering Pvt Ltd                     |           | Used for: CENVAT Adjustment              |  |                         |
| Particulars                                                       | Debit     | Credit                                   |  |                         |
| Dr <b>Basic Excise Duty @ 16%</b><br>Cur Bal: 18,304.00 Cr        | 9,600.00  |                                          |  |                         |
| Dr <b>Education Cess @ 2%</b><br>Cur Bal: 42.08 Cr                | 600.00    |                                          |  |                         |
| Dr <b>Secondary Education Cess @ 1%</b><br>Cur Bal: 21.04 Cr      | 300.00    |                                          |  |                         |
| Cr <b>Basic Excise Duty (CENVAT)</b><br>Cur Bal: 0.00 Cr          |           | 9,600.00                                 |  |                         |
| Cr <b>Education Cess (CENVAT)</b><br>Cur Bal: 600.00 Dr           |           | 600.00                                   |  |                         |
| Cr <b>Secondary Education Cess (CENVAT)</b><br>Cur Bal: 300.00 Dr |           | 300.00                                   |  |                         |
| Narration:                                                        | 10,500.00 | 10,500.00                                |  |                         |

Figure 21.90 CENVAT Adjustments



As per Excise Rules, the duty paid on account of Excise Duty, Education Cess and Higher Education Cess can be adjusted / availed only against the dues on account of Excise Duty, Education Cess and Higher Education Cess payable respectively.

### 5. Enter the **Narration**, if required

The completed **Journal voucher** is displayed as shown:

| Accounting Voucher Creation                                       |           | Metal Craft Engineering Pvt Ltd          | Ctrl + M                |
|-------------------------------------------------------------------|-----------|------------------------------------------|-------------------------|
| <b>Journal</b>                                                    | No. 1     | Voucher Class : CENVAT Credit Adjustment | 30-Apr-2009<br>Thursday |
| Excise Unit : Metal Craft Engineering Pvt Ltd                     |           | Used for: CENVAT Adjustment              |                         |
| Particulars                                                       | Debit     | Credit                                   |                         |
| Dr <b>Basic Excise Duty @ 16%</b><br>Cur Bal: 18,304.00 Cr        | 9,600.00  |                                          |                         |
| Dr <b>Education Cess @ 2%</b><br>Cur Bal: 42.08 Cr                | 600.00    |                                          |                         |
| Dr <b>Secondary Education Cess @ 1%</b><br>Cur Bal: 21.04 Cr      | 300.00    |                                          |                         |
| Cr <b>Basic Excise Duty (CENVAT)</b><br>Cur Bal: 0.00 Cr          |           | 9,600.00                                 |                         |
| Cr <b>Education Cess (CENVAT)</b><br>Cur Bal: 600.00 Dr           |           | 600.00                                   |                         |
| Cr <b>Secondary Education Cess (CENVAT)</b><br>Cur Bal: 300.00 Dr |           | 300.00                                   |                         |
| Narration:                                                        | 10,500.00 | 10,500.00                                |                         |

Figure 21.91 Journal Voucher

### 6. Press **Enter** to accept and save



The **CENVAT** adjustment entry can be passed depending upon the periodicity of payment of Excise Duty to Government by the Manufacturer i.e., on monthly or quarterly basis depending upon the type of manufacturer.

### 21.4.6 Payment of Excise Duty

As per Excise Rules, the Excise duty is payable on a monthly or quarterly basis depending on the Type of manufacturer. In case of a Regular Manufacturer, the Excise Duty is payable on a monthly basis and for Small Scale Industries (SSI), the Excise Duty is payable on a Quarterly basis.

In order to make the payment in respect of Excise duty, it is essential for the Excise unit to ascertain the accurate net duty payable to the government for any given period after adjusting the available CENVAT credit, if any.

Thus, whenever the Excise Duty payments (monthly/quarterly whichever is applicable) are due, the CENVAT adjustment entry is required to be passed at the end of every month/quarter (as the case may be) before the payment entry.

#### Example 11:

*On 04/05/09, M/s. Metal Craft Engineering Pvt. Ltd., paid Excise Duty for the month of April 2009 vide Cheque No.156387.*

*The excise duty details are as follows :*

| Duties of Excise              | Amount (Rs.) |
|-------------------------------|--------------|
| Basic Excise Duty @ 16%       | 18,880.00    |
| Education Cess @ 2%           | 53.60        |
| Secondary Education Cess @ 1% | 26.80        |

#### Step 1 : Creating Payment Voucher

##### Setup :

- In **F12: Configure (Payment Configuration)**, ensure **Use Single Entry mode for Pymt/Rcpt/Contra** is set to **Yes**

Go to **Gateway of Tally > Accounting Vouchers > F5: Payment**

1. Enter the **Date** as **4-5-2009**
2. Press **Alt + L** or click on **L: Excise Helper** button on the Buttons Bar to view Payment Details (**Excise Helper**) screen

Figure 21.92 Excise Helper Button

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Figure 21.93 Payment Details

- | Accounting Voucher Creation                                                      |                  | Metal Craft Engineering Pvt Ltd | Ctrl + M             |
|----------------------------------------------------------------------------------|------------------|---------------------------------|----------------------|
| <b>Payment</b>                                                                   | No. 1            |                                 | 4-May-2009<br>Monday |
| Account : <span style="background-color: black; color: black;">XXXXXXXXXX</span> |                  |                                 |                      |
| Cur Bal:                                                                         |                  |                                 |                      |
| Particulars                                                                      | Amount           |                                 |                      |
| <b>Basic Excise Duty @ 16%</b>                                                   | <b>18,880.00</b> |                                 |                      |
| Cur Bal: 576.00 Dr                                                               |                  |                                 |                      |
| <b>Education Cess @ 2%</b>                                                       | <b>53.60</b>     |                                 |                      |
| Cur Bal: 11.52 Dr                                                                |                  |                                 |                      |
| <b>Secondary Education Cess @ 1%</b>                                             | <b>26.80</b>     |                                 |                      |
| Cur Bal: 5.76 Dr                                                                 |                  |                                 |                      |
| Narration:                                                                       |                  |                                 | <b>18,960.40</b>     |

4. In the **Account** field, select Bank Ledger i.e., HDFC Bank
5. Enter the details of the transaction in the **Narration** field.

| Accounting Voucher Creation                              |           | Metal Craft Engineering Pvt Ltd | Ctrl + M              |
|----------------------------------------------------------|-----------|---------------------------------|-----------------------|
| <b>Payment</b>                                           | No. 1     |                                 | 4-May-2009<br>Monday  |
| Account : <b>HDFC Bank</b><br>Cur Bal: 4,81,039.60 Dr    |           |                                 |                       |
| Particulars                                              | Amount    |                                 |                       |
| <b>Basic Excise Duty @ 16%</b><br>Cur Bal: 576.00 Dr     | 18,880.00 |                                 |                       |
| <b>Education Cess @ 2%</b><br>Cur Bal: 11.52 Dr          | 53.60     |                                 |                       |
| <b>Secondary Education Cess @ 1%</b><br>Cur Bal: 5.76 Dr | 26.80     |                                 |                       |
|                                                          |           |                                 | 18,969.40             |
| Narration:<br>Ch. No. : 156387                           |           |                                 | Accept ?<br>Yes or No |

Figure 21.95 Payment Voucher

6. Press **Enter** to accept.

### Step 2 : Print G A R –7 Challan

- Press **Page Up** from the payment voucher
- Press **Alt +P**, the **Voucher Printing** screen is displayed as shown.

| Voucher Printing             |                       |                   |                                         |
|------------------------------|-----------------------|-------------------|-----------------------------------------|
| <b>Printer</b>               | : RnD Printer (Ne01:) | <b>Paper Type</b> | : A4                                    |
| <b>No. of Copies</b>         | : 1                   |                   |                                         |
| <b>Print Language</b>        | : English             |                   | (Printing Dimensions)                   |
| <b>Method</b>                | : Neat Mode           | <b>Paper Size</b> | : (8.27" x 11.69") or (210 mm x 297 mm) |
| <b>Page Range</b>            | : All                 | <b>Print Area</b> | : (7.95" x 11.34") or (202 mm x 288 mm) |
| Report Titles                |                       |                   |                                         |
| <b>Payment Voucher</b>       |                       |                   |                                         |
| (with Print Preview)         |                       |                   |                                         |
| Print G.A.R.-7 Challan : Yes |                       |                   | Print ?<br>Yes or No                    |

Figure 21.96 Voucher Printing



- ❑ The option **Print G.A.R.–7 Challan** is by default set to **Yes**
- ❑ Press **Alt+P** to print **G A R – 7 Challan**

| For payments from April 2007 onwards                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                       | G.A.R.-7 Proforma for Central Excise Tax Payments |                     | (Receipts & Payment Rules 25) |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------------------------------|---------------------|-------------------------------|------------------------------------|---------------------------|--|-----------------|-----------|-----------------------------|-----------------|-----|-----------------|-----|-------|-----------|
| Full Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | M e t a l C r a f t E n g i n e e r i n g                                                             |                                                   |                     |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| Complete Address                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 1 7 / 8 . P e e n y a I n d u s t r i a l A r e a . 2 n d P h a s e . B C r o s s . B a n g a l o r e |                                                   |                     |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| Telephone No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 0 8 0 2 8 3 7 8 6 9                                                                                   |                                                   | Pincode 5 6 0 0 5 8 |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| Assessee Code No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | K A B C C 3 2 2 0 D X L 0 0 3                                                                         |                                                   |                     |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| Commissionerate Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | B a n g a l o r e - V                                                                                 |                                                   |                     |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| Commissionerate Code                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 0 6                                                                                                   | Division Code                                     | 0 9                 | Range Code 0 9                |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%; font-size: x-small;">Accounting Code of the Duty / Cess</th> <th style="width: 40%; font-size: x-small;">Amount Tendered in Rupees</th> <th style="width: 20%;"></th> </tr> </thead> <tbody> <tr> <td>0 0 4 9 0 0 0 1</td> <td>1 8 8 8 0</td> <td rowspan="4" style="vertical-align: middle; text-align: center; font-size: x-small;">RECEIVING BANK BRANCH STAMP</td> </tr> <tr> <td>0 0 4 9 0 0 2 0</td> <td>5 4</td> </tr> <tr> <td>0 0 4 9 0 0 0 6</td> <td>2 7</td> </tr> <tr> <td style="text-align: right; font-weight: bold;">Total</td> <td>1 8 9 6 1</td> </tr> </tbody> </table> |                                                                                                       |                                                   |                     |                               | Accounting Code of the Duty / Cess | Amount Tendered in Rupees |  | 0 0 4 9 0 0 0 1 | 1 8 8 8 0 | RECEIVING BANK BRANCH STAMP | 0 0 4 9 0 0 2 0 | 5 4 | 0 0 4 9 0 0 0 6 | 2 7 | Total | 1 8 9 6 1 |
| Accounting Code of the Duty / Cess                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Amount Tendered in Rupees                                                                             |                                                   |                     |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| 0 0 4 9 0 0 0 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 1 8 8 8 0                                                                                             | RECEIVING BANK BRANCH STAMP                       |                     |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| 0 0 4 9 0 0 2 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 5 4                                                                                                   |                                                   |                     |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| 0 0 4 9 0 0 0 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 2 7                                                                                                   |                                                   |                     |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 1 8 9 6 1                                                                                             |                                                   |                     |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| (In words) Rupees <span style="border: 1px solid black; padding: 2px;">Eighteen Thousand Nine Hundred Sixty One Only.</span> tendered by                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                       |                                                   |                     |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| Cash/Cheque/Draft/Pay Order No. <span style="border: 1px solid black; padding: 2px;">156387</span> Dated <span style="border: 1px solid black; padding: 2px;">4-May-2009</span> Drawn on <span style="border: 1px solid black; padding: 2px;">HDFC Bank</span>                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                       |                                                   |                     |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| Signature of the Tenderer with date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                       |                                                   |                     |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%; font-size: x-small;">Accounting Code of the Duty / Cess</th> <th style="width: 40%; font-size: x-small;">Amount Tendered in Rupees</th> <th style="width: 20%;"></th> </tr> </thead> <tbody> <tr> <td>0 0 4 9 0 0 0 1</td> <td>1 8 8 8 0</td> <td rowspan="4" style="vertical-align: middle; text-align: center; font-size: x-small;">RECEIVING BANK BRANCH STAMP</td> </tr> <tr> <td>0 0 4 9 0 0 2 0</td> <td>5 4</td> </tr> <tr> <td>0 0 4 9 0 0 0 6</td> <td>2 7</td> </tr> <tr> <td style="text-align: right; font-weight: bold;">Total</td> <td>1 8 9 6 1</td> </tr> </tbody> </table> |                                                                                                       |                                                   |                     |                               | Accounting Code of the Duty / Cess | Amount Tendered in Rupees |  | 0 0 4 9 0 0 0 1 | 1 8 8 8 0 | RECEIVING BANK BRANCH STAMP | 0 0 4 9 0 0 2 0 | 5 4 | 0 0 4 9 0 0 0 6 | 2 7 | Total | 1 8 9 6 1 |
| Accounting Code of the Duty / Cess                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Amount Tendered in Rupees                                                                             |                                                   |                     |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| 0 0 4 9 0 0 0 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 1 8 8 8 0                                                                                             | RECEIVING BANK BRANCH STAMP                       |                     |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| 0 0 4 9 0 0 2 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 5 4                                                                                                   |                                                   |                     |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| 0 0 4 9 0 0 0 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 2 7                                                                                                   |                                                   |                     |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 1 8 9 6 1                                                                                             |                                                   |                     |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| Received from Assessee Code No. <span style="border: 1px solid black; padding: 2px;">K A B C C 3 2 2 0 D X L 0 0 3</span>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                       |                                                   |                     |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| (In words) Rupees <span style="border: 1px solid black; padding: 2px;">Eighteen Thousand Nine Hundred Sixty One Only.</span>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                   |                     |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| By Cash/Cheque/Draft/Pay Order No. <span style="border: 1px solid black; padding: 2px;">156387</span> Dated <span style="border: 1px solid black; padding: 2px;">4-May-2009</span> Drawn on <span style="border: 1px solid black; padding: 2px;">HDFC Bank</span>                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                       |                                                   |                     |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |
| on account of Union Central Excise Duties as detailed in this taxpayer's counterfoil and on stamp affixed and signed therein.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                       |                                                   |                     |                               |                                    |                           |  |                 |           |                             |                 |     |                 |     |       |           |

Figure 21.97 Printed G A R – 7 Challan

## 21.5 Excise Reports

With the help of Tally.ERP 9, you can generate Excise reports, registers and Statutory Challans & Forms in the prescribed formats. Tally.ERP 9 provides the following Excise reports for Manufacturers :

- ❑ Excise Computation
- ❑ Daily Stock Register
- ❑ PLA Register
- ❑ Form ER 1
- ❑ CENVAT Registers

To view Excise Reports,

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer**

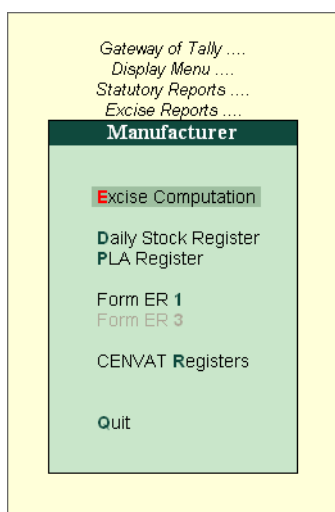


Figure 21.98 Excise Reports

### 21.5.1 Excise Computation Report

The Excise Computation report displays the complete information on the Excisable transactions made during a particular period. It precisely provides details on how Excise duty is computed on the Assessable value besides indicating the Credit adjustments available for the respective period, if any.

To view **Excise Computation** report

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > Excise Computation**

- ❑ Select **Metal Craft Engineering** from the **List of Excise Units**

| Excise Computation                                  |                                              | Metal Craft Engineering Pvt Ltd                                                                 |                  | Ctrl + M |
|-----------------------------------------------------|----------------------------------------------|-------------------------------------------------------------------------------------------------|------------------|----------|
| Particulars                                         |                                              | Metal Craft Engineering Pvt Ltd<br>Metal Craft Engineering Pvt Ltd<br>1-Apr-2009 to 30-Apr-2009 |                  |          |
|                                                     |                                              | Assessable Value                                                                                | Duty Amount      |          |
| <b>Excise Duty Payable</b>                          |                                              |                                                                                                 |                  |          |
| <b>A. Excise Sales</b>                              |                                              |                                                                                                 |                  |          |
| Regular Rate                                        |                                              | 1,73,000.00                                                                                     | 29,460.40        |          |
|                                                     | <b>Total Excise Sales (A)</b>                | <b>1,73,000.00</b>                                                                              | <b>29,460.40</b> |          |
| <b>B. Payable from previous period</b>              |                                              |                                                                                                 |                  |          |
|                                                     | <b>Total Excise Duty Payable (A+B)</b>       |                                                                                                 | <b>29,460.40</b> |          |
| <b>C. Excise Duty Payments / Credit Adjustments</b> |                                              |                                                                                                 |                  |          |
| G.A.R. 7 Payments                                   |                                              |                                                                                                 | 18,960.40        |          |
| Credit Adjustments                                  |                                              |                                                                                                 | 10,500.00        |          |
|                                                     | <b>Total Excise duty paid / Adjusted (C)</b> |                                                                                                 | <b>29,460.40</b> |          |
|                                                     | <b>Balance Excise Duty Payable ((A+B)-C)</b> |                                                                                                 |                  |          |
| <b>Balance Input Credit</b>                         |                                              |                                                                                                 |                  |          |
| CENVAT Credit on Inputs                             |                                              |                                                                                                 | 900.00           |          |
|                                                     | <b>Total Available CENVAT credit</b>         |                                                                                                 | <b>900.00</b>    |          |

Figure 21.99 Excise Computation

- Press **F12: Configuration** and set
  - **Show All Classifications to Yes**
  - **Show Cenvat Credit Adjustments to Yes**

The **Excise Computation** report is displayed as shown:

| Excise Computation                           |  | Metal Craft Engineering Pvt Ltd                                                                 |  | Ctrl + M    |  |
|----------------------------------------------|--|-------------------------------------------------------------------------------------------------|--|-------------|--|
| Particulars                                  |  | Metal Craft Engineering Pvt Ltd<br>Metal Craft Engineering Pvt Ltd<br>1-Apr-2009 to 30-Apr-2009 |  |             |  |
|                                              |  | Assessable Value                                                                                |  | Duty Amount |  |
| Excise Duty Payable                          |  |                                                                                                 |  |             |  |
| A. Excise Sales                              |  |                                                                                                 |  |             |  |
| Regular Rate                                 |  | 1,73,000.00                                                                                     |  | 29,460.40   |  |
| Special Rate                                 |  |                                                                                                 |  |             |  |
| Exempt                                       |  |                                                                                                 |  |             |  |
| Export                                       |  |                                                                                                 |  |             |  |
| Total Excise Sales (A)                       |  | 1,73,000.00                                                                                     |  | 29,460.40   |  |
| B. Payable from previous period              |  |                                                                                                 |  |             |  |
| Total Excise Duty Payable (A+B)              |  |                                                                                                 |  | 29,460.40   |  |
| C. Excise Duty Payments / Credit Adjustments |  |                                                                                                 |  |             |  |
| G.A.R. 7 Payments                            |  |                                                                                                 |  | 18,960.40   |  |
| Credit Adjustments                           |  |                                                                                                 |  | 10,500.00   |  |
| Cenvat Credit Adjustments on Principal Input |  | 10,500.00                                                                                       |  |             |  |
| Advance Duty Paid Adjusted                   |  |                                                                                                 |  |             |  |
| Total Excise duty paid / Adjusted (C)        |  |                                                                                                 |  | 29,460.40   |  |
| Balance Excise Duty Payable ((A+B)-C)        |  |                                                                                                 |  |             |  |
| Other Charges                                |  |                                                                                                 |  |             |  |
| Interest                                     |  |                                                                                                 |  |             |  |
| Penalty                                      |  |                                                                                                 |  |             |  |
| Arrears                                      |  |                                                                                                 |  |             |  |
| Others                                       |  |                                                                                                 |  |             |  |
| Total Other charges                          |  |                                                                                                 |  |             |  |
| Balance Input Credit                         |  |                                                                                                 |  |             |  |
| CENVAT Credit on Inputs                      |  |                                                                                                 |  | 900.00      |  |
| CENVAT Credit on Capital Goods               |  |                                                                                                 |  |             |  |
| Service Tax Input Credit                     |  |                                                                                                 |  |             |  |
| Total Available CENVAT credit                |  |                                                                                                 |  | 900.00      |  |
| Service Tax Payable Adjusted                 |  |                                                                                                 |  |             |  |

Figure 21.100 Excise Computation

The **Excise Computation** report is divided into three broad sections, namely:

- **Excise Duty Payable:** This section displays the details of Excise Sales, Payable from the previous period and Excise Duty Payments/ Credit Adjustment.
  - **Excise Sales:** This section displays the details of Excise sales at **regular rate** and **Exempt**
  - **Payable from previous period:** This section displays the duty amount payable from the previous period.
  - **Excise Duty Payments/ Credit Adjustments:** This section displays the details in respect of **G.A.R. 7 Payments** and **Credit Adjustment** made during the given period
- **Other Charges:** This section displays the details of other charges viz., Interest Penalty and Arrears amount paid during the period.
- **Balance Input Credit:** This section displays the details of balance CENVAT credit in respect of Inputs, Capital goods and Service Tax Input Credit.

## 21.5.2 Daily Stock Register

The Daily Stock Register displays the details of stock movements of selected Excisable commodity. The report contains information on Opening quantity, Manufactured quantity, Issued for repacking/sales, Assessable Value, Excise Duty details and Excise Notification details and so on.

To view **Daily Stock Register**

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > Daily Stock Register > One Item**

- In **Selected Excise Unit** screen
  - By default, **Metal Craft Engineering** appears in **Name of Excise Unit** field
  - Select **Any** in **Tariff No.** field
  - Select the required Stock Item from the **List of Excise Stock Items** and press **Enter**

| Select Excise Unit                      | Metal Craft Engineering Pvt Ltd                       | Ctrl + M                           |
|-----------------------------------------|-------------------------------------------------------|------------------------------------|
| Current Period<br>1-4-2009 to 31-3-2010 | <b>Daily Stock Register</b>                           | List of Excise Stock Items         |
| List of Selected Com                    | Name of Excise Unit : Metal Craft Engineering Pvt Ltd | <b>Cold Rolled Channels - 10mm</b> |
| Name of Company                         | Name of Tariff : Any                                  | Slotted Angle - 10mm               |
| Metal Craft Engineering Pvt Ltd         | Name of Item : <b>Cold Rolled Channels - 10mm</b>     |                                    |
|                                         | 4-May-2009                                            | Gateway of Tally                   |

Figure 21.101 Select Excise Unit

The **Daily Stock Register** is displayed as shown:

Figure 21.102 Daily Stock Register

### 21.5.3 PLA Register

The **PLA Register** displays the following particulars:

- ❑ Particulars of Credit/Debit Document / Description of Documents With name of treasury Where necessary
- ❑ Document No. and Date
- ❑ Central Excise Tariff Sub-heading Number
- ❑ ECC no. of the Buyer
- ❑ Basic Excise Duty (Credit, Debit and Balance duty amount)
- ❑ Education Cess (Credit, Debit and Balance Education Cess amount)

- Secondary Education Cess (Credit, Debit and Balance secondary Education Cess amount)

To view **PLA Register**

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > PLA Register**

- In **Select Item** screen,
  - Select **Metal Craft Engineering** from the List of Excise Units

The **PLA Register** is displayed as shown:

| PLA Register Metal Craft Engineering Pvt Ltd Ctrl + M x                                                      |                             |                                          |                      |                   |           |           |                |        |         |
|--------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------------------|----------------------|-------------------|-----------|-----------|----------------|--------|---------|
| Excise Unit Name : Metal Craft Engineering Pvt Ltd 1-Apr-2009 to 30-Apr-2009                                 |                             |                                          |                      |                   |           |           |                |        |         |
| Particulars of Credit / Debit Document<br><br>Description of Documents with name of treasury where necessary | Document No. / Date         | Central Excise Tariff Sub-heading Number | ECC No. of the Buyer | Basic Excise Duty |           |           | Education Cess |        |         |
|                                                                                                              |                             |                                          |                      | Credit            | Debit     | Balance   | Credit         | Debit  | Balance |
| Excise - Sales                                                                                               | MCE/101/09-10 / 10-Apr-2009 | 72221199                                 | SCL49024HAP002       | 11,520.00         |           | 11,520.00 | 230.40         |        | 230.40  |
| Excise - Sales                                                                                               | MCE/102/09-10 / 16-Apr-2009 | 72221199                                 | SLOP203145784        | 11,360.00         |           | 22,880.00 | 227.20         |        | 457.60  |
| Excise - Sales                                                                                               | MCE/103/09-10 / 22-Apr-2009 | 72221166                                 | SCL49024HAP002       | 5,600.00          |           | 28,480.00 | 196.00         |        | 653.60  |
| Journal                                                                                                      | 1 / 30-Apr-2009             | 72221191                                 |                      |                   | 9,600.00  | 18,880.00 |                | 600.00 | 53.60   |
| Payment                                                                                                      | 1 / 4-May-2009              | 72221166                                 |                      |                   | 18,880.00 |           |                | 53.60  |         |

Figure 21.103 PLA Register

## 21.5.4 Form ER 1

As per Excise Rules, every Manufacturer (Regular / Large Tax Payer Unit) of Excisable Goods is required to file returns in **Form ER 1**. **Form ER 1** is a monthly return containing the details of production, removal of Goods, CENVAT Credit and other relevant particulars. In Tally.ERP 9, you can generate **Form ER 1** in the prescribed format.

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > Form ER 1**

- The **Printing Configuration** screen is displayed, press **Backspace** and enter the information as shown.

|                                        |                       |                                        |                                                                      |
|----------------------------------------|-----------------------|----------------------------------------|----------------------------------------------------------------------|
| <b>Printer</b>                         | : RnD Printer (Ne01:) | <b>Paper Type</b>                      | : A4                                                                 |
| <b>No. of Copies</b>                   | : 1                   |                                        |                                                                      |
| <b>Print Language</b>                  | : English             | <b>Paper Size</b>                      | : (8.27" x 11.69") or (210 mm x 297 mm) <i>(Printing Dimensions)</i> |
| <b>Method</b>                          | : Neat Mode           | <b>Print Area</b>                      | : (7.95" x 11.34") or (202 mm x 288 mm)                              |
| <b>Page Range</b>                      | : All                 |                                        |                                                                      |
| <b>Report Titles</b>                   |                       |                                        |                                                                      |
| <b>Form ER 1</b>                       |                       |                                        |                                                                      |
| (with Print Preview)                   |                       |                                        |                                                                      |
| Excise Unit                            | :                     | <b>Metal Craft Engineering Pvt Ltd</b> |                                                                      |
| From (blank for beginning)             | :                     | <b>1-4-2009</b>                        |                                                                      |
| To (blank for end)                     | :                     | <b>30-4-2009</b>                       |                                                                      |
| Include Export/Exempt Quantity         | : ?                   | <b>Yes</b>                             |                                                                      |
| Include Export/Exempt Assessable Value | : ?                   | <b>No</b>                              |                                                                      |
| Show All Items                         | : ?                   | <b>Yes</b>                             |                                                                      |
| Place                                  | :                     | <b>Bangalore</b>                       |                                                                      |
| Date                                   | :                     | <b>30-4-2009</b>                       |                                                                      |
| Assessee Name                          | :                     | <b>METAL CRAFT ENGINEERING</b>         |                                                                      |
|                                        |                       |                                        | <b>Print ?</b><br><b>Yes or No</b>                                   |

Figure 21.104 Print Configuration

- Press **Alt + P** to print

The Printed **Form ER 1** is displayed as shown:



| ANNEXURE-12                                                                                                                  |                                                         |                                         |                                         |                                    |                          |                                                      |                               |
|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------|-----------------------------------------|------------------------------------|--------------------------|------------------------------------------------------|-------------------------------|
| Monthly return for production and removal of goods and other relevant particulars and CENVAT credit                          |                                                         |                                         |                                         |                                    |                          |                                                      |                               |
| Form E.R.-1                                                                                                                  |                                                         |                                         |                                         |                                    |                          |                                                      |                               |
|                                                                                                                              |                                                         |                                         |                                         |                                    |                          |                                                      | Original/Duplicate            |
| [See rule 12 of the Central Excise Rules, 2002 and rule 9(7) of CENVAT Credit Rules, 2004]                                   |                                                         |                                         |                                         |                                    |                          |                                                      | MM YYYY                       |
| Return of excisable goods and availment of CENVAT credit for the Month                                                       |                                                         |                                         |                                         |                                    |                          |                                                      | 04 2009                       |
| Large Taxpayer Unit opted for (name of the city):-                                                                           |                                                         |                                         |                                         |                                    |                          |                                                      |                               |
| 1. Registration number :-                                                                                                    |                                                         |                                         |                                         | KABCC3220DXL003                    |                          |                                                      |                               |
| 2. Name of the Assessee :-                                                                                                   |                                                         |                                         |                                         | Metal Craft Engineering            |                          |                                                      |                               |
| 3. Details of the manufacture, clearance and duty payable:-                                                                  |                                                         |                                         |                                         |                                    |                          |                                                      |                               |
| CETSH NO.<br>(1)                                                                                                             | Description of goods<br>(2)                             | Unit of quantity<br>(3)                 | Opening balance<br>(3A)                 | Quantity manufactured<br>(4)       | Quantity cleared<br>(5)  | Closing balance<br>(5A)                              | Assessable Value (Rs.)<br>(6) |
|                                                                                                                              | 72221166                                                | Nos                                     |                                         | 50                                 | 50                       |                                                      |                               |
|                                                                                                                              | 72221992                                                | Nos                                     |                                         | 200                                | 200                      |                                                      | 62,272.73                     |
|                                                                                                                              | 72221199                                                |                                         |                                         | 300                                |                          | 300                                                  |                               |
| <b>Total</b>                                                                                                                 |                                                         |                                         |                                         | <b>550</b>                         | <b>250</b>               | <b>300</b>                                           | <b>62,272.73</b>              |
| Duty<br>(7)                                                                                                                  | Notification<br>availed<br>(8)                          | Serial number in<br>Notification<br>(9) | Rate of duty<br>(adv)<br>(10)           | Rate of duty<br>(specific)<br>(11) | Duty<br>Payable<br>(12)  | Provisional<br>assessment<br>number (if any)<br>(13) |                               |
| Basic Excise Duty                                                                                                            |                                                         |                                         |                                         |                                    | 10,763.64                |                                                      |                               |
| Education Cess                                                                                                               |                                                         |                                         |                                         |                                    | 299.27                   |                                                      |                               |
| Secondary Education Cess                                                                                                     |                                                         |                                         |                                         |                                    | 149.64                   |                                                      |                               |
| 4. Clearance details of inter unit transfer of intermediate goods without payment of duty under sub-rule (1) of rule 12BB*:- |                                                         |                                         |                                         |                                    |                          |                                                      |                               |
| Registration<br>number of the<br>recipient unit<br>(1)                                                                       | Name and address<br>of the recipient<br>premises<br>(2) | CETSH NO<br>(3)                         | Description of<br>goods sent<br>(4)     | Unit of Quantity<br>(5)            | Quantity cleared<br>(6)  |                                                      |                               |
| 5. Receipt details of intermediate goods received from other premises under sub-rule (1) of rule 12BB*:-                     |                                                         |                                         |                                         |                                    |                          |                                                      |                               |
| Registration<br>number of sender<br>premises<br>(1)                                                                          | Name and address<br>of the sender<br>premises<br>(2)    | CETSH NO<br>(3)                         | Description of<br>goods received<br>(4) | Unit of Quantity<br>(5)            | Quantity received<br>(6) |                                                      |                               |
| 6. Details of duty paid on excisable goods:-                                                                                 |                                                         |                                         |                                         |                                    |                          |                                                      |                               |
| Duty Code                                                                                                                    | Credit Account<br>(Rs.)                                 | Account<br>Current (Rs.)                | Challan                                 |                                    | BSR code                 | Total duty paid (2+3)                                |                               |
|                                                                                                                              |                                                         |                                         | No.<br>(4A)                             | Date<br>(4B)                       |                          |                                                      |                               |
| (1)                                                                                                                          | (2)                                                     | (3)                                     | 934150                                  | 4-May-2009                         | 00531                    | (6)                                                  |                               |
| Basic Excise Duty                                                                                                            | 9,600.00                                                | 18,880.00                               |                                         |                                    |                          | 28,480.00                                            |                               |
| Education Cess                                                                                                               | 600.00                                                  | 53.60                                   |                                         |                                    |                          | 653.60                                               |                               |
| Secondary Education Cess                                                                                                     | 300.00                                                  | 26.80                                   |                                         |                                    |                          | 326.80                                               |                               |

Figure 21.105 Printed Form ER 1 (Page 1)

7. Abstract of ACCOUNT-CURRENT (Cash payment):-

| Summary particulars<br>(1)                                                                                                                           | Amount in Rs.<br>(2) |
|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Opening Balance                                                                                                                                      |                      |
| Add: TR-6/GAR-7 Challan payments made in the month (in aggregate)                                                                                    | 18,960.40            |
| Add*: Adjustment of the excess duty paid during previous period under sub-rule(2) of rule 12BB (in case of LT)                                       |                      |
| Total amount available                                                                                                                               | 18,960.40            |
| Less: Utilization towards Payment of duties on excisable goods during the month [vide Details furnished under col.no. 3 in Sl.No. (6) of the Return] | 18,960.40            |
| Less: Utilization towards Other Payments made during the month [vide Details furnished under Sl.No. (9) of the Return]                               |                      |
| Closing balance                                                                                                                                      |                      |

8. Details of CENVAT credit taken and utilised:-

| Sl. No. | Details of credit                                                                                 | CENVAT (Rs.) | AED (TTA) (Rs.) | NCCD (Rs.) | ADE levied under clause 85 of Finance Act, 2005 (Rs.) | Additional duty of customs levied under section 3 (5) of the Customs Tariff Act, 1975 | Education Cess on excisable goods (Rs.) | Secondary and Higher Education Cess on Excisable goods (Rs.) | Service Tax (Rs.) | Education Cess on taxable services (Rs.) | Secondary and Higher Education Cess on taxable services (Rs.) |
|---------|---------------------------------------------------------------------------------------------------|--------------|-----------------|------------|-------------------------------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------|--------------------------------------------------------------|-------------------|------------------------------------------|---------------------------------------------------------------|
|         | (1)                                                                                               | (2)          | (3)             | (4)        | (5)                                                   | (6)                                                                                   | (7)                                     | (8)                                                          | (9)               | (10)                                     | (11)                                                          |
| 1       | Opening balance                                                                                   |              |                 |            |                                                       |                                                                                       |                                         |                                                              |                   |                                          |                                                               |
| 2       | Credit taken on inputs on invoices issued by manufacturers                                        | 9,600.00     |                 |            |                                                       |                                                                                       | 1,200.00                                | 600.00                                                       |                   |                                          |                                                               |
| 3       | Credit taken on inputs on invoices issued by Ist or IInd stage dealers                            |              |                 |            |                                                       |                                                                                       |                                         |                                                              |                   |                                          |                                                               |
| 4       | Credit taken on imported inputs                                                                   |              |                 |            |                                                       |                                                                                       |                                         |                                                              |                   |                                          |                                                               |
| 5       | Credit taken on capital goods on invoices issued by manufacturers or by Ist or IInd stage dealers |              |                 |            |                                                       |                                                                                       |                                         |                                                              |                   |                                          |                                                               |

Figure 21.106 Printed Form ER 1 (Page 2)

|    | (1)                                                                                    | (2)      | (3) | (4) | (5) | (6) | (7)      | (8)    | (9) | (10) | (11) |
|----|----------------------------------------------------------------------------------------|----------|-----|-----|-----|-----|----------|--------|-----|------|------|
| 6  | Credit taken on imported capital goods                                                 |          |     |     |     |     |          |        |     |      |      |
| 7  | Credit taken on input services                                                         |          |     |     |     |     |          |        |     |      |      |
| 8  | Credit taken from inter-unit transfer of credit by a large taxpayer                    |          |     |     |     |     |          |        |     |      |      |
| 9  | Credit taken under sub-rule (2) of rule 12BB of Central Excise Rules, 2002*            |          |     |     |     |     |          |        |     |      |      |
| 10 | Total credit available                                                                 | 9,600.00 |     |     |     |     | 1,200.00 | 600.00 |     |      |      |
| 11 | Credit utilised for payment of duty on goods                                           | 9,600.00 |     |     |     |     | 600.00   | 300.00 |     |      |      |
| 12 | Credit utilised when inputs or capital goods are removed as such                       |          |     |     |     |     |          |        |     |      |      |
| 13 | Credit utilised for payment of amount in terms of Rule 6 of CENVAT Credit Rules, 2004. |          |     |     |     |     |          |        |     |      |      |
| 14 | Credit utilised for other payment                                                      |          |     |     |     |     |          |        |     |      |      |
| 15 | Credit utilised for payment of tax on services                                         |          |     |     |     |     |          |        |     |      |      |
| 16 | Credit utilised towards inter unit transfer of credit by a large taxpayer *            |          |     |     |     |     |          |        |     |      |      |
| 17 | Closing balance                                                                        |          |     |     |     |     | 600.00   | 300.00 |     |      |      |

Figure 21.107 Printed Form ER 1 (Page 3)

9. Details of other payments made:-

| Payments                      | Amount paid (Rs.) |                | Challan |      | BSR code | Source document |      |
|-------------------------------|-------------------|----------------|---------|------|----------|-----------------|------|
|                               | Account current   | Credit Account | No.     | Date |          | No.             | date |
| (1)                           | (2A)              | (2B)           | (3A)    | (3B) | (4)      | (5A)            | (5B) |
| Arrears of duty under rule 8  |                   |                |         |      |          |                 |      |
| Other arrears of duty         |                   |                |         |      |          |                 |      |
| Interest payment under rule 8 |                   |                |         |      |          |                 |      |
| Other interest payments       |                   |                |         |      |          |                 |      |
| Misc. payments                |                   |                |         |      |          |                 |      |
| [Total]                       |                   |                |         |      |          |                 |      |

10. Self-Assessment Memorandum:-

(a) I hereby declare that the information given in this return is true, correct and complete in every respect and that I am authorised to sign on behalf of the assessee.

(b) During the month, total Rs. 18,060.40 was deposited vide TR-6 Challans (copies enclosed).

(c) During the month, invoices bearing S.No.\_\_\_\_to\_\_\_\_ were issued.

(d) During the month, transfer challans under rule 12BB of the Central Excise Rules, 2002 bearing S.No.\_\_\_\_to\_\_\_\_, and transfer challan under rule 12A of the CENVAT Credit Rules, 2004 bearing S.No.\_\_\_\_to\_\_\_\_ were issued.\*

**METAL CRAFT ENGINEERING**  
(Authorised signatory)

Place : **Bangalore**  
Date : **30-Apr-2009**

\*Applicable only for large taxpayers defined under Rule 2(ea) of the Central Excise Rule, 2002 and who has opted to operate as Large Taxpayer.

**ACKNOWLEDGMENT**

|                                                                           |         |
|---------------------------------------------------------------------------|---------|
|                                                                           | MM YYYY |
| Return of excisable goods and availment of CENVAT credit for the month of | 04 2009 |

|                 |            |
|-----------------|------------|
|                 | DD MM YYYY |
| Date of Receipt | 30 04 2009 |

Figure 21.108 Printed Form ER 1 (Page 4)

### 21.5.5 CENVAT Registers

In Tally.ERP 9, the following CENVAT Registers are available

- ❑ Credit Summary
- ❑ Credit Availed
- ❑ RG23 Part II
- ❑ Annexure 10
- ❑ Abstract

#### Credit Summary

The **CENVAT Credit Summary** displays the details in respect of opening and closing balance of CENVAT credit available for the selected Excise Unit for different types of Stock Item Types.

To view **CENVAT Credit Summary**,

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > CENVAT Registers > Credit Summary**

- In **Selected Excise Unit** screen,
  - **Metal Craft Engineering** is displayed automatically in **Name of Excise Unit** field
  - Select **Any** in **Tariff No.** field
  - Select **Principal Unit** in the **Stock Item Type** field
  - Select **All Items** from the **List of Stock Items**

The screenshot displays the 'Selected Excise Unit' window for 'Metal Craft Engineering Pvt Ltd'. The window is divided into several sections:

- Current Period:** 1-4-2009 to 31-3-2010
- List of Selected Companies:** Metal Craft Engineering Pvt Ltd
- CENVAT Credit Register:**
  - Name of Excise Unit : Metal Craft Engineering
  - Tariff No. : Any
  - Stock Item Type : Principal Input
  - Stock Item Name : All Items
- List of Stock Items:**
  - All Items
  - Hot Rolled Beams - 25mm
  - Iron Bars
  - Steel Sheets

The 'All Items' option is selected in the 'List of Stock Items' section.

Figure 21.109 List of Stock Items selection

- Press **Enter**

The **CENVAT Credit Summary** for **Principal Input** is displayed as shown:

| CENVAT Credit Register                     |                 | Metal Craft Engineering Pvt Ltd   |                             |                          | Ctrl + M    |
|--------------------------------------------|-----------------|-----------------------------------|-----------------------------|--------------------------|-------------|
| Excise Unit Name : Metal Craft Engineering |                 |                                   |                             |                          |             |
| Stock Item Tariff No. : Any                |                 | Stock Item Type : Principal Input | Stock Item Name : All Items |                          |             |
| Month                                      | Particulars     | Basic Excise Duty                 | Education Cess              | Secondary Education Cess | Total       |
| April-2009                                 | Opening Balance |                                   |                             |                          |             |
|                                            | Closing Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
| May-2009                                   | Opening Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
|                                            | Closing Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
| June-2009                                  | Opening Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
|                                            | Closing Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
| July-2009                                  | Opening Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
|                                            | Closing Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
| August-2009                                | Opening Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
|                                            | Closing Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
| September-2009                             | Opening Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
|                                            | Closing Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
| October-2009                               | Opening Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
|                                            | Closing Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
| November-2009                              | Opening Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
|                                            | Closing Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
| December-2009                              | Opening Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
|                                            | Closing Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
| January-2010                               | Opening Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
|                                            | Closing Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
| February-2010                              | Opening Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
|                                            | Closing Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
| March-2010                                 | Opening Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |
|                                            | Closing Balance | 4,436.36 Dr                       | 1,093.53 Dr                 | 546.76 Dr                | 6,076.65 Dr |

Figure 21.110 CENVAT Credit Summary

### Credit Availed

The **Credit Availed** report displays the details of CENVAT credit availed in respect of **Principal Input** or **Capital Goods** for the selected period.

The **Credit Availed** report displays information such as Excise Unit Name, Stock Item Type, Date of Entry, Inv/Adj Reference, Type of Document, Supplier Name, Supplier ECC No., Assessable Value, Basic Excise Duty, Education Cess, Sec Ed Cess and so on.

To view **Credit Availed** report

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > CENVAT Registers > Credit Availed**

- In **Selected Excise Unit** screen,
  - **Metal Craft Engineering** is displayed automatically in **Name of Excise Unit** field
  - Select **Any** in **Tariff No.** field
  - Select **Principal Unit** in the **Stock Item Type** field
  - Select **All Items** from the **List of Stock Items**

Figure 21.111 Selected Excise Unit

Figure 21.112 CENVAT Credit Availed

**RG 23A Part II** report displays the details of Fresh Credit allowed documents, Fresh Credit Allowed Amount, Total Credit Available, Credit Adjusted with Opening and Balance Credit of Principal Inputs (RG 23A Part II)/Capital Goods (RG 23A Part II) for the Period selected.

To view **RG 23 Part II** report,

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > CENVAT Registers > RG 23 Part II**

- In **Selected Excise Unit** screen,
  - **Metal Craft Engineering** is displayed automatically in **Name of Excise Unit** field
  - Select **Principal Unit** in the **Stock Item Type** field

| Select Excise Unit                                 |  | Metal Craft Engineering Pvt Ltd                              |                                                                                         | Ctrl + M               |
|----------------------------------------------------|--|--------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------|
| Current Period<br>1-4-2009 to 31-3-2010            |  | <b>FORM R.G.23</b>                                           |                                                                                         | List of Item Types     |
| List of Selected Com                               |  | Name of Excise Unit : <b>Metal Craft Engineering Pvt Ltd</b> | Stock Item Type : <b>Principal Input</b>                                                | Capital Goods          |
| Name of Company<br>Metal Craft Engineering Pvt Ltd |  | Date of Last Entry<br>4-May-2009                             | Gateway of Tally<br>Display Menu<br>Statutory Reports<br>Excise Reports<br>Manufacturer | <b>Principal Input</b> |

Figure 21.113 Selected Excise Unit

The **RG23 Part II** report for **Principal Input** is displayed as shown:

| FORM R.G.23A PART II                               |             | Metal Craft Engineering Pvt Ltd   |                |                          | Ctrl + M                             |                                                                                       |                             |
|----------------------------------------------------|-------------|-----------------------------------|----------------|--------------------------|--------------------------------------|---------------------------------------------------------------------------------------|-----------------------------|
| Excise Unit Name : Metal Craft Engineering Pvt Ltd |             | 1-Apr-2009 to 30-Apr-2009         |                |                          |                                      |                                                                                       |                             |
| Stock Item Type : Principal Input                  |             |                                   |                |                          |                                      |                                                                                       |                             |
| Sl. No.                                            | Date        | Opening Balance of Duty in Credit |                |                          | Fresh Credit Allowed                 |                                                                                       |                             |
|                                                    |             | CENVAT                            | Education Cess | Secondary Education Cess | Invoice No./Bill of Entry No. & Date | C.E.RegNo / IEC Code No. of this Supplier & Range / Customs house from where received | Folio & Entry No. in Part I |
| 1                                                  | 3-Apr-2009  |                                   |                |                          | DSI/202 / 3-Apr-2009                 | APLO112450XC125                                                                       | 4 more ... →                |
| 2                                                  | 30-Apr-2009 | 9,600.00                          | 1,200.00       | 600.00                   |                                      | Yeswanthpur                                                                           |                             |
| 3                                                  | 30-Apr-2009 |                                   | 969.60         | 484.80                   |                                      |                                                                                       |                             |
| 4                                                  | 30-Apr-2009 |                                   | 866.33         | 433.16                   |                                      |                                                                                       |                             |
| 5                                                  | 30-Apr-2009 |                                   | 763.06         | 381.52                   |                                      |                                                                                       |                             |
| 6                                                  | 30-Apr-2009 |                                   | 720.66         | 360.32                   |                                      |                                                                                       |                             |

Figure 21.114 RG 23 Part II



## Annexure 10

**Annexure 10** is a monthly return under Rule 7 of the cenvat credit rules, 2001. This report displays the details of CENVAT credit availed for the Main Item.

To view **Annexure 10**,

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > CENVAT Registers > Annexure 10**

- In **Selected Excise Unit** screen,
  - **Metal Craft Engineering** is displayed automatically in **Name of Excise Unit** field
  - Select **Principal Unit** in the **Stock Item Type** field

| Select Excise Unit                                 |  | Metal Craft Engineering Pvt Ltd                              |                                                                         | Ctrl + M               |
|----------------------------------------------------|--|--------------------------------------------------------------|-------------------------------------------------------------------------|------------------------|
| Current Period<br>1-4-2009 to 31-3-2010            |  | <b>Annexure - 10</b>                                         |                                                                         | List of Item Types     |
| List of Selected Companies                         |  | Name of Excise Unit : <b>Metal Craft Engineering Pvt Ltd</b> | Stock Item Type : <b>Principal Input</b>                                | Capital Goods          |
| Name of Company<br>Metal Craft Engineering Pvt Ltd |  | Date of Last Entry<br>4-May-2009                             | Gateway of Tally<br>Display Menu<br>Statutory Reports<br>Excise Reports | <b>Principal Input</b> |

Figure 21.115 Selected Excise Unit

The **Annexure10** for **Principal Input** is displayed as shown:

| Annexure - 10      |                          | Metal Craft Engineering Pvt Ltd                  |                         |                                        |           |          | Ctrl + M                  |
|--------------------|--------------------------|--------------------------------------------------|-------------------------|----------------------------------------|-----------|----------|---------------------------|
| Excise Unit Name   |                          | : Metal Craft Engineering Pvt Ltd                |                         |                                        |           |          | 1-Apr-2009 to 30-Apr-2009 |
| Stock Item Type    |                          | : Principal Input                                |                         |                                        |           |          |                           |
| Type of Document   | No. and Date of Document | Name of the Supplier                             | C.E.No. of the Supplier | Date on Which Principal Input received | Value     | CENVAT   | Education Cess            |
| Excise - Purchases | DSI/202<br>3-Apr-2009    | Beekay Engineering Corporation<br>(Manufacturer) | APLOI12450XC125         | 3-Apr-2009                             | 25,200.00 | 9,600.00 | 1,200.00                  |
| Total              |                          |                                                  |                         |                                        |           | 9,600.00 | 1,200.00                  |

Figure 21.116 Annexure 10

### Abstract

This report displays the details of **Credit Availed** on Inputs/capital goods/inputs services, Credit Utilised for Payment of Duty on Goods/Services, Credit Utilised When the Goods are removed as such with Opening and Closing Balance of Credit.

To view **Abstract** report,

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > CENVAT Registers > Abstract**

- In **Selected Excise Unit** screen,
  - **Metal Craft Engineering** is displayed automatically in **Name of Excise Unit** field
  - Select **Principal Unit** in the **Stock Item Type** field

| Select Excise Unit                                 |  | Metal Craft Engineering Pvt Ltd                       |                                             | Ctrl + M               |
|----------------------------------------------------|--|-------------------------------------------------------|---------------------------------------------|------------------------|
| Current Period<br>1-4-2009 to 31-3-2010            |  | <b>ABSTRACT</b>                                       |                                             | List of Item Types     |
| List of Selected Com                               |  | Name of Excise Unit : Metal Craft Engineering Pvt Ltd | Stock Item Type : <b>Principal Input</b>    | Capital Goods          |
| Name of Company<br>Metal Craft Engineering Pvt Ltd |  | Date of Last Entry<br>4-May-2009                      | Gateway of T<br>Display Me<br>Statutory Rec | <b>Principal Input</b> |

Figure 21.117 Selected Excise Unit

The **Abstract** report for **Principal Input** is displayed as shown:

| ABSTRACT                                           |                 | Metal Craft Engineering Pvt Ltd   |              |                                  |                      |                                              |                                                       |                                             | Ctrl + M        |
|----------------------------------------------------|-----------------|-----------------------------------|--------------|----------------------------------|----------------------|----------------------------------------------|-------------------------------------------------------|---------------------------------------------|-----------------|
| Excise Unit Name : Metal Craft Engineering Pvt Ltd |                 | 1-Apr-2009 to 30-Apr-2009         |              |                                  |                      |                                              |                                                       |                                             |                 |
| Stock Item Type : Principal Input                  |                 |                                   |              |                                  |                      |                                              |                                                       |                                             |                 |
|                                                    | Opening Balance | Credit Availed on Principal Input | Other Credit | Credit Availed on Input Services | Total Credit Availed | Credit Utilised for Payment of Duty on goods | Credit Utilised when Inputs goods are removed as such | Credit Utilised Payment of Duty on Services | Closing Balance |
| CENVAT                                             |                 | 9,600.00                          |              |                                  | 9,600.00             | 9,600.00                                     |                                                       |                                             |                 |
| Education Cess                                     |                 | 1,200.00                          |              |                                  | 1,200.00             | 600.00                                       |                                                       |                                             | 600.00          |
| Secondary Education Cess                           |                 | 600.00                            |              |                                  | 600.00               | 300.00                                       |                                                       |                                             | 300.00          |
| Service Tax                                        |                 |                                   |              |                                  |                      |                                              |                                                       |                                             |                 |
| Cess on Taxable Services                           |                 |                                   |              |                                  |                      |                                              |                                                       |                                             |                 |
| <b>Total</b>                                       |                 | <b>11,400.00</b>                  |              |                                  | <b>11,400.00</b>     | <b>10,500.00</b>                             |                                                       |                                             | <b>900.00</b>   |

Figure 21.118 Abstract

### Points to Remember

- ❑ Excise duty is tax charged on goods manufactured and consumed within India.
- ❑ Goods to be Excisable must satisfy the three basic conditions i.e, it must be movable, marketable and specified in the Central Excise Tariff Act.
- ❑ CENVAT Credit is the set-off of duty paid on inputs used in the manufacture of final products, against the duty liability on such final products.
- ❑ Tally.ERP 9 permits you to create specific voucher types like Excise-Purchase & Excise-Sales for entering the excise related transactions.
- ❑ Manufacturer / Supplier/ Buyer details can be entered during invoice entry.
- ❑ Tally.ERP 9 permits you to generate & print Excise Invoice as per Rule 11 of Excise Rules.
- ❑ Tally.ERP 9 permits you to generate and print Excise Reports and Statutory Returns
- ❑ Tally.ERP 9 also allows you to make adjustments in the records for the sales return of Cenvatable goods and view its effect in the Statutory Reports.

## Lesson 22: Payroll Accounting and Compliance

### Lesson Objectives

On completion of this lesson, you will learn,

- Payroll Accounting & Statutory Features in Tally.ERP 9

The term **Payroll** refers to a series of accounting transactions involved in the process of paying employees for the services rendered after taking all the statutory and non-statutory deductions into account, in conformance with the terms of employment, company policy and the law of the land i.e., payment of payroll taxes, insurance premiums, employee benefits and other deductions.

An efficient payroll system facilitates an error-free, accurate and timely employee payment while ensuring that the employment is well within the valid work permit.

### 22.1 Configuring Payroll in Tally.ERP 9

Payroll in Tally.ERP 9 is easy to use and can handle all the functional, accounting and statutory requirements of the payroll department.

#### 22.1.1 Salient Features of Tally.ERP 9's Payroll

The key features of the Payroll functionality in Tally.ERP 9 are as follows:

- It is fully integrated with accounts to give you the benefits of simplified Payroll processing and accounting
- It has user defined classifications and sub-classifications for comprehensive reporting. This may be related to the employees, employee groups, pay components, departments etc.
- It provides the facility to create user-defined earnings and deductions Pay Heads
- It allows flexible and User-definable criteria for simple or complex calculations
- It allows unlimited grouping of Payroll Masters

- ❑ It supports user-defined production units i.e., attendance/ production/ time based remuneration units
- ❑ It provides a flexible payroll processing period
- ❑ It provides comprehensive Cost Centre as well as employee-wise costing reports
- ❑ It ensures an accurate & timely Salary Processing, Employee Statutory Deductions & Employer Statutory Contributions with the help of predefined processes
- ❑ It provides auto-fill facility to expedite the Attendance, Payroll & Employer Contributions processes.
- ❑ It facilitates an accurate computation and deduction of ESI, EPF, Professional Tax, Gratuity etc.
- ❑ It helps in the generation of Statutory Forms & Challans for EPF & ESI, as prescribed.
- ❑ It allows drill-down facility to voucher level for any kind of alteration.
- ❑ It facilitates computation of arrears pertaining to prior period(s).
- ❑ It helps in tracking employee loan details

### 22.1.2 Enabling Payroll in Tally.ERP 9

It takes a one-time configuration in Tally.ERP 9 for the Payroll functionality to be activated. Create a new company in Tally.ERP 9 and follow the steps given below to enable Payroll.

Let us consider **M/s. Indus Solutions Pvt. Ltd.**, which is engaged in the business of Software services. It is based at Bangalore with the following three major departments:

- ❑ Sales
- ❑ Administration
- ❑ R & D

#### Step 1: Company Setup

Go to **Gateway of Tally > Company Info. > Create Company**

In the Company Creation screen,

- ❑ Select **India** in the field **Statutory compliance for** from the List of Countries provided
- ❑ Type **1-4-2009** as **Financial Year from** date and press **Enter**

The completed **Company Creation** screen is displayed as shown:

| Company Creation                     |                                     | Ctrl + M                                                                        |                           |
|--------------------------------------|-------------------------------------|---------------------------------------------------------------------------------|---------------------------|
| Directory                            | : C:\Tally.ERP9\Data                |                                                                                 |                           |
| Name                                 | : Indus Solutions Pvt. Ltd.         |                                                                                 |                           |
| <b>Mailing &amp; Contact Details</b> |                                     | <b>Company Details</b>                                                          |                           |
| Mailing Name                         | : Indus Solutions Pvt. Ltd.         | Currency Symbol                                                                 | : Rs.                     |
| Address                              | : 4/1 St. Mark's Road,<br>Bangalore | Maintain                                                                        | : Accounts with Inventory |
|                                      |                                     | Financial Year from                                                             | : 1-4-2009                |
|                                      |                                     | Books beginning from                                                            | : 1-4-2009                |
|                                      |                                     | <b>Security Control</b>                                                         |                           |
| Statutory compliance for             | : India                             | Disallow opening in Educational mode ?                                          | No                        |
| State                                | : Karnataka                         | TallyVault Password (if any)                                                    | :                         |
| PIN Code                             | : 560001                            | Repeat Password                                                                 | :                         |
| Telephone No.                        | : 08040019000                       | (WARNING: forgetting your TallyVault password will render your data unusable!!) |                           |
| Mobile No.                           | : 9741432201                        | Use Security Control                                                            | ? No                      |
| E-Mail                               | : sales@indussolutions.com          | (Enable Security to avail Tally.NET Features)                                   |                           |
| <b>Base Currency Information</b>     |                                     |                                                                                 |                           |
| Base Currency Symbol                 | : Rs.                               | Show Amounts in Millions                                                        | ? No                      |
| Formal Name                          | : Indian Rupees                     | Put a SPACE between Amount and Symbol                                           | ? No                      |
| Number of Decimal Places             | : 2                                 | Decimal Places for Printing Amounts in V                                        | ? No                      |
| Is Symbol SUFFIXED to Amounts ?      | No                                  |                                                                                 |                           |
| Symbol for Decimal Portion           | : paise                             |                                                                                 |                           |
|                                      |                                     | Accept ?                                                                        |                           |
|                                      |                                     | Yes or No                                                                       |                           |

Figure 22.1 Company Creation screen

- Press **Enter** to **Accept** the completed Company Creation screen

## Step 2 : Enable Payroll

Go to **Gateway of Tally > Press F11: Company Features > press F1: Accounting Features**

In the **F11: Accounting Features** screen:

- Set **Maintain Payroll** to **Yes**
- Set **More than ONE Payroll / Cost Category** to **Yes**

The completed **F11: Accounting Features** screen is displayed as shown:

Company: Indus Solutions Pvt. Ltd.

**Accounting Features**

|                                                            |                             |                                            |              |
|------------------------------------------------------------|-----------------------------|--------------------------------------------|--------------|
| <b>General</b>                                             |                             | <b>Invoicing</b>                           |              |
| Integrate Accounts and Inventory                           | ? <b>Yes</b>                | Allow Invoicing                            | ? <b>Yes</b> |
| Income/Expense Statement instead of P & L                  | ? <b>No</b>                 | Enter Purchases in Invoice Format          | ? <b>Yes</b> |
| Allow Multi-Currency                                       | ? <b>No</b>                 | Use Debit/Credit Notes                     | ? <b>No</b>  |
|                                                            |                             | Use Invoice mode for Credit Notes          | ? <b>No</b>  |
|                                                            |                             | Use Invoice mode for Debit Notes           | ? <b>No</b>  |
| <b>Outstandings Management</b>                             |                             | <b>Budgets &amp; Scenario Management</b>   |              |
| Maintain Bill-wise Details<br>(for Non-Trading A/cs also)  | ? <b>Yes</b><br>? <b>No</b> | Maintain Budgets and Controls              | ? <b>No</b>  |
| Activate Interest Calculation<br>(use advanced parameters) | ? <b>No</b><br>? <b>No</b>  | Use Reversing Journals & Optional Vouchers | ? <b>No</b>  |
| <b>Cost/Profit Centres Management</b>                      |                             | <b>Other Features</b>                      |              |
| Maintain Payroll                                           | ? <b>Yes</b>                | Enable Cheque Printing                     | ? <b>No</b>  |
| Maintain Cost Centres                                      | ? <b>No</b>                 | Set/Alter Cheque Printing Configuration    | ? <b>No</b>  |
| Use Cost Centre for Job Costing                            | ? <b>No</b>                 | Allow Zero valued entries                  | ? <b>No</b>  |
| More than ONE Payroll / Cost Category                      | ? <b>Yes</b>                |                                            |              |
| Use Pre-defined Cost Centre Allocations during Entry       | ? <b>No</b>                 |                                            |              |

F1: Accounts    **F2: Inventory**    **F3: Statutory**

Figure 22.2 F11: Accounting Features screen

- Press **Enter** to **Accept** the **F11: Accounting Features** screen



*The option **More than ONE Payroll / Cost Category** is set to **Yes**, when separate cost categories are created to allocate Employee cost. In cases, where only one cost category i.e., primary cost category is used to allocate multiple cost centres, this option may be set to **No**.*

Once the **Payroll** feature is activated in Tally.ERP 9, the following two new options get activated in the **F11: Statutory & Taxation Master**

### Step 3: Enable Payroll Statutory Features

Go to **Gateway of Tally** > press **F11: Company Features** > press **F3: Statutory & Taxation**

In **F11: Statutory & Taxation Features** screen:

- Set **Enable Payroll Statutory** to **Yes**
- Set **Set/Alter Payroll Statutory Details** to **Yes**



Company: Indus Solutions Pvt. Ltd.

**Statutory & Taxation**

|                                                                              |      |                                      |              |
|------------------------------------------------------------------------------|------|--------------------------------------|--------------|
| Enable Excise                                                                | ? No | Enable Tax Deducted at Source (TDS)  | ? No         |
| Set/Alter Excise Details                                                     | ? No | Set/Alter TDS Details                | ? No         |
| <i>(Note : 'Enable Maintain Multiple Godowns' for Multiple Excise Units)</i> |      | Enable Tax Collected at Source (TCS) | ? No         |
| Follow Excise rules for Invoicing                                            | ? No | Set/Alter TCS Details                | ? No         |
| Enable Value Added Tax (VAT)                                                 | ? No | Enable Fringe Benefit Tax (FBT)      | ? No         |
| Set/Alter VAT Details                                                        | ? No | Set/Alter FBT Details                | ? No         |
| Enable Service Tax                                                           | ? No | Enable Payroll Statutory             | ? <b>Yes</b> |
| Set/Alter Service Tax Details                                                | ? No | Set/Alter Payroll Statutory Details  | ? <b>Yes</b> |

**Tax Information**

Local Sales Tax Number :

Inter-state Sales Tax Number :

PAN / Income - Tax No. :

F1: Accounts    F2: Inventory    F3: Statutory

Figure 22.3 F11: Statutory & Taxation Features screen

- Press **Enter**

In the **Payroll Statutory Details** screen,

- Enter the **Provident Fund & Employee State Insurance** details of the company as shown:

**Payroll Statutory Details**

**Provident Fund**

Company Code : KN/BN/12345/0203

Company Account Group Code : KA/BN/12345/0007

Company Security Code : KA/BN/12345/001

**Employee State Insurance**

Company Code : KN/BN/34961/0463

ESI Branch Office : Koramangala

Eligibility Amount : 15,000.00

Standard Working Days (per month) : **26 Days**

Figure 22.4 Payroll Statutory Details screen

**Provident Fund :**

- ❑ **Company Code** : This field denotes the Provident Fund Code of the Company allotted by the Department.
- ❑ **Company Account Group Code** : This field denotes the Provident Fund Group Code of the Company allotted by the Department.
- ❑ **Company Security Code** : This field denotes the Security Code of the Company allotted by the Department.

**Employee State Insurance :**

- ❑ **Company Code** : This field denotes the ESI Code of the Company allotted by the Department.
- ❑ **ESI Branch Office** : This field denotes the nearest ESI office under whose jurisdiction, the company is situated.
- ❑ **Eligibility Amount** : This field denotes the threshold limit, beyond which the Employee will not be eligible for ESI.
- ❑ **Standard Working days (per month)** : This field denotes the consistent Pay Period to be considered for ESI Calculation. If this field is left blank, the calculation is done based on the Calendar days in each month.

- ❑ Press **Enter** to **Accept** the screen and go back to **F11: Statutory & Taxation Features** screen
- ❑ Press **Ctrl+A** to **Accept** the screen

## 22.2 Creating Payroll Masters

Tally.ERP 9's Payroll features require minimal effort for accurate payroll processing. It takes five easy steps to process payroll & generate Payslip in Tally.ERP 9.

Essentially, Payroll involves the calculation of amounts due for an employee on the following basis.

- ❑ On hourly wages
- ❑ Pay on a fixed basis such as certain amount per week, per month and so on
- ❑ Pay to sales persons on commission
- ❑ Reimbursement of expenses such as travel expenses, either as paid by the employee or based on per item rate
- ❑ Pay on number of pieces produced/ manufactured/ sold

It is therefore essential to quantify the following payroll information for the purpose of computation of payments to employees. For this purpose the following Payroll masters are required to be created in Tally.ERP 9 in the manner as discussed:

- ❑ Employee Masters
- ❑ Payroll Masters
- ❑ Pay Heads
- ❑ Salary Details

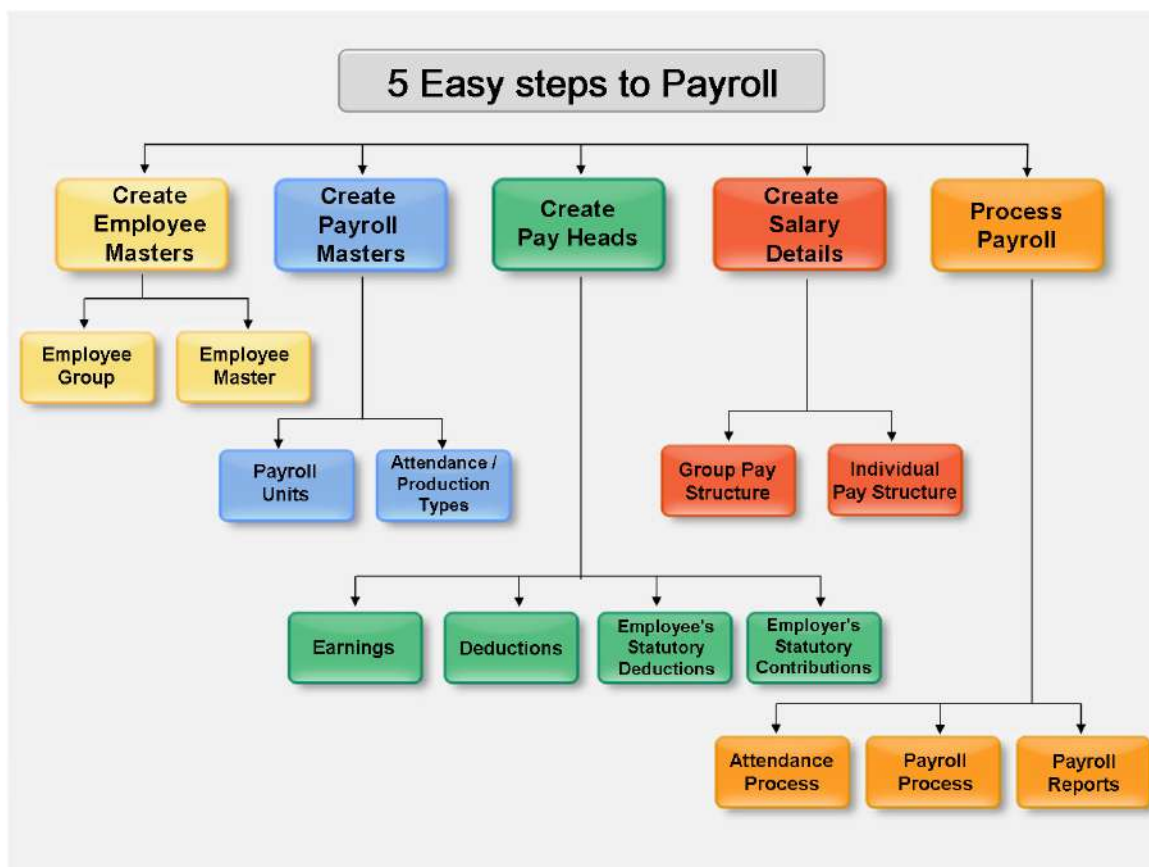


Figure 22.5 Payroll Cycle

### 22.2.1 Employee Setup

The Employee Master records employee information – department, date of joining, date of leaving, ID number, designation, location, function, employee bank details, statutory details, Passport and Visa details and so on.

## Employee Group Master

Businesses with multiple departments, divisions, functions or activities may create the required employee groups and classify individual employees under a specified group i.e., Production, Sales, Marketing, Stores, Support or a particular group of employees such as managers, supervisors, sub-staff and so on.

To create **Sales** as an **Employee Group**:

Go to **Gateway of Tally > Payroll Info. > Employee Groups > Create**

In the **Employee Group Creation** screen,

1. Select **Primary Cost Category** as the **Category** (You can also create a separate cost category to segregate Employee Cost based on respective categories)
2. Type **Sales** as the **Name** of the Employee Group
3. Select the group as **Primary** (Tally.ERP 9 allows an unlimited grouping of Employee Groups)

The **Employee Group Creation** screen is displayed as shown:

| Employee Group Creation |                         | Indus     |
|-------------------------|-------------------------|-----------|
| Category                | : Primary Cost Category |           |
| Name                    | : Sales                 |           |
| (alias)                 | :                       |           |
| Under                   | : [ Primary             |           |
|                         |                         | Accept ?  |
|                         |                         | Yes or No |

Figure 22.6 Employee Group Creation screen

4. Press **Enter** to **Accept** the **Employee Group Creation** screen

Similarly, create the other Employee Groups such as **Administration** and **R&D**.

## Employee Master

Now that you have created the Employee Groups, create individual Employee Masters, with or without grouping them, under the Employee Group Master.

In Tally.ERP 9, you can record all the necessary information of the employees in the Employee Masters. Tally.ERP 9 also allows you to enter the Statutory, Expat and Contract details of the employees.

To display the options for entering the Statutory, Expat and Contract details, enable these options from the Company Configuration screen as explained below:

Go to **Gateway of Tally > F12:Configure > Payroll Configuration**

Set the following options:

- ❑ **Show Statutory Details to Yes**
- ❑ **Show Passport & Visa Details to Yes**
- ❑ **Show Contact Details to Yes**

The **F12: Payroll Configuration** screen is displayed as shown:

| Payroll Configuration         |                                                                                                                                |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Show Statutory Details        | ? Yes                                                                                                                          |
| Show Passport & Visa Details  | ? Yes                                                                                                                          |
| Show Contract Details         | ? Yes                                                                                                                          |
| Show Deactivated Employees    | ? Yes                                                                                                                          |
| Information in Payment Advice | : Please make the payroll transfer from above account number to the below mentioned account numbers towards employee salaries: |
| Pay Slip Note                 | : This is a Computer Generated Pay Slip and does not require any signature.                                                    |
| Pay Slip Message              | : Happy New Year!!!                                                                                                            |

Figure 22.7 F12: Payroll Configuration screen

- ❑ **Press Enter to Accept**



- ❑ *Tally.ERP 9 allows you to configure the above settings from the **Employee Creation** screen, by pressing **F12: Configure**.*
- ❑ *The information to be printed in the **Payment Advice** is automatically pre-filled in Tally.ERP 9. However, you can also modify the same as per your requirements.*

Create the following Employee Masters

| Employee Name | Department     | Date of Joining |
|---------------|----------------|-----------------|
| Rohit Roy     | Administration | 1-4-2009        |
| Preeti Sinha  | R&D            | 1-4-2009        |
| Atul Sharma   | Sales          | 1-4-2009        |
| Ramesh Arora  | Sales          | 1-4-2009        |

Go to **Gateway of Tally > Payroll Info. > Employees > Create**

In the **Employee Creation** screen,

1. Select the **Primary Cost Category** as the **Category**
2. Type the **Name** of the Employee as **Rohit Roy**
3. Specify the Name of the Employee Group as **Administration** in the field '**Under**'
4. Specify the **Date of Joining** as **01-04-2009**
5. Type the other details of the employee as shown.

| Employee Creation    |                                  | Indus Solutions Pvt. Ltd. |                                    | Ctrl + M                                 |              |
|----------------------|----------------------------------|---------------------------|------------------------------------|------------------------------------------|--------------|
| Category             | : Primary Cost Category          |                           |                                    |                                          |              |
| Name                 | : Rohit Roy                      |                           |                                    |                                          |              |
| (alias)              | :                                |                           |                                    |                                          |              |
| Under                | : Administration<br>(If Primary) |                           |                                    |                                          |              |
| Date of Joining      | : 1-Apr-2009                     |                           |                                    |                                          |              |
| <b>General Info</b>  |                                  | <b>Payment Details</b>    | <b>Passport &amp; Visa Details</b> |                                          |              |
| Employee Number      | : 469                            | Bank Name                 | : HSBC Bank                        | Passport Number                          | : KAR324579  |
| Designation          | : Manager                        | Branch                    | : Koramangala                      | Country of Issue                         | : India      |
| Function             | : Administration                 | Bank A/c Number           | : 005-005590-104                   | Passport Expiry Date                     | : 4-Dec-2012 |
| Location             | : Bangalore                      | <b>Statutory Details</b>  |                                    | Visa Number                              | :            |
| Gender               | : Male                           | Income Tax Number (PAN)   | : AQBPP8579C                       | Visa Expiry Date                         | :            |
| Date of Birth        | : 21-Nov-1974                    | EPS Account Number        | : KA/BN/13478/412                  | <b>Contract Details</b>                  |              |
| Blood Group          | : B Positive                     | PF Account Number         | : KA/BN/13478/412                  | Work Permit Number                       | :            |
| Father / Mother Name | : Mr. S.K Roy                    | PF Date of Joining        | : 1-Apr-2009                       | Contract Start Date                      | :            |
| Spouse Name          | : Reema                          | PF Date of Relieving      | :                                  | Contract Expiry Date                     | :            |
| Address              | : 36, Sarjapur Road<br>Bangalore | ESI Number                | :                                  | <div>Accept ?</div> <div>Yes or No</div> |              |
| Contact Numbers      | : 080-22534657                   | ESI Dispensary Name       | :                                  |                                          |              |
| E-Mail ID            | : rohit@indus-admin.com          |                           |                                    |                                          |              |

Figure 22.8 Employee Creation screen

6. Press **Enter** to **Accept** the screen



*The **Date of Leaving** and **Reason for Leaving** option will be available only in the **Alteration** mode.*

Similarly, create the Employee Masters for other employees with their respective departments.

### 22.2.2 Payroll Masters

As discussed in the above section, Pay components are computed based on the Payroll Units. Therefore, create the following Payroll masters in Tally.ERP 9:

- Payroll Units
- Attendance / Production Types

## Payroll Units

A payroll unit refers to a unit of measurement based on which pay heads are calculated. Payroll units can be classified into two types viz., Simple Payroll Units and Compound Payroll Units. Simple Payroll Units refer to individual units such as Day, Week, Month, Hours, Pcs, Box, Nos etc., Whereas, Compound Payroll Units refer to Units which are combination of two simple units, i.e., an Hour of 60 Minutes, Month of 26 days, Day of 8 Hrs.

Usually, the Pay components are computed based on a single or compound payroll units. Sometimes an employee may be paid on the basis of a combination of two or more units. For example, an employee is paid a regular salary and an hourly rate for the overtime hours. In this case, the two likely units are **Calendar Month** and **Hours**. In Tally.ERP, you can create simple as well as compound units.

By default, Tally.ERP 9 contains four preset **Calculation Periods** – **Days, Fortnights, Months & Weeks**. However, you can also create new Payroll Units based on your business requirements.

| Name           | Type     | Symbol         |
|----------------|----------|----------------|
| Hours          | Simple   | Hrs            |
| Minutes        | Simple   | Mins           |
| Hrs of 60 Mins | Compound | Hrs of 60 Mins |

### i. Simple Payroll Units

Go to **Gateway of Tally > Payroll Info. > Units (Work) > Create**

In the **Unit Creation** screen,

1. **Simple** is defaulted as the **Type** of Unit
2. Specify **Hrs** as the **Symbol**
3. Type **Hours** as the **Formal Name**
4. Specify **2** as the **Number of Decimal Places**

The completed **Unit Creation** screen is displayed as shown:

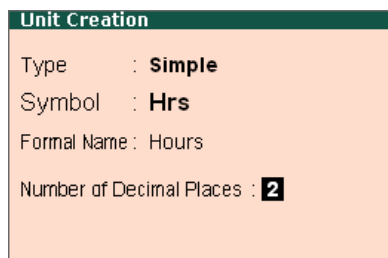


Figure 22.9 Simple Unit Creation screen

5. Press **Enter** to **Accept** the **Unit Creation** screen.

Similarly, create **Minutes** as another Simple Unit.

## ii. Compound Payroll Units

Create **Hrs of 60 Mins** as a Compound Unit.

In the **Unit Creation** screen:

1. Press **Backspace** and select **Compound** as the **Type** of Unit
2. Specify **Hrs** as the **First Unit**
3. Enter **60** as the **Conversion**
4. Specify **Mins** as the **Second Unit**

| Unit Creation                                               |            |             | Indus Solutions Pvt. Ltd. |           |
|-------------------------------------------------------------|------------|-------------|---------------------------|-----------|
| Type                                                        | : Compound |             | Current Date              |           |
| Units with Multiplier Factors<br>(example: Kgs of 1000 gms) |            |             | Wednesday, 1 Apr, 2009    |           |
| First Unit                                                  | Conversion | Second Unit | Units                     |           |
| Hrs                                                         | of 60      | Mins        | Mins                      | (Minutes) |

Figure 22.10 Compound Unit Creation screen

5. Press **Enter** to Accept the Unit Creation screen.

### Types of Units:



- **Simple Units** are individual units with no relationship with other units i.e., Hrs, Nos, Pieces and so on.
- **Compound Units** are a combination of two simple units, where the two units have an arithmetical relationship with each other. For example, an Hour of 60 Minutes.

## 22.2.3 Attendance/ Production Types

Attendance/Production Type masters are used to record the nature of attendance/ production i.e., time and work rate. In Tally.ERP 9, you can create Attendance types based on time such as **Present** and **Absent** or based on work based production units such as **Piece productions**, **Sales performance** and so on.

Create the following Attendance Types for M/s. Indus Solutions Pvt. Ltd.,

| Name     | Under   | Attendance/Production Type | Period Type    |
|----------|---------|----------------------------|----------------|
| Present  | Primary | Attendance/ Leave with Pay | Days           |
| Absent   | Primary | Leave without Pay          | Days           |
| Overtime | Primary | Production                 | Hrs of 60 Mins |



### i. Present Attendance Type

Go to **Gateway of Tally > Payroll Info. > Attendance / Production Types > Create**

In the **Attendance Type Creation** screen,

1. Type **Present** as the **Name** of the **Attendance type**
2. Specify the group as **Primary** in the field '**Under**'. By default primary is selected.
3. Select **Attendance/ Leave with Pay** as the **Attendance Type** and the **Period Type** appears as **Days**, by default.

| Attendance/Production Type Creation |                                      | Indus Solutions Pvt. Ltd.                                                                                              |  |
|-------------------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------|--|
| Name<br>(alias)                     | : <b>Present</b>                     |                                                                                                                        |  |
| Under                               | : <b>Primary</b>                     | <div> List of Attendance Types </div>                                                                                  |  |
| Attendance Type                     | : <b>Attendance / Leave with Pay</b> | <div> <b>Attendance / Leave with Pay</b><br/> Leave without Pay<br/> Production<br/> User Defined Calendar Type </div> |  |
| Period Type                         | : <b>Days</b>                        |                                                                                                                        |  |

Figure 22.11 Attendance/ Production Type Creation screen

#### Attendance/Production Types :



- ❑ **Attendance / Leave with Pay** : This Attendance Type is used when the Salary is computed based on the number of days present.
- ❑ **Leave without Pay** : This Attendance Type is used when the Salary is computed number of days absent.
- ❑ **Production** : This Attendance Type is used when the Salary is computed on the basis of units produced.
- ❑ **User Defined Calendar Type** : This Attendance Type is used when the Salary is computed based on the number of days present in a user defined calendar period.

The completed **Attendance Type Creation** screen is displayed as shown.:

| Attendance/Production Type Creation |                      | Indus                 |
|-------------------------------------|----------------------|-----------------------|
| Name                                | : Present            |                       |
| (alias)                             | :                    |                       |
| Under                               | : ■ Primary          |                       |
| Attendance Type                     | : Attendance / Leave | Accept ?<br>Yes or No |
| Period Type                         | : Days               |                       |

Figure 22.12 Attendance/Production Type Creation Screen

4. Press **Enter** to Accept the **Attendance Type** Creation screen.

### ii. Absent Attendance Type

Similarly, create another Attendance Type as **Absent**. Enter **Leave without Pay** in the field **Attendance Type**.

The completed **Attendance Type Creation** screen is displayed as shown:

| Attendance/Production Type Creation |                     | Indus                 |
|-------------------------------------|---------------------|-----------------------|
| Name                                | : Absent            |                       |
| (alias)                             | :                   |                       |
| Under                               | : ■ Primary         |                       |
| Attendance Type                     | : Leave Without Pay | Accept ?<br>Yes or No |
| Period Type                         | : Days              |                       |

Figure 22.13 Attendance/ Production Type Creation screen

□ Press **Enter** to **Accept** the **Attendance Type** Creation screen.

In the same way, create **Overtime** as the **Production Type** with **Production** as the **Attendance Type**.

### iii. Calendar Month

In the **Attendance Type Creation** screen,

1. Type **Calendar Month** as the **Name** of the **Attendance type**
2. Specify the group as **Primary** in the **Under** field.

3. Select **User Defined Calendar Type** as the **Attendance Type** and the **Period Type** appears as **Days**, by default.

| Attendance/Production Type Creation |                                     | Indus Solutions Pvt. Ltd. |
|-------------------------------------|-------------------------------------|---------------------------|
| Name<br>(alias)                     | : Calendar Month                    |                           |
| Under                               | : Primary                           |                           |
| Attendance Type                     | : <b>User Defined Calendar Type</b> |                           |
| Period Type                         | : Days                              |                           |

List of Attendance Types

Attendance / Leave with Pay

Leave without Pay

Production

**User Defined Calendar Type**

Figure 22.14 User Defined Calendar Type Creation screen

#### iv. Overtime Production Type

The completed **Overtime - Production Type Creation** screen is displayed as shown below:

| Attendance/Production Type Creation |                  | Indus |
|-------------------------------------|------------------|-------|
| Name<br>(alias)                     | : Overtime       |       |
| Under                               | : Primary        |       |
| Attendance Type                     | : Production     |       |
| Unit                                | : Hrs of 60 Mins |       |

Accept ?

Yes or No

Figure 22.15 Overtime - Production Type Creation screen

- Press **Enter** to **Accept** the **Production Type** Creation screen.

#### *Attendance/Production Types details:*



- ***Present Attendance Type** may be used when the pay value is measured on the basis of positive attendance units, i.e. number of days present.*
- ***Absent Attendance Type** may be used when the pay value is measured on the basis of negative attendance units, i.e. number of days absent.*
- ***Production Attendance Type** may be used when the pay value is measured on the basis of units produced, for e.g., number of boxes produced.*
- ***Calendar Month Attendance Type** may be used when the pay value is measured on the basis of positive attendance units (i.e. number of days present) in a user defined calendar period.*

### **22.2.4 Pay Heads**

Pay Heads may be broadly considered as Earnings and Deductions from an employee's point of view. However, these pay heads would still be Expense and Liability from the employer's view point.

Some examples of Earnings Pay Heads are Basic Salary, Dearness Allowance, City Compensatory Allowance, House Rent Allowance, Night Shift Allowance, Uniform Allowance, Sales Commission and so on. Some examples of Deductions pay heads are Employees' Provident Fund (EPF), Employees' State Insurance (ESI), Professional Tax, Income Tax, TDS, Advance (if any).

In Tally.ERP 9, each pay head is to be created as an individual ledger account and grouped under its respective group i.e., all Earnings pay heads under Indirect Expenses group or Direct Expenses group and all Deductions pay heads under Current Liabilities, Current Assets and Duties & Taxes group.

The preset Pay Head types in Tally.ERP 9 are:

1. Earnings for Employees
2. Deductions from Employees
3. Employees' Statutory Deductions
4. Employer's Statutory Contributions
5. Employer's Other Charges
6. Bonus
7. Gratuity
8. Loans and Advances
9. Reimbursements to Employees

The pay heads marked with the above pay head types will be available during payroll processing, and if the Pay Head Type is marked as **Not Applicable**, will not be available. The Salary Payable, PF Payable, ESI Payable ledgers are required to be created, by selecting **Not Applicable** as **Pay Head Type**.

Create the following pay heads in the books of M/s. Indus Solutions Pvt. Ltd.

### I. Earning Pay Heads

Create the following Earnings Pay Heads:

| Pay Head Name        | Pay Head Type          | Under             | Affect Net Salary | Name to Appear in Payslip | Use for Gratuity | Calculation Type      | Calculation Period/ Production Type |
|----------------------|------------------------|-------------------|-------------------|---------------------------|------------------|-----------------------|-------------------------------------|
| Basic Pay            | Earnings for Employees | Indirect Expenses | Yes               | Basic                     | Yes              | On Attendance         | Months                              |
| House Rent Allowance | Earnings for Employees | Indirect Expenses | Yes               | House Rent Allowance      | No               | As Computed Value     | —                                   |
| Conveyance           | Earnings for Employees | Indirect Expenses | Yes               | Conveyance                | No               | Flat Rate             | Months                              |
| Overtime Pay         | Earnings for Employees | Indirect Expenses | Yes               | Overtime Pay              | No               | On Production         | Overtime                            |
| Variable Pay         | Earnings for Employees | Indirect Expenses | Yes               | Variable Pay              | No               | As User Defined Value | —                                   |

#### i. Basic Pay Head Creation

Go to **Gateway of Tally > Payroll Info. > Pay Heads > Create**

In the **Pay Heads** Creation screen,

1. Type **Basic Pay** as the **Name** of the Pay Head
2. Select **Earnings for Employees** in the field **Pay Head Type**.

The **Pay Head Creation** screen appears as shown:

| Pay Head Creation                                                          |                         | Indus Solutions Pvt. Ltd.                                                                                                                                                                                                                                                                                                                                                                                          |  | Total Op. Bal. |
|----------------------------------------------------------------------------|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------|
| Name<br>(alias)                                                            | : Basic Pay             |                                                                                                                                                                                                                                                                                                                                                                                                                    |  |                |
|                                                                            |                         | <div> <div>List of Pay Head Types</div> <ul style="list-style-type: none"> <li>Not Applicable</li> <li>Bonus</li> <li>Deductions from Employees</li> <li><b>Earnings for Employees</b></li> <li>Employees' Statutory Deductions</li> <li>Employer's Other Charges</li> <li>Employer's Statutory Contributions</li> <li>Gratuity</li> <li>Loans and Advances</li> <li>Reimbursements to Employees</li> </ul> </div> |  |                |
| <div> <div>Pay Head Info</div> <div> Pay Head Type<br/>Under </div> </div> |                         | <div> <div> : <b>Earnings for Employees</b><br/> : Direct Expenses </div> </div>                                                                                                                                                                                                                                                                                                                                   |  |                |
| Affect Net Salary                                                          | ? Yes                   |                                                                                                                                                                                                                                                                                                                                                                                                                    |  |                |
| Name to appear in Payslip                                                  | : Basic Pay             |                                                                                                                                                                                                                                                                                                                                                                                                                    |  |                |
| Use for Gratuity                                                           | ? No                    |                                                                                                                                                                                                                                                                                                                                                                                                                    |  |                |
| Calculation Type                                                           | : As User Defined Value |                                                                                                                                                                                                                                                                                                                                                                                                                    |  |                |
| Opening Balance (on 1-Apr-2009) :                                          |                         |                                                                                                                                                                                                                                                                                                                                                                                                                    |  |                |

Figure 22.16 Basic Pay Head Creation – Pay Head Type Selection

- Specify the group as **Indirect Expenses** in the field **Under** and press **Enter**
- Set **Affect Net Salary** to **Yes**
- Specify **Basic** in the field **Name to appear in Payslip**
- Set **Use for Gratuity** to **Yes**
- Select **On Attendance** in the field **Calculation Type** and press **Enter**

*Description of general parameters in Pay Head creation:*



- **Affect Net Salary** – If this option is set to **Yes**, then the Pay Head will appear in the Salary Slip for calculation of Net salary.
- **Name to appear in the Payslip** – If **Affect Net Salary** is set to **Yes**, then the required name for the Pay Head that appears in the Payslip should be specified against this field.
- **Use for Gratuity** – This parameter should be set to **Yes**, for the Pay Head components that will be used for the **Gratuity calculation** (e.g. **Basic** and **DA**).

The **Pay Head Creation** screen with the **List of Calculation** is displayed as shown:

| Pay Head Creation                                                                                                                                                                                                                                                     |             | Indus Solutions Pvt. Ltd.                                                                                                      | Total Op. Bal. |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------|----------------|
| Name                                                                                                                                                                                                                                                                  | : Basic Pay |                                                                                                                                |                |
| (alias)                                                                                                                                                                                                                                                               | :           |                                                                                                                                |                |
| <b>Pay Head Info</b><br>Pay Head Type : Earnings for Employees<br>Under : Indirect Expenses<br><br>Affect Net Salary ? Yes<br>Name to appear in Payslip : Basic<br>Use for Gratuity ? Yes<br>Calculation Type : <b>On Attendance</b><br>Attendance / Leave with Pay : |             | <b>List of Calculation</b><br>As Computed Value<br>As User Defined Value<br>Flat Rate<br><b>On Attendance</b><br>On Production |                |
| <b>Rounding Info</b><br>Rounding Method : I Not Applicable                                                                                                                                                                                                            |             |                                                                                                                                |                |
| Opening Balance ( on 1-Apr-2009 ) :                                                                                                                                                                                                                                   |             |                                                                                                                                |                |

Figure 22.17 Basic Pay Head Creation - Calculation Type

**Calculation Type** refers to the method of computation of pay components. In Tally.ERP 9, there are basically 5 calculation types.



- ❑ **As Computed Value** – This method is used when the pay value is computed based on certain predefined factors i.e., slab rates, pay heads and so on.
- ❑ **As User-Defined Value** – This method is used when the value of pay is not fixed and does not depend upon any pay components.
- ❑ **Flat Rate** – This method is used when the value of the pay heads is fixed for the given month. This calculation type is not dependant upon attendance/production. For example, conveyance of Rs. 700 per month.
- ❑ **On Attendance** — This calculation type depends upon Attendance records and is used along with rate per unit of attendance. For example, Overtime of Rs. 25 per hour.
- ❑ **On Production** — This method is used when the pay value is measured based on work done i.e., pieces or numbers produced/manufactured.

8. Select **Present** in the field **Attendance/ Leave with Pay**.

The **Pay Head Creation** screen with the **List of Attendance Types** is displayed as shown below:

| Pay Head Creation                                                                                                                                                                                                                                                                                                                             |  | Indus Solutions Pvt. Ltd.                                                                    | Total Op. Bal. |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------|----------------|
| Name : Basic Pay                                                                                                                                                                                                                                                                                                                              |  |                                                                                              |                |
| (alias) :                                                                                                                                                                                                                                                                                                                                     |  |                                                                                              |                |
| <p><b>Pay Head Info</b></p> <p>Pay Head Type : Earnings for Employees</p> <p>Under : Indirect Expenses</p> <p>Affect Net Salary ? Yes</p> <p>Name to appear in Payslip : Basic</p> <p>Use for Gratuity ? Yes</p> <p>Calculation Type : On Attendance</p> <p>Attendance / Leave with Pay : <b>Present</b></p> <p>Calculation Period : Days</p> |  | <p><b>List of Attendance Types</b></p> <p>Not Applicable</p> <p><b>Present</b> # Primary</p> |                |
| <p><b>Rounding Info</b></p> <p>Rounding Method : [ Not Applicable</p>                                                                                                                                                                                                                                                                         |  |                                                                                              |                |
| Opening Balance ( on 1-Apr-2009 ) :                                                                                                                                                                                                                                                                                                           |  |                                                                                              |                |

Figure 22.18 Pay Head Creation screen with List of Attendance Types



- ❑ If the user intends to record **Negative Attendance** viz., **Absent** (i.e if the pay value is measured on the basis of negative attendance units), select **Not Applicable** in the **Attendance/ Leave with Pay** field and press **Enter** & then select **Absent** in the **Leave without Pay** field.
- ❑ In the above example, we have selected **Positive Attendance** unit i.e **Present**.

9. Select **Months** in **Calculation period** field and press **Enter**

The **Pay Head Creation** screen with the **List of Calculation Periods** is displayed as shown:



| Pay Head Creation                                                                                                                                                                                                                                                                                                                                                                                         |  | Indus Solutions Pvt. Ltd.                                                                          |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------|--|
| Name : Basic Pay                                                                                                                                                                                                                                                                                                                                                                                          |  | Total Op. Bal.                                                                                     |  |
| (alias) :                                                                                                                                                                                                                                                                                                                                                                                                 |  |                                                                                                    |  |
| <p><b>Pay Head Info</b></p> <p>Pay Head Type : Earnings for Employees</p> <p>Under : Indirect Expenses</p> <p>Affect Net Salary ? Yes</p> <p>Name to appear in Payslip : Basic</p> <p>Use for Gratuity ? Yes</p> <p>Calculation Type : On Attendance</p> <p>Attendance / Leave with Pay : Present</p> <p>Calculation Period : <b>Months</b></p> <p>Per Day Calculation Basis : As Per Calendar Period</p> |  | <p>List of Calculation Periods</p> <p>Days</p> <p>Fortnights</p> <p><b>Months</b></p> <p>Weeks</p> |  |
| <p><b>Rounding Info</b></p> <p>Rounding Method : <b>Not Applicable</b></p>                                                                                                                                                                                                                                                                                                                                |  |                                                                                                    |  |
| Opening Balance ( on 1-Apr-2009 ) :                                                                                                                                                                                                                                                                                                                                                                       |  |                                                                                                    |  |

Figure 22.19 Pay Head Creation - Calculation Period selection



*Tally.ERP 9 contains four predefined Calculation periods namely,*

- Days
- Fortnights
- Months
- Weeks

10. Select **User defined** in the **Per Day Calculation Basis** field

| Pay Head Creation                                                                                                                                                                                                                                                                                                                                                                  |  | Indus Solutions Pvt. Ltd.                                                                               |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------|--|
| Name : Basic Pay                                                                                                                                                                                                                                                                                                                                                                   |  | Total Op. Bal.                                                                                          |  |
| (alias) :                                                                                                                                                                                                                                                                                                                                                                          |  |                                                                                                         |  |
| <b>Pay Head Info</b><br>Pay Head Type : Earnings for Employees<br>Under : Indirect Expenses<br><br>Affect Net Salary ? Yes<br>Name to appear in Payslip : Basic Pay<br>Use for Gratuity ? Yes<br>Calculation Type : On Attendance<br>Attendance / Leave with Pay : Present<br><br>Calculation Period : Months<br>Per Day Calculation Basis : <b>User Defined</b><br>Months of Days |  | <b>Calculation Basis</b><br>As per Calendar Period<br><b>User defined</b><br>User Defined Calendar Type |  |
| <b>Rounding Info</b><br>Rounding Method : <input type="checkbox"/> Not Applicable                                                                                                                                                                                                                                                                                                  |  |                                                                                                         |  |
| Opening Balance ( on 1-Apr-2009 ) :                                                                                                                                                                                                                                                                                                                                                |  |                                                                                                         |  |

Figure 22.20 Pay Head Creation screen - Calculation Basis Selection

### 11. Press **Enter** to **Accept**



**Calculation Basis** refers to the **periodicity** of the given calculation period.

- **As per Calendar Period** refers to the perpetual calendar month, i.e. if the payroll process is carried out for the month of March, then the attendance records will be entered for 31 days.
- **User Defined** Value refers to the consistent payroll period irrespective of calendar month, i.e. If an employee's salary is based on a standard month of 30 days irrespective of the calendar month, then you can select **User Defined** as the **Calculation Basis** and define the periodicity of the specified period or month.
  - For example, an employee's monthly salary is Rs. 3,000 and the calculation basis is defined as a month of 30 days. If he takes 3 days leave in January (which consists of 31 days), then the salary per day is computed as (Rs. 3000/30 days, i.e. 100). The net salary after deducting the leave salary [i.e. Rs. 300 (3 days x Rs. 100)] amounts to Rs. 2,700.



- **User Defined Calendar Type** refers to the calendar month as defined by the user, i.e. if the payroll process is carried out for the particular month considering 26 days and in some months with 28 days (where the months extends to 5 weeks).

12. Specify the **Months of 26 Days** and press **Enter**

| Pay Head Creation                                                                                                                                                                                                                                                                                                                                                                                                        |             | Indus Solutions Pvt. Ltd. | Total Op. Bal. |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------|----------------|
| Name                                                                                                                                                                                                                                                                                                                                                                                                                     | : Basic Pay |                           |                |
| (alias)                                                                                                                                                                                                                                                                                                                                                                                                                  | :           |                           |                |
| <p><b>Pay Head Info</b></p> <p>Pay Head Type : Earnings for Employees</p> <p>Under : Indirect Expenses</p> <p>Affect Net Salary ? Yes</p> <p>Name to appear in Payslip : Basic</p> <p>Use for Gratuity ? Yes</p> <p>Calculation Type : On Attendance</p> <p>Attendance / Leave with Pay : Present</p> <p>Calculation Period : Months</p> <p>Per Day Calculation Basis : User Defined</p> <p>Months of <b>26</b> Days</p> |             |                           |                |
| <p><b>Rounding Info</b></p> <p>Rounding Method : I Not Applicable</p>                                                                                                                                                                                                                                                                                                                                                    |             |                           |                |
| Opening Balance ( on 1-Apr-2009 ) :                                                                                                                                                                                                                                                                                                                                                                                      |             |                           |                |

Figure 22.21 Pay Head Creation screen - Calculation period

13. Select **Normal Rounding** as the **Rounding Method** and press **Enter**.

| Pay Head Creation                                                                                                                                                                                                                                                                                                                                                                                                                  |  | Indus Solutions Pvt. Ltd.                                                                                                                                                                                                  |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Name : Basic Pay                                                                                                                                                                                                                                                                                                                                                                                                                   |  | Total Op. Bal.                                                                                                                                                                                                             |  |
| (alias) :                                                                                                                                                                                                                                                                                                                                                                                                                          |  |                                                                                                                                                                                                                            |  |
| <div> <div> <b>Pay Head Info</b> </div> <div> Pay Head Type : Earnings for Employees<br/> Under : Indirect Expenses<br/><br/> Affect Net Salary ? Yes<br/> Name to appear in Payslip : Basic<br/> Use for Gratuity ? Yes<br/> Calculation Type : On Attendance<br/> Attendance / Leave with Pay : Present<br/><br/> Calculation Period : Months<br/> Per Day Calculation Basis : User Defined<br/> Months of 26 Days </div> </div> |  |                                                                                                                                                                                                                            |  |
| <b>Rounding Info</b><br>Rounding Method : <b>Normal Rounding</b>                                                                                                                                                                                                                                                                                                                                                                   |  | <b>Rounding Methods</b><br><input type="checkbox"/> Not Applicable<br><input type="checkbox"/> Downward Rounding<br><input checked="" type="checkbox"/> <b>Normal Rounding</b><br><input type="checkbox"/> Upward Rounding |  |
| Openir                                                                                                                                                                                                                                                                                                                                                                                                                             |  | 2009) :                                                                                                                                                                                                                    |  |

Figure 22.22 Pay Head Creation screen – Rounding Method selection

14. Specify **1** as the rounding **Limit** (The Rounding limit allows the value to be in multiples of the limit specified and is based on the Rounding Method selected)



There are 4 methods of **Rounding Off** in Tally.ERP 9 which are as follows:

- ❑ **Not Applicable** – The decimal points will be taken into consideration, and the amount will not be rounded off.
- ❑ **Downward Rounding** – The decimal points will not be taken in to consideration and the amount will be rounded off to the lower value.
- ❑ **Normal Rounding** – The amount will be rounded off to the nearest currency value.
- ❑ **Upward Rounding** – The amount will be rounded off to the higher value.

The completed **Basic Pay Head Creation** screen is displayed as shown.

| Pay Head Creation                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  | Indus Solutions Pvt. Ltd.                             |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------|--|
| Name : <b>Basic Pay</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  | <b>Total Op. Bal.</b>                                 |  |
| (alias) :                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |                                                       |  |
| <p><b>Pay Head Info</b></p> <p>Pay Head Type : <b>Earnings for Employees</b></p> <p>Under : <b>Indirect Expenses</b></p> <p>Affect Net Salary ? <b>Yes</b></p> <p>Name to appear in Payslip : <b>Basic</b></p> <p>Use for Gratuity ? <b>Yes</b></p> <p>Calculation Type : <b>On Attendance</b></p> <p>Attendance / Leave with Pay : <b>Present</b></p> <p>Calculation Period : <b>Months</b></p> <p>Per Day Calculation Basis : <b>User Defined</b></p> <p><b>Months</b> of <b>26</b> Days</p> |  |                                                       |  |
| <p><b>Rounding Info</b></p> <p>Rounding Method : <b>Normal Rounding</b> Limit : <b>1</b></p>                                                                                                                                                                                                                                                                                                                                                                                                   |  |                                                       |  |
| <p>Opening Balance ( on 1-Apr-2009 ) :</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | <p><b>Accept ?</b></p> <p><b>Yes</b> or <b>No</b></p> |  |

Figure 22.23 Completed Basic Pay Head Creation screen

15. Press **Enter** to **Accept** the screen.

## ii. House Rent Allowance Pay Head Creation

In the **Pay Head Creation** screen,

1. Type **House Rent Allowance** as the **Name** of the Pay Head
2. Select **Earnings for Employees** in the field **Pay Head Type**
3. Specify the group as **Indirect Expenses** in the field **Under** and then press **Enter**
4. Set **Affect Net Salary** to **Yes**
5. Specify **House Rent Allowance** as the **Name to appear in Payslip**
6. Set **Use for Gratuity** to **No**
7. Select **As Computed Value** in the **Calculation Type** field and press **Enter**

| Pay Head Creation                                                                                                                                                                                                                                                                                                               |                        | Indus Solutions Pvt. Ltd.                                                                                                                                 |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Name                                                                                                                                                                                                                                                                                                                            | : House Rent Allowance | Total Op. Bal.                                                                                                                                            |  |
| (alias)                                                                                                                                                                                                                                                                                                                         | :                      |                                                                                                                                                           |  |
| <p><b>Pay Head Info</b></p> <p>Pay Head Type : Earnings for Employees</p> <p>Under : Indirect Expenses</p> <p>Affect Net Salary ? Yes</p> <p>Name to appear in Payslip : House Rent Allowance</p> <p>Use for Gratuity ? No</p> <p>Calculation Type : <span style="background-color: black; color: black;">XXXXXXXXXX</span></p> |                        | <p><b>List of Calculation</b></p> <p><b>As Computed Value</b></p> <p>As User Defined Value</p> <p>Fiat Rate</p> <p>On Attendance</p> <p>On Production</p> |  |
| Opening Balance ( on 1-Apr-2009 ) :                                                                                                                                                                                                                                                                                             |                        |                                                                                                                                                           |  |

Figure 22.24 HRA Pay Head Creation screen - Calculation Type selection

8. Select **Normal Rounding** as the **Rounding Method** and **1** as the rounding **Limit** and press **Enter**
9. In the **Computation Info** screen, select **On Specified Formula** in the **Compute** field.

| Pay Head Creation                                                                                                                                                                                                                                                              |                        | Indus Solutions Pvt. Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |             | Total Op. Bal. |                |       |                |             |            |  |                             |  |  |  |                           |  |  |  |                     |  |  |  |                      |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------|----------------|-------|----------------|-------------|------------|--|-----------------------------|--|--|--|---------------------------|--|--|--|---------------------|--|--|--|----------------------|--|
| Name                                                                                                                                                                                                                                                                           | : House Rent Allowance |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |             |                |                |       |                |             |            |  |                             |  |  |  |                           |  |  |  |                     |  |  |  |                      |  |
| (alias)                                                                                                                                                                                                                                                                        | :                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |             |                |                |       |                |             |            |  |                             |  |  |  |                           |  |  |  |                     |  |  |  |                      |  |
| <b>Pay Head Info</b><br>Pay Head Type : Earnings for Employees<br>Under : Indirect Expenses<br><br>Affect Net Salary ? Yes<br>Name to appear in Payslip : House Rent Allowance<br>Use for Gratuity ? No<br>Calculation Type : As Computed Value<br>Calculation Period : Months |                        | <b>Computation Info</b><br>Compute : On Specified Formula<br>Specified Formula :<br><table border="1"> <thead> <tr> <th>Effective From</th> <th>Fr Am</th> <th>Computation On</th> <th>Value Basis</th> </tr> </thead> <tbody> <tr> <td>1-Apr-2009</td> <td></td> <td>On Current Deductions Total</td> <td></td> </tr> <tr> <td></td> <td></td> <td>On Current Earnings Total</td> <td></td> </tr> <tr> <td></td> <td></td> <td>On Current SubTotal</td> <td></td> </tr> <tr> <td></td> <td></td> <td>On Specified Formula</td> <td></td> </tr> </tbody> </table> |             |                | Effective From | Fr Am | Computation On | Value Basis | 1-Apr-2009 |  | On Current Deductions Total |  |  |  | On Current Earnings Total |  |  |  | On Current SubTotal |  |  |  | On Specified Formula |  |
| Effective From                                                                                                                                                                                                                                                                 | Fr Am                  | Computation On                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Value Basis |                |                |       |                |             |            |  |                             |  |  |  |                           |  |  |  |                     |  |  |  |                      |  |
| 1-Apr-2009                                                                                                                                                                                                                                                                     |                        | On Current Deductions Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |             |                |                |       |                |             |            |  |                             |  |  |  |                           |  |  |  |                     |  |  |  |                      |  |
|                                                                                                                                                                                                                                                                                |                        | On Current Earnings Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |             |                |                |       |                |             |            |  |                             |  |  |  |                           |  |  |  |                     |  |  |  |                      |  |
|                                                                                                                                                                                                                                                                                |                        | On Current SubTotal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |             |                |                |       |                |             |            |  |                             |  |  |  |                           |  |  |  |                     |  |  |  |                      |  |
|                                                                                                                                                                                                                                                                                |                        | On Specified Formula                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |             |                |                |       |                |             |            |  |                             |  |  |  |                           |  |  |  |                     |  |  |  |                      |  |
| <b>Rounding Info</b><br>Rounding Method : Normal Rounding Limit : 1                                                                                                                                                                                                            |                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |             |                |                |       |                |             |            |  |                             |  |  |  |                           |  |  |  |                     |  |  |  |                      |  |
| Opening Balance ( on 1-Apr-2009 ) :                                                                                                                                                                                                                                            |                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |             |                |                |       |                |             |            |  |                             |  |  |  |                           |  |  |  |                     |  |  |  |                      |  |

Figure 22.25 Pay Head Creation screen with Compute method

#### Computation on details:

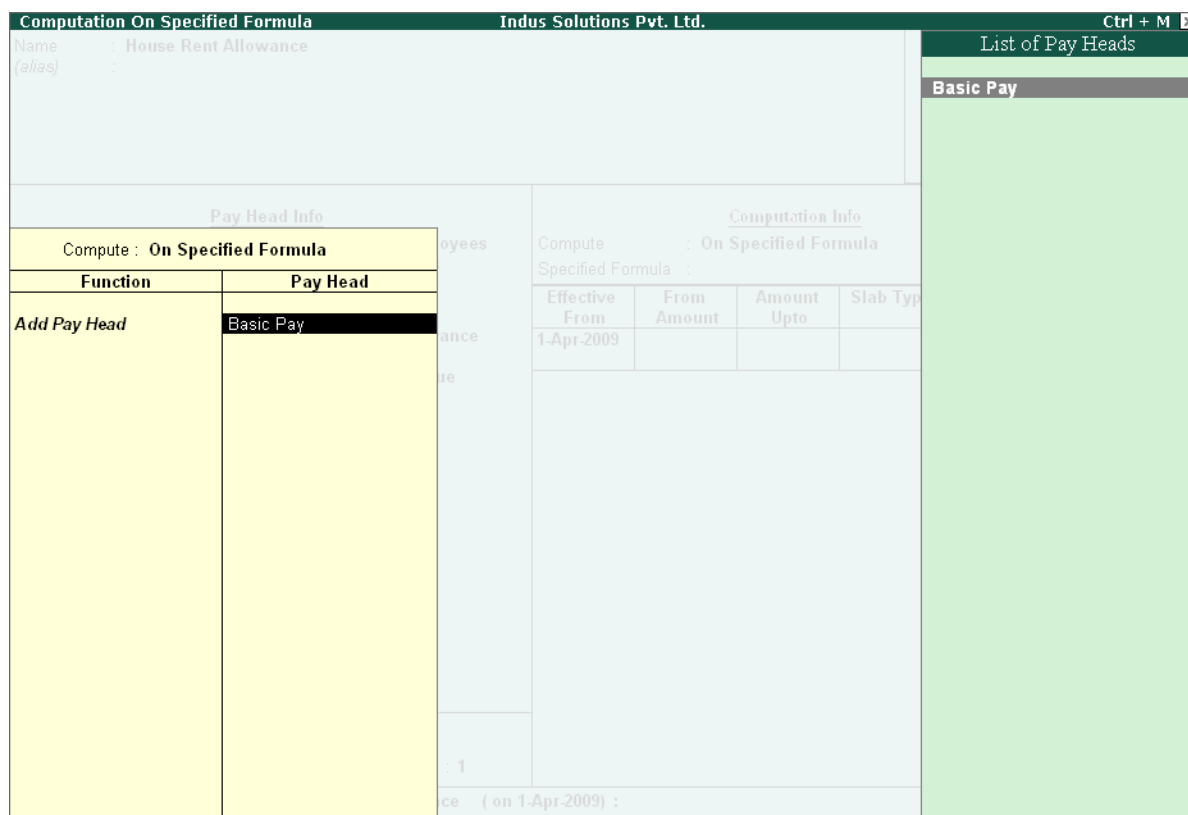


- ❑ **On Current Deductions Total** – This calculation type is used when the value of a pay head depends upon the total of the deductions pay heads previously defined.
- ❑ **On Current Earnings Total** – This calculation type is used when the value of a pay head depends upon the total earnings pay heads previously defined.
- ❑ **On Current Sub Total** – This calculation type is used when the value of a pay head depends upon the net totals of earnings and deductions previously defined.
- ❑ **On Specified Formula** – This calculation type is used when the pay head value is computed on the value of one or more pay heads already defined in the pay structure. (Tally.ERP 9 allows the addition and subtraction of pay heads already defined in the pay structure and multiplication and divisions using attendance types. For example, HRA is computed as 40% of the basic salary.)

10. Press **Enter** and the **Compute** sub-screen is displayed

11. In the Sub-screen **Compute**:

- Select **Basic Pay** as the **Add Pay Head** function and press **Enter**



| Pay Head Info                  |           | Computation Info               |             |             |           |
|--------------------------------|-----------|--------------------------------|-------------|-------------|-----------|
| Compute : On Specified Formula |           | Compute : On Specified Formula |             |             |           |
| Specified Formula :            |           | Specified Formula :            |             |             |           |
| Function                       | Pay Head  | Effective From                 | From Amount | Amount Upto | Slab Type |
| Add Pay Head                   | Basic Pay | 1-Apr-2009                     |             |             |           |

Figure 22.26 Compute sub-screen

The pay head drop-down box contains pay heads already created. If any pay head(s) is a component for the given Pay Head, you may create the required Pay Head by pressing **Alt+C** from the above Pay Head field and make the necessary alterations in the required pay head.

- Select **End of List**



Figure 22.27 Compute: On Specified Formula sub-screen

- 29

| Pay Head Creation                                                                                                                                                                                                                                                              |             | Indus Solutions Pvt. Ltd. |                                                                                                                                                                                                                                                                                                                                                                                       | Ctrl + M         |  |                |             |             |           |             |            |  |  |            |                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|--|----------------|-------------|-------------|-----------|-------------|------------|--|--|------------|------------------|
| Name : House Rent Allowance<br>(alias) :                                                                                                                                                                                                                                       |             |                           | Total Op. Bal.                                                                                                                                                                                                                                                                                                                                                                        |                  |  |                |             |             |           |             |            |  |  |            |                  |
| <b>Pay Head Info</b><br>Pay Head Type : Earnings for Employees<br>Under : Indirect Expenses<br><br>Affect Net Salary ? Yes<br>Name to appear in Payslip : House Rent Allowance<br>Use for Gratuity ? No<br>Calculation Type : As Computed Value<br>Calculation Period : Months |             |                           | <b>Computation Info</b><br>Compute : On Specified Formula<br>Specified Formula : Basic Pay<br><br><table border="1"> <thead> <tr> <th>Effective From</th> <th>From Amount</th> <th>Amount Upto</th> <th>Slab Type</th> <th>Value Basis</th> </tr> </thead> <tbody> <tr> <td>1-Apr-2009</td> <td></td> <td></td> <td>Percentage</td> <td>Percentage Value</td> </tr> </tbody> </table> |                  |  | Effective From | From Amount | Amount Upto | Slab Type | Value Basis | 1-Apr-2009 |  |  | Percentage | Percentage Value |
| Effective From                                                                                                                                                                                                                                                                 | From Amount | Amount Upto               | Slab Type                                                                                                                                                                                                                                                                                                                                                                             | Value Basis      |  |                |             |             |           |             |            |  |  |            |                  |
| 1-Apr-2009                                                                                                                                                                                                                                                                     |             |                           | Percentage                                                                                                                                                                                                                                                                                                                                                                            | Percentage Value |  |                |             |             |           |             |            |  |  |            |                  |
| <b>Rounding Info</b><br>Rounding Method : Normal Rounding      Limit : 1                                                                                                                                                                                                       |             |                           |                                                                                                                                                                                                                                                                                                                                                                                       |                  |  |                |             |             |           |             |            |  |  |            |                  |
| Opening Balance (on 1-Apr-2009) :                                                                                                                                                                                                                                              |             |                           |                                                                                                                                                                                                                                                                                                                                                                                       |                  |  |                |             |             |           |             |            |  |  |            |                  |

Figure 22.28 Pay Head Creation screen - Slab Type selection

**Slab Type Details:**

- ❑ **Percentage** – This Slab rate is used when the amount is stated as a proportion of a whole.
- ❑ **Value** – This Slab rate is used when the amount is stated as absolute value.

15. Specify **40%** in the **Value Basis** field and press **Enter**

| Pay Head Creation                                                                                                                                                                                                                                                                                                           |  | Indus Solutions Pvt. Ltd. |                                                                                                          |             |             |                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------|----------------------------------------------------------------------------------------------------------|-------------|-------------|----------------|
| Name : <b>House Rent Allowance</b><br>(alias) :                                                                                                                                                                                                                                                                             |  |                           |                                                                                                          |             |             | Total Op. Bal. |
| <b>Pay Head Info</b><br>Pay Head Type : <b>Earnings for Employees</b><br>Under : <b>Indirect Expenses</b><br>Affect Net Salary ? <b>Yes</b><br>Name to appear in Payslip : <b>House Rent Allowance</b><br>Use for Gratuity ? <b>No</b><br>Calculation Type : <b>As Computed Value</b><br>Calculation Period : <b>Months</b> |  |                           | <b>Computation Info</b><br>Compute : <b>On Specified Formula</b><br>Specified Formula : <b>Basic Pay</b> |             |             |                |
|                                                                                                                                                                                                                                                                                                                             |  |                           | Effective From                                                                                           | From Amount | Amount Upto | Slab Type      |
|                                                                                                                                                                                                                                                                                                                             |  |                           | 1-Apr-2009                                                                                               |             |             | Percentage     |
|                                                                                                                                                                                                                                                                                                                             |  |                           |                                                                                                          |             |             | 40 %           |
| <b>Rounding Info</b><br>Rounding Method : <b>Normal Rounding</b> Limit : <b>1</b>                                                                                                                                                                                                                                           |  |                           |                                                                                                          |             |             |                |
| Opening Balance ( on 1-Apr-2009 ) :                                                                                                                                                                                                                                                                                         |  |                           |                                                                                                          |             |             |                |

Figure 22.29 Pay Head Creation - Value Basis screen

The completed **House Rent Allowance (HRA) Pay Head Creation** screen is displayed as shown.

| Pay Head Creation                                                                                                                                                                                                                                                                                                                   |  | Indus Solutions Pvt. Ltd. |                                                                                                          |             |             |                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------|----------------------------------------------------------------------------------------------------------|-------------|-------------|--------------------------------------------|
| Name : <b>House Rent Allowance</b><br>(alias) :                                                                                                                                                                                                                                                                                     |  |                           |                                                                                                          |             |             | Total Op. Bal.                             |
| <b>Pay Head Info</b><br>Pay Head Type : <b>Earnings for Employees</b><br>Under : <b>Indirect Expenses</b><br><br>Affect Net Salary ? <b>Yes</b><br>Name to appear in Payslip : <b>House Rent Allowance</b><br>Use for Gratuity ? <b>No</b><br>Calculation Type : <b>As Computed Value</b><br><br>Calculation Period : <b>Months</b> |  |                           | <b>Computation Info</b><br>Compute : <b>On Specified Formula</b><br>Specified Formula : <b>Basic Pay</b> |             |             |                                            |
|                                                                                                                                                                                                                                                                                                                                     |  |                           | Effective From                                                                                           | From Amount | Amount Upto | Slab Type                                  |
|                                                                                                                                                                                                                                                                                                                                     |  |                           | 1-Apr-2009                                                                                               |             |             | Percentage                                 |
|                                                                                                                                                                                                                                                                                                                                     |  |                           | Value Basis                                                                                              |             |             |                                            |
|                                                                                                                                                                                                                                                                                                                                     |  |                           | 40 %                                                                                                     |             |             |                                            |
| <b>Rounding Info</b><br>Rounding Method : <b>Normal Rounding</b> Limit : <b>1</b>                                                                                                                                                                                                                                                   |  |                           |                                                                                                          |             |             |                                            |
| Opening Balance ( on 1-Apr-2009 ) :                                                                                                                                                                                                                                                                                                 |  |                           |                                                                                                          |             |             | <b>Accept ?</b><br><b>Yes</b> or <b>No</b> |

Figure 22.30 Completed HRA Pay Head Creation screen

16. Press **Enter** to **Accept** the screen

### iii. Conveyance Pay Head Creation

Create the **Conveyance** Pay Head with **Calculation Type** as **Flat Rate**.

The completed **Conveyance Pay Head Creation** screen is displayed as shown.

| Pay Head Creation                                                                                                                                                                                                                                                                                                                            |  | Indus Solutions Pvt. Ltd.                             |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------|--|
| Name : <b>Conveyance</b>                                                                                                                                                                                                                                                                                                                     |  | <b>Total Op. Bal.</b>                                 |  |
| (alias) :                                                                                                                                                                                                                                                                                                                                    |  |                                                       |  |
| <p><b>Pay Head Info</b></p> <p>Pay Head Type : <b>Earnings for Employees</b></p> <p>Under : <b>Indirect Expenses</b></p> <p>Affect Net Salary ? <b>Yes</b></p> <p>Name to appear in Payslip : <b>Conveyance</b></p> <p>Use for Gratuity ? <b>No</b></p> <p>Calculation Type : <b>Flat Rate</b></p> <p>Calculation Period : <b>Months</b></p> |  |                                                       |  |
| <p><b>Rounding Info</b></p> <p>Rounding Method : <b>Normal Rounding</b> Limit : <b>1</b></p>                                                                                                                                                                                                                                                 |  |                                                       |  |
| <p>Opening Balance ( on 1-Apr-2009 ) :</p>                                                                                                                                                                                                                                                                                                   |  |                                                       |  |
|                                                                                                                                                                                                                                                                                                                                              |  | <p><b>Accept ?</b></p> <p><b>Yes</b> or <b>No</b></p> |  |

Figure 22.31 Conveyance Pay Head Creation

- Press **Enter** to **Accept** the screen

#### iv. Overtime Pay Head Creation

Create the **Overtime** Pay Head with **Calculation Type** as **Production**.

The completed **Overtime Pay Head Creation** screen is displayed as shown.

| Pay Head Creation                       |                          | Indus Solutions Pvt. Ltd. |                |
|-----------------------------------------|--------------------------|---------------------------|----------------|
| Name : <b>Overtime Pay</b><br>(alias) : |                          |                           | Total Op. Bal. |
| <b>Pay Head Info</b>                    |                          |                           |                |
| Pay Head Type                           | : Earnings for Employees |                           |                |
| Under                                   | : Indirect Expenses      |                           |                |
| Affect Net Salary                       | ? Yes                    |                           |                |
| Name to appear in Payslip               | : Overtime Pay           |                           |                |
| Use for Gratuity                        | ? No                     |                           |                |
| Calculation Type                        | : On Production          |                           |                |
| Production Type                         | ? Overtime               |                           |                |
| <b>Rounding Info</b>                    |                          |                           |                |
| Rounding Method                         | : Normal Rounding        | Limit                     | : 1            |
| Opening Balance ( on 1-Apr-2009 ) :     |                          |                           | Accept ?       |
|                                         |                          |                           | Yes or No      |

Figure 22.32 Overtime Pay Head Creation screen

- Press **Enter** to **Accept** the screen

#### v. Variable Pay Head Creation

Similarly, create the **Variable Pay Head** with **Calculation Type** as **User Defined Value**.

| Pay Head Creation                                                                                                                                                                                                                           |                | Indus Solutions Pvt. Ltd. |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------|--|
| Name                                                                                                                                                                                                                                        | : Variable Pay | Total Op. Bal.            |  |
| (alias)                                                                                                                                                                                                                                     | :              |                           |  |
| <b>Pay Head Info</b><br>Pay Head Type : Earnings for Employees<br>Under : Indirect Expenses<br><br>Affect Net Salary ? Yes<br>Name to appear in Payslip : Variable Pay<br>Use for Gratuity ? No<br>Calculation Type : As User Defined Value |                |                           |  |
| Opening Balance ( on 1-Apr-2009 ) :                                                                                                                                                                                                         |                | Accept ?                  |  |
|                                                                                                                                                                                                                                             |                | Yes or No                 |  |

Figure 22.33 Variable Pay Head Creation

## II. Deduction Pay Heads

Create the following Deductions Pay Heads.

| Pay Head Name                    | Pay Head Type                   | Statutory Pay Type    | Under               | Affect Net Salary | Name to Appear in Payslip | Calculation Type  | Computation Method   |
|----------------------------------|---------------------------------|-----------------------|---------------------|-------------------|---------------------------|-------------------|----------------------|
| Employees' PF Contribution @ 12% | Employees' Statutory Deductions | PF Account (A/c No.1) | Current Liabilities | Yes               | EPF @ 12%                 | As Computed Value | On Specified Formula |

| Pay Head Name                       | Pay Head Type                   | Statutory Pay Type       | Under               | Affect Net Salary | Name to Appear in Payslip | Calculation Type     | Computation Method                                                                                |
|-------------------------------------|---------------------------------|--------------------------|---------------------|-------------------|---------------------------|----------------------|---------------------------------------------------------------------------------------------------|
| Employees' ESI Contribution @ 1.75% | Employees' Statutory Deductions | Employee State Insurance | Current Liabilities | Yes               | ESI @ 1.75%               | On Specified Formula | Basic Pay + House Rent Allowance + Conveyance + Overtime Pay (or Current Earnings - Variable Pay) |
| Professional Tax                    | Employees' Statutory Deductions | Professional Tax         | Current Liabilities | Yes               | Professional Tax          | As Computed Value    | On Current Earnings Total                                                                         |

#### i. Employee's PF Contribution @ 12% Pay Head Creation

Go to **Gateway of Tally > Payroll Info. > Pay Heads > Create**

In the **Pay Head Creation** screen,

1. Type **Employee's PF Contribution @ 12%** as the **Name** of the Pay Head
2. Select **Employees' Statutory Deductions** in the field **Pay Head Type** and press **Enter**



| Pay Head Creation                                                          |                                    | Indus Solutions Pvt. Ltd.                                                                                                                                                                                                                                                                                                                                                                                          |  |
|----------------------------------------------------------------------------|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Name                                                                       | : Employee's PF Contribution @ 12% |                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
| (alias)                                                                    | :                                  |                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
|                                                                            |                                    | Total Op. Bal.                                                                                                                                                                                                                                                                                                                                                                                                     |  |
|                                                                            |                                    |                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
|                                                                            |                                    | <div> <div>List of Pay Head Types</div> <ul style="list-style-type: none"> <li>Not Applicable</li> <li>Bonus</li> <li>Deductions from Employees</li> <li>Earnings for Employees</li> <li><b>Employees' Statutory Deductions</b></li> <li>Employer's Other Charges</li> <li>Employer's Statutory Contributions</li> <li>Gratuity</li> <li>Loans and Advances</li> <li>Reimbursements to Employees</li> </ul> </div> |  |
| <div> <div>Pay Head Info</div> <div> Pay Head Type<br/>Under </div> </div> |                                    | <div> <div>Earnings for Employees</div> <div>Direct Expenses</div> </div>                                                                                                                                                                                                                                                                                                                                          |  |
| Affect Net Salary                                                          | ? Yes                              |                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
| Name to appear in Payslip                                                  | : Employee's PF Contribution @ 12% |                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
| Use for Gratuity                                                           | ? No                               |                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
| Calculation Type                                                           | : As User Defined Value            |                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
| Opening Balance (on 1-Apr-2009) :                                          |                                    |                                                                                                                                                                                                                                                                                                                                                                                                                    |  |

Figure 22.34 Employees' PF Contribution @ 12% Pay Head Creation

3. Select **PF Account (A/c No. 1)** in the **Statutory Pay Type** field as shown

Figure 22.35 Employees' PF Contribution @ 12% Statutory Pay Type selection

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Figure 22.36 Deduction Pay Head Creation screen – Compute On selection

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| Pay Head Creation                                                                                                                                                                                                                                                                                                                                   |  | Indus Solutions Pvt. Ltd. |                                                                                                          |             |             |                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------|----------------------------------------------------------------------------------------------------------|-------------|-------------|----------------|
| Name : <b>Employee's PF Contribution @ 12%</b><br>(alias) :                                                                                                                                                                                                                                                                                         |  |                           |                                                                                                          |             |             | Total Op. Bal. |
| <b>Pay Head Info</b><br>Pay Head Type : <b>Employees' Statutory Deductions</b><br>Statutory Pay Type : <b>PF Account (A/c No. 1)</b><br>Under : <b>Current Liabilities</b><br>Affect Net Salary : <b>? Yes</b><br>Name to appear in Payslip : <b>EPF @ 12%</b><br>Calculation Type : <b>As Computed Value</b><br>Calculation Period : <b>Months</b> |  |                           | <b>Computation Info</b><br>Compute : <b>On Specified Formula</b><br>Specified Formula : <b>Basic Pay</b> |             |             |                |
|                                                                                                                                                                                                                                                                                                                                                     |  |                           | Effective From                                                                                           | From Amount | Amount Upto | Slab Type      |
|                                                                                                                                                                                                                                                                                                                                                     |  |                           | 1-Apr-2009                                                                                               |             | 6,500.00    |                |
| <b>Rounding Info</b><br>Rounding Method : <b>Normal Rounding</b> Limit : <b>1</b>                                                                                                                                                                                                                                                                   |  |                           |                                                                                                          |             |             |                |
| Opening Balance ( on 1-Apr-2009 ) :                                                                                                                                                                                                                                                                                                                 |  |                           |                                                                                                          |             |             |                |

Figure 22.37 Deduction Pay Head Creation – Computation Info.

15. Select **Percentage** as the **Slab Type** from the **List of Slabs**
16. Specify **12%** as the **Value Basis Percentage** and press **Enter** (the **From Amount** is defaulted as **6500**)
17. Press **Enter** to accept the upper level as **0** and select **Value** as the **Slab Type** from the **List of Slabs**
18. Specify Rs. **780** in the **Value Basis** field and then press **Enter**

| Pay Head Creation                                                                                                                                                                                                                                                                                                                                   |  | Indus Solutions Pvt. Ltd. |                                                                                                          |             |             |                  |             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------|----------------------------------------------------------------------------------------------------------|-------------|-------------|------------------|-------------|
| Name : <b>Employee's PF Contribution @ 12%</b><br>(alias) :                                                                                                                                                                                                                                                                                         |  |                           |                                                                                                          |             |             | Total Op. Bal.   |             |
| <b>Pay Head Info</b><br>Pay Head Type : <b>Employees' Statutory Deductions</b><br>Statutory Pay Type : <b>PF Account (A/c No. 1)</b><br>Under : <b>Current Liabilities</b><br>Affect Net Salary : <b>? Yes</b><br>Name to appear in Payslip : <b>EPF @ 12%</b><br>Calculation Type : <b>As Computed Value</b><br>Calculation Period : <b>Months</b> |  |                           | <b>Computation Info</b><br>Compute : <b>On Specified Formula</b><br>Specified Formula : <b>Basic Pay</b> |             |             |                  |             |
|                                                                                                                                                                                                                                                                                                                                                     |  |                           | Effective From                                                                                           | From Amount | Amount Upto | Slab Type        | Value Basis |
|                                                                                                                                                                                                                                                                                                                                                     |  |                           | 1-Apr-2009                                                                                               | 6,500.00    | 6,500.00    | Percentage Value | 12 %        |
|                                                                                                                                                                                                                                                                                                                                                     |  |                           |                                                                                                          |             |             |                  | <b>780</b>  |
| <b>Rounding Info</b><br>Rounding Method : <b>Normal Rounding</b> Limit : <b>1</b>                                                                                                                                                                                                                                                                   |  |                           |                                                                                                          |             |             |                  |             |
| <b>Opening Balance ( on 1-Apr-2009 ) :</b>                                                                                                                                                                                                                                                                                                          |  |                           |                                                                                                          |             |             |                  |             |

Figure 22.38 Deduction Pay Head Creation screen with Value Basis

19.Press **Enter** twice

The completed **Employee's PF Contribution @ 12% Pay Head Creation** screen is displayed as shown:

| Pay Head Creation                                                                                                                                                                                                                                                                                                                                           |  | Indus Solutions Pvt. Ltd. |                                                                                                          |             |             |                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------|----------------------------------------------------------------------------------------------------------|-------------|-------------|------------------------------|
| Name : <b>Employee's PF Contribution @ 12%</b><br>(alias) :                                                                                                                                                                                                                                                                                                 |  |                           |                                                                                                          |             |             | Total Op. Bal.               |
| <b>Pay Head Info</b><br>Pay Head Type : <b>Employees' Statutory Deductions</b><br>Statutory Pay Type : <b>PF Account (A/c No. 1)</b><br>Under : <b>Current Liabilities</b><br><br>Affect Net Salary : <b>? Yes</b><br>Name to appear in Payslip : <b>EPF @ 12%</b><br><br>Calculation Type : <b>As Computed Value</b><br>Calculation Period : <b>Months</b> |  |                           | <b>Computation Info</b><br>Compute : <b>On Specified Formula</b><br>Specified Formula : <b>Basic Pay</b> |             |             |                              |
|                                                                                                                                                                                                                                                                                                                                                             |  |                           | Effective From                                                                                           | From Amount | Amount Upto | Slab Type                    |
|                                                                                                                                                                                                                                                                                                                                                             |  |                           | 1-Apr-2009                                                                                               |             | 6,500.00    | Percentage Value             |
|                                                                                                                                                                                                                                                                                                                                                             |  |                           |                                                                                                          | 6,500.00    |             | 12 % 780                     |
| <b>Rounding Info</b><br>Rounding Method : <b>Normal Rounding</b> Limit : <b>1</b>                                                                                                                                                                                                                                                                           |  |                           |                                                                                                          |             |             |                              |
| Opening Balance ( on 1-Apr-2009 ) :                                                                                                                                                                                                                                                                                                                         |  |                           |                                                                                                          |             |             | <b>Accept ?</b><br>Yes or No |

Figure 22.39 Completed Employee's PF @ 12% Pay Head Creation screen

20. Press **Enter** to **Accept** the screen

## ii. Employee's ESI Contribution @ 1.75% Pay Head Creation

Create **Employee's State Insurance (ESI) Pay Head** as discussed.

In the **Pay Head Creation** screen,

1. Type **Employee's ESI Contribution @ 1.75%** as the **Name** of the Pay Head
2. Select **Employees' Statutory Deductions** in the field **Pay Head Type**
3. Select **ESI** in the field **Statutory Pay Type**
4. Specify the group as **Current Liabilities** in the field **Under** and press **Enter**
5. Set **Affect Net Salary** to **Yes**
6. Specify **ESI @ 1.75%** in the field **Name to appear in Payslip**
7. **As Computed Value** appears by default in the field **Calculation Type**
8. Select the option **Normal Rounding** as the **Rounding Method**. Specify **1** as the rounding **Limit** and press **Enter**
9. Select **On Specified Formula** in the field **Compute** and press **Enter**

| Pay Head Creation                                                                                                                                                                                                                                                                                      |       | Indus Solutions Pvt. Ltd.   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Total Op. Bal. |                |       |                |             |            |  |                             |  |  |  |                           |  |  |  |                     |     |                      |  |  |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|-------|----------------|-------------|------------|--|-----------------------------|--|--|--|---------------------------|--|--|--|---------------------|-----|----------------------|--|--|--|
| Name : Employee's ESI Contribution @ 1.75%                                                                                                                                                                                                                                                             |       |                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                |                |       |                |             |            |  |                             |  |  |  |                           |  |  |  |                     |     |                      |  |  |  |
| (alias) :                                                                                                                                                                                                                                                                                              |       |                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                |                |       |                |             |            |  |                             |  |  |  |                           |  |  |  |                     |     |                      |  |  |  |
|                                                                                                                                                                                                                                                                                                        |       |                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                |                |       |                |             |            |  |                             |  |  |  |                           |  |  |  |                     |     |                      |  |  |  |
| <b>Pay Head Info</b><br>Pay Head Type : Employees' Statutory Deductions<br>Statutory Pay Type : Employee State Insurance<br>Under : Current Liabilities<br>Affect Net Salary : ? Yes<br>Name to appear in Payslip : ESI @ 1.75%<br>Calculation Type : As Computed Value<br>Calculation Period : Months |       |                             | <b>Computation Info</b><br>Compute :<br>Specified Formula :<br><table border="1"> <thead> <tr> <th>Effective From</th> <th>Fr Am</th> <th>Computation On</th> <th>value Basis</th> </tr> </thead> <tbody> <tr> <td>1-Apr-2009</td> <td></td> <td>On Current Deductions Total</td> <td></td> </tr> <tr> <td></td> <td></td> <td>On Current Earnings Total</td> <td></td> </tr> <tr> <td></td> <td></td> <td>On Current SubTotal</td> <td>0 %</td> </tr> <tr> <td colspan="3">On Specified Formula</td> <td></td> </tr> </tbody> </table> |                | Effective From | Fr Am | Computation On | value Basis | 1-Apr-2009 |  | On Current Deductions Total |  |  |  | On Current Earnings Total |  |  |  | On Current SubTotal | 0 % | On Specified Formula |  |  |  |
| Effective From                                                                                                                                                                                                                                                                                         | Fr Am | Computation On              | value Basis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                |                |       |                |             |            |  |                             |  |  |  |                           |  |  |  |                     |     |                      |  |  |  |
| 1-Apr-2009                                                                                                                                                                                                                                                                                             |       | On Current Deductions Total |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                |                |       |                |             |            |  |                             |  |  |  |                           |  |  |  |                     |     |                      |  |  |  |
|                                                                                                                                                                                                                                                                                                        |       | On Current Earnings Total   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                |                |       |                |             |            |  |                             |  |  |  |                           |  |  |  |                     |     |                      |  |  |  |
|                                                                                                                                                                                                                                                                                                        |       | On Current SubTotal         | 0 %                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                |       |                |             |            |  |                             |  |  |  |                           |  |  |  |                     |     |                      |  |  |  |
| On Specified Formula                                                                                                                                                                                                                                                                                   |       |                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                |                |       |                |             |            |  |                             |  |  |  |                           |  |  |  |                     |     |                      |  |  |  |
| <b>Rounding Info</b><br>Rounding Method : Normal Rounding Limit : 1                                                                                                                                                                                                                                    |       |                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                |                |       |                |             |            |  |                             |  |  |  |                           |  |  |  |                     |     |                      |  |  |  |
| Opening Balance ( on 1-Apr-2009) :                                                                                                                                                                                                                                                                     |       |                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                |                |       |                |             |            |  |                             |  |  |  |                           |  |  |  |                     |     |                      |  |  |  |

Figure 22.40 Employee's ESI Pay Head creation screen - Compute On Selection

10. In the **Compute On** Sub-screen, subscreen,

- ❑ Select **Basic Pay** as the **Add Pay Head** function and press **Enter**
- ❑ Select **House Rent Allowance** as the second Pay Head in the **Add Pay Head** Function
- ❑ Similarly, select **Conveyance** and **Overtime Pay** as the **Add Pay Head** function

**Computation On Specified Formula** Indus Solutions Pvt. Ltd. Ctrl + M

Name : Employee's ESI Contribution @ 1.75%  
(alias)

**List of Pay Heads**

Basic Pay  
Conveyance  
Employee's PF Contribution @ 12%  
House Rent Allowance  
**Overtime Pay**  
Variable Pay

Compute : On Specified Formula

| Function     | Pay Head             |
|--------------|----------------------|
| Add Pay Head | Basic Pay            |
| Add Pay Head | House Rent Allowance |
| Add Pay Head | Conveyance           |
| Add Pay Head | Overtime Pay         |

Compute : On Specified Formula  
Specified Formula :  $\{Basic Pay + House Rent Allowance\} + Overtime Pay$

| Effective From | From Amount | Amount Upto | Slab Type  |
|----------------|-------------|-------------|------------|
| 1-Apr-2009     |             |             | Percentage |

Effective From : 1-Apr-2009

Figure 22.41 Employee's ESI Pay Head creation screen - Add Pay Head selection

- Select **End of List** and press **Enter**



*Any income of a regular nature will be subject to ESI calculation viz., Basic Pay, Dearness Allowance, House Rent Allowance, Conveyance, Overtime etc.*

- Specify **1-4-2009** as the **Effective From** date
- The **From Amount** and **Amount Upto** fields are skipped as the amount is already entered in the **Statutory & Taxation** screen
- Select **Percentage** as the **Slab Type** from the **List of Slabs**
- Specify **1.75%** as the **Value Basis Percentage** and press **Enter**

The Pay Head creation screen appears as shown:



| Pay Head Creation                                                                                                                                                                                                                                                                                            |             | Indus Solutions Pvt. Ltd. |                                                                                                                                                                                                                                                                                                                                                                                                                                | Total Op. Bal. |  |                |             |             |           |             |            |  |  |            |        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--|----------------|-------------|-------------|-----------|-------------|------------|--|--|------------|--------|
| Name : Employee's ESI Contribution @ 1.75%                                                                                                                                                                                                                                                                   |             |                           |                                                                                                                                                                                                                                                                                                                                                                                                                                |                |  |                |             |             |           |             |            |  |  |            |        |
| (alias) :                                                                                                                                                                                                                                                                                                    |             |                           |                                                                                                                                                                                                                                                                                                                                                                                                                                |                |  |                |             |             |           |             |            |  |  |            |        |
|                                                                                                                                                                                                                                                                                                              |             |                           |                                                                                                                                                                                                                                                                                                                                                                                                                                |                |  |                |             |             |           |             |            |  |  |            |        |
| <b>Pay Head Info</b><br>Pay Head Type : Employees' Statutory Deductions<br>Statutory Pay Type : Employee State Insurance<br>Under : Current Liabilities<br><br>Affect Net Salary ? Yes<br>Name to appear in Payslip : ESI @ 1.75%<br><br>Calculation Type : As Computed Value<br>Calculation Period : Months |             |                           | <b>Computation Info</b><br>Compute : On Specified Formula<br>Specified Formula : ((Basic Pay + House Rent Allowance) + Conveyance) + Overtime Pay<br><table border="1"> <thead> <tr> <th>Effective From</th> <th>From Amount</th> <th>Amount Upto</th> <th>Slab Type</th> <th>Value Basis</th> </tr> </thead> <tbody> <tr> <td>1-Apr-2009</td> <td></td> <td></td> <td>Percentage</td> <td>1.75 %</td> </tr> </tbody> </table> |                |  | Effective From | From Amount | Amount Upto | Slab Type | Value Basis | 1-Apr-2009 |  |  | Percentage | 1.75 % |
| Effective From                                                                                                                                                                                                                                                                                               | From Amount | Amount Upto               | Slab Type                                                                                                                                                                                                                                                                                                                                                                                                                      | Value Basis    |  |                |             |             |           |             |            |  |  |            |        |
| 1-Apr-2009                                                                                                                                                                                                                                                                                                   |             |                           | Percentage                                                                                                                                                                                                                                                                                                                                                                                                                     | 1.75 %         |  |                |             |             |           |             |            |  |  |            |        |
| <b>Rounding Info</b><br>Rounding Method : Normal Rounding      Limit : 1                                                                                                                                                                                                                                     |             |                           |                                                                                                                                                                                                                                                                                                                                                                                                                                |                |  |                |             |             |           |             |            |  |  |            |        |
| Opening Balance ( on 1-Apr-2009) :                                                                                                                                                                                                                                                                           |             |                           |                                                                                                                                                                                                                                                                                                                                                                                                                                |                |  |                |             |             |           |             |            |  |  |            |        |

Figure 22.42 Employee's ESI Pay Head creation screen – Slab Rate

The completed **ESI – Employee's Contribution Pay Head Creation** screen is displayed as shown:

| Pay Head Creation                                                                                                                                                                                                                                                                                                                                             |             | Indus Solutions Pvt. Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                    |            |             |  |  |                |             |             |           |             |            |  |  |            |        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------|--|--|----------------|-------------|-------------|-----------|-------------|------------|--|--|------------|--------|
| Name : <b>Employee's ESI Contribution @ 1.75%</b><br>(alias) :                                                                                                                                                                                                                                                                                                |             | Total Op. Bal.                                                                                                                                                                                                                                                                                                                                                                                                                               |            |             |  |  |                |             |             |           |             |            |  |  |            |        |
| <b>Pay Head Info</b><br>Pay Head Type : <b>Employees' Statutory Deductions</b><br>Statutory Pay Type : <b>Employee State Insurance</b><br>Under : <b>Current Liabilities</b><br><br>Affect Net Salary ? <b>Yes</b><br>Name to appear in Payslip : <b>ESI @ 1.75%</b><br><br>Calculation Type : <b>As Computed Value</b><br>Calculation Period : <b>Months</b> |             | <b>Computation Info</b><br>Compute : <b>On Specified Formula</b><br>Specified Formula : <b>((Basic Pay + House Rent Allowance) + Conveyance) + Overtime Pay</b><br><table border="1"> <thead> <tr> <th>Effective From</th> <th>From Amount</th> <th>Amount Upto</th> <th>Slab Type</th> <th>Value Basis</th> </tr> </thead> <tbody> <tr> <td>1-Apr-2009</td> <td></td> <td></td> <td>Percentage</td> <td>1.75 %</td> </tr> </tbody> </table> |            |             |  |  | Effective From | From Amount | Amount Upto | Slab Type | Value Basis | 1-Apr-2009 |  |  | Percentage | 1.75 % |
| Effective From                                                                                                                                                                                                                                                                                                                                                | From Amount | Amount Upto                                                                                                                                                                                                                                                                                                                                                                                                                                  | Slab Type  | Value Basis |  |  |                |             |             |           |             |            |  |  |            |        |
| 1-Apr-2009                                                                                                                                                                                                                                                                                                                                                    |             |                                                                                                                                                                                                                                                                                                                                                                                                                                              | Percentage | 1.75 %      |  |  |                |             |             |           |             |            |  |  |            |        |
| <b>Rounding Info</b><br>Rounding Method : <b>Normal Rounding</b> Limit : <b>1</b>                                                                                                                                                                                                                                                                             |             | Opening Balance ( on 1-Apr-2009 ) :                                                                                                                                                                                                                                                                                                                                                                                                          |            |             |  |  |                |             |             |           |             |            |  |  |            |        |
|                                                                                                                                                                                                                                                                                                                                                               |             |                                                                                                                                                                                                                                                                                                                                                                                                                                              |            |             |  |  |                |             |             |           |             |            |  |  |            |        |
|                                                                                                                                                                                                                                                                                                                                                               |             | <b>Accept ?</b><br><b>Yes or No</b>                                                                                                                                                                                                                                                                                                                                                                                                          |            |             |  |  |                |             |             |           |             |            |  |  |            |        |

Figure 22.43 Completed ESI – Employee's Contribution Pay Head Creation screen

15. Press **Enter** to **Accept** the screen.

### iii. Professional Tax Pay Head Creation

Create **Professional Tax Pay Head** ledger with the required Slab rates.

The completed **Professional Tax Pay Head Creation** screen is displayed as shown:

| Pay Head Creation                                                                                                                                                                                                                                                                                                                                 |             | Indus Solutions Pvt. Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |           | Total Op. Bal. |  |                |             |             |           |             |            |  |          |       |   |  |          |          |       |    |  |          |           |       |     |  |           |           |       |     |  |           |  |       |     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------|--|----------------|-------------|-------------|-----------|-------------|------------|--|----------|-------|---|--|----------|----------|-------|----|--|----------|-----------|-------|-----|--|-----------|-----------|-------|-----|--|-----------|--|-------|-----|
| Name : Professional Tax<br>(alias) :                                                                                                                                                                                                                                                                                                              |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |           |                |  |                |             |             |           |             |            |  |          |       |   |  |          |          |       |    |  |          |           |       |     |  |           |           |       |     |  |           |  |       |     |
| <b>Pay Head Info</b><br>Pay Head Type : Employees' Statutory Deductions<br>Statutory Pay Type : Professional Tax<br>Registration Number : KA/PT/53487520<br>Under : Current Liabilities<br><br>Affect Net Salary ? Yes<br>Name to appear in Payslip : Professional Tax<br><br>Calculation Type : As Computed Value<br>Calculation Period : Months |             | <b>Computation Info</b><br>Compute : On Current Earnings Total<br><table border="1"> <thead> <tr> <th>Effective From</th> <th>From Amount</th> <th>Amount Upto</th> <th>Slab Type</th> <th>Value Basis</th> </tr> </thead> <tbody> <tr> <td>1-Apr-2009</td> <td></td> <td>5,000.00</td> <td>Value</td> <td>0</td> </tr> <tr> <td></td> <td>5,000.00</td> <td>8,000.00</td> <td>Value</td> <td>60</td> </tr> <tr> <td></td> <td>8,000.00</td> <td>10,000.00</td> <td>Value</td> <td>100</td> </tr> <tr> <td></td> <td>10,000.00</td> <td>15,000.00</td> <td>Value</td> <td>150</td> </tr> <tr> <td></td> <td>15,000.00</td> <td></td> <td>Value</td> <td>200</td> </tr> </tbody> </table> |           |                |  | Effective From | From Amount | Amount Upto | Slab Type | Value Basis | 1-Apr-2009 |  | 5,000.00 | Value | 0 |  | 5,000.00 | 8,000.00 | Value | 60 |  | 8,000.00 | 10,000.00 | Value | 100 |  | 10,000.00 | 15,000.00 | Value | 150 |  | 15,000.00 |  | Value | 200 |
| Effective From                                                                                                                                                                                                                                                                                                                                    | From Amount | Amount Upto                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Slab Type | Value Basis    |  |                |             |             |           |             |            |  |          |       |   |  |          |          |       |    |  |          |           |       |     |  |           |           |       |     |  |           |  |       |     |
| 1-Apr-2009                                                                                                                                                                                                                                                                                                                                        |             | 5,000.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Value     | 0              |  |                |             |             |           |             |            |  |          |       |   |  |          |          |       |    |  |          |           |       |     |  |           |           |       |     |  |           |  |       |     |
|                                                                                                                                                                                                                                                                                                                                                   | 5,000.00    | 8,000.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Value     | 60             |  |                |             |             |           |             |            |  |          |       |   |  |          |          |       |    |  |          |           |       |     |  |           |           |       |     |  |           |  |       |     |
|                                                                                                                                                                                                                                                                                                                                                   | 8,000.00    | 10,000.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Value     | 100            |  |                |             |             |           |             |            |  |          |       |   |  |          |          |       |    |  |          |           |       |     |  |           |           |       |     |  |           |  |       |     |
|                                                                                                                                                                                                                                                                                                                                                   | 10,000.00   | 15,000.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Value     | 150            |  |                |             |             |           |             |            |  |          |       |   |  |          |          |       |    |  |          |           |       |     |  |           |           |       |     |  |           |  |       |     |
|                                                                                                                                                                                                                                                                                                                                                   | 15,000.00   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Value     | 200            |  |                |             |             |           |             |            |  |          |       |   |  |          |          |       |    |  |          |           |       |     |  |           |           |       |     |  |           |  |       |     |
| <b>Rounding Info</b><br>Rounding Method : Normal Rounding      Limit : 1                                                                                                                                                                                                                                                                          |             | <b>Accept ?</b><br>Yes or No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |           |                |  |                |             |             |           |             |            |  |          |       |   |  |          |          |       |    |  |          |           |       |     |  |           |           |       |     |  |           |  |       |     |
| Opening Balance ( on 1-Apr-2009 ) :                                                                                                                                                                                                                                                                                                               |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |           |                |  |                |             |             |           |             |            |  |          |       |   |  |          |          |       |    |  |          |           |       |     |  |           |           |       |     |  |           |  |       |     |

Figure 22.44 Profession Tax Pay Head Creation

- Press **Enter** to **Accept**

### 22.2.5 Gratuity

Apart from the above Pay Heads, create Gratuity Expenses (Provisional) Account in order to get provisional Gratuity liability report for the employer at any given period.

**Gratuity** refers to the monetary benefit given by the employer to the employee at the end of the employment for the services rendered over a period of employment either by law or otherwise. It is calculated provisionally at the end of each financial period to assess the possible liability of the company towards its employees. A Gratuity Provisional Account is created to capture the details required for the calculation of gratuity. Gratuity is calculated based on select salary components.

The formula used for Gratuity calculation is as follows.

|                                               |   |                                                                                                 |   |                                                                           |
|-----------------------------------------------|---|-------------------------------------------------------------------------------------------------|---|---------------------------------------------------------------------------|
| Latest eligible salary*<br>for Gratuity       | × | Number of days pay<br>eligible for the total<br>months covered in the<br>respective slab period | × | Served period #<br>(in proportionate<br>years) in the<br>respective slabs |
| Number of days in a<br>month to be considered |   |                                                                                                 |   |                                                                           |



- \* **Eligible salary** refers to the sum of pay heads covered in the employee's latest pay structure, for the relevant period. The pay heads must be set to **Yes** for **Use for gratuity** and the Gratuity ledger should be part of the pay structure.
- # **Served period** is computed from the date of joining to the end date of calculation period. Served period may be proportionate such as 11 years 10 months and 5 days.
- When Served period covers more than one slab, the total of calculation of all slabs will constitute the gratuity provisional amount of the employee.

### Gratuity Pay Head Creation

| Ledger                          | Pay Head Type | Under                               |
|---------------------------------|---------------|-------------------------------------|
| Gratuity Expenses (Provisional) | Gratuity      | Provisions<br>(Current Liabilities) |

In the **Pay Head Creation** screen,

1. Type **Gratuity Expenses (Provisional)** as the **Name** of the Pay Head
2. Select **Gratuity** in the field **Pay Head Type**. The **Slab Rate details for Gratuity Calculation** screen are displayed.
3. In the **Gratuity Calculation** subscreen, specify the following details:
  - Specify **Gratuity Days of a Month** as **26**
  - Enter **1** and **60** (months) in the **From** and **To** fields under the **Number of Months** column
  - Specify **0** in the field **Eligibility days for Gratuity Calculation per year**
  - Similarly, select **61** and **120** in the **From** and **To** fields
  - Specify **15** in the **Eligibility days for Gratuity Calculation per year** field
  - Press **Enter** to accept **121** in the field **From**
  - Specify **15** in the field **Eligibility days for Gratuity Calculation per year**

The **Slab Rate Details for Gratuity** calculation screen is displayed as shown.

| Slab Rate details for Gratuity Calculation |     |                                                    |
|--------------------------------------------|-----|----------------------------------------------------|
| Gratuity Days of a Month                   |     | : 26                                               |
| Number of Months                           |     | Eligibility days for Gratuity Calculation per year |
| From:                                      | To: |                                                    |
| 1                                          | 60  | 0                                                  |
| 61                                         | 120 | 15                                                 |
| 121                                        | 0   | 15                                                 |
|                                            |     |                                                    |

Figure 22.45 Slab Rate Details for Gratuity Calculation screen

4. Press **Enter** to **Accept** the screen



**Gratuity parameter details:**

- ❑ **Gratuity days of a Month** – The number of days per calendar month varies from 28 to 31. In this case, you can apply a consistent period of 26 days (excluding 4 Sundays) for all employees irrespective of their month of leaving. It can also be fixed by law.
- ❑ **Number of months From and To** – This represents the months until which the eligible days are applicable in the Slab system, beginning from the date of joining.
- ❑ **Eligibility days for Gratuity Calculation per year** – This refers to the Number of days' pay given as gratuity for the entire slab. If the slab period has not ended, then the slab is applied based on the number of months covered in the previous slab. If the number of days eligible is zero (0), then the eligible days mentioned in the next slab are considered.

5. Specify the group as **Provisions (Current Liabilities)** in the field **Under** and press **Enter**

The completed **Gratuity Expenses (Provisional) Pay Head Creation** screen is displayed as shown.

| Pay Head Creation                                                                                                                                                                                                                                                                               |  | Indus Solutions Pvt. Ltd. |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------|
| Name : Gratuity Expenses (Provisional)<br>(alias) :                                                                                                                                                                                                                                             |  | Total Op. Bal.            |
|                                                                                                                                                                                                                                                                                                 |  |                           |
| <div> <div> <b>Pay Head Info</b><br/>           Pay Head Type : Gratuity<br/>           Under : Provisions<br/>                             (Current Liabilities)         </div> <div> <b>Rounding Info</b><br/>           Rounding Method : Normal Rounding    Limit : 1         </div> </div> |  |                           |
| Opening Balance ( on 1-Apr-2009 ) :                                                                                                                                                                                                                                                             |  | Accept ?<br>Yes or No     |

Figure 22.46 Gratuity Expenses Ledger Creation screen

6. Press **Enter** to **Accept** the screen.

### 22.2.6 Salary Details Setup

The Salary Details masters contain information on the Employee Group/ individual employee pay structure, comprising both earnings and deductions pay components for the applicable period.

Businesses having a common pay structure for a particular department or division or set of employees can define salary details for an employee group and classify individual employees under the specified group to inherit the parent pay values. The Employee Group master prefills the parent group values to the individual employee masters created under them. It reduces the possibility of erroneous data entry and expedites data entry. This categorisation also helps in generation of Group-wise reporting.

Pay structure constituting the Pay Heads and basis of calculation should be similar for the employees falling under the same group, but pay values need not be same.

Tally.ERP 9 also allows you to set up individual employee salary details with all parameters applicable for Employee groups. The individual employee masters with separate pay structure are usually created on a case-to-case basis.

To define **Salary Details** for employees,

Go to **Gateway of Tally > Payroll Info. > Salary Details > Create**

| Administration | # Primary      | Primary Cost Category |
|----------------|----------------|-----------------------|
| Atul Sharma    | Sales          | Primary Cost Category |
| Preeti Sinha   | R & D          | Primary Cost Category |
| Ramesh Arora   | Sales          | Primary Cost Category |
| R & D          | Primary        | Primary Cost Category |
| Rohit Roy      | Administration | Primary Cost Category |
| Sales          | Primary        | Primary Cost Category |

Figure 22.47 List of Employee Groups/ Employees screen

1. Select **Rohit Roy** from the **List of Employees** and press **Enter**  
In the **Salary Details** screen,
  - ❑ The **Effective date** is entered as **01-04-2009** by default based on the **Date of Joining** entered in the Employee Master
  - ❑ Select **Basic Pay** as the **Pay Head** from the **List of Pay Heads**
  - ❑ Specify **7,000** as **Rate**
  - ❑ The **Attendance units**, **Pay Head Type** and **Calculation Type** appear by default, based on the pay head definitions.

The **Salary Details Creation** screen is displayed as shown:

| Salary Details Creation               |           |          |        |                        |                  |             |
|---------------------------------------|-----------|----------|--------|------------------------|------------------|-------------|
| Indus Solutions Pvt. Ltd.             |           |          |        |                        |                  |             |
| Ctrl + M                              |           |          |        |                        |                  |             |
| Name : Rohit Roy (469)                |           |          |        |                        |                  |             |
| Under : Administration<br>(# Primary) |           |          |        |                        |                  |             |
| Salary Details                        |           |          |        |                        |                  |             |
| Effective From                        | Pay Head  | Rate     | Per    | Pay Head Type          | Calculation Type | Computed On |
| 1-Apr-2009                            | Basic Pay | 7,000.00 | Months | Earnings for Employees | On Attendance    |             |

Figure 22.48 Salary Details Creation screen

2. Select **House Rent Allowance** as the second **Pay Head** and press **Enter**
3. Select **Conveyance** as the next **Pay Head**
4. Specify **500** as **Rate** and press **Enter**
5. Select **Overtime Pay** as the **Pay Head**
6. Specify **40** as the **Rate** and press **Enter**
7. Select **Variable Pay** as the **Pay Head** and press **Enter**
8. Select **Professional Tax** against the **Pay Head** and press **Enter**
9. Select **Employee's PF Contribution @ 12%** and **Employee's ESI Contribution @ 1.75%** as **Pay Heads** and press **Enter**
10. Select the **Gratuity Expenses (Provisional)** ledger and press **Enter**



*In case of Employees eligible for Gratuity, the **Gratuity Expenses** ledger is required to be included in the **Salary details** of the respective Employee for provisional assessment of Gratuity.*



The completed **Salary Details Creation** screen for **Mr. Rohit Roy** is displayed as shown:

| Salary Details Creation               |                                     | Indus Solutions Pvt. Ltd. |        | Ctrl + M                        |                       |                                                                  |
|---------------------------------------|-------------------------------------|---------------------------|--------|---------------------------------|-----------------------|------------------------------------------------------------------|
| Name : Rohit Roy (469)                |                                     |                           |        |                                 |                       |                                                                  |
| Under : Administration<br>(# Primary) |                                     |                           |        |                                 |                       |                                                                  |
| Salary Details                        |                                     |                           |        |                                 |                       |                                                                  |
| Effective From                        | Pay Head                            | Rate                      | Per    | Pay Head Type                   | Calculation Type      | Computed On                                                      |
| 1-Apr-2009                            | Basic Pay                           | 7,000.00                  | Months | Earnings for Employees          | On Attendance         | Basic Pay                                                        |
|                                       | House Rent Allowance                |                           |        | Earnings for Employees          | As Computed Value     |                                                                  |
|                                       | Conveyance                          | 500.00                    | Months | Earnings for Employees          | Flat Rate             |                                                                  |
|                                       | Overtime Pay                        | 40.00                     | Hrs    | Earnings for Employees          | On Production         |                                                                  |
|                                       | Variable Pay                        |                           |        | Earnings for Employees          | As User Defined Value |                                                                  |
|                                       | Professional Tax                    |                           |        | Employees' Statutory Deductions | As Computed Value     | On Current Earnings Total                                        |
|                                       | Employee's PF Contribution @ 12%    |                           |        | Employees' Statutory Deductions | As Computed Value     | Basic Pay                                                        |
|                                       | Employee's ESI Contribution @ 1.75% |                           |        | Employees' Statutory Deductions | As Computed Value     | [(Basic Pay + House Rent Allowance) + Conveyance] + Overtime Pay |
|                                       | Gratuity Expenses (Provisional)     |                           |        | Gratuity                        |                       |                                                                  |
|                                       |                                     |                           |        |                                 |                       | <div>Accept ?</div> <div>Yes or No</div>                         |

Figure 22.49 Completed Salary Details screen



Tally.ERP 9 allows you to modify the pre-defined Slab rates, by pressing **F12: Configure** and setting the option **Allow to Override Slab Percentage** to **Yes**.



In case a revision in pay structure is required for any subsequent period, define the latest pay structure by specifying the relevant **Effective from** date.

Similarly, create the pay structure for the other employees as per the details given in the following table:

| Pay Head                            | Preeti Sinha               | Atul Sharma | Ramesh Arora |
|-------------------------------------|----------------------------|-------------|--------------|
| Basic Pay                           | 12,000                     | 20,000      | 18,000       |
| House Rent Allowance                | 40%                        | 40%         | 20%          |
| Conveyance                          | —                          | 2,500       | 2,000        |
| Overtime Pay                        | —                          | —           | 150          |
| Variable Pay                        | User — defined             |             |              |
| Professional Tax                    | Applicable as Slab Rates   |             |              |
| Employee's PF Contribution @ 12%    | Applicable as Slab Rates   |             |              |
| Employee's ESI Contribution @ 1.75% | Applicable as Slab Rates   |             |              |
| Gratuity Expenses (Provisional)     | Only for reporting purpose |             |              |

Salary Details for **Ramesh Arora** can be created similar to the Salary Details creation for **Rohit Roy**. Since Ramesh Arora and Atul Sharma work for Sales Department, we may create the Salary Details for the Sales Group and inherit the same for the Employees (Ramesh Arora and Atul Sharma).

### Salary Details creation for Sales Group

Go to **Gateway of Tally > Payroll Info. > Salary Details > Create**

1. From the **List of Group / Employees** select **Sales**
2. Select the **Pay Heads** from the **List of Pay Heads** which are applicable to this group.
3. Leave the **Rate** field empty if there is no standard rate.

The completed Salary structure for the **Sales** Group is as shown.

| Salary Details Creation |                                                                                                                                                                                                                   | Indus Solutions Pvt. Ltd. |     |                                                                                                                                                                                                                                                     | Ctrl + M                                                                                                                                                 |                                                                                                                                         |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Name : Sales            |                                                                                                                                                                                                                   |                           |     |                                                                                                                                                                                                                                                     |                                                                                                                                                          |                                                                                                                                         |
| Under : I Primary       |                                                                                                                                                                                                                   |                           |     |                                                                                                                                                                                                                                                     |                                                                                                                                                          |                                                                                                                                         |
| Salary Details          |                                                                                                                                                                                                                   |                           |     |                                                                                                                                                                                                                                                     |                                                                                                                                                          |                                                                                                                                         |
| Effective From          | Pay Head                                                                                                                                                                                                          | Rate                      | Per | Pay Head Type                                                                                                                                                                                                                                       | Calculation Type                                                                                                                                         | Computed On                                                                                                                             |
| 1-Apr-2009              | Basic Pay<br>House Rent Allowance<br>Conveyance<br>Overtime Pay<br>Variable Pay<br>Professional Tax<br>Employee's PF Contribution @ 12%<br>Employee's ESI Contribution @ 1.75%<br>Gratuity Expenses (Provisional) |                           |     | Earnings for Employees<br>Earnings for Employees<br>Earnings for Employees<br>Earnings for Employees<br>Earnings for Employees<br>Employees' Statutory Deductions<br>Employees' Statutory Deductions<br>Employees' Statutory Deductions<br>Gratuity | On Attendance<br>As Computed Value<br>Flat Rate<br>On Production<br>As User Defined Value<br>As Computed Value<br>As Computed Value<br>As Computed Value | Basic Pay<br><br><br><br><br>On Current Earnings Total<br>Basic Pay<br>[(Basic Pay + House Rent Allowance) + Conveyance] + Overtime Pay |
|                         |                                                                                                                                                                                                                   |                           |     |                                                                                                                                                                                                                                                     |                                                                                                                                                          | <div>Accept ?</div> <div>Yes or No</div>                                                                                                |

Figure 22.50 Completed Salary Details for Sales Group

The Pay structure created above can be inherited for all the employees belonging to Sales Group. This feature helps in eliminating the repetitions while creating the Salary Details and expedites the pay structuring process.

To define the **Salary Details** for **Mr. Ramesh Arora** belonging to **Sales Group**, follow the steps given below:

Go to **Gateway of Tally > Payroll Info. > Salary Details > Create**

1. From the **List of Group / Employees** select **Ramesh Arora** and press **Enter**
2. Select **Copy From parent Value** from the **Start Type** options under **Pay Head**

The **Salary Details Creation** screen appears as shown:

| Salary Details Creation      |          |      |     |                                        |                  |             |
|------------------------------|----------|------|-----|----------------------------------------|------------------|-------------|
| Indus Solutions Pvt. Ltd.    |          |      |     |                                        |                  |             |
| Ctrl + M                     |          |      |     |                                        |                  |             |
| Name : Ramesh Arora (225)    |          |      |     |                                        |                  |             |
| Under : Sales<br>(# Primary) |          |      |     |                                        |                  |             |
| Salary Details               |          |      |     |                                        |                  |             |
| Effective From               | Pay Head | Rate | Per | Pay Head Type                          | Calculation Type | Computed On |
| 1-Apr-2009                   |          |      |     | Start Type                             |                  |             |
|                              |          |      |     | Copy From Parent Value<br>Start Afresh |                  |             |

Figure 22.51 Salary details Creation – Copy From Parent Value

**Start Type Details:**

- **Copy From Parent Value** will copy the pay structure from the **Group** to which the Employee belongs. This will help you to save time in creating the Salary Details for large number of Employees.
- **Start Afresh** will allow the user to start selecting the Pay Head from the List of pay Heads already created.

3. The **Pay Structure** (comprising of **Earning & Deductions** pay heads) defined for **Group** is prefilled automatically.
4. Enter the values for each Pay Head for **Ramesh Arora** as per the details mentioned earlier.
5. Press **F12: Configure**, set the option **Allow to Override Slab Percentage** to **Yes**, since the **HRA** calculation percentage is **20%**.

The **Salary Details Configuration** screen is displayed as shown.

| Salary Details Configuration |                                     |      |     |                        |                       |                                                                  | Indus Solutions Pvt. Ltd. |  | Ctrl + M |  |
|------------------------------|-------------------------------------|------|-----|------------------------|-----------------------|------------------------------------------------------------------|---------------------------|--|----------|--|
| Name : Ramesh Arora (225)    |                                     |      |     |                        |                       |                                                                  |                           |  |          |  |
| Under : Sales<br>(# Primary) |                                     |      |     |                        |                       |                                                                  |                           |  |          |  |
| Salary Details               |                                     |      |     |                        |                       |                                                                  |                           |  |          |  |
| Effective From               | Pay Head                            | Rate | Per | Pay Head Type          | Calculation Type      | Computed On                                                      |                           |  |          |  |
| 1-Apr-2009                   | Copy From Parent Value              |      |     |                        |                       |                                                                  |                           |  |          |  |
|                              | Basic Pay                           |      |     | Earnings for Employees | On Attendance         | Basic Pay                                                        |                           |  |          |  |
|                              | House Rent Allowance                |      |     | Earnings for Employees | As Computed Value     |                                                                  |                           |  |          |  |
|                              | Conveyance                          |      |     | Earnings for Employees | Flat Rate             |                                                                  |                           |  |          |  |
|                              | Overtime Pay                        |      |     | Earnings for Employees | On Production         |                                                                  |                           |  |          |  |
|                              | Variable Pay                        |      |     | Earnings for Employees | As User Defined Value |                                                                  |                           |  |          |  |
|                              | Professional Tax                    |      |     |                        | Imputed Value         | On Current Earnings Total                                        |                           |  |          |  |
|                              | Employee's PF Contribution @ 12%    |      |     |                        | Imputed Value         | Basic Pay                                                        |                           |  |          |  |
|                              | Employee's ESI Contribution @ 1.75% |      |     |                        | Imputed Value         | ((Basic Pay + House Rent Allowance) + Conveyance) + Overtime Pay |                           |  |          |  |
|                              | Gratuity Expenses (Provisional)     |      |     |                        | Imputed Value         |                                                                  |                           |  |          |  |

**Salary Details Configuration**

Allow to Override Slab Percentage ? **Yes**

Show Pay Head Type ? Yes

Show Calculation Type ? Yes

Show Computed On ? Yes

Figure 22.52 Salary Details Configuration

□ Press **Enter** to **Accept**

- Now, you will be able to enter the user-defined pay rates to compute the HRA, specify **20%** and press **Enter**



*In the **Salary Details Configuration** screen, when the option **Allow to Override Slab Percentage** is set to **Yes**, the predefined slab rates for the **Pay Heads** can be modified as per user requirements.*

The completed **Salary Details** screen of **Mr. Ramesh Arora** is displayed as shown.

| Salary Details Creation             |                                     | Indus Solutions Pvt. Ltd. |        | Ctrl + M                        |                       |                                                                |
|-------------------------------------|-------------------------------------|---------------------------|--------|---------------------------------|-----------------------|----------------------------------------------------------------|
| Name : <b>Ramesh Arora</b> (225)    |                                     |                           |        |                                 |                       |                                                                |
| Under : <b>Sales</b><br>(£ Primary) |                                     |                           |        |                                 |                       |                                                                |
| Salary Details                      |                                     |                           |        |                                 |                       |                                                                |
| Effective From                      | Pay Head                            | Rate                      | Per    | Pay Head Type                   | Calculation Type      | Computed On                                                    |
| 1-Apr-2009                          | Copy From Parent Value              |                           |        |                                 |                       |                                                                |
|                                     | Basic Pay                           | 18,000.00                 | Months | Earnings for Employees          | On Attendance         |                                                                |
|                                     | House Rent Allowance                | 20.00                     | %      | Earnings for Employees          | As Computed Value     | Basic Pay                                                      |
|                                     | Conveyance                          | 2,000.00                  | Months | Earnings for Employees          | Flat Rate             |                                                                |
|                                     | Overtime Pay                        | 150.00                    | Hrs    | Earnings for Employees          | On Production         |                                                                |
|                                     | Variable Pay                        |                           |        | Earnings for Employees          | As User Defined Value |                                                                |
|                                     | Professional Tax                    |                           |        | Employees' Statutory Deductions | As Computed Value     | On Current Earnings Total                                      |
|                                     | Employee's PF Contribution @ 12%    |                           |        | Employees' Statutory Deductions | As Computed Value     | Basic Pay                                                      |
|                                     | Employee's ESI Contribution @ 1.75% |                           |        | Employees' Statutory Deductions | As Computed Value     | (Basic Pay + House Rent Allowance) + Conveyance + Overtime Pay |
|                                     | Gratuity Expenses (Provisional)     |                           |        | Gratuity                        |                       |                                                                |
|                                     |                                     |                           |        |                                 |                       | Accept ?<br>Yes or No                                          |

Figure 22.53 Completed Salary Details screen

7. Press **Enter** to **Accept** the screen.

Similarly, you can create the Salary Details for **Atul Sharma**.

## 22.3 Processing Payroll in Tally.ERP 9

Typically, Payroll Processing comprises of the following activities :

- Recording of Attendance (on time / work)
- Processing Payroll Vouchers
- Payment of Salaries

There are three types of Payroll Vouchers namely Attendance Voucher, Payroll Voucher and Payment Voucher, which are by default preset in Tally.ERP 9 to record above Payroll transactions. Payroll Vouchers are used for the purposes of operating your payroll and also records the attendance of the employees for a given period. These vouchers are basically used to input information pertaining to Payroll processing.

### 22.3.1 Attendance Vouchers

An Attendance Voucher is used to record employees' attendance data, based on Attendance/ Production types (i.e., present or absent days, overtime hours and so on).

An Attendance Voucher allows you to record the attendance/ production units for employees. Tally.ERP 9 gives you the flexibility to enter the attendance records through a single attendance voucher for a payroll period, or through multiple attendance vouchers as and when required within a payroll period. You also have the option of recording one attendance/ production voucher per employee per day or collectively for a month or any other variation thereof for all the employees.

In Tally.ERP 9, the auto-fill facility (**Alt+A**) is used to prefill the required Attendance/Production types data for the selected employee group/ employee for the specified period.

#### Example 1:

*On 30th April, 2009 the attendance records of Indus Solutions Pvt. Ltd., displayed the following details :*

| Attendance/ Production Types | Rohit Roy | Preeti Sinha | Atul Sharma | Ramesh Arora |
|------------------------------|-----------|--------------|-------------|--------------|
| Present Days                 | 26        | 18           | 20          | 22           |
| Overtime hours               | 720 Mins  | -            | 360 Mins    | -            |

In the above scenario, separate attendance vouchers are required to be entered for recording **Present** days and **Overtime** hours.

Go to **Gateway of Tally > Payroll Vouchers**

1. Press **Ctrl+F5** for **Attendance Voucher**

The **Attendance Voucher Creation** screen is displayed as shown:

| Attendance Voucher Creation |                            | Indus Solutions Pvt. Ltd. |                | Ctrl + M              |
|-----------------------------|----------------------------|---------------------------|----------------|-----------------------|
| Attendance No. 1            |                            | List of Employees         |                |                       |
| Employee Name               | Attendance/Production Type | Atul Sharma               | Sales          | Primary Cost Category |
|                             |                            | Preeti Sinha              | R & D          | Primary Cost Category |
|                             |                            | Ramesh Arora              | Sales          | Primary Cost Category |
|                             |                            | Rohit Roy                 | Administration | Primary Cost Category |
| Narration:                  |                            |                           |                |                       |

Figure 22.54 Attendance Voucher Creation screen

2. Press **F2** and specify the date as **30-4-2009**
3. Press **Enter**
4. Press **Alt+A** (Attendance Auto Fill) to prefill employee payroll details

The **Attendance Auto Fill** screen is displayed as shown:



**Attendance Auto Fill** Indus Solutions Pvt. Ltd. Ctrl + M

Attendance No. 3

Employee Name Attendance/Production Type

**Employee Filters**

Voucher Date : 30-4-2009  
 Cost Category : **Primary Cost Category**  
 Employee/Group : All Items

**Auto Fill Values**

Attendance/Production Type :  
 Default Value to Fill : 0

**List of Categories**

All Items  
**Primary Cost Category**

Narration:

Figure 22.55 Attendance Voucher - Employee Filters screen

5. In the **Attendance Auto Fill** screen,
  - ❑ Specify the **Voucher Date** as **30-04-2009**
  - ❑ Select **Primary Cost Category** as **Cost Category** (If separate cost categories are used to capture employee cost, then select the respective cost category)
  - ❑ Select **All Items** as **Employee/ Group** (if you want to generate payroll voucher for individual employee/ group, select the respective employee or group)

The **Attendance Auto Fill** with **Employee Filters** screen is displayed as shown:

**Attendance Auto Fill** Indus Solutions Pvt. Ltd. Ctrl + M

Attendance No. 3

Employee Name Attendance/Production Type

**Employee Filters**

Voucher Date : 30.4.2009  
 Cost Category : Primary Cost Category  
 Employee/Group : All Items

**Auto Fill Values**

Attendance/Production Type :  
 Default Value to Fill : 0

Narration:

**List of Employees / Group**

**All Items**

Administration (Group)  
 Atul Sharma  
 Preeti Sinha  
 Ramesh Arora  
 R & D (Group)  
 Rohit Roy  
 Sales (Group)

Figure 22.56 Attendance Auto Fill with Employee List

- Select **Present** as **Attendance Type** in the **Attendance/ Production Type** field

**Employee Filters**

Voucher Date : 30.4.2009  
 Cost Category : Primary Cost Category  
 Employee/Group : All Items

**Auto Fill Values**

Attendance/Production Type : **Present**  
 Default Value to Fill :

**List of Attendance/Production Types**

| Absent         | Primary        | Days           |
|----------------|----------------|----------------|
| Calendar Month | Primary        | Days           |
| Overtime       | Primary        | Hrs of 60 Mins |
| <b>Present</b> | <b>Primary</b> | <b>Days</b>    |

Figure 22.57 Attendance Auto Fill with List of Attendance Type

- Specify the **Default Value to Fill** as **0**
- Press **Enter** to accept the screen



- When **Auto fill** option is used, separate Attendance vouchers are required to be passed for recording attendance on **Work** and **Production**. However, if attendance voucher is passed by manually selecting the employees, then in such cases, you may record attendance on **Work** as well as **Production** in the same Attendance Voucher.
- If **Absent** is opted as **Attendance Type**, then the negative attendance of the employees needs to be recorded. This method help minimise data entry time.

6. Employees pertaining to the respective **Employee Groups** are displayed automatically

| Attendance Voucher Creation |                            | Indus Solutions Pvt. Ltd. |        | Ctrl + M                |  |
|-----------------------------|----------------------------|---------------------------|--------|-------------------------|--|
| Attendance No. 1            |                            |                           |        | 30-Apr-2009<br>Thursday |  |
| Employee Name               | Attendance/Production Type | Value                     | Unit   |                         |  |
| Atul Sharma                 | Present                    | Cur Bal: 0 Days           | 0 Days |                         |  |
| Preeti Sinha                | Present                    | Cur Bal: 0 Days           | 0 Days |                         |  |
| Ramesh Arora                | Present                    | Cur Bal: 0 Days           | 0 Days |                         |  |
| Rohit Roy                   | Present                    | Cur Bal: 0 Days           | 0 Days |                         |  |
| Narration:                  |                            |                           |        |                         |  |

Figure 22.58 Attendance Voucher

7. Specify the attendance details as given in the table above

The **Attendance Voucher Creation** screen with the attendance details screen is displayed as shown:

| Attendance Voucher Creation |                            | Indus Solutions Pvt. Ltd. |         | Ctrl + M                |  |
|-----------------------------|----------------------------|---------------------------|---------|-------------------------|--|
| <b>Attendance</b> No. 1     |                            |                           |         | 30-Apr-2009<br>Thursday |  |
| Employee Name               | Attendance/Production Type | Value                     | Unit    |                         |  |
| Atul Sharma                 | Present                    | Cur Bal: 20 Days          | 20 Days |                         |  |
| Preeti Sinha                | Present                    | Cur Bal: 18 Days          | 18 Days |                         |  |
| Ramesh Arora                | Present                    | Cur Bal: 22 Days          | 22 Days |                         |  |
| Rohit Roy                   | Present                    | Cur Bal: 0 Days           | 26 Days |                         |  |
| Narration:                  |                            |                           |         |                         |  |

Figure 22.59 Attendance Voucher

8. Press **Enter**
9. Enter the details of the transaction in the **Narration** field

The completed **Attendance Voucher Creation** for **Present Attendance** is displayed as shown:

| Attendance Voucher Creation                     |                            | Indus Solutions Pvt. Ltd. |       | Ctrl + M                |                                  |
|-------------------------------------------------|----------------------------|---------------------------|-------|-------------------------|----------------------------------|
| Attendance No. 1                                |                            |                           |       | 30-Apr-2009<br>Thursday |                                  |
| Employee Name                                   | Attendance/Production Type |                           | Value | Unit                    |                                  |
| Atul Sharma                                     | Present                    | Cur Bal: 20 Days          | 20    | Days                    |                                  |
| Preeti Sinha                                    | Present                    | Cur Bal: 18 Days          | 18    | Days                    |                                  |
| Ramesh Arora                                    | Present                    | Cur Bal: 22 Days          | 22    | Days                    |                                  |
| Rohit Roy                                       | Present                    | Cur Bal: 26 Days          | 26    | Days                    |                                  |
| <p>Narration:<br/>Attendance for April 2009</p> |                            |                           |       |                         |                                  |
|                                                 |                            |                           |       |                         | <p>Accept ?</p> <p>Yes or No</p> |

Figure 22.60 Completed Attendance Voucher Screen

10. Press **Enter** to accept the completed Attendance Voucher screen



Days with **Loss of Pay (LOP)** are treated as a **Deductible** with respect to the **Earnings Pay Head type** and as a **Payable** with respect to the **Deductions Pay Head type**. For example, **LOP** is deducted from the Basic salary (Earnings Pay Head) and Canteen expenses (Deductions Pay Head) are treated as a payable.

In the same way, create an Attendance Voucher for **Overtime hours**.

The completed **Attendance Voucher for Overtime Hours** is displayed as shown.

| Attendance Voucher Creation |                            | Indus Solutions Pvt. Ltd. |       | Ctrl + M                |                       |
|-----------------------------|----------------------------|---------------------------|-------|-------------------------|-----------------------|
| Attendance No. 2            |                            |                           |       | 30-Apr-2009<br>Thursday |                       |
| Employee Name               | Attendance/Production Type |                           | Value | Unit                    |                       |
| Atul Sharma                 | Overtime                   | Cur Bal: 6- 0 Hrs         | 360   | mins                    |                       |
| Preeti Sinha                | Overtime                   | Cur Bal: 0- 0 Hrs         |       |                         |                       |
| Ramesh Arora                | Overtime                   | Cur Bal: 0- 0 Hrs         |       |                         |                       |
| Rohit Roy                   | Overtime                   | Cur Bal: 12- 0 Hrs        | 720   | mins                    |                       |
| Narration:                  |                            |                           |       |                         |                       |
|                             |                            |                           |       |                         | Accept ?<br>Yes or No |

Figure 22.61 Attendance Voucher Screen - Overtime

- Press **Enter** to accept



*You can also record **Overtime in hours**, provided the **Unit of Measurement** for the Payroll unit is defined as **Hrs**.*

After creating the Attendance Voucher, you can change any attendance value for a particular employee, if required, in the Voucher Alteration mode.

### 22.3.2 Payroll Vouchers

A payroll voucher is used to record all employee-related transactions. It enables you to compute all the values for the respective Pay Heads (Earnings and Deductions).

The calculations are made on the basis of the definitions specified in the pay head masters, pay structure and attendance entries. In Tally.ERP 9, you can pass payroll vouchers manually for individual employee as well as for the entire group/ organisation by using the Auto Fill facility (**Alt+A**).

In Tally.ERP 9, the disbursement of salaries can be effected in any of the following modes.

- ❑ **Direct Remittance** – in cash or by cheque
- ❑ **Bank Transfer** – a direct transfer is made to an employee's bank account and the list of disbursement is printed separately.

### I. Cash (or Direct) Remittance

#### Example 2:

*On 30th April, 2009, Indus Solutions Pvt. Ltd., processes Payroll for all the employees and entitled the following employees for Variable Pay.*

| Particulars  | Rohit Roy | Preeti Sinha | Atul Sharma | Ramesh Arora |
|--------------|-----------|--------------|-------------|--------------|
| Variable Pay | 1500      | -            | 1000        | -            |

Go to **Gateway of Tally > Payroll Vouchers**

1. Press **Ctrl+F4** for **Payroll Voucher**
2. Press **F2**, specify the date as **30-4-2009** and press **Enter**
3. Press **Alt+A** (Payroll Auto Fill) to prefill employee payroll details
4. In the **Employee Filters** screen,
  - ❑ Select **Salary** in the **Process for** field

| Employee Filters           |                                | Process List     |
|----------------------------|--------------------------------|------------------|
| Process for                | : <b>Salary</b>                | ESI Contribution |
| From (blank for beginning) | : <b>1-4-2009</b>              | PF Contribution  |
| To (blank for end)         | : <b>30-4-2009</b>             | <b>Salary</b>    |
| Cost Category              | : <b>Primary Cost Category</b> |                  |
| Employee/Group             | : <b>[ All Items</b>           |                  |
| Payroll Ledger             | :                              |                  |

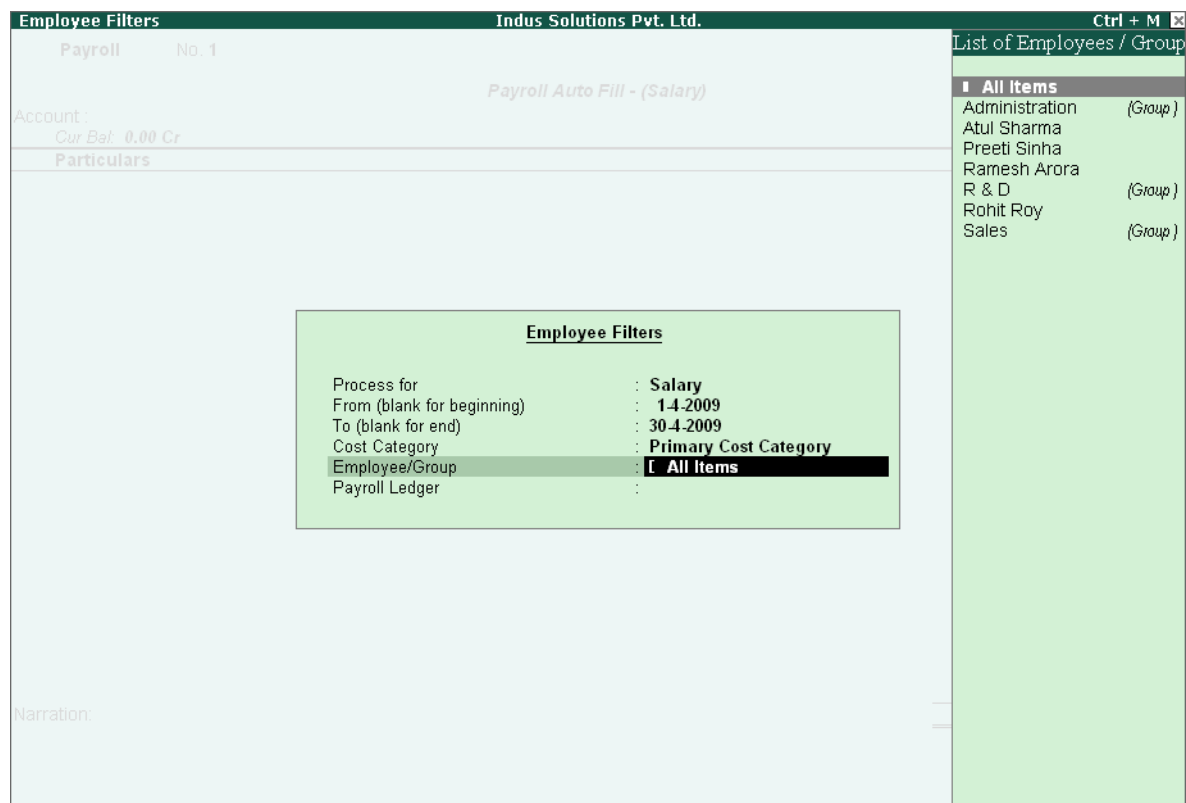
Figure 22.62 Payroll Autofill with Process List



*In Tally.ERP 9, the following processes are preset for faster processing of Payroll :*

- ❑ **Salary** : This process is used for processing salaries for a specified period wherein Salaries are disbursed through Cash or a bank transfer.
- ❑ **ESI Contribution** : This process is used for processing Employer's contributions towards ESI for a specified period.
- ❑ **PF Contribution** : This process is used for processing Employer's Provident Fund (PF) contributions for a specified period.

- Specify **1-4-2009** in the **From** field
- Specify **30-4-2009** in the **To** field



The screenshot shows the Tally payroll autofill screen for 'Indus Solutions Pvt. Ltd.'. The main window is titled 'Employee Filters' and contains the following fields:

- Payroll**: No. 1
- Account**: *Cur Bal: 0.00 Cr*
- Particulars**: (Empty field)
- Narration**: (Empty field)

The **Payroll Auto Fill - (Salary)** window is open, showing the following filters:

- Process for**: Salary
- From (blank for beginning)**: 1-4-2009
- To (blank for end)**: 30-4-2009
- Cost Category**: Primary Cost Category
- Employee/Group**: All Items (Selected)
- Payroll Ledger**: (Empty field)

The **List of Employees / Group** window is also open, showing the following list:

| All Items      |         |
|----------------|---------|
| Administration | (Group) |
| Atul Sharma    |         |
| Preeti Sinha   |         |
| Ramesh Arora   |         |
| R & D          | (Group) |
| Rohit Roy      |         |
| Sales          | (Group) |

Figure 22.63 Payroll Autofill with List of Employees

- Select **All Items** as **Employee/Group**

The completed **Employee Filters** screen is displayed as shown:



**Employee Filters** Indus Solutions Pvt. Ltd. Ctrl + M

Payroll No. 1

Account :  
Cur Bal: 0.00 Cr

Particulars

Narration:

**Employee Filters**

Process for : Salary  
From (blank for beginning) : 1.4.2009  
To (blank for end) : 30.4.2009  
Cost Category : Primary Cost Category  
Employee/Group : All Items  
Payroll Ledger :

**List of Ledger Accounts**

Cash

Figure 22.64 Payroll Autofill with payment Ledger list

- Select **Cash** in the **Payroll Ledger** field
- Press **Enter** to accept the screen (the **Cash** ledger is prefilled in the **Account** field)

All the pay values are calculated for the applicable pay heads for each employee grouped under the selected group.

The **Payroll Voucher Creation** screen is displayed as shown:

| Payroll Voucher Creation               |           | Indus Solutions Pvt. Ltd.           |                    | Ctrl + M                |  |
|----------------------------------------|-----------|-------------------------------------|--------------------|-------------------------|--|
| <b>Payroll</b> No. 1                   |           |                                     |                    | 30-Apr-2009<br>Thursday |  |
| Account: <b>Cash</b>                   |           | <b>Payroll Auto Fill - (Salary)</b> |                    |                         |  |
| Cur Bal: <b>0.00 Cr</b>                |           |                                     |                    |                         |  |
| Particulars                            |           |                                     |                    | Amount                  |  |
| <b>Primary Cost Category</b>           |           |                                     |                    | <b>62,907.00 Dr</b>     |  |
| <b>Atul Sharma</b>                     |           |                                     |                    | <b>23,059.00 Dr</b>     |  |
| Basic Pay                              | 15,385.00 | Dr                                  | Cur Bal: 55,385.00 | Dr                      |  |
| House Rent Allowance                   | 6,154.00  | Dr                                  | Cur Bal: 22,154.00 | Dr                      |  |
| Conveyance                             | 2,500.00  | Dr                                  | Cur Bal: 7,500.00  | Dr                      |  |
| Variable Pay                           |           | Dr                                  | Cur Bal: 0.00      | Dr                      |  |
| Professional Tax                       | 200.00    | Cr                                  | Cur Bal: 400.00    | Cr                      |  |
| Employee's ESI Contribution @ 1.75%    |           | Cr                                  | Cur Bal: 0.00      | Cr                      |  |
| Employee's PF Contribution @ 12%       | 780.00    | Cr                                  | Cur Bal: 1,560.00  | Cr                      |  |
| <b>Preeti Sinha</b>                    |           |                                     |                    | <b>10,701.00 Dr</b>     |  |
| Basic Pay                              | 8,308.00  | Dr                                  | Cur Bal: 28,616.00 | Dr                      |  |
| House Rent Allowance                   | 3,323.00  | Dr                                  | Cur Bal: 11,446.00 | Dr                      |  |
| Variable Pay                           |           | Dr                                  | Cur Bal:           |                         |  |
| Professional Tax                       | 150.00    | Cr                                  | Cur Bal: 350.00    | Cr                      |  |
| Employee's ESI Contribution @ 1.75%    |           | Cr                                  | Cur Bal: 0.00      | Cr                      |  |
| Employee's PF Contribution @ 12%       | 780.00    | Cr                                  | Cur Bal: 1,560.00  | Cr                      |  |
| <b>Ramesh Arora</b>                    |           |                                     |                    | <b>19,297.00 Dr</b>     |  |
| Basic Pay                              | 15,231.00 | Dr                                  | Cur Bal: 43,615.00 | Dr                      |  |
| House Rent Allowance                   | 3,046.00  | Dr                                  | Cur Bal: 8,723.00  | Dr                      |  |
| Conveyance                             | 2,000.00  | Dr                                  | Cur Bal: 6,000.00  | Dr                      |  |
| Overtime Pay                           |           | Dr                                  | Cur Bal: 1,800.00  | Dr                      |  |
|                                        |           |                                     |                    | <b>13 more ... ↓</b>    |  |
| Narration:                             |           |                                     |                    | <b>62,907.00 Dr</b>     |  |
| Pay Period : 1-Apr-2009 to 30-Apr-2009 |           |                                     |                    |                         |  |

Figure 22.65 Payroll Voucher Creation

5. Press **Enter** and specify the pay values for the pay heads defined as user-definable values against each employee (in this case, define the **Variable Pay**)
  - Specify **1000** as **Variable Pay** for **Atul Sharma**

| Payroll Voucher Creation               |           | Indus Solutions Pvt. Ltd.    |                       | Ctrl + M                |  |
|----------------------------------------|-----------|------------------------------|-----------------------|-------------------------|--|
| <b>Payroll</b> No. 1                   |           |                              |                       | 30-Apr-2009<br>Thursday |  |
| Account: Cash                          |           | Payroll Auto Fill - (Salary) |                       |                         |  |
| Cur Bal: 0.00 Cr                       |           |                              |                       |                         |  |
| Particulars                            |           |                              |                       | Amount                  |  |
| ↑ ... 9 more                           |           |                              |                       |                         |  |
| <b>Preeti Sinha</b>                    |           |                              |                       | <u>10,701.00 Dr</u>     |  |
| Basic Pay                              | 8,308.00  | Dr                           | Cur Bal: 28,616.00 Dr |                         |  |
| House Rent Allowance                   | 3,323.00  | Dr                           | Cur Bal: 11,446.00 Dr |                         |  |
| Variable Pay                           |           | Dr                           | Cur Bal:              |                         |  |
| Professional Tax                       | 150.00    | Cr                           | Cur Bal: 350.00 Cr    |                         |  |
| Employee's ESI Contribution @ 1.75%    |           | Cr                           | Cur Bal: 0.00 Cr      |                         |  |
| Employee's PF Contribution @ 12%       | 780.00    | Cr                           | Cur Bal: 1,560.00 Cr  |                         |  |
| <b>Ramesh Arora</b>                    |           |                              |                       | <u>19,297.00 Dr</u>     |  |
| Basic Pay                              | 15,231.00 | Dr                           | Cur Bal: 43,615.00 Dr |                         |  |
| House Rent Allowance                   | 3,046.00  | Dr                           | Cur Bal: 8,723.00 Dr  |                         |  |
| Conveyance                             | 2,000.00  | Dr                           | Cur Bal: 6,000.00 Dr  |                         |  |
| Overtime Pay                           |           | Dr                           | Cur Bal: 1,800.00 Dr  |                         |  |
| Variable Pay                           |           | Dr                           | Cur Bal: 1,200.00 Dr  |                         |  |
| Professional Tax                       | 200.00    | Cr                           | Cur Bal: 400.00 Cr    |                         |  |
| Employee's ESI Contribution @ 1.75%    |           | Cr                           | Cur Bal: 0.00 Cr      |                         |  |
| Employee's PF Contribution @ 12%       | 780.00    | Cr                           | Cur Bal: 1,560.00 Cr  |                         |  |
| <b>Rohit Roy</b>                       |           |                              |                       | <u>9,850.00 Dr</u>      |  |
| Basic Pay                              | 7,000.00  | Dr                           | Cur Bal: 20,731.00 Dr |                         |  |
| House Rent Allowance                   | 2,800.00  | Dr                           | Cur Bal: 8,292.00 Dr  |                         |  |
| Conveyance                             | 500.00    | Dr                           | Cur Bal: 1,500.00 Dr  |                         |  |
| Overtime Pay                           | 480.00    | Dr                           | Cur Bal: 560.00 Dr    |                         |  |
| Variable Pay                           | 1500      | Dr                           | Cur Bal: 500.00 Dr    |                         |  |
|                                        |           |                              |                       | 3 more ... ↓            |  |
| Narration:                             |           |                              |                       | <u>63,907.00 Dr</u>     |  |
| Pay Period : 1-Apr-2009 to 30-Apr-2009 |           |                              |                       |                         |  |

Figure 22.66 Payroll Voucher - adding Variable pay

- Similarly, specify **1500** as **Variable Pay** for **Rohit Roy** and press **Enter**

The completed **Payroll Voucher Creation** screen is displayed as shown:

| Payroll Voucher Creation               |              | Indus Solutions Pvt. Ltd.           |                      | Ctrl + M                |  |
|----------------------------------------|--------------|-------------------------------------|----------------------|-------------------------|--|
| <b>Payroll</b> No. 1                   |              |                                     |                      | 30-Apr-2009<br>Thursday |  |
| Account : <b>Cash</b>                  |              | <b>Payroll Auto Fill - (Salary)</b> |                      |                         |  |
| Cur Bal: 0.00 Cr                       |              |                                     |                      |                         |  |
| Particulars                            |              |                                     |                      | Amount                  |  |
| ↑ ... 12 more                          |              |                                     |                      |                         |  |
| Variable Pay                           | Dr           | Cur Bal:                            |                      |                         |  |
| Professional Tax                       | 150.00 Cr    | Cur Bal:                            | 350.00 Cr            |                         |  |
| Employee's ESI Contribution @ 1.75%    |              | Cr                                  | Cur Bal: 0.00 Cr     |                         |  |
| Employee's PF Contribution @ 12%       | 780.00 Cr    | Cur Bal:                            | 1,560.00 Cr          |                         |  |
| <b>Ramesh Arora</b>                    |              |                                     |                      | <b>19,297.00 Dr</b>     |  |
| Basic Pay                              | 15,231.00 Dr | Cur Bal:                            | 43,615.00 Dr         |                         |  |
| House Rent Allowance                   | 3,046.00 Dr  | Cur Bal:                            | 8,723.00 Dr          |                         |  |
| Conveyance                             | 2,000.00 Dr  | Cur Bal:                            | 6,000.00 Dr          |                         |  |
| Overtime Pay                           |              | Dr                                  | Cur Bal: 1,800.00 Dr |                         |  |
| Variable Pay                           |              | Dr                                  | Cur Bal: 1,200.00 Dr |                         |  |
| Professional Tax                       | 200.00 Cr    | Cur Bal:                            | 400.00 Cr            |                         |  |
| Employee's ESI Contribution @ 1.75%    |              | Cr                                  | Cur Bal: 0.00 Cr     |                         |  |
| Employee's PF Contribution @ 12%       | 780.00 Cr    | Cur Bal:                            | 1,560.00 Cr          |                         |  |
| <b>Rohit Roy</b>                       |              |                                     |                      | <b>11,350.00 Dr</b>     |  |
| Basic Pay                              | 7,000.00 Dr  | Cur Bal:                            | 20,731.00 Dr         |                         |  |
| House Rent Allowance                   | 2,800.00 Dr  | Cur Bal:                            | 8,292.00 Dr          |                         |  |
| Conveyance                             | 500.00 Dr    | Cur Bal:                            | 1,500.00 Dr          |                         |  |
| Overtime Pay                           | 480.00 Dr    | Cur Bal:                            | 560.00 Dr            |                         |  |
| Variable Pay                           | 1,500.00 Dr  | Cur Bal:                            | 2,000.00 Dr          |                         |  |
| Professional Tax                       | 150.00 Cr    | Cur Bal:                            | 300.00 Cr            |                         |  |
| Employee's PF Contribution @ 12%       | 780.00 Cr    | Cur Bal:                            | 1,560.00 Cr          |                         |  |
| Narration:                             |              |                                     |                      | <b>65,107.00 Dr</b>     |  |
| Pay Period : 1-Apr-2009 to 30-Apr-2009 |              |                                     |                      |                         |  |
|                                        |              |                                     |                      | <b>Accept ?</b>         |  |
|                                        |              |                                     |                      | <b>Yes or No</b>        |  |

Figure 22.67 Completed Payroll Voucher

6. Press **Enter** to accept



Press **Alt+S** to pass the above voucher in the Voucher mode.

## II. Bank Transfer

Bank transfer refers to disbursement of Salaries directly into the Employee Bank Accounts by intimating the Bank through Payment advice. Tally.ERP 9 facilitates processing salaries through Bank transfer with the help of predefined Salary process.

### Example 3:

**On 31st May, 2009 Indus Solutions Pvt. Ltd., disbursed Salaries payable for the month of May 2009 through Bank Transfer. The attendance records displayed the following details :**

:

| Attendance/Production Types | Rohit Roy | Preeti Sinha | Atul Sharma | Ramesh Arora             |
|-----------------------------|-----------|--------------|-------------|--------------------------|
| Present Days                | 25        | 20           | 26          | 21                       |
| Overtime Hours              | -         |              |             | 120 Min<br>(2hr x 60min) |

*On 31st May 2009, Indus Solutions Pvt. Ltd., processes Payroll for all the employees and entitled the following employees for Variable Pay.*

| Particulars  | Rohit Roy | Preeti Sinha | Atul Sharma | Ramesh Arora |
|--------------|-----------|--------------|-------------|--------------|
| Variable Pay | 500       |              | -           | 1200         |

### Step 1 : Create Attendance Voucher

Create Attendance Vouchers for **Present days** and **Overtime hours** for May 2009 as per the details given in the above table.

The completed **Attendance Voucher for Present days** is displayed as shown:

| Attendance Voucher Creation |                            | Indus Solutions Pvt. Ltd. |       | Ctrl + M              |                       |
|-----------------------------|----------------------------|---------------------------|-------|-----------------------|-----------------------|
| Attendance No. 3            |                            |                           |       | 31-May-2009<br>Sunday |                       |
| Employee Name               | Attendance/Production Type |                           | Value | Unit                  |                       |
| Rohit Roy                   | Present                    | Cur Bal: 51 Days          | 25    | Days                  |                       |
| Preeti Sinha                | Present                    | Cur Bal: 38 Days          | 20    | Days                  |                       |
| Atul Sharma                 | Present                    | Cur Bal: 46 Days          | 26    | Days                  |                       |
| Ramesh Arora                | Present                    | Cur Bal: 43 Days          | 21    | Days                  |                       |
| Narration:                  |                            |                           |       |                       |                       |
|                             |                            |                           |       |                       | Accept ?<br>Yes or No |

Figure 22.68 Attendance Voucher for Present days

- Press **Enter** to accept

In the same way, create an Attendance Voucher for **Overtime Hours**.

The completed **Attendance Voucher for Overtime Hours** is displayed as shown:

| Attendance Voucher Creation |                            | Indus Solutions Pvt. Ltd. |          | Ctrl + M              |
|-----------------------------|----------------------------|---------------------------|----------|-----------------------|
| <b>Attendance</b> No. 4     |                            |                           |          | 31-May-2009<br>Sunday |
| Employee Name               | Attendance/Production Type | Value                     | Unit     |                       |
| Ramesh Arora                | Overtime                   | Cur Bal: 2- 0 Hrs         | 120 mins |                       |
| Atul Sharma                 | Overtime                   | Cur Bal: 6- 0 Hrs         |          |                       |
| Preeti Sinha                | Overtime                   | Cur Bal: 0- 0 Hrs         |          |                       |
| Rohit Roy                   | Overtime                   | Cur Bal: 12- 0 Hrs        |          |                       |
| Narration:                  |                            |                           |          | Accept ?<br>Yes or No |

Figure 22.69 Attendance Voucher for Overtime Hours

- Press **Enter** to accept

## Step 2 : Create Salary Payable Ledger

Before passing the Salary payment voucher, create the following ledger:

| Ledger         | Pay Head Type  | Under               |
|----------------|----------------|---------------------|
| Salary Payable | Not Applicable | Current Liabilities |

Go to **Gateway of Tally > Payroll Info. > Pay Heads > Create**

The completed **Salary Payable Ledger** creation screen is displayed as shown:

| Pay Head Creation                   |                                           | Indus Solutions Pvt. Ltd. |  |
|-------------------------------------|-------------------------------------------|---------------------------|--|
| Name                                | : Salary Payable                          | Total Op. Bal.            |  |
| (alias)                             | :                                         |                           |  |
| Pay Head Info                       |                                           |                           |  |
| Pay Head Type                       | : <input type="checkbox"/> Not Applicable |                           |  |
| Under                               | : Current Liabilities                     |                           |  |
| Opening Balance ( on 1-Apr-2009 ) : |                                           | Accept ?                  |  |
|                                     |                                           | Yes or No                 |  |

Figure 22.70 Salary Payable Ledger Creation

- Press **Enter** to accept

### Step 3 : Create Payroll Voucher

Go to **Gateway of Tally > Payroll Vouchers**

1. Press **Ctrl+F4** for **Payroll Voucher**
2. Press **F2**, specify the date as **31-05-2009** and press **Enter**
3. Press **Alt+A** (Payroll Auto Fill) to prefill employee payroll details
4. In the **Employee Filters** screen,
  - Select **Salary** in the **Process for** field as shown

| Employee Filters           |                                      | Process List     |
|----------------------------|--------------------------------------|------------------|
| Process for                | : <b>Salary</b>                      | ESI Contribution |
| From (blank for beginning) | : 1-5-2009                           | PF Contribution  |
| To (blank for end)         | : 31-5-2009                          | <b>Salary</b>    |
| Cost Category              | : Primary Cost Category              |                  |
| Employee/Group             | : <input type="checkbox"/> All Items |                  |
| Payroll Ledger             | :                                    |                  |

Figure 22.71 Payroll Autofill with List of Processes



- Employee Filters

Payroll

No. 2

Account :

Cur Bal: 0.00 Cr

Particulars

Indus Solutions Pvt. Ltd.

Payroll Auto Fill - (Salary)

Ctrl + M

List of Ledger Accounts

Cash

Salary Payable

Employee Filters

Process for

:

Salary

From (blank for beginning)

:

1-5-2009

To (blank for end)

:

31-5-2009

Cost Category

:

Primary Cost Category

Employee/Group

:

All Items

Payroll Ledger

:

Narration:

5. Press **Enter** (All the pay values are calculated for the applicable pay heads for each employee grouped under the selected group).
6. Press **Enter** and specify the pay values for the pay heads defined as user-definable values against each employee
  - ❑ Specify **1200** as **Variable Pay** for **Ramesh Arora**
  - ❑ Specify **500** as **Variable Pay** for **Rohit Roy**

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| Payroll Voucher Creation                            |           | Indus Solutions Pvt. Ltd.    |          | Ctrl + M              |                     |
|-----------------------------------------------------|-----------|------------------------------|----------|-----------------------|---------------------|
| <b>Payroll</b> No. 3                                |           |                              |          | 31-May-2009<br>Sunday |                     |
| Account : <b>Salary Payable</b><br>Cur Bal: 0.00 Cr |           | Payroll Auto Fill - (Salary) |          |                       |                     |
| Particulars                                         |           |                              |          |                       | Amount              |
| ↑ ... 7 more                                        |           |                              |          |                       |                     |
| <b>Preeti Sinha</b>                                 |           |                              |          |                       |                     |
| Basic Pay                                           | 9,231.00  | Dr                           | Cur Bal: | 28,616.00             | Dr                  |
| House Rent Allowance                                | 3,692.00  | Dr                           | Cur Bal: | 11,446.00             | Dr                  |
| Employee's PF Contribution @ 12%                    | 780.00    | Cr                           | Cur Bal: | 1,560.00              | Cr                  |
| Professional Tax                                    | 150.00    | Cr                           | Cur Bal: | 350.00                | Cr                  |
|                                                     |           |                              |          |                       | <b>11,993.00 Dr</b> |
| <b>Ramesh Arora</b>                                 |           |                              |          |                       |                     |
| Basic Pay                                           | 14,538.00 | Dr                           | Cur Bal: | 43,615.00             | Dr                  |
| House Rent Allowance                                | 2,908.00  | Dr                           | Cur Bal: | 8,723.00              | Dr                  |
| Conveyance                                          | 2,000.00  | Dr                           | Cur Bal: | 6,000.00              | Dr                  |
| Overtime Pay                                        | 300.00    | Dr                           | Cur Bal: | 1,800.00              | Dr                  |
| Variable Pay                                        | 1,200.00  | Dr                           | Cur Bal: | 1,200.00              | Dr                  |
| Professional Tax                                    | 200.00    | Cr                           | Cur Bal: | 400.00                | Cr                  |
| Employee's PF Contribution @ 12%                    | 780.00    | Cr                           | Cur Bal: | 1,560.00              | Cr                  |
|                                                     |           |                              |          |                       | <b>19,966.00 Dr</b> |
| <b>Rohit Roy</b>                                    |           |                              |          |                       |                     |
| Basic Pay                                           | 6,731.00  | Dr                           | Cur Bal: | 20,731.00             | Dr                  |
| House Rent Allowance                                | 2,692.00  | Dr                           | Cur Bal: | 8,292.00              | Dr                  |
| Conveyance                                          | 500.00    | Dr                           | Cur Bal: | 1,500.00              | Dr                  |
| Variable Pay                                        | 500.00    | Dr                           | Cur Bal: | 2,000.00              | Dr                  |
| Professional Tax                                    | 150.00    | Cr                           | Cur Bal: | 300.00                | Cr                  |
| Employee's PF Contribution @ 12%                    | 780.00    | Cr                           | Cur Bal: | 1,560.00              | Cr                  |
|                                                     |           |                              |          |                       | <b>9,493.00 Dr</b>  |
| Narration:                                          |           |                              |          |                       | <b>70,879.00 Dr</b> |
| Pay Period : 1-May-2009 to 31-May-2009              |           |                              |          |                       |                     |
|                                                     |           |                              |          |                       | <b>Accept ?</b>     |
|                                                     |           |                              |          |                       | <b>Yes or No</b>    |

Figure 22.73 Completed Payroll Voucher

7. Press **Enter** to accept

After passing the above entry, the salaries payable for the month of May 2009 are transferred to the Salary Payable Ledger, at the time of payment of salaries, the amount is reversed.

### 22.3.3 Payment of Salaries (Salary Disbursement)

In Tally.ERP 9, Payment voucher can be used to effect salary disbursement to employees. The payment voucher for the salaries payable may be passed through regular payment voucher or automated using the preset Salary Payment process available in Tally.ERP 9 for error free data input during Payroll Payment entry with the help of Auto Fill facility.

#### Example 4:

**On 31st May 2009, Indus Solutions Pvt. Ltd., paid the salaries due for the month of May 2009.**

Before passing the payment voucher, necessary Bank Accounts should be created. To make the Salary payment, follow the steps given below:

Go to **Gateway of Tally > Accounting Vouchers**

1. Press **F5** for **Payment Voucher**
2. Press **F2**, specify the date as **31-05-2009** and press **Enter**
3. Press **Alt+A** (Payroll Auto Fill) to prefill employee payroll details
4. In the **Employee Filters** screen,
  - ▣ Select **Salary Payment** in the **Process for** field as shown.

| Employee Filters           |                                | Process List             |
|----------------------------|--------------------------------|--------------------------|
| Process for                | : <b>Salary Payment</b>        | ESI Challan              |
| From (blank for beginning) | : <b>1-5-2009</b>              | PF Challan               |
| To (blank for end)         | : <b>31-5-2009</b>             | Professional Tax Payment |
| Voucher Date               | :                              | <b>Salary Payment</b>    |
| Cost Category              | : <b>Primary Cost Category</b> |                          |
| Employee/Group             | : <b>[ All Items</b>           |                          |
| Bank / Cash Ledger         | :                              |                          |
| Payroll Ledger             | :                              |                          |

Figure 22.74 Disburse Employee Filters - Payment Process Selection

- ▣ Specify **01-05-2009** as **From** period
- ▣ Specify **31-05-2009** as **To** period
- ▣ Select **All Items** in the **Employee/Group** field
- ▣ Select **HDFC Bank** in the **Bank / Cash Ledger** field as shown.
- ▣ Select **Salary Payable** in the **Payroll Ledger** field

The completed **Employee Filters** screen displays as shown.

| Disburse Employee Filters                                                                                                                                                                                                                                                                                                                                                                                                                        |       | Indus Solutions Pvt. Ltd. | Ctrl + M |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------------------------|----------|
| Payment                                                                                                                                                                                                                                                                                                                                                                                                                                          | No. 1 | List of Ledger Accounts   |          |
| Account :<br>Cur Bal                                                                                                                                                                                                                                                                                                                                                                                                                             |       | Salary Payable            |          |
| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                      |       |                           |          |
| <div style="border: 1px solid black; padding: 10px; margin: 10px auto; width: 80%;"> <p align="center"><b>Employee Filters</b></p> <p>Process for : Salary Payment</p> <p>From (blank for beginning) : 1-5-2009</p> <p>To (blank for end) : 31-5-2009</p> <p>Voucher Date : 31-5-2009</p> <p>Cost Category : Primary Cost Category</p> <p>Employee/Group : [ All Items</p> <p>Bank / Cash Ledger : HDFC Bank</p> <p>Payroll Ledger : </p> </div> |       |                           |          |
| Narration:                                                                                                                                                                                                                                                                                                                                                                                                                                       |       |                           |          |

Figure 22.75 Disburse Employee Filters screen

5. Press **Enter** and the employee payroll details appear by default.
6. Enter the details of the transactions in the **Narration** field

The completed **Payroll Payment Entry** screen is displayed as shown.

| Accounting Voucher Creation                                        |       | Indus Solutions Pvt. Ltd.                                                  | Ctrl + M              |
|--------------------------------------------------------------------|-------|----------------------------------------------------------------------------|-----------------------|
| <b>Payment</b>                                                     | No. 1 |                                                                            | 31-May-2009<br>Sunday |
| Account: <b>HDFC Bank</b><br>Cur Bal: 70,972.00 Dr                 |       | <b>Payroll Auto Fill - (Salary Payment)</b>                                |                       |
| Particulars                                                        |       | Amount                                                                     |                       |
| <b>Salary Payable</b><br>Cur Bal: 0.00 Dr                          |       | 70,972.00                                                                  |                       |
| <b>Primary Cost Category</b>                                       |       |                                                                            |                       |
| Atul Sharma                                                        |       | 29,520.00 Dr                                                               |                       |
| Preeti Sinha                                                       |       | 11,993.00 Dr                                                               |                       |
| Ramesh Arora                                                       |       | 19,966.00 Dr                                                               |                       |
| Rohit Roy                                                          |       | 9,493.00 Dr                                                                |                       |
| Narration:<br>Ch. No.: 711255, HDFC Bank for Salaries for May 2009 |       | <div> <div>70,972.00</div> <div>Accept ?</div> <div>Yes or No</div> </div> |                       |

Figure 22.76 Payment Voucher

## 7. Press **Enter** to accept

If a partial payment of salaries is made to a particular group of employees, then generate a separate payroll voucher for their payables and pass a separate payment entry based on the settlement. However, Tally.ERP 9 also allows you to modify the payment amount to the Employees. The unpaid salary will remain as outstanding in the Salary payable account and can be auto-filled in the payment voucher as and when the actual payments are made.



- ❑ If any cash disbursements are made prior to the payment voucher entry, after using the **Auto-Fill** facility, select the unpaid salaries and enter zero (0) in the amount payable.
- ❑ If salaries are disbursed by cheque, select individual employee in the **Auto Fill Employee Filter** and print the cheque for the payment voucher. In such cases, a separate payroll payment entries for each employee has to be made.

## 22.4 Accounting for Employer PF Contributions

The Employees' Provident Funds and Miscellaneous Provisions Act is a social security legislation which administers provident fund, family pension and insurance to employees. The Act covers three schemes namely, PF (Provident Fund scheme), EPS (Employees' Pension Fund Scheme), EDLI (Employees Deposit Linked Insurance scheme).

Under the Employees' Provident Fund scheme, both the employees and employer contribute to the fund at the rate of 12% of the basic wages, dearness allowance, cash value of food concession and retaining allowance (if any), payable to employees per month. The rate of contribution is 10% in the case of following establishments:

- ❑ Any covered establishment with less than 20 employees
- ❑ Any sick industrial company as specified in the relevant section of Sick Industrial Companies (Special Provisions) Act, 1985 and which has been declared as such by the Board for Industrial and Financial Reconstruction
- ❑ Any establishment which has at the end of any financial year accumulated losses equal to or exceeding its entire net worth and
- ❑ Any establishment engaged in manufacturing of (a) jute (b) Breed (d) coir and (e) Guar gum Industries/ Factories.

The Contribution payable by the Employer is not allowed to be deducted from the wages of the employee. However, the employer has to deduct employee's share from their Salaries and pay the same in EPF scheme. The deduction can be only from the wages pertaining to a period for which contribution is paid. However, if there is an accidental omission, the amount can be recovered later.

Out of employer's contribution of 12% or 10%, the Employer's contribution of 8.33% is diverted to Employees' Pension Scheme and the balance is retained in the EPF scheme. On retirement, the employee gets his full share plus the balance of Employer's share retained to his credit in EPF account.

Once an establishment is covered under PF, all its departments and branches wherever they are situated are also covered.

### i. Employees' Pension Scheme :

As discussed above, the employer's contribution of 8.33% is diverted to the fund of Pension Scheme and the balance 3.67% (1.67%, if the contribution is 10%) is credited in employee's name in Provident Fund account. The contribution of 8.33% is on maximum salary of Rs. 6,500. However, if the some employers are paying contribution on salary in excess of Rs. 6,500, the excess contribution will be credited to Provident Fund account and not to Pension scheme.

### ***Benefits under the Scheme***

Members will get pension on superannuation or retirement from service and upon disablement during employment. Family pension will be available to widow/widower for life or till he/she remarries. In addition, children will be entitled to pension, upto 25 years of their age. In case of orphans, pension at enhanced rate is available upon death of widow/widower or ceasing payment of widow

pension. Benefit of pension to children or orphan is only restricted for two children/orphans. If the person is unmarried or has no family, pension is available to nominee for a specified period.

## **ii. Employees Deposit Linked Insurance Scheme :**

The purpose of the scheme is to provide life insurance benefits to employees who are already covered under PF/EPS. The employer has to pay contribution equal to 0.50% of the total wages of employees. In addition, administrative charges of 0.1% of total wages. The employee does not have to contribute any amount to the scheme. The salary limit for coverage of employees is same as that of Provident Fund.

### ***Benefit to nominee of employee***

In case of death of an employee during employment, his nominee or family member gets an amount equal to average balance in the Provident Fund Account of the deceased employee during last 12 months.

As discussed earlier, the statutory features viz., EPF & ESI etc., are required to be configured in **F11: Statutory & Taxation** Features. In this section, we will discuss, recording of transactions related to computation and contribution of Provident Fund.

### **Example 5:**

***On 30th April, 2009 M/s. Indus Solutions Pvt. Ltd., processed Provident Fund contributions for the month of April 2009 and paid the amount in full to EPFO.***

### ***The same is accounted as shown :***

In Tally.ERP 9, follow the steps given below to process Employer contribution towards Provident Fund:

- ❑ Create Employer PF Contribution Masters
- ❑ Alter/Modify Salary Details
- ❑ Processing Employer PF Contribution
- ❑ Processing PF Admin Expenses
- ❑ Payment of Provident Fund

## **22.4.1 Creating Employer PF Contribution Masters**

In Tally.ERP 9, Employer contribution towards Employees' Pension Fund (Employees' Pension Scheme), Provident Fund, Admin Charges and other PF related ledgers are required to be created separately for appropriate Accounting and reporting. Create the following ledgers in Tally.ERP 9,

1. Employer Contributions Pay Head
2. Employer PF Admin Charges

3. PF Payable Ledger
4. PF Admin Expenses Ledger

### I. Employer Contributions Pay Head

| Pay Head Name        | Pay Head Type                      | Statutory Pay Type      | Under             | Affect Net Salary | Calculation Type  |
|----------------------|------------------------------------|-------------------------|-------------------|-------------------|-------------------|
| Employer EPS @ 8.33% | Employer's Statutory Contributions | EPS Account (A/c No.10) | Indirect Expenses | No                | As computed value |
| Employer EPF @ 3.67% | Employer's Statutory Contributions | PF Account (A/c No.1)   | Indirect Expenses | No                | As computed value |

#### i. Employer Contribution EPS @ 8.33% Pay Head Creation

Go to **Gateway of Tally > Payroll Info. > PayHeads > Create**

In the **Pay Heads** Creation screen,

1. Type **Employer EPS @ 8.33%** as the **Name** of the Pay Head
2. Select **Employer's Statutory Contributions** in the field **Pay Head Type**
3. In **Statutory Pay Type** field, select **EPS Account (A/c No. 10)** as shown



Figure 22.77 Employer EPS @ 8.33% Pay Head Creation

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Figure 22.78 Compute Subscreen

- The completed **Employer EPS @ 8.33% Pay Head Creation** screen is displayed as shown:

| Pay Head Creation                                                                                                                                                                                                                                                                                   |  | Indus Solutions Pvt. Ltd. |                                                                                                          |             |             |                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------|----------------------------------------------------------------------------------------------------------|-------------|-------------|--------------------------------------------|
| Name : <b>Employer EPS @ 8.33%</b><br>(alias) :                                                                                                                                                                                                                                                     |  |                           |                                                                                                          |             |             | Total Op. Bal.                             |
| <b>Pay Head Info</b><br>Pay Head Type : <b>Employer's Statutory Contributions</b><br>Statutory Pay Type : <b>EPS Account (A/c No. 10)</b><br>Under : <b>Indirect Expenses</b><br>Affect Net Salary : <b>No</b><br>Calculation Type : <b>As Computed Value</b><br>Calculation Period : <b>Months</b> |  |                           | <b>Computation Info</b><br>Compute : <b>On Specified Formula</b><br>Specified Formula : <b>Basic Pay</b> |             |             |                                            |
|                                                                                                                                                                                                                                                                                                     |  |                           | Effective From                                                                                           | From Amount | Amount Upto | Slab Type                                  |
|                                                                                                                                                                                                                                                                                                     |  |                           | 1-Apr-2009                                                                                               | 6,500.00    | 6,500.00    | Percentage Value                           |
|                                                                                                                                                                                                                                                                                                     |  |                           |                                                                                                          |             |             | 8.33 %                                     |
|                                                                                                                                                                                                                                                                                                     |  |                           |                                                                                                          |             |             | 541                                        |
| <b>Rounding Info</b><br>Rounding Method : <b>Normal Rounding</b> Limit : <b>1</b>                                                                                                                                                                                                                   |  |                           |                                                                                                          |             |             | <b>Accept ?</b><br><b>Yes</b> or <b>No</b> |
| Opening Balance ( on 1-Apr-2009 ) :                                                                                                                                                                                                                                                                 |  |                           |                                                                                                          |             |             |                                            |

Figure 22.79 Completed Employer EPS Pay Head Creation Screen

15. Press **Enter** to accept

## ii. Employer Contribution EPF @ 3.67% Pay Head

Go to **Gateway of Tally > Payroll Info > PayHeads > Create**

In the **Pay Heads** Creation screen,

1. Type **Employer EPF @ 3.67%** as the **Name** of the Pay Head
2. Select **Employer's Statutory Contributions** in the field **Pay Head Type**
3. In **Statutory Pay Type** field select **PF Account (A/c No. 1)**

The Pay Head Creation screen appears as shown:

Figure 22.80 Employer EPF @ 3.67% Pay Head Creation

- The **Compute** sub-screen appears as shown:

Figure 22.81 Compute Subscreen

- Select **End of List**
- Specify **1-4-2009** as the **Effective From** date
- Press **Enter** to skip the **Slab** fields
- Select **Percentage** as the **Slab Type** from the **List of Slabs**
- Specify **100%** in the **Value Basis** field and press **Enter**

The completed **Employer EPF @ 3.67% Pay Head Creation** screen is displayed as shown:

| Pay Head Creation                                                                                                                                                                                                                                                                                           |  | Indus Solutions Pvt. Ltd.                                                                                                                              |             |             |            |                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|------------|-------------------------------------|
| Name : <b>Employer EPF @ 3.67%</b><br>(alias) :                                                                                                                                                                                                                                                             |  | Total Op. Bal.                                                                                                                                         |             |             |            |                                     |
| <b>Pay Head Info</b><br>Pay Head Type : <b>Employer's Statutory Contributions</b><br>Statutory Pay Type : <b>PF Account (A/c No. 1)</b><br>Under : <b>Indirect Expenses</b><br><br>Affect Net Salary : <b>? No</b><br><br>Calculation Type : <b>As Computed Value</b><br>Calculation Period : <b>Months</b> |  | <b>Computation Info</b><br>Compute : <b>On Specified Formula</b><br>Specified Formula : <b>Employee's PF Contribution @ 12% - Employer EPS @ 8.33%</b> |             |             |            |                                     |
|                                                                                                                                                                                                                                                                                                             |  | Effective From                                                                                                                                         | From Amount | Amount Upto | Slab Type  | Value Basis                         |
|                                                                                                                                                                                                                                                                                                             |  | 1-Apr-2009                                                                                                                                             |             |             | Percentage | 100 %                               |
| <b>Rounding Info</b><br>Rounding Method : <b>Normal Rounding</b> Limit : <b>1</b>                                                                                                                                                                                                                           |  |                                                                                                                                                        |             |             |            | <b>Accept ?</b><br><b>Yes or No</b> |
| Opening Balance ( on 1-Apr-2009 ) :                                                                                                                                                                                                                                                                         |  |                                                                                                                                                        |             |             |            |                                     |

Figure 22.82 Completed Employer EPF Pay Head Creation Screen

9. Press **Enter** to accept.



Alternatively, you can also define the criteria for computation of **Employer PF Contribution @ 3.67% Pay head**, by selecting **Basic Pay** in the **Compute** subscreen. and defining the percentage as **3.67%**.

## II. Employer PF Admin Charges

| Pay Head Name            | Pay Head Type            | Statutory Pay Type       | Under               | Affect Net Salary | Calculation Type  |
|--------------------------|--------------------------|--------------------------|---------------------|-------------------|-------------------|
| PF Admin Charges @ 1.10% | Employer's Other Charges | Admin Charges (A/c No.2) | Current Liabilities | No                | As computed value |

| Pay Head Name              | Pay Head Type            | Statutory Pay Type             | Under               | Affect Net Salary | Calculation Type  |
|----------------------------|--------------------------|--------------------------------|---------------------|-------------------|-------------------|
| EDLI Contribution @ 0.5%   | Employer's Other Charges | EDLI Contribution (A/c No.21)  | Current Liabilities | No                | As computed value |
| EDLI Admin Charges @ 0.01% | Employer's Other Charges | EDLI Admin Charges (A/c No.22) | Current Liabilities | No                | As computed value |

**i. PF Administrative Charges @ 1.10% Pay Head Creation**

Go to **Gateway of Tally > Payroll Info > PayHeads > Create**

In the **Pay Heads** Creation screen,

1. Type **PF Administrative Charges @ 1.10%** as the **Name** of the Pay Head
2. Select **Employer's Other Charges** in the field **Pay Head Type**
3. In **Statutory Pay Type** field, select **Admin Charges (A/c No. 2)** as shown

| Pay Head Creation                                                                                                                                                                                                                                      |                                     | Indus Solutions Pvt. Ltd.                                                                                                                |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|--|
| Name                                                                                                                                                                                                                                                   | : PF Administrative Charges @ 1.10% | Total Op. Bal.                                                                                                                           |  |
| (alias)                                                                                                                                                                                                                                                | :                                   |                                                                                                                                          |  |
| <b>Pay Head Info</b><br>Pay Head Type : <b>Employer's Other Charges</b><br>Statutory Pay Type : <b>Admin Charges (A/c No. 2)</b><br>Under : <b>Direct Expenses</b><br>Affect Net Salary : <b>No</b><br>Calculation Type : <b>As User Defined Value</b> |                                     | <b>Employer's Other Charges</b><br><b>Admin Charges (A/c No. 2)</b><br>EDLI Admin Charges (A/c No. 22)<br>EDLI Contribution (A/c No. 21) |  |
| Opening Balance (on 1-Apr-2009) :                                                                                                                                                                                                                      |                                     |                                                                                                                                          |  |

Figure 22.83 PF Admin Charges Pay Head creation

4. Specify the group as **Current Liabilities** in the **Under** field and press **Enter**
5. Set **Affect Net Salary** to **No**
6. The **Calculation Type** is defaulted automatically as **As Computed Value** and **Calculation Period** as **Months**
7. The **Rounding Method** is defaulted to **Normal Rounding** and **1** defaulted as the rounding **Limit**
8. In the **Computation Info** section,
  - ❑ **On PF Gross** is selected automatically in the **Compute** field
  - ❑ Specify **1-4-2009** as the **Effective From** date
  - ❑ Specify **6500** in the **Amount Upto** column
  - ❑ Select **Percentage** as the **Slab Type** and specify **1.10%** in the **Value Basis** field and press **Enter**

The completed **PF Admin Charges @ 1.10% Pay Head Creation** screen is displayed as shown:

| Pay Head Creation                                                                                                                                                                                                                                    |             | Indus Solutions Pvt. Ltd.                                                                                                                                                                                                                                                                                                             |            |             |  |                       |                |             |             |           |             |            |  |          |            |        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------|--|-----------------------|----------------|-------------|-------------|-----------|-------------|------------|--|----------|------------|--------|
| Name : PF Administrative Charges @ 1.10%<br>(alias) :                                                                                                                                                                                                |             |                                                                                                                                                                                                                                                                                                                                       |            |             |  | Total Op. Bal.        |                |             |             |           |             |            |  |          |            |        |
| <b>Pay Head Info</b><br>Pay Head Type : Employer's Other Charges<br>Statutory Pay Type : Admin Charges (A/c No. 2)<br>Under : Current Liabilities<br>Affect Net Salary : ? No<br>Calculation Type : As Computed Value<br>Calculation Period : Months |             | <b>Computation Info</b><br>Compute : On PF Gross<br><table border="1"> <thead> <tr> <th>Effective From</th> <th>From Amount</th> <th>Amount Upto</th> <th>Slab Type</th> <th>Value Basis</th> </tr> </thead> <tbody> <tr> <td>1-Apr-2009</td> <td></td> <td>6,500.00</td> <td>Percentage</td> <td>1.10 %</td> </tr> </tbody> </table> |            |             |  |                       | Effective From | From Amount | Amount Upto | Slab Type | Value Basis | 1-Apr-2009 |  | 6,500.00 | Percentage | 1.10 % |
| Effective From                                                                                                                                                                                                                                       | From Amount | Amount Upto                                                                                                                                                                                                                                                                                                                           | Slab Type  | Value Basis |  |                       |                |             |             |           |             |            |  |          |            |        |
| 1-Apr-2009                                                                                                                                                                                                                                           |             | 6,500.00                                                                                                                                                                                                                                                                                                                              | Percentage | 1.10 %      |  |                       |                |             |             |           |             |            |  |          |            |        |
| <b>Rounding Info</b><br>Rounding Method : Normal Rounding      Limit : 1                                                                                                                                                                             |             | Opening Balance ( on 1-Apr-2009 ) :                                                                                                                                                                                                                                                                                                   |            |             |  |                       |                |             |             |           |             |            |  |          |            |        |
|                                                                                                                                                                                                                                                      |             |                                                                                                                                                                                                                                                                                                                                       |            |             |  | Accept ?<br>Yes or No |                |             |             |           |             |            |  |          |            |        |

Figure 22.84 Completed Pay Head Creation - PF Admin Charges

9. Press **Enter** to accept

### ii. EDLI Contribution @ 0.5% Pay Head Creation

Go to **Gateway of Tally > Payroll Info > PayHeads > Create**



In the **Pay Heads** Creation screen:

1. Type **EDLI Contribution @ 0.5%** as the **Name** of the Pay Head
2. Select **Employer's Other Charges** in the field **Pay Head Type**.
3. In **Statutory Pay Type** filed select **EDLI Contribution (A/c No. 21)** as shown.

| Pay Head Creation                 |                            | Indus Solutions Pvt. Ltd.             | Total Op. Bal. |
|-----------------------------------|----------------------------|---------------------------------------|----------------|
| Name                              | : EDLI Contribution @ 0.5% |                                       |                |
| (alias)                           | :                          |                                       |                |
| Pay Head Info                     |                            | Employer's Other Charges              |                |
| Pay Head Type                     | : Employer's Other Charges | Admin Charges (A/c No. 2)             |                |
| Statutory Pay Type                | : [REDACTED]               | EDLI Admin Charges (A/c No. 22)       |                |
| Under                             | : Direct Expenses          | <b>EDLI Contribution (A/c No. 21)</b> |                |
| Affect Net Salary                 | ? No                       |                                       |                |
| Calculation Type                  | : As User Defined Value    |                                       |                |
| Opening Balance (on 1-Apr-2009) : |                            |                                       |                |

Figure 22.85 EDLI Contribution Pay Head Creation

4. Specify the group as **Current Liabilities** in the field **Under** and press **Enter**
5. Set **Affect Net Salary** to **No**
6. In the **Computation Info** screen,
  - ❑ In the **Compute** field, **On PF Gross** is selected by default.
  - ❑ Specify **1-4-2009** as the **Effective From** date (In case of a revision in pay structure, you can define the revised computation information for the given pay head, by giving the effective from date)
  - ❑ The **From Amount** column is automatically skipped, assuming it to be zero. Enter **6500** in the **Amount Upto** column.
  - ❑ Select **Percentage** as the **Slab Type** from the **List of Slabs**
  - ❑ Specify **0.5%** in the **Value Basis** field and press **Enter**

The completed **EDLI Contribution @ 0.5% Pay Head Creation** screen is displayed as shown:

| Pay Head Creation                                                                                                                                                                                                                                       |             | Indus Solutions Pvt. Ltd. |                                                                                                                                                                                                                                                                                                                                       |             |  |                |             |             |           |             |            |  |          |            |        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--|----------------|-------------|-------------|-----------|-------------|------------|--|----------|------------|--------|
| Name : EDLI Contribution @ 0.5%<br>(alias) :                                                                                                                                                                                                            |             |                           |                                                                                                                                                                                                                                                                                                                                       |             |  | Total Op. Bal. |             |             |           |             |            |  |          |            |        |
| <b>Pay Head Info</b><br>Pay Head Type : Employer's Other Charges<br>Statutory Pay Type : EDLI Contribution (A/c No. 21)<br>Under : Current Liabilities<br>Affect Net Salary ? No<br>Calculation Type : As Computed Value<br>Calculation Period : Months |             |                           | <b>Computation Info</b><br>Compute : On PF Gross<br><table border="1"> <thead> <tr> <th>Effective From</th> <th>From Amount</th> <th>Amount Upto</th> <th>Slab Type</th> <th>Value Basis</th> </tr> </thead> <tbody> <tr> <td>1-Apr-2009</td> <td></td> <td>6,500.00</td> <td>Percentage</td> <td>0.50 %</td> </tr> </tbody> </table> |             |  | Effective From | From Amount | Amount Upto | Slab Type | Value Basis | 1-Apr-2009 |  | 6,500.00 | Percentage | 0.50 % |
| Effective From                                                                                                                                                                                                                                          | From Amount | Amount Upto               | Slab Type                                                                                                                                                                                                                                                                                                                             | Value Basis |  |                |             |             |           |             |            |  |          |            |        |
| 1-Apr-2009                                                                                                                                                                                                                                              |             | 6,500.00                  | Percentage                                                                                                                                                                                                                                                                                                                            | 0.50 %      |  |                |             |             |           |             |            |  |          |            |        |
| <b>Rounding Info</b><br>Rounding Method : Normal Rounding Limit : 1                                                                                                                                                                                     |             |                           | <div>Accept ?</div> <div>Yes or No</div>                                                                                                                                                                                                                                                                                              |             |  |                |             |             |           |             |            |  |          |            |        |
| Opening Balance ( on 1-Apr-2009 ) :                                                                                                                                                                                                                     |             |                           |                                                                                                                                                                                                                                                                                                                                       |             |  |                |             |             |           |             |            |  |          |            |        |

Figure 22.86 Completed Pay Head for EDLI Contribution

7. Press **Enter** to accept and save the Pay Head

### iii. EDLI Administrative Charges @ 0.01% Pay Head Creation

Go to **Gateway of Tally > Payroll Info > PayHeads > Create**

In the **Pay Heads** Creation screen,

1. Type **EDLI Administrative Charges @ 0.01%** as the **Name** of the Pay Head
2. Select **Employer's Other Charges** in the field **Pay Head Type**
3. In **Statutory Pay Type** filed select **EDLI Admin Charges (A/c No. 22)**

The Pay Head Creation screen appears as shown:

| Pay Head Creation                                                                                                                                                                                                                         |                                       | Indus Solutions Pvt. Ltd.                                                                                                                |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|--|
| Name                                                                                                                                                                                                                                      | : EDLI Administrative Charges @ 0.01% | Total Op. Bal.                                                                                                                           |  |
| (alias)                                                                                                                                                                                                                                   | :                                     |                                                                                                                                          |  |
|                                                                                                                                                                                                                                           |                                       |                                                                                                                                          |  |
| <b>Pay Head Info</b><br>Pay Head Type : <b>Employer's Other Charges</b><br>Statutory Pay Type : <b>[REDACTED]</b><br>Under : <b>Direct Expenses</b><br>Affect Net Salary : <b>? No</b><br>Calculation Type : <b>As User Defined Value</b> |                                       | <b>Employer's Other Charges</b><br>Admin Charges (A/c No. 2)<br><b>EDLI Admin Charges (A/c No. 22)</b><br>EDLI Contribution (A/c No. 21) |  |
| Opening Balance (on 1-Apr-2009) :                                                                                                                                                                                                         |                                       |                                                                                                                                          |  |

Figure 22.87 EDLI Admin Charges Pay Head Creation

4. Specify the group as **Current Liabilities** in the field **Under** and press **Enter**
5. Set **Affect Net Salary** to **No**
6. In the **Computation Info** screen,
  - ❑ **On PF Gross** is selected in the **Compute** field, by default
  - ❑ Specify **1-4-2009** as the **Effective From** date
  - ❑ The **From Amount** column is automatically skipped, assuming it to be zero. Enter **6500** in the **Amount Upto** column
  - ❑ Select **Percentage** as the **Slab Type** from the **List of Slabs**
  - ❑ Specify **0.01%** in the **Value Basis** field and press **Enter**

The completed **EDLI Administrative Charges @ 0.01% Pay Head Creation** screen is displayed as shown.

| Pay Head Creation                                                                                                                                                                                                                                                                      |             | Indus Solutions Pvt. Ltd. |                                                                                                                                                                                                                                                                                                                                       |             |  |                |             |             |           |             |            |  |          |            |        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--|----------------|-------------|-------------|-----------|-------------|------------|--|----------|------------|--------|
| Name : EDLI Administrative Charges @ 0.01%<br>(alias) :                                                                                                                                                                                                                                |             |                           |                                                                                                                                                                                                                                                                                                                                       |             |  | Total Op. Bal. |             |             |           |             |            |  |          |            |        |
| <b>Pay Head Info</b><br>Pay Head Type : Employer's Other Charges<br>Statutory Pay Type : EDLI Admin Charges (A/c No. 22)<br>Minimum Rs 2/Employee ? No<br>Under : Current Liabilities<br>Affect Net Salary ? No<br>Calculation Type : As Computed Value<br>Calculation Period : Months |             |                           | <b>Computation Info</b><br>Compute : On PF Gross<br><table border="1"> <thead> <tr> <th>Effective From</th> <th>From Amount</th> <th>Amount Upto</th> <th>Slab Type</th> <th>Value Basis</th> </tr> </thead> <tbody> <tr> <td>1-Apr-2009</td> <td></td> <td>6,500.00</td> <td>Percentage</td> <td>0.01 %</td> </tr> </tbody> </table> |             |  | Effective From | From Amount | Amount Upto | Slab Type | Value Basis | 1-Apr-2009 |  | 6,500.00 | Percentage | 0.01 % |
| Effective From                                                                                                                                                                                                                                                                         | From Amount | Amount Upto               | Slab Type                                                                                                                                                                                                                                                                                                                             | Value Basis |  |                |             |             |           |             |            |  |          |            |        |
| 1-Apr-2009                                                                                                                                                                                                                                                                             |             | 6,500.00                  | Percentage                                                                                                                                                                                                                                                                                                                            | 0.01 %      |  |                |             |             |           |             |            |  |          |            |        |
| <b>Rounding Info</b><br>Rounding Method : Normal Rounding      Limit : 1                                                                                                                                                                                                               |             |                           | <div>Accept ?</div> <div>Yes or No</div>                                                                                                                                                                                                                                                                                              |             |  |                |             |             |           |             |            |  |          |            |        |
| Opening Balance ( on 1-Apr-2009 ) :                                                                                                                                                                                                                                                    |             |                           |                                                                                                                                                                                                                                                                                                                                       |             |  |                |             |             |           |             |            |  |          |            |        |

Figure 22.88 Completed pay Head for EDLI Admin Charges

7. Press **Enter** to accept and save the Pay Head.

### III. PF Payable Ledger

To process the **Employer PF Contribution**, create **PF Payable** Ledger as explained below:

| Ledger     | Pay Head Type  | Under               |
|------------|----------------|---------------------|
| PF Payable | Not Applicable | Current Liabilities |

Go to **Gateway of Tally > Payroll Info. > Payheads > Create**

1. Type **PF Payable** in the **Name** field
2. In the **Pay Head Type** field select **Not Applicable**
3. Specify the Group as **Current Liabilities** in the **Under** field and press **Enter**

The completed **PF Payable** Ledger creation screen is displayed as shown:

| Pay Head Creation                                                                       |  | Indus Solutions Pvt. Ltd. |
|-----------------------------------------------------------------------------------------|--|---------------------------|
| Name : PF Payable                                                                       |  | Total Op. Bal.            |
| (alias) :                                                                               |  |                           |
| <b>Pay Head Info</b><br>Pay Head Type : I Not Applicable<br>Under : Current Liabilities |  |                           |
| Opening Balance ( on 1-Apr-2009 ) :                                                     |  | Accept ?<br>Yes or No     |

Figure 22.89 Completed PF Payable Ledger Creation

4. Press **Enter** to accept.

#### IV. PF Admin Expenses Ledger

To process the Employer Other Charges (PF Admin, EDLI Contribution and EDLI Admin expenses), create PF Admin Expenses Ledger as explained below:

| Ledger            | Under             |
|-------------------|-------------------|
| PF Admin Expenses | Indirect Expenses |

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

1. In the **Name** field type **PF Admin Expenses**
2. Specify the group as **Indirect Expenses** in the field **Under** and press **Enter**

The completed **PF Admin Expenses** Ledger creation screen is displayed as shown:

| Ledger Creation                    |                     | Indus Solutions Pvt. Ltd.                                                  |  | Ctrl           |
|------------------------------------|---------------------|----------------------------------------------------------------------------|--|----------------|
| Name                               | : PF Admin Expenses |                                                                            |  | Total Op. Bal. |
| (alias)                            | :                   |                                                                            |  |                |
| Under                              | : Indirect Expenses |                                                                            |  |                |
| Inventory values are affected      | ? No                |                                                                            |  |                |
|                                    |                     | <b>Mailing Details</b><br>Name :<br>Address :<br><br>State :<br>PIN Code : |  |                |
|                                    |                     | <b>Tax Information</b><br>PAN / IT No. :<br>Sales Tax No. :                |  |                |
|                                    |                     |                                                                            |  | Accept ?       |
| Opening Balance ( on 1-Apr-2009) : |                     |                                                                            |  | Yes or No      |

Figure 22.90 PF Admin Expenses Ledger Creation

3. Press **Enter** to accept

### 22.4.2 Salary Details setup

Once the required Employer Contribution Pay Heads and Admin Expenses ledgers are created, the salary details of the Employee should be altered to constitute the Employer Contribution pay head ledgers for automatic calculations based on the monthly payments made to the Employees.

#### Create / Alter Salary Details Master

To update the salary details Master of the Employees, follow the steps given below,

Go to **Gateway of Tally > Payroll Info. > Salary Details > Alter**

1. Select the **Rohit Roy** one by from the **List of Groups / Employees**
2. Add the Pay Heads **Employer EPS @ 8.33%** and **Employer EPF @ 3.67%**

The completed **Salary Details** screen is as shown:

| Salary Details Alteration             |                                     | Indus Solutions Pvt. Ltd. |        |                                    |                       | Ctrl + M                                                         |
|---------------------------------------|-------------------------------------|---------------------------|--------|------------------------------------|-----------------------|------------------------------------------------------------------|
| Name : Rohit Roy (469)                |                                     |                           |        |                                    |                       |                                                                  |
| Under : Administration<br>(# Primary) |                                     |                           |        |                                    |                       |                                                                  |
| Salary Details                        |                                     |                           |        |                                    |                       |                                                                  |
| Effective From                        | Pay Head                            | Rate                      | Per    | Pay Head Type                      | Calculation Type      | Computed On                                                      |
| 1-Apr-2009                            | Basic Pay                           | 7,000.00                  | Months | Earnings for Employees             | On Attendance         | Basic Pay                                                        |
|                                       | House Rent Allowance                |                           |        | Earnings for Employees             | As Computed Value     |                                                                  |
|                                       | Conveyance                          | 500.00                    | Months | Earnings for Employees             | Flat Rate             |                                                                  |
|                                       | Overtime Pay                        | 40.00                     | Hrs    | Earnings for Employees             | On Production         |                                                                  |
|                                       | Variable Pay                        |                           |        | Earnings for Employees             | As User Defined Value |                                                                  |
|                                       | Professional Tax                    |                           |        | Employees' Statutory Deductions    | As Computed Value     | On Current Earnings Total                                        |
|                                       | Employee's PF Contribution @ 12%    |                           |        | Employees' Statutory Deductions    | As Computed Value     | Basic Pay                                                        |
|                                       | Employee's ESI Contribution @ 1.75% |                           |        | Employees' Statutory Deductions    | As Computed Value     | [(Basic Pay + House Rent Allowance) + Conveyance] + Overtime Pay |
|                                       | Gratuity Expenses (Provisional)     |                           |        | Gratuity                           |                       |                                                                  |
|                                       | Employer EPS @ 8.33%                |                           |        | Employer's Statutory Contributions | As Computed Value     | Basic Pay                                                        |
|                                       | Employer EPF @ 3.67%                |                           |        | Employer's Statutory Contributions | As Computed Value     | Employee's PF Contribution @ 12% + Employer EPS @ 8.33%          |
|                                       |                                     |                           |        |                                    |                       | Accept ?                                                         |
|                                       |                                     |                           |        |                                    |                       | Yes OF No                                                        |

Figure 22.91 Salary Details Alteration Screen

Similarly, include Employee Contribution Pay Heads in the Salary Details Masters of other employees.



While, including the Employer Contribution Pay Heads in the Salary Details master, the order of precedence in which the Pay Heads are included must on the basis of their calculation criteria i.e.,

- ❑ **Earning Pay Heads**
- ❑ **Deduction Pay Heads**
- ❑ **Professional Tax or Income Tax Pay Heads (if any)**
- ❑ **Employee PF Contribution Pay Heads**
- ❑ **Employer PF Contribution Pay Heads**
- ❑ **Gratuity** (Gratuity is calculated on Basic Pay + DA, hence Gratuity Pay Head can be sequenced in the Salary details of an Employer in any order after Earnings Pay Heads).



*It is necessary to include **Employer Contribution Pay Heads** (i.e., **Employer PF** and **Employer Pension Fund** Pay Heads in the **Salary Structure** of the Employee, to automate the Computation of Employer PF Contribution on the basis of payments made to Employees.*

### 22.4.3 Processing Employer PF Contribution

In Tally.ERP 9, you are required to process Employer PF Contributions, PF Admin Charges separately and make the payment towards PF comprising of Employees' PF Contribution, Employer PF Admin Expenses through a combined challan.

Follow the steps explained below to process Provident Fund.

#### Step 1: Create Payroll voucher

##### Go to Gateway of Tally > Payroll Vouchers

1. Press **Ctrl+F4** for **Payroll Voucher**
2. Press **F2**, specify the date as **30-04-2009** and press **Enter**
3. Press **Alt+A (Payroll Auto Fill)** to automate the employee payroll details
4. In the Employee Filter subscreen,
  - ❑ Select **PF Contribution** from the **Process List** drop down as shown

| Employee Filters           |                       | Process List     |
|----------------------------|-----------------------|------------------|
| Process for                | PF Contribution       | ESI Contribution |
| From (blank for beginning) | 1-4-2009              | PF Contribution  |
| To (blank for end)         | 30-4-2009             | Salary           |
| Cost Category              | Primary Cost Category |                  |
| Employee/Group             | All Items             |                  |
| Payroll Ledger             |                       |                  |

Figure 22.92 Employee Filters - Process List Selection

*Tally.ERP 9 provides the following predefined processes that will help in processing Payroll transactions:*



- ❑ **ESI Contribution** : This process is selected to automate computation of Employer ESI Contribution.
- ❑ **PF Contribution** : This process is selected to automate computation of Employer PF Contribution
- ❑ **Salary** : This process is selected to automate computation of Salaries payable to Employees.



- Specify **1-4-2009** and **30-4-2009** in the **From** and **To** Date fields respectively
- Select **Primary Cost Category** in the **Cost Category** field
- Select **All Items** as **Employee/ Group** field (To process, for a particular group / Employee select the respective Employee / group, as required)
- Select **PF Payable** Ledger from the list of Ledger Accounts drop down in the **Payroll Ledger** field as shown

| Employee Filters                                                                                                                                                                                                                                                                                                                                                         |  | Indus Solutions Pvt. Ltd.             |  | Ctrl + M                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------|--|-------------------------|
| Payroll No. 2                                                                                                                                                                                                                                                                                                                                                            |  | Payroll Auto Fill - (PF Contribution) |  | List of Ledger Accounts |
| Account :<br>Cur Bal: 0.00 Cr                                                                                                                                                                                                                                                                                                                                            |  |                                       |  | Cash                    |
| Particulars                                                                                                                                                                                                                                                                                                                                                              |  |                                       |  | HDFC Bank               |
|                                                                                                                                                                                                                                                                                                                                                                          |  |                                       |  | <b>PF Payable</b>       |
|                                                                                                                                                                                                                                                                                                                                                                          |  |                                       |  | Salary Payable          |
| <div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: 80%;"> <p align="center"><b>Employee Filters</b></p> <p>Process for : PF Contribution</p> <p>From (blank for beginning) : 1-4-2009</p> <p>To (blank for end) : 30-4-2009</p> <p>Cost Category : Primary Cost Category</p> <p>Employee/Group : All Items</p> <p>Payroll Ledger : </p> </div> |  |                                       |  |                         |
| Narration:                                                                                                                                                                                                                                                                                                                                                               |  |                                       |  |                         |

Figure 22.93 Employee Filters screen – Payroll Ledger Selection

The values for the Employer PF contributions are prefilled in the Payroll Voucher for PF Contribution process.

The Payroll Voucher for **Employer PF Contribution** is as shown:

| Payroll Voucher Creation               |        | Indus Solutions Pvt. Ltd.             |                    | Ctrl + M                |  |
|----------------------------------------|--------|---------------------------------------|--------------------|-------------------------|--|
| <b>Payroll</b> No. 2                   |        |                                       |                    | 30-Apr-2009<br>Thursday |  |
| Account : PF Payable                   |        | Payroll Auto Fill - (PF Contribution) |                    |                         |  |
| Cur Bal: 0.00 Cr                       |        |                                       |                    |                         |  |
| Particulars                            |        |                                       |                    | Amount                  |  |
| <b>Primary Cost Category</b>           |        |                                       |                    | <b>3,120.00 Cr</b>      |  |
| <b>Atul Sharma</b>                     |        |                                       |                    | <b>780.00 Dr</b>        |  |
| Employer EPS @ 8.33%                   | 541.00 | Dr                                    | Cur Bal: 541.00 Dr |                         |  |
| Employer EPF @ 3.67%                   | 239.00 | Dr                                    | Cur Bal: 239.00 Dr |                         |  |
| <b>Preeti Sinha</b>                    |        |                                       |                    | <b>780.00 Dr</b>        |  |
| Employer EPS @ 8.33%                   | 541.00 | Dr                                    | Cur Bal: 541.00 Dr |                         |  |
| Employer EPF @ 3.67%                   | 239.00 | Dr                                    | Cur Bal: 239.00 Dr |                         |  |
| <b>Ramesh Arora</b>                    |        |                                       |                    | <b>780.00 Dr</b>        |  |
| Employer EPS @ 8.33%                   | 541.00 | Dr                                    | Cur Bal: 541.00 Dr |                         |  |
| Employer EPF @ 3.67%                   | 239.00 | Dr                                    | Cur Bal: 239.00 Dr |                         |  |
| <b>Rohit Roy</b>                       |        |                                       |                    | <b>780.00 Dr</b>        |  |
| Employer EPS @ 8.33%                   | 541.00 | Dr                                    | Cur Bal: 541.00 Dr |                         |  |
| Employer EPF @ 3.67%                   | 239.00 | Dr                                    | Cur Bal: 239.00 Dr |                         |  |
| Narration:                             |        |                                       |                    | <b>3,120.00 Cr</b>      |  |
| Pay Period : 1-Apr-2009 to 30-Apr-2009 |        |                                       |                    |                         |  |

Figure 22.94 Payroll Voucher Creation - PF Contribution

5. Press **Enter** to accept

The completed Payroll Voucher for **Employer PF Contribution** is as shown:

| Payroll Voucher Creation                 |  | Indus Solutions Pvt. Ltd. |  | Ctrl + M                     |  |
|------------------------------------------|--|---------------------------|--|------------------------------|--|
| <b>Payroll</b> No. 2                     |  |                           |  | 30-Apr-2009<br>Thursday      |  |
| Payroll Auto Fill - (PF Contribution)    |  |                           |  |                              |  |
| Account : PF Payable<br>Cur Bal: 0.00 Cr |  |                           |  |                              |  |
| Particulars                              |  |                           |  | Amount                       |  |
| Primary Cost Category                    |  |                           |  | 3,120.00 Dr                  |  |
| Atul Sharma                              |  |                           |  | 780.00 Dr                    |  |
| Employer EPS @ 8.33%                     |  |                           |  | 541.00 Dr Cur Bal: 541.00 Dr |  |
| Employer EPF @ 3.67%                     |  |                           |  | 239.00 Dr Cur Bal: 239.00 Dr |  |
| Preeti Sinha                             |  |                           |  | 780.00 Dr                    |  |
| Employer EPS @ 8.33%                     |  |                           |  | 541.00 Dr Cur Bal: 541.00 Dr |  |
| Employer EPF @ 3.67%                     |  |                           |  | 239.00 Dr Cur Bal: 239.00 Dr |  |
| Ramesh Arora                             |  |                           |  | 780.00 Dr                    |  |
| Employer EPS @ 8.33%                     |  |                           |  | 541.00 Dr Cur Bal: 541.00 Dr |  |
| Employer EPF @ 3.67%                     |  |                           |  | 239.00 Dr Cur Bal: 239.00 Dr |  |
| Rohit Roy                                |  |                           |  | 780.00 Dr                    |  |
| Employer EPS @ 8.33%                     |  |                           |  | 541.00 Dr Cur Bal: 541.00 Dr |  |
| Employer EPF @ 3.67%                     |  |                           |  | 239.00 Dr Cur Bal: 239.00 Dr |  |
| Narration:                               |  |                           |  |                              |  |
| Pay Period : 1-Apr-2009 to 30-Apr-2009   |  |                           |  |                              |  |
|                                          |  |                           |  | Accept ?                     |  |
|                                          |  |                           |  | Yes or No                    |  |

Figure 22.95 Completed PF Contribution screen

6. Press **Enter** to accept

## 22.4.4 Processing PF Admin Expenses

### Example 6:

*On 30th April, 2009 M/s. Indus Solutions Pvt. Ltd., processed PF Admin Expenses for the month of April 2009.*

To process the **PF Admin Charges**, follow the steps given below:

#### Step 1: Create Journal voucher

Go to **Gateway of Tally > Accounting Vouchers**

1. Press **F7** for **Journal Voucher**
2. Press **F2**, specify the date as **30-04-2009** and press **Enter**
3. Press **Alt+A (Other Charges Auto Fill)** to prefill Employer's Other Charges details
  - Specify **1-4-2009** and **30-4-2009** in the **From** and **To** Date fields respectively
  - Select **Primary Cost Category** in the **Cost Category** field
  - Select **All Items** in the **Employee/ Group** field

- ❑ Select **PF Admin Expenses** Ledger in the **Expense Ledger** field

| Employer's Other Charges                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |       | Indus Solutions Pvt. Ltd. | Ctrl + M |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------------------------|----------|
| Journal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | No. 1 | List of Ledger Accounts   |          |
| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       | PF Admin Expenses         |          |
| Dr                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |       |                           |          |
| Dr                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |       |                           |          |
| <div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: 80%;"> <p style="text-align: center;"><b>Employer's Other Charges</b></p> <p>From (blank for beginning) : 1-4-2009</p> <p>To (blank for end) : 30-4-2009</p> <p>Cost Category : Primary Cost Category</p> <p>Employee/Group : I All Items</p> <p>Expense Ledger : <b>PF Admin Expenses</b></p> <p>Admin Charges (A/c No. 2) :</p> <p>EDLI Contribution (A/c No. 21) :</p> <p>EDLI Admin Charges (A/c No. 22) :</p> </div> |       |                           |          |
| Narration:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |       |                           |          |

Figure 22.96 Employer's Other Charges screen – Expenses Ledger Selection

- ❑ Select **PF Admin Charges @ 1.10%** Ledger in the **Admin Charges (A/c No. 2)** field as shown

| Employer's Other Charges                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  | Indus Solutions Pvt. Ltd.                                                                                        | Ctrl + M |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------------------------------------------------------------------------------------------------------|----------|
| Journal No. 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  | List of Admin Charges Ledgers                                                                                    |          |
| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  | <input type="checkbox"/> Not Applicable<br><input checked="" type="checkbox"/> PF Administrative Charges @ 1.10% |          |
| Dr                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |                                                                                                                  |          |
| Dr                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |                                                                                                                  |          |
| <div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: 80%;"> <p align="center"><b>Employer's Other Charges</b></p> <p>From (blank for beginning) : 1-4-2009</p> <p>To (blank for end) : 30-4-2009</p> <p>Cost Category : Primary Cost Category</p> <p>Employee/Group : All Items</p> <p>Expense Ledger : PF Admin Expenses</p> <p>Admin Charges (A/c No. 2) : PF Administrative Charges @ 1.10%</p> <p>EDLI Contribution (A/c No. 21) :</p> <p>EDLI Admin Charges (A/c No. 22) :</p> </div> |  |                                                                                                                  |          |
| Narration:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |                                                                                                                  |          |

Figure 22.97 Employer's Other Charges screen – Admin Charges Ledger Selection

- Similarly, select **EDLI Contribution @ 0.5%** and **EDLI Admin Charges @ 0.01%** in the **EDLI Contribution (A/c No. 21)** and **EDLI Admin Charges (A/c No. 22)** fields respectively.

The completed **Employer's Other Charges** subscreen appears as shown:

| Employer's Other Charges                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |       | Indus Solutions Pvt. Ltd.                                                                                          | Ctrl + M |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|--------------------------------------------------------------------------------------------------------------------|----------|
| Journal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | No. 1 | List of EDLI Charges Ledgers                                                                                       |          |
| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |       | <input type="checkbox"/> Not Applicable<br><input checked="" type="checkbox"/> EDLI Administrative Charges @ 0.01% |          |
| Dr                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |       |                                                                                                                    |          |
| <div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: 80%;"> <p style="text-align: center;"><b>Employer's Other Charges</b></p> <p>From (blank for beginning) : 1-4-2009<br/>           To (blank for end) : 30-4-2009<br/>           Cost Category : Primary Cost Category<br/>           Employee/Group : All Items<br/>           Expense Ledger : PF Admin Expenses<br/>           Admin Charges (A/c No. 2) : PF Administrative Charges @ 1.10%<br/>           EDLI Contribution (A/c No. 21) : EDLI Contribution @ 0.5%<br/>           EDLI Admin Charges (A/c No. 22) : EDLI Administrative Charges @ 0.01%</p> </div> |       |                                                                                                                    |          |
| Narration:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |       |                                                                                                                    |          |

Figure 22.98 Completed Employer's Other Charges screen

□ Press **Enter**

4. Type the details of the transaction in the **Narration** field

The completed **Employer PF Expenses** Voucher is as shown:

| Accounting Voucher Creation                                                                |          | Indus Solutions Pvt. Ltd.           | Ctrl + M                |
|--------------------------------------------------------------------------------------------|----------|-------------------------------------|-------------------------|
| <b>Journal</b>                                                                             | No. 1    |                                     | 30-Apr-2009<br>Thursday |
| Account: PF Admin Expenses<br>Cur Bal: 418.60 Dr                                           |          | Payroll Auto Fill - (Other Charges) |                         |
| Particulars                                                                                |          | Amount                              |                         |
| PF Administrative Charges @ 1.10%                                                          |          | 286.00                              |                         |
| Cur Bal: 286.00 Cr                                                                         |          |                                     |                         |
| Primary Cost Category                                                                      |          |                                     |                         |
| Atul Sharma                                                                                | 71.50 Cr |                                     |                         |
| Preeti Sinha                                                                               | 71.50 Cr |                                     |                         |
| Ramesh Arora                                                                               | 71.50 Cr |                                     |                         |
| Rohit Roy                                                                                  | 71.50 Cr |                                     |                         |
| EDLI Contribution @ 0.5%                                                                   |          | 130.00                              |                         |
| Cur Bal: 130.00 Cr                                                                         |          |                                     |                         |
| Primary Cost Category                                                                      |          |                                     |                         |
| Atul Sharma                                                                                | 32.50 Cr |                                     |                         |
| Preeti Sinha                                                                               | 32.50 Cr |                                     |                         |
| Ramesh Arora                                                                               | 32.50 Cr |                                     |                         |
| Rohit Roy                                                                                  | 32.50 Cr |                                     |                         |
| EDLI Administrative Charges @ 0.01%                                                        |          | 2.60                                |                         |
| Cur Bal: 2.60 Cr                                                                           |          |                                     |                         |
| Primary Cost Category                                                                      |          |                                     |                         |
| Atul Sharma                                                                                | 0.65 Cr  |                                     |                         |
| Preeti Sinha                                                                               | 0.65 Cr  |                                     |                         |
| Ramesh Arora                                                                               | 0.65 Cr  |                                     |                         |
| Rohit Roy                                                                                  | 0.65 Cr  |                                     |                         |
| Narration:<br>PF Admin Expenses, EDLI Contribution and EDLI Admin expenses for April 2009. |          | 140.00                              |                         |
|                                                                                            |          | Accept ?<br>Yes or No               |                         |

Figure 22.99 Completed PF Expenses Voucher screen

5. Press **Enter** to accept and save.

## 22.4.5 Payment of Provident Fund

In Tally.ERP 9, once process for Employee and Employer contributions to Provident Fund is implemented in the manner as discussed in earlier sections, the total amount payable to EPFO is accumulated separately in three Ledger Accounts, PF Payable Account (Employer Contributions), Employee PF Contributions and the PF Admin Charges Ledger. At the time of making payment to EPFO, a payment voucher is required to be passed.

### Example 7:

**On 30th April, 2009 M/s. Indus Solutions Pvt. Ltd., made the payment in respect of EPF, EDLI Admin Expenses, EDLI Contribution and PF Admin Charges for the month of April 2009.**

To process the payment of Provident Fund, follow the steps given below:

### Step 1 : Create PF Payment Voucher

Go to **Gateway of Tally > Accounting Vouchers**

1. Press **F5** for **Payment Voucher**
2. Press **F2**, specify **30-04-2009** as the **Voucher Date** and press **Enter**
3. Press **Alt+A (Payroll Auto Fill)** to prefill PF details
  - Select **PF Challan** in the **Process for** field from the **Process List** screen

| Employee Filters           |                                | Process List             |
|----------------------------|--------------------------------|--------------------------|
| Process for                | : <b>PF Challan</b>            | ESI Challan              |
| From (blank for beginning) | : <b>1-4-2009</b>              | <b>PF Challan</b>        |
| To (blank for end)         | : <b>30-4-2009</b>             | Professional Tax Payment |
| Voucher Date               | :                              | Salary Payment           |
| Cost Category              | : <b>Primary Cost Category</b> |                          |
| Employee/Group             | : <b>All Items</b>             |                          |
| Bank / Cash Ledger         | :                              |                          |
| Payroll Ledger             | :                              |                          |

Figure 22.100 Employee Filters screen - Process Selection

- Enter **1-4-2009** and **30-4-2009** in the **From** and **To** Date fields respectively
- Specify **30-4-2009** in the **Voucher Date** field (This field is prefilled, if the voucher date is specified during Voucher Entry)
- Select **Primary Cost Category** in the **Cost Category** field
- Select **All Items** in the **Employee/ Group** field
- Select **HDFC Bank** in the **Bank / Cash Ledger** field
- Select **PF Payable** Ledger in the **Payroll Ledger** field



| Disburse Employee Filters                                                                                                                                                                                                                                                                                                                                                                                                                               |       | Indus Solutions Pvt. Ltd. | Ctrl + M                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------------------------|-------------------------|
| Payment                                                                                                                                                                                                                                                                                                                                                                                                                                                 | No. 1 |                           | List of Ledger Accounts |
| Account :                                                                                                                                                                                                                                                                                                                                                                                                                                               |       |                           | <b>PF Payable</b>       |
| Cur Bal:                                                                                                                                                                                                                                                                                                                                                                                                                                                |       |                           | Salary Payable          |
| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                             |       |                           |                         |
| <div style="border: 1px solid black; padding: 10px; margin: 10px auto; width: 80%;"> <p style="text-align: center;"><b>Employee Filters</b></p> <p>Process for : PF Challan</p> <p>From (blank for beginning) : 1-4-2009</p> <p>To (blank for end) : 30-4-2009</p> <p>Voucher Date : 30-4-2009</p> <p>Cost Category : Primary Cost Category</p> <p>Employee/Group : All Items</p> <p>Bank / Cash Ledger : HDFC Bank</p> <p>Payroll Ledger : </p> </div> |       |                           |                         |
| Narration:                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |                           |                         |

Figure 22.101 Employee Filters screen - PF Ledger selection

- Press **Enter** to prefill **PF Payable Amount** in respect of **Employer Contributions** during the relevant month

The **Payment voucher** appears as shown:

| Accounting Voucher Creation  |           | Indus Solutions Pvt. Ltd.               | Ctrl + M                |
|------------------------------|-----------|-----------------------------------------|-------------------------|
| <b>Payment</b>               | No. 1     |                                         | 30-Apr-2009<br>Thursday |
| Account : <b>HDFC Bank</b>   |           | <i>Payroll Auto Fill - (PF Challan)</i> |                         |
| Cur Bal: 8,32,148.00 Dr      |           |                                         |                         |
| Particulars                  |           | Amount                                  |                         |
| <b>PF Payable</b>            |           | <b>3,120.00</b>                         |                         |
| Cur Bal: 0.00 Dr             |           |                                         |                         |
| <b>Primary Cost Category</b> |           |                                         |                         |
| Atul Sharma                  | 780.00 Dr |                                         |                         |
| Preeti Sinha                 | 780.00 Dr |                                         |                         |
| Ramesh Arora                 | 780.00 Dr |                                         |                         |
| Rohit Roy                    | 780.00 Dr |                                         |                         |
| Provide Details : No         |           |                                         |                         |
| Narration:                   |           | <b>3,120.00</b>                         |                         |

Figure 22.102 PF Payment Voucher with Employer PF Contribution details

- Press **Enter** again, to prefill the amount of **Employee Contributions** during the relevant month

| Accounting Voucher Creation                          |           | Indus Solutions Pvt. Ltd.               | Ctrl + M                       |
|------------------------------------------------------|-----------|-----------------------------------------|--------------------------------|
| <b>Payment</b>                                       | No. 1     |                                         | <b>30-Apr-2009</b><br>Thursday |
| Account: <b>HDFC Bank</b><br>Cur Bal: 8,32,148.00 Dr |           | <b>Payroll Auto Fill - (PF Challan)</b> |                                |
| Particulars                                          |           | Amount                                  |                                |
| <b>PF Payable</b><br>Cur Bal: 0.00 Dr                |           | <b>3,120.00</b>                         |                                |
| Primary Cost Category                                |           |                                         |                                |
| Atul Sharma                                          | 780.00 Dr |                                         |                                |
| Preeti Sinha                                         | 780.00 Dr |                                         |                                |
| Ramesh Arora                                         | 780.00 Dr |                                         |                                |
| Rohit Roy                                            | 780.00 Dr |                                         |                                |
| <b>Employee's PF Contribution @ 12%</b>              |           | <b>3,120.00</b>                         |                                |
| Cur Bal: 3,120.00 Cr                                 |           |                                         |                                |
| Primary Cost Category                                |           |                                         |                                |
| Atul Sharma                                          | 780.00 Dr |                                         |                                |
| Preeti Sinha                                         | 780.00 Dr |                                         |                                |
| Ramesh Arora                                         | 780.00 Dr |                                         |                                |
| Rohit Roy                                            | 780.00 Dr |                                         |                                |
| Provide Details : No                                 |           |                                         |                                |
| Narration:                                           |           | <b>6,240.00</b>                         |                                |

Figure 22.103 PF Payment Voucher - with Employee Contribution details

- Press **Enter** thrice to again, to prefill **EDLI Admin Expenses**, **EDLI Contribution** and **PF Admin Charges** during the selected month as shown:

| Accounting Voucher Creation                           |           | Indus Solutions Pvt. Ltd. | Ctrl + M                |
|-------------------------------------------------------|-----------|---------------------------|-------------------------|
| <b>Payment</b>                                        | No. 1     |                           | 30-Apr-2009<br>Thursday |
| Payroll Auto Fill - (PF Challan)                      |           |                           |                         |
| Account : <b>HDFC Bank</b><br>Cur Bal: 8,32,148.00 Dr |           |                           |                         |
| Particulars                                           | Amount    |                           |                         |
| ↑ ... 8 more                                          |           |                           |                         |
| Cur Bal: 3,120.00 Cr                                  |           |                           |                         |
| Primary Cost Category                                 |           |                           |                         |
| Atul Sharma                                           | 780.00 Dr |                           |                         |
| Preeti Sinha                                          | 780.00 Dr |                           |                         |
| Ramesh Arora                                          | 780.00 Dr |                           |                         |
| Rohit Roy                                             | 780.00 Dr |                           |                         |
| EDLI Administrative Charges @ 0.01%                   |           | 2.60                      |                         |
| Cur Bal: 0.00 Dr                                      |           |                           |                         |
| Primary Cost Category                                 |           |                           |                         |
| Atul Sharma                                           | 0.65 Dr   |                           |                         |
| Preeti Sinha                                          | 0.65 Dr   |                           |                         |
| Ramesh Arora                                          | 0.65 Dr   |                           |                         |
| Rohit Roy                                             | 0.65 Dr   |                           |                         |
| EDLI Contribution @ 0.5%                              |           | 130.00                    |                         |
| Cur Bal: 0.00 Dr                                      |           |                           |                         |
| Primary Cost Category                                 |           |                           |                         |
| Atul Sharma                                           | 32.50 Dr  |                           |                         |
| Preeti Sinha                                          | 32.50 Dr  |                           |                         |
| Ramesh Arora                                          | 32.50 Dr  |                           |                         |
| Rohit Roy                                             | 32.50 Dr  |                           |                         |
| PF Administrative Charges @ 1.10%                     |           | 286.00                    |                         |
| Provide Details                                       | : No      | 6 more ... ↓              |                         |
| Narration:                                            |           | 6,658.60                  |                         |

Figure 22.104 PF Payment Voucher with Employer Other charges details

7. Press **Enter** twice
8. Set **Yes** in **Provide Details** field and press **Enter**
9. In the **Provide Details** subscreen,
  - Specify **547245** in the **Cheque/ DD No.** field
  - Specify **30-4-2009** in the **Cheque/DD Date** field
  - Specify **30-4-2009** in the **Challan Date** field
  - Type the name of the Depositor in the **Depositor Name** field
  - Specify the name of the Bank on which the Cheque is drawn in the **Bank Name** field

The completed **Provide Details** subscreen is as shown:

| Provide Details  |                             |
|------------------|-----------------------------|
| Period From      | : 1-Apr-2009 To 30-Apr-2009 |
| Cheque/DD No     | : 547245                    |
| Cheque / DD Date | : 30-Apr-2009               |
| Challan Date     | : 30-Apr-2009               |
| Depositor Name   | : Shanaaz                   |
| Bank Name        | : <b>HDFC Bank</b>          |

Figure 22.105 Payment details subscreen

10. Press **Enter** to go back to the **PF Payment Voucher** screen

11. Type the **details of the transaction** in the narration field

The completed **PF Payment Voucher** screen for the month of April 2009, is as shown:

| Accounting Voucher Creation                              |       | Indus Solutions Pvt. Ltd. |  | Ctrl + M                       |
|----------------------------------------------------------|-------|---------------------------|--|--------------------------------|
| <b>Payment</b>                                           | No. 1 |                           |  | <b>30-Apr-2009</b><br>Thursday |
| <b>Payroll Auto Fill - (PF Challan)</b>                  |       |                           |  |                                |
| Account: <b>HDFC Bank</b><br>Cur Bal: 8,32,148.00 Dr     |       |                           |  |                                |
| Particulars                                              |       |                           |  | Amount                         |
| ↑ ... 15 more                                            |       |                           |  |                                |
| Cur Bal: 0.00 Dr                                         |       |                           |  |                                |
| Primary Cost Category                                    |       |                           |  |                                |
| Atul Sharma 0.65 Dr                                      |       |                           |  |                                |
| Preeti Sinha 0.65 Dr                                     |       |                           |  |                                |
| Ramesh Arora 0.65 Dr                                     |       |                           |  |                                |
| Rohit Roy 0.65 Dr                                        |       |                           |  |                                |
| <b>EDLI Contribution @ 0.5%</b>                          |       |                           |  | <b>130.00</b>                  |
| Cur Bal: 0.00 Dr                                         |       |                           |  |                                |
| Primary Cost Category                                    |       |                           |  |                                |
| Atul Sharma 32.50 Dr                                     |       |                           |  |                                |
| Preeti Sinha 32.50 Dr                                    |       |                           |  |                                |
| Ramesh Arora 32.50 Dr                                    |       |                           |  |                                |
| Rohit Roy 32.50 Dr                                       |       |                           |  |                                |
| <b>PF Administrative Charges @ 1.10%</b>                 |       |                           |  | <b>286.00</b>                  |
| Cur Bal: 0.00 Dr                                         |       |                           |  |                                |
| Primary Cost Category                                    |       |                           |  |                                |
| Atul Sharma 71.50 Dr                                     |       |                           |  |                                |
| Preeti Sinha 71.50 Dr                                    |       |                           |  |                                |
| Ramesh Arora 71.50 Dr                                    |       |                           |  |                                |
| Rohit Roy 71.50 Dr                                       |       |                           |  |                                |
| Provide Details : Yes                                    |       |                           |  |                                |
| Narration:<br>Ch. No.: 547245, PF Payment for April 2009 |       |                           |  |                                |
|                                                          |       |                           |  | <b>Accept ?</b><br>Yes or No   |

Figure 22.106 Completed PF Payment Voucher screen

12. Press **Enter** to accept

## Step 2 : Print PF Payment Challan

- Press **Pg UP** from the above **Voucher Entry** screen
- Press **Alt + P**, the **Voucher Printing** screen appears,

| Voucher Printing                  |                       |                                                           |
|-----------------------------------|-----------------------|-----------------------------------------------------------|
| <b>Printer</b>                    | : RnD Printer (Ne01:) | <b>Paper Type</b> : A4                                    |
| <b>No. of Copies</b>              | : 1                   |                                                           |
| <b>Print Language</b>             | : English             | (Printing Dimensions)                                     |
| <b>Method</b>                     | : Neat Mode           | <b>Paper Size</b> : (8.27" x 11.69") or (210 mm x 297 mm) |
| <b>Page Range</b>                 | : All                 | <b>Print Area</b> : (7.95" x 11.34") or (202 mm x 288 mm) |
| Report Titles                     |                       |                                                           |
| <b>Payment Voucher</b>            |                       |                                                           |
| (with Print Preview)              |                       |                                                           |
| Print Challan                     | ? Yes                 | <b>Print ?</b><br><br>Yes or No                           |
| Total No. of Subscribers (A/c.1)  | : 4                   |                                                           |
| Total No. of Subscribers (A/c.10) | : 4                   |                                                           |
| Total No. of Subscribers (A/c.21) | : 4                   |                                                           |

Figure 22.107 Voucher Printing Screen

- In the **Voucher printing** screen, select **Yes** in the **Print Challan** field
- Enter **Total No. of Subscribers (A/c.1)**
- Enter **Total No. of Subscribers (A/c.10)**
- Enter **Total No. of Subscribers (A/c.21)**
- Press **Enter** to Print

The printed **PF Combined Challan** for the month of April 2009 of **M/s. Indus Solutions Pvt. Ltd.** is as shown:

| COMBINED CHALLAN NO. 1, 2, 10, 21 & 22<br>EMPLOYEES' PROVIDENT FUND ORGANISATION  |                             |                                                |                  |                                                                       |                  |                                      | Original        |
|-----------------------------------------------------------------------------------|-----------------------------|------------------------------------------------|------------------|-----------------------------------------------------------------------|------------------|--------------------------------------|-----------------|
| ESTABLISHMENT CODE NO. <b>KNBN/123450203</b>                                      |                             | ACCOUNT GROUP NO. <b>KAEN/123450007</b>        |                  | PAID BY CHEQUE <input type="checkbox"/> CASH <input type="checkbox"/> |                  |                                      |                 |
| DUES FOR THE MONTH OF:                                                            |                             | M M Y Y Y Y<br>Employees' Share <b>04 2009</b> |                  | DATE OF PAYMENT :                                                     |                  | D D M M Y Y Y Y<br><b>30 04 2009</b> |                 |
| Employer's Share <b>04 2009</b>                                                   |                             |                                                |                  |                                                                       |                  |                                      |                 |
| Total No. of Subscribers                                                          | <b>4</b>                    | Total No. of Subscribers                       | <b>4</b>         | Total No. of Subscribers                                              | <b>4</b>         |                                      |                 |
| Total Wages Due                                                                   | <b>26,000.00</b>            | Total Wages Due                                | <b>26,000.00</b> | Total Wages Due                                                       | <b>26,000.00</b> |                                      |                 |
| Sl. No.                                                                           | Particulars                 | A/c No. 1                                      | A/c No. 2        | A/c No. 10                                                            | A/c No. 21       | A/c No. 22                           | Total           |
| <b>PART - 01</b>                                                                  |                             |                                                |                  |                                                                       |                  |                                      |                 |
| 1                                                                                 | EMPLOYER'S SHARE OF CONT.   | 956.00                                         |                  | 2,164.00                                                              | 130.00           |                                      | 3,250.00        |
| 2                                                                                 | EMPLOYEES' SHARE OF CONT.   | 3,120.00                                       |                  |                                                                       |                  |                                      | 3,120.00        |
| 3                                                                                 | ADM CHARGES                 |                                                | 286.00           |                                                                       |                  | 2.60                                 | 288.60          |
| 4                                                                                 | INSP. CHARGES               |                                                |                  |                                                                       |                  |                                      |                 |
| 5                                                                                 | PENAL DAMAGES               |                                                |                  |                                                                       |                  |                                      |                 |
| 6                                                                                 | MISC. PAYMENT/8.7Q INTEREST |                                                |                  |                                                                       |                  |                                      |                 |
| 7                                                                                 | PAST ACCUMULATIONS/ARREARS  |                                                |                  |                                                                       |                  |                                      |                 |
| <b>Total</b>                                                                      |                             | <b>4,076.00</b>                                | <b>286.00</b>    | <b>2,164.00</b>                                                       | <b>130.00</b>    | <b>2.60</b>                          | <b>6,658.60</b> |
| (Amount in words : Rs. Six Thousand Six Hundred Fifty Eight and Sixty paise Only) |                             |                                                |                  |                                                                       |                  |                                      |                 |
|                                                                                   |                             |                                                |                  | <b>(For Bank's use only)</b>                                          |                  |                                      |                 |
| NAME OF THE ESTABLISHMENT : <b>Indus Solutions Pvt. Ltd.</b>                      |                             |                                                |                  | Amount Received Rs. : <input type="text"/>                            |                  |                                      |                 |
| ADDRESS : <b>4/1 St. Mark's Road,,<br/>Bangalore</b>                              |                             |                                                |                  | For Cheques only : <input type="text"/>                               |                  |                                      |                 |
| NAME OF THE DEPOSITOR : <b>Shanaaz</b>                                            |                             |                                                |                  | Date of Presentation : <input type="text"/>                           |                  |                                      |                 |
| SIGNATURE OF THE DEPOSITOR :                                                      |                             |                                                |                  | Date of Realisation : <input type="text"/>                            |                  |                                      |                 |
|                                                                                   |                             |                                                |                  | Branch Name : <input type="text"/>                                    |                  |                                      |                 |
|                                                                                   |                             |                                                |                  | Branch Code No. : <input type="text"/>                                |                  |                                      |                 |
| <b>(TO BE FILLED IN BY EMPLOYER'S)</b>                                            |                             |                                                |                  |                                                                       |                  |                                      |                 |
| NAME OF THE BANK <b>HDFC Bank</b>                                                 |                             | CHEQUE NO <b>547245</b>                        |                  | DATE <b>30-Apr-2009</b>                                               |                  |                                      |                 |

Figure 22.108 Printed PF Payment Challan

## 22.5 Accounting for Employer ESI Contributions

ESI Contribution refers to the amount payable to the Corporation by the Principal Employer in respect of Employees and comprises of the amount payable by the employee as well as the employer.

The employer is required to calculate and remit ESI Contributions comprising of employers' share plus employees' share on or before 21st of the subsequent month in respect of salaries of the related month. The Principal Employer should pay Employer's share of contribution @ 4.75% in respect of every employee whether employed directly or through immediate employer. And the Employee's share @ 1.75% has to be recovered by making deduction from their wages for the respective salary/wages period.

In case, if the employee is drawing upto Rs. 70/- as daily average wage, he is exempt from payment of his share of contribution. However, the employer has to pay employer's share of 4.75% of the Salary payable to the employees.

As discussed earlier, the statutory features viz., EPF & ESI etc., are required to be configured in **F11: Statutory & Taxation** Features. In this section, we will discuss, recording of transactions related to computation and contribution of Employee State Insurance.

### Example 8:

*On 1st June 2009, the list of new joiners with their Salary details are given below:*

| Employee Name | Department     | Date of Joining |
|---------------|----------------|-----------------|
| Tamanna       | Administration | 05-6-2009       |
| Dinesh        | Sales          | 08-6-2009       |

*The Salary details for the above new employees is listed in the table below:*

| Pay Head                            | Tamanna                        | Dinesh |
|-------------------------------------|--------------------------------|--------|
| Basic Pay                           | 9,000                          | 10,000 |
| House Rent Allowance                | 40%                            | 40%    |
| Conveyance                          | 800                            | 700    |
| Overtime Pay                        | —                              | —      |
| Variable Pay                        | User — defined                 |        |
| Gratuity Expenses (Provisional)     | Only for reporting purpose     |        |
| Employee's PF Contribution @ 12%    | Applicable based on Slab Rates |        |
| Employee's ESI Contribution @ 1.75% | Applicable based on Slab Rates |        |
| Profession Tax                      | Applicable based on Slab Rates |        |



*The Attendance details for the month of June 2009 are given as shown:*

| Attendance/ Production Types | Rohit Roy | Preeti Sinha | Atul Sharma | Ramesh Arora | Tam-anna | Dinesh |
|------------------------------|-----------|--------------|-------------|--------------|----------|--------|
| Present Days                 | 26        | 24           | 26          | 20           | 17       | 18     |
| Overtime hours               | 120 Min   |              |             | 600 Min      |          |        |

*The same is accounted as shown:*

Create the above employees and their Salary details and then process the Salaries, PF Contributions for the month of June 2009, in the manner as discussed in the earlier chapters. In Tally.ERP 9, follow the steps given below to process Employer contribution towards Employees' State Insurance:

- ❑ Create Employer ESI Contribution Masters
- ❑ Alter/Modify Salary Details
- ❑ Processing Employer ESI Contribution
- ❑ Payment of ESI

### 22.5.1 Creating Employer ESI Contribution Masters

In Tally.ERP 9, Employer and Employee's contribution towards Employees' State Insurance (ESI) are required to be created separately for appropriate Accounting and reporting. Create the following ledgers in Tally.ERP 9:

- ❑ Employer Contribution Pay Head
- ❑ ESI payable Ledger

#### I. Create Employer ESI Contribution @ 4.75% Pay Head

| Pay Head Name        | Pay Head Type                      | Statutory Pay Type       | Under             | Affect Net Salary | Calculation Type  |
|----------------------|------------------------------------|--------------------------|-------------------|-------------------|-------------------|
| Employer ESI @ 4.75% | Employer's Statutory Contributions | Employee State Insurance | Indirect Expenses | No                | As Computed Value |

Go to **Gateway of Tally >Payroll Info >Pay Heads >Create**

In the **Pay Heads** Creation screen,

1. Type **Employer ESI @ 4.75%** as the **Name** of the Pay Head
2. Select **Employer's Statutory Contributions** in the field **Pay Head Type**
3. Select **Employee State Insurance** in the **Statutory Pay Type** field from the **Employer's Statutory Contributions** drop down

| Pay Head Creation                 |                                      | Indus Solutions Pvt. Ltd.              |            | Total Op. Bal. |
|-----------------------------------|--------------------------------------|----------------------------------------|------------|----------------|
| Name                              | : Employer ESI @ 4.75%               |                                        |            |                |
| (alias)                           | :                                    |                                        |            |                |
|                                   |                                      |                                        |            |                |
| Pay Head Info                     |                                      | Employer's Statutory Contributions for |            |                |
| Pay Head Type                     | : Employer's Statutory Contributions | Total                                  |            |                |
| Statutory Pay Type                | : <b>Employee State Insurance</b>    | <b>Employee State Insurance</b>        |            |                |
| Under                             | : Direct Expenses                    | EPS Account (A/c No. 10)               | Slab Type  | Value Basis    |
| Affect Net Salary                 | ? No                                 | PF Account (A/c No. 1)                 | Percentage | 0 %            |
| Calculation Type                  | : As Computed Value                  |                                        |            |                |
| Calculation Period                | : Months                             |                                        |            |                |
| Rounding Info                     |                                      |                                        |            |                |
| Rounding Method                   | : <b>Not Applicable</b>              |                                        |            |                |
| Opening Balance (on 1-Apr-2009) : |                                      |                                        |            |                |

Figure 22.109 Pay Head Creation - Employer ESI

4. Specify the group as **Indirect Expenses** in the **Under** field and press **Enter**
5. Set **Affect Net Salary** to **No** and press **Enter**
6. In the **Calculation Type** and **Calculation Period** fields, **As Computed Value** and **Months** are defaulted automatically based on the **Statutory Pay Type** selected.
7. Select **Normal Rounding** as the **Rounding Method** and **1** as the rounding **Limit** and press **Enter**
8. In the **Computation Info** screen,
  - Select **On Specified Formula** in the **Compute** field and press **Enter**
  - In the **Compute** subscreen,
    - Select **Basic Pay** as the **Add Pay Head** function and press **Enter**
    - Select **House Rent Allowance** as the second Pay Head in the **Add Pay Head Function**
    - Similarly, select **Conveyance** and **Overtime Pay** in the **Add Pay Head** function

The **Compute** sub-screen will appear as shown:

Figure 22.110 Employer ESI Pay Head Creation – Compute sub-screen

- 

- ❑ Specify **1-4-2009** in the **Effective From** date field and press **Enter**, the **From Amount** column is automatically skipped, assuming the amount to be **zero**
- ❑ The **Amount Upto** field is skipped and automatically defaulted with the amount specified in the **Payroll Statutory Details** screen in **F11: Statutory & Taxation**
- ❑ Select **Percentage** in the **Slab Type** field
- ❑ Specify **4.75%** as the **Value Basis Percentage** in the **Value Basis** field and press **Enter**

| Pay Head Creation                                                                                                                                                                                                                                                                                           |  | Indus Solutions Pvt. Ltd.                                                                                                                                       |             |             |            |               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|------------|---------------|
| Name : <b>Employer ESI @ 4.75%</b><br>(alias) :                                                                                                                                                                                                                                                             |  | Total Op. Bal.                                                                                                                                                  |             |             |            |               |
| <b>Pay Head Info</b><br>Pay Head Type : <b>Employer's Statutory Contributions</b><br>Statutory Pay Type : <b>Employee State Insurance</b><br>Under : <b>Indirect Expenses</b><br><br>Affect Net Salary ? <b>No</b><br><br>Calculation Type : <b>As Computed Value</b><br>Calculation Period : <b>Months</b> |  | <b>Computation Info</b><br>Compute : <b>On Specified Formula</b><br>Specified Formula : <b>((Basic Pay + House Rent Allowance) + Conveyance) + Overtime Pay</b> |             |             |            |               |
|                                                                                                                                                                                                                                                                                                             |  | Effective From                                                                                                                                                  | From Amount | Amount Upto | Slab Type  | Value Basis   |
|                                                                                                                                                                                                                                                                                                             |  | 1-Apr-2009                                                                                                                                                      |             |             | Percentage | <b>4.75 %</b> |
| <b>Rounding Info</b><br>Rounding Method : <b>Normal Rounding</b> Limit : <b>1</b>                                                                                                                                                                                                                           |  |                                                                                                                                                                 |             |             |            |               |
| Opening Balance ( on 1-Apr-2009) :                                                                                                                                                                                                                                                                          |  |                                                                                                                                                                 |             |             |            |               |

Figure 22.111 Employer ESI Pay Head Creation

In Tally.ERP 9, the Earning Payheads which are selected for computation of Employer ESI contribution are listed in the **Specified Formula** for easy reference. You can alter / modify the criteria for calculation, by Enter in the Compute field and redefining the Function Pay components.

- ❑ Specify **4.75%** as the **Value Basis Percentage** in the **Value Basis** field and press **Enter**
- ❑ Press **Enter** to accept

The completed **Employer ESI Contribution Pay Head Creation** screen is as shown:

| Pay Head Creation                                                                                                                                                                                                                                                                                           |             | Indus Solutions Pvt. Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                    |            |             |  |  |                |             |             |           |             |            |  |  |            |        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------|--|--|----------------|-------------|-------------|-----------|-------------|------------|--|--|------------|--------|
| Name : <b>Employer ESI @ 4.75%</b><br>(alias) :                                                                                                                                                                                                                                                             |             | Total Op. Bal.                                                                                                                                                                                                                                                                                                                                                                                                                               |            |             |  |  |                |             |             |           |             |            |  |  |            |        |
| <b>Pay Head Info</b><br>Pay Head Type : <b>Employer's Statutory Contributions</b><br>Statutory Pay Type : <b>Employee State Insurance</b><br>Under : <b>Indirect Expenses</b><br><br>Affect Net Salary : <b>No</b><br><br>Calculation Type : <b>As Computed Value</b><br>Calculation Period : <b>Months</b> |             | <b>Computation Info</b><br>Compute : <b>On Specified Formula</b><br>Specified Formula : <b>((Basic Pay + House Rent Allowance) + Conveyance) + Overtime Pay</b><br><table border="1"> <thead> <tr> <th>Effective From</th> <th>From Amount</th> <th>Amount Upto</th> <th>Slab Type</th> <th>Value Basis</th> </tr> </thead> <tbody> <tr> <td>1-Apr-2009</td> <td></td> <td></td> <td>Percentage</td> <td>4.75 %</td> </tr> </tbody> </table> |            |             |  |  | Effective From | From Amount | Amount Upto | Slab Type | Value Basis | 1-Apr-2009 |  |  | Percentage | 4.75 % |
| Effective From                                                                                                                                                                                                                                                                                              | From Amount | Amount Upto                                                                                                                                                                                                                                                                                                                                                                                                                                  | Slab Type  | Value Basis |  |  |                |             |             |           |             |            |  |  |            |        |
| 1-Apr-2009                                                                                                                                                                                                                                                                                                  |             |                                                                                                                                                                                                                                                                                                                                                                                                                                              | Percentage | 4.75 %      |  |  |                |             |             |           |             |            |  |  |            |        |
| <b>Rounding Info</b><br>Rounding Method : <b>Normal Rounding</b> Limit : <b>1</b>                                                                                                                                                                                                                           |             | <b>Accept ?</b><br><b>Yes or No</b>                                                                                                                                                                                                                                                                                                                                                                                                          |            |             |  |  |                |             |             |           |             |            |  |  |            |        |
| Opening Balance ( on 1-Apr-2009) :                                                                                                                                                                                                                                                                          |             |                                                                                                                                                                                                                                                                                                                                                                                                                                              |            |             |  |  |                |             |             |           |             |            |  |  |            |        |

Figure 22.112 Completed Employer ESI Pay Head

- Press **Enter** to accept.

## II. Create ESI Payable Ledger

Create ESI Payable Ledger as explained below:

| Ledger      | Pay Head Type  | Under               |
|-------------|----------------|---------------------|
| ESI Payable | Not Applicable | Current Liabilities |

Go to **Gateway of Tally > Payroll Info. > Pay Heads > Create**

1. Type **ESI Payable** in the **Name** field
2. In the **Pay Head Type** field select **Not Applicable**
3. Specify the group as **Current Liabilities** in the **Under** field and press **Enter**

The completed **ESI Payable Ledger** creation screen is displayed as shown:

| Pay Head Creation                                                                                                                           |  | Indus Solutions Pvt. Ltd. |
|---------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------|
| Name : ESI Payable<br>(alias) :                                                                                                             |  | Total Op. Bal.            |
| <div> <div>Pay Head Info</div> <div> Pay Head Type : <input type="checkbox"/> Not Applicable<br/> Under : Current Liabilities </div> </div> |  |                           |
| Opening Balance ( on 1-Apr-2009) :                                                                                                          |  | Accept ?<br>Yes or No     |

Figure 22.113 ESI Payable Ledger Creation

4. Press **Enter** to accept

### 22.5.2 Salary Details setup

Once the required Employer Contribution Pay Heads are created, the salary details of the Employees should be updated to constitute the Employer Contribution pay head ledgers for automatic calculations based on the monthly payments made to the Employees.

#### Create / Alter Salary Details Master

To update the salary details for the Employees, follow the steps given below:

Go to **Gateway of Tally > Payroll Info. > Salary Details > Alter**

1. Select **Rohit Roy** from the **List of Groups / Employees**
2. Tab down to the last line and select **Employer ESI @ 4.75%** Pay Head from the **List of Pay Heads**
3. Press **Enter** to select **End of List**

The completed **Salary Details Alteration** screen is as shown:

| Salary Details Alteration              |                                     | Indus Solutions Pvt. Ltd. |        |                                    | Ctrl + M              |                                                                  |
|----------------------------------------|-------------------------------------|---------------------------|--------|------------------------------------|-----------------------|------------------------------------------------------------------|
| Name : Rohit Roy (469)                 |                                     |                           |        |                                    |                       |                                                                  |
| Under : Administration<br>(If Primary) |                                     |                           |        |                                    |                       |                                                                  |
| Salary Details                         |                                     |                           |        |                                    |                       |                                                                  |
| Effective From                         | Pay Head                            | Rate                      | Per    | Pay Head Type                      | Calculation Type      | Computed On                                                      |
| 1-Apr-2009                             | Basic Pay                           | 7,000.00                  | Months | Earnings for Employees             | On Attendance         | Basic Pay                                                        |
|                                        | House Rent Allowance                |                           |        | Earnings for Employees             | As Computed Value     |                                                                  |
|                                        | Conveyance                          | 500.00                    | Months | Earnings for Employees             | Flat Rate             |                                                                  |
|                                        | Overtime Pay                        | 40.00                     | Hrs    | Earnings for Employees             | On Production         |                                                                  |
|                                        | Variable Pay                        |                           |        | Earnings for Employees             | As User Defined Value |                                                                  |
|                                        | Professional Tax                    |                           |        | Employees' Statutory Deductions    | As Computed Value     | On Current Earnings Total                                        |
|                                        | Employee's PF Contribution @ 12%    |                           |        | Employees' Statutory Deductions    | As Computed Value     | Basic Pay                                                        |
|                                        | Employee's ESI Contribution @ 1.75% |                           |        | Employees' Statutory Deductions    | As Computed Value     | [(Basic Pay + House Rent Allowance) + Conveyance] + Overtime Pay |
|                                        | Gratuity Expenses (Provisional)     |                           |        | Gratuity                           |                       |                                                                  |
|                                        | Employer EPS @ 8.33%                |                           |        | Employer's Statutory Contributions | As Computed Value     | Basic Pay                                                        |
|                                        | Employer EPF @ 3.67%                |                           |        | Employer's Statutory Contributions | As Computed Value     | Employee's PF Contribution @ 12% - Employer EPS @ 8.33%          |
|                                        | Employer ESI @ 4.75%                |                           |        | Employer's Statutory Contributions | As Computed Value     | [(Basic Pay + House Rent Allowance) + Conveyance] + Overtime Pay |
|                                        |                                     |                           |        |                                    |                       | Accept ?                                                         |
|                                        |                                     |                           |        |                                    |                       | Yes or No                                                        |

Figure 22.114 Salary Details Alteration screen

4. Press **Enter** to Accept

While, including the Employer Contribution Pay Heads in the Salary Details master, the order of precedence in which the Pay Heads are included on the basis of their calculation criteria i.e.,

- ❑ **Earning Pay Heads**
- ❑ **Deduction Pay Heads**
- ❑ **Employee PF Contribution Ledgers**
- ❑ **Professional Tax or Income Tax Ledger (if any)**
- ❑ **Employer PF Contribution Ledgers**
- ❑ **Employer ESI Contribution Ledgers**
- ❑ **Gratuity** (Gratuity is calculated on Basic Pay + DA, hence Gratuity Pay Head can be sequenced in the Salary details of an Employer in any order).





*It is necessary to include **Employer ESI Contribution Pay Head** in the **Salary Structure** of the Employees, to automate the Computation of Employer ESI Contribution on the basis of payments made to Employees.*

Similarly, include **Employer ESI @ 4.75%** Pay Head in the Salary details of all other Employees.

### 22.5.3 Processing Employer ESI Contribution

In Tally.ERP 9, you can process Employer ESI Contributions and make the payment towards ESI comprising of Employees' and Employer's ESI Contribution through a challan. To process the ESI Contribution for June 2009, follow the steps given below:

#### Example 9:

*On 30th June, 2009 M/s. Indus Solutions Pvt. Ltd., processed Employer ESI Contribution for the month of June 2009.*

#### Step 1: Create Payroll Voucher

Go to **Gateway of Tally > Payroll Vouchers**

1. Press **Ctrl+F4** for **Payroll Voucher**
2. Press **F2**, specify the date as **30-06-2009** and press **Enter**
3. Press **Alt+A (Payroll Auto Fill)** to prefill employee payroll details
4. In the **Employee Filters** subscreen,
  - Select **ESI Contribution** from the **Process List** as shown:

| Employee Filters           |                                | Process List            |
|----------------------------|--------------------------------|-------------------------|
| Process for                | : <b>ESI Contribution</b>      | <b>ESI Contribution</b> |
| From (blank for beginning) | : <b>1-6-2009</b>              | PF Contribution         |
| To (blank for end)         | : <b>30-6-2009</b>             | Salary                  |
| Cost Category              | : <b>Primary Cost Category</b> |                         |
| Employee/Group             | : <b>[ All Items</b>           |                         |
| Payroll Ledger             | :                              |                         |

Figure 22.115 Payroll Autofill - ESI process selection

- Specify **1-6-2009** and **30-6-2009** in the **From** and **To** Date fields respectively
- Select **Primary Cost Category** as **Cost Category** field



- ❑ Select **All Items** in the **Employee/ Group** field
- ❑ Select **ESI Payable** Ledger in the **Payroll Ledger** field as shown:

| Employee Filters                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |       | Indus Solutions Pvt. Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                   | Ctrl + M |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Payroll                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | No. 4 | <i>Payroll Auto Fill - (ESI Contribution)</i>                                                                                                                                                                                                                                                                                                                                                                                                               |          |
| Account :                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                             |          |
| Cur Bal: 0.00 Cr                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                             |          |
| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                             |          |
| <div style="border: 1px solid black; background-color: #e0f0e0; padding: 10px; margin: 10px auto; width: 80%;"> <p style="text-align: center; margin: 0;"><b>Employee Filters</b></p> <p>Process for : <b>ESI Contribution</b></p> <p>From (blank for beginning) : <b>1-6-2009</b></p> <p>To (blank for end) : <b>30-6-2009</b></p> <p>Cost Category : <b>Primary Cost Category</b></p> <p>Employee/Group : <b>All Items</b></p> <p>Payroll Ledger : <b>ESI Payable</b></p> </div> |       | <div style="background-color: #e0f0e0; padding: 5px;">List of Ledger Accounts</div> <div style="background-color: #e0f0e0; padding: 5px;">Cash</div> <div style="background-color: #e0f0e0; padding: 5px;"><b>ESI Payable</b></div> <div style="background-color: #e0f0e0; padding: 5px;">HDFC Bank</div> <div style="background-color: #e0f0e0; padding: 5px;">PF Payable</div> <div style="background-color: #e0f0e0; padding: 5px;">Salary Payable</div> |          |
| Narration:                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                             |          |

Figure 22.116 Payroll Autofill – Payroll Ledger selection

5. Press **Enter** to accept and go back to the Payroll Voucher screen

The completed **Employer ESI Contribution** Voucher Creation screen will appear as shown:

| Payroll Voucher Creation               |  | Indus Solutions Pvt. Ltd.              |  | Ctrl + M                     |  |
|----------------------------------------|--|----------------------------------------|--|------------------------------|--|
| <b>Payroll</b> No. 4                   |  |                                        |  | 30-Jun-2009<br>Tuesday       |  |
| Account : ESI Payable                  |  | Payroll Auto Fill - (ESI Contribution) |  |                              |  |
| Cur Bal: 0.00 Cr                       |  |                                        |  |                              |  |
| Particulars                            |  |                                        |  | Amount                       |  |
| <b>Primary Cost Category</b>           |  |                                        |  | <b>564.00 Dr</b>             |  |
| <b>Atul Sharma</b>                     |  |                                        |  |                              |  |
| Employer ESI @ 4.75%                   |  |                                        |  | Dr Cur Bal:                  |  |
| <b>Dinesh</b>                          |  |                                        |  | <b>33.00 Dr</b>              |  |
| Employer ESI @ 4.75%                   |  |                                        |  | 33.00 Dr Cur Bal: 33.00 Dr   |  |
| <b>Preeti Sinha</b>                    |  |                                        |  |                              |  |
| Employer ESI @ 4.75%                   |  |                                        |  | Dr Cur Bal:                  |  |
| <b>Ramesh Arora</b>                    |  |                                        |  |                              |  |
| Employer ESI @ 4.75%                   |  |                                        |  | Dr Cur Bal:                  |  |
| <b>Rohit Roy</b>                       |  |                                        |  | <b>493.00 Dr</b>             |  |
| Employer ESI @ 4.75%                   |  |                                        |  | 493.00 Dr Cur Bal: 493.00 Dr |  |
| <b>Tamanna</b>                         |  |                                        |  | <b>38.00 Dr</b>              |  |
| Employer ESI @ 4.75%                   |  |                                        |  | 38.00 Dr Cur Bal: 38.00 Dr   |  |
| Narration:                             |  |                                        |  | <b>564.00 Dr</b>             |  |
| Pay Period : 1-Jun-2009 to 30-Jun-2009 |  |                                        |  |                              |  |
|                                        |  |                                        |  | Accept ?                     |  |
|                                        |  |                                        |  | Yes or No                    |  |

Figure 22.117 Completed ESI Voucher

6. Press **Enter** to accept

- The **Employer ESI contribution** will be computed automatically upon selection of **ESI Contribution Process** during Payroll Voucher Entry. However, only for employees those who meet the criteria of monthly earnings not exceeding the prescribed limits will be subject to ESI Contribution.
- In the same way while processing Salaries, the **Employees ESI Contribution** will also be computed based on the Eligibility amount prescribed in **F11: Statutory & Taxation Features**.

### 22.5.4 Payment of ESI

In Tally.ERP 9, once process for Employee and Employer contributions to Employee's state Insurance is implemented in the manner as discussed in earlier sections, the total amount payable to ESIC comprising of Employee's Contribution as well as Employer's contribution to ESI is accumulated separately in ESI Payable Ledger. At the time of making payment to ESIC, a payment voucher is required to be passed.

**Example 10:**

*On 30th June, 2009 M/s. Indus Solutions Pvt. Ltd., processed the payment of ESI for the month of June 2009.*

To process the payment of ESI and generate ESI Challan, follow the steps given below:

**Step 1 : Create ESI Payment Voucher**

Go to **Gateway of Tally > Accounting Vouchers**

1. Press **F5** for **Payment Voucher**
2. Press **F2**, specify the date as **30-06-2009** and press **Enter**
3. Press **Alt+A (Payroll Auto Fill)** to prefill employee payroll details
4. In the **Employee Filters** subscreen,
  - Select **ESI Challan** from the Process List as shown:

| Employee Filters           |                                | Process List             |
|----------------------------|--------------------------------|--------------------------|
| Process for                | : <b>ESI Challan</b>           | <b>ESI Challan</b>       |
| From (blank for beginning) | : <b>1-6-2009</b>              | PF Challan               |
| To (blank for end)         | : <b>30-6-2009</b>             | Professional Tax Payment |
| Voucher Date               | :                              | Salary Payment           |
| Cost Category              | : <b>Primary Cost Category</b> |                          |
| Employee/Group             | : <b>All Items</b>             |                          |
| Bank / Cash Ledger         | : <b>HDFC Bank</b>             |                          |
| Payroll Ledger             | :                              |                          |

Figure 22.118 Employee Filters subscreen - ESI Process Selection

- Specify **1-6-2009** and **30-6-2009** in the **From** and **To** Date fields respectively
- Specify **30-6-2009** in the **Voucher Date** field (This field is prefilled, if the voucher date is specified during Voucher Entry)
- Select **Primary Cost Category** in the **Cost Category** field
- Select **All Items** in the **Employee/ Group** field
- Select **HDFC Bank** in the **Bank / Cash Ledger** field

**Disburse Employee Filters** Indus Solutions Pvt. Ltd. Ctrl + M

Payment No. 3

Account :  
Cur Bal:

Particulars

**Employee Filters**

|                            |                         |
|----------------------------|-------------------------|
| Process for                | : ESI Challan           |
| From (blank for beginning) | : 1-6-2009              |
| To (blank for end)         | : 30-6-2009             |
| Voucher Date               | : 30-6-2009             |
| Cost Category              | : Primary Cost Category |
| Employee/Group             | : [ All Items           |
| Bank / Cash Ledger         | : <b>HDFC Bank</b>      |
| Payroll Ledger             | :                       |

Narration:

List of Ledger Accounts

Cash

**HDFC Bank**

Figure 22.119 Employee Filters Subscreen – Bank Ledger Selection

- Select **ESI Payable** Ledger in the **Payroll Ledger** field

Figure 22.120 Employee Filters Subscreen - Payroll Ledger Selection

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| Accounting Voucher Creation                           |           | Indus Solutions Pvt. Ltd. | Ctrl + M               |
|-------------------------------------------------------|-----------|---------------------------|------------------------|
| <b>Payment</b>                                        | No. 4     |                           | 30-Jun-2009<br>Tuesday |
| <i>Payroll Auto Fill - (ESI Challan)</i>              |           |                           |                        |
| Account : <b>HDFC Bank</b><br>Cur Bal: 7,49,008.40 Dr |           |                           |                        |
| Particulars                                           |           |                           | Amount                 |
| <b>ESI Payable</b>                                    |           |                           | <b>564.00</b>          |
| Cur Bal: 0.00 Dr                                      |           |                           |                        |
| <b>Primary Cost Category</b>                          |           |                           |                        |
| <b>Atul Sharma</b>                                    |           |                           |                        |
| <b>Dinesh</b>                                         | 33.00 Dr  |                           |                        |
| <b>Preeti Sinha</b>                                   |           |                           |                        |
| <b>Ramesh Arora</b>                                   |           |                           |                        |
| <b>Rohit Roy</b>                                      | 493.00 Dr |                           |                        |
| <b>Tamanna</b>                                        | 38.00 Dr  |                           |                        |
| Provide Details : No                                  |           |                           |                        |
| Narration:                                            |           |                           | <b>564.00</b>          |

Figure 22.121 ESI Payment Voucher with Employer Contributions

- Press **Enter** again, to prefill the Employee's ESI Contribution amount against the eligible Employees

| Accounting Voucher Creation                          |           | Indus Solutions Pvt. Ltd.         | Ctrl + M               |
|------------------------------------------------------|-----------|-----------------------------------|------------------------|
| <b>Payment</b>                                       | No. 4     |                                   | 30-Jun-2009<br>Tuesday |
| Account: <b>HDFC Bank</b><br>Cur Bal: 7,49,008.40 Dr |           | Payroll Auto Fill - (ESI Challan) |                        |
| Particulars                                          |           | Amount                            |                        |
| <b>ESI Payable</b>                                   |           | 564.00                            |                        |
| Cur Bal: 0.00 Dr                                     |           |                                   |                        |
| Primary Cost Category                                |           |                                   |                        |
| Atul Sharma                                          |           |                                   |                        |
| Dinesh                                               | 33.00 Dr  |                                   |                        |
| Preeti Sinha                                         |           |                                   |                        |
| Ramesh Arora                                         |           |                                   |                        |
| Rohit Roy                                            | 493.00 Dr |                                   |                        |
| Tamanna                                              | 38.00 Dr  |                                   |                        |
| <b>Employee's ESI Contribution @ 1.75%</b>           |           | <b>208.00</b>                     |                        |
| Cur Bal: 0.00 Dr                                     |           |                                   |                        |
| Primary Cost Category                                |           |                                   |                        |
| Atul Sharma                                          |           |                                   |                        |
| Dinesh                                               | 12.00 Dr  |                                   |                        |
| Preeti Sinha                                         |           |                                   |                        |
| Ramesh Arora                                         |           |                                   |                        |
| Rohit Roy                                            | 182.00 Dr |                                   |                        |
| Tamanna                                              | 14.00 Dr  |                                   |                        |
| Provide Details                                      | : No      |                                   |                        |
| Narration:                                           |           | <b>772.00</b>                     |                        |

Figure 22.122 ESI Payment Voucher with both Employee and Employer Contributions

- Press **Enter** twice
- Set **Yes** in the **Provide Details** field and press **Enter**
- In the Provide Details subscreen, specify the **Cheque / DD No.**, **Cheque / DD Date** and **Bank & Branch Code** Details as shown:

| Provide Details    |                             |
|--------------------|-----------------------------|
| Cheque/DD No       | : 456278                    |
| Cheque / DD Date   | : 30-Jun-2009               |
| Challan Date       | : 30-Jun-2009               |
| Bank & Branch Code | : <b>HDFC &amp; 5300320</b> |

Figure 22.123 Complete Provide Details subscreen

- Press **Enter** to accept
- Type the details of the transaction in the narration field

The completed **ESI Payment Voucher** for the month of June 2009 will appear as shown:

| Accounting Voucher Creation                           |           | Indus Solutions Pvt. Ltd. | Ctrl + M               |
|-------------------------------------------------------|-----------|---------------------------|------------------------|
| <b>Payment</b>                                        | No. 4     |                           | 30-Jun-2009<br>Tuesday |
| <b>Payroll Auto Fill - (ESI Challan)</b>              |           |                           |                        |
| Account : <b>HDFC Bank</b><br>Cur Bal: 7,49,008.40 Dr |           |                           |                        |
| Particulars                                           | Amount    |                           |                        |
| <b>ESI Payable</b>                                    | 564.00    |                           |                        |
| Cur Bal: 0.00 Dr                                      |           |                           |                        |
| <b>Primary Cost Category</b>                          |           |                           |                        |
| Atul Sharma                                           |           |                           |                        |
| Dinesh                                                | 33.00 Dr  |                           |                        |
| Preeti Sinha                                          |           |                           |                        |
| Ramesh Arora                                          |           |                           |                        |
| Rohit Roy                                             | 493.00 Dr |                           |                        |
| Tamanna                                               | 38.00 Dr  |                           |                        |
| <b>Employee's ESI Contribution @ 1.75%</b>            | 208.00    |                           |                        |
| Cur Bal: 0.00 Dr                                      |           |                           |                        |
| <b>Primary Cost Category</b>                          |           |                           |                        |
| Atul Sharma                                           |           |                           |                        |
| Dinesh                                                | 12.00 Dr  |                           |                        |
| Preeti Sinha                                          |           |                           |                        |
| Ramesh Arora                                          |           |                           |                        |
| Rohit Roy                                             | 182.00 Dr |                           |                        |
| Tamanna                                               | 14.00 Dr  |                           |                        |
| Provide Details                                       | : Yes     |                           |                        |
| Narration:                                            |           |                           |                        |
| Ch. No. : 456278, ESI Contribution for June 2009.     |           |                           |                        |
|                                                       |           |                           | 572.00                 |
|                                                       |           |                           | <b>Accept ?</b>        |
|                                                       |           |                           | Yes or No              |

Figure 22.124 Completed ESI Payment Voucher

13. Press **Enter** to accept

### Step 2 : Print ESI Payment Challan

- Press **Pg UP** from the above **Voucher Entry** screen
- Press **Alt + P**, the **Voucher Printing** screen appears,

| Voucher Printing       |                       |                     |                                       |
|------------------------|-----------------------|---------------------|---------------------------------------|
| <b>Printer</b>         | : RnD Printer (Ne01:) | <b>Paper Type :</b> | A4                                    |
| <b>No. of Copies</b>   | : 1                   |                     |                                       |
| <b>Print Language</b>  | : English             |                     | (Printing Dimensions)                 |
| <b>Method</b>          | : Neat Mode           | <b>Paper Size :</b> | (8.27" x 11.69") or (210 mm x 297 mm) |
| <b>Page Range</b>      | : All                 | <b>Print Area :</b> | (7.95" x 11.34") or (202 mm x 288 mm) |
| Report Titles          |                       |                     |                                       |
| <b>Payment Voucher</b> |                       |                     |                                       |
| (with Print Preview)   |                       |                     |                                       |
| Print Challan          |                       | ? Yes               |                                       |
|                        |                       | <b>Print ?</b>      |                                       |
|                        |                       | Yes or No           |                                       |

Figure 22.125 ESI Voucher Printing Screen



- ❑ In the **Voucher printing** screen, select **Yes** in the **Print Challan** field
- ❑ Press **Enter** to Print

The printed **ESI Payment Challan** for the month of June 2009 of **M/s. Indus Solutions Pvt. Ltd.** is as shown:

| EMPLOYEES' STATE INSURANCE CORPORATION<br>Challan Form for Deposit in A/C No.1                                    |          | Original<br>For Bank                                                                                                                             |                    |
|-------------------------------------------------------------------------------------------------------------------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Employer's Code : <b>KNBN/34961/0463</b>                                                                          |          | Date<br><b>30</b>                                                                                                                                | Month<br><b>06</b> |
|                                                                                                                   |          | Year<br><b>2009</b>                                                                                                                              |                    |
| Bank & Branch Code : <b>HDFC &amp; 5300320</b>                                                                    |          |                                                                                                                                                  |                    |
| Name & Address of the Factory or Establishment: <b>Indus Solutions Pvt. Ltd., 4/1 St. Mark's Road,, Bangalore</b> |          |                                                                                                                                                  |                    |
| Mode of Payment [Tick mode used]                                                                                  |          | Cash <input type="checkbox"/> Cheque <input type="checkbox"/> DD <input type="checkbox"/>                                                        |                    |
| Cheque/DD No. : <b>456278</b>                                                                                     |          | Dated <b>30</b> <b>06</b> <b>2009</b>                                                                                                            |                    |
| Drawn on (Name of the Bank) <b>HDFC &amp; 5300320</b>                                                             |          | Period of Contribution Month <b>06</b> Year <b>2009</b>                                                                                          |                    |
| Nature of Payment [Tick]                                                                                          |          | Regular Contribution <input type="checkbox"/> Interest <input type="checkbox"/> Damages <input type="checkbox"/> Others <input type="checkbox"/> |                    |
| No. of Employees                                                                                                  | <b>2</b> | Total Wages Rs. <b>11,880.00</b> Ps.                                                                                                             |                    |
| Employees' Contribution                                                                                           |          | <b>208.00</b>                                                                                                                                    |                    |
| Employer's Contribution                                                                                           |          | <b>564.00</b>                                                                                                                                    |                    |
| Interest                                                                                                          |          |                                                                                                                                                  |                    |
| Damages                                                                                                           |          |                                                                                                                                                  |                    |
| Others                                                                                                            |          |                                                                                                                                                  |                    |
| Total                                                                                                             |          | <b>772.00</b>                                                                                                                                    |                    |
| Total Amount (in words) <b>Rs. Seven Hundred Seventy Two Only.</b>                                                |          |                                                                                                                                                  |                    |
| R.O. Demand Letter No. & Date                                                                                     |          |                                                                                                                                                  |                    |
| Date of Presentation                                                                                              |          | Date of Clearing                                                                                                                                 |                    |
| BANK SEAL                                                                                                         |          | BANK SEAL                                                                                                                                        |                    |
|                                                                                                                   |          | (Acknowledgement)                                                                                                                                |                    |
| (to be filled by Depositor)                                                                                       |          |                                                                                                                                                  |                    |
| Received Rs. 772.00                                                                                               |          |                                                                                                                                                  |                    |
| <b>(Rs. Seven Hundred Seventy Two Only.)</b>                                                                      |          |                                                                                                                                                  |                    |
| In cash/by Cheque/DD No. <u>456278</u> Dated <u>30-Jun-2009</u>                                                   |          |                                                                                                                                                  |                    |
| (subject to realisation) drawn on HDFC & 5300320                                                                  |          |                                                                                                                                                  |                    |
| (Bank) in favour of ESIC A/C No.1                                                                                 |          |                                                                                                                                                  |                    |
| (For Bank Branch Code see on reverse)                                                                             |          |                                                                                                                                                  |                    |
| Signature                                                                                                         |          | Name & Designation-Seal of Authorised Signatory                                                                                                  |                    |
|                                                                                                                   |          | For use in Bank                                                                                                                                  |                    |
|                                                                                                                   |          | Bank Scroll No.                                                                                                                                  |                    |
|                                                                                                                   |          | Date                                                                                                                                             |                    |
|                                                                                                                   |          | Authorised signature & seal of the Receiving Bank                                                                                                |                    |
| Note: Please put cross (x) mark in blank boxes                                                                    |          |                                                                                                                                                  |                    |

Figure 22.126 Printed ESI Payment Challan

## 22.6 Payment of Professional Tax

The Professional Tax is applicable to those individuals or professionals in India who are involved in any profession or trade. The state government of each state governs and administers the levy and collection of Professional Tax in the respective State. The state is empowered with the responsibility of structuring as well as formulating the professional tax criteria for the respective state. Professional tax is charged on the incomes of Individuals, profits of business or gains in vocations as per the list II of the Indian Constitution.

In India, the professional tax slabs are different for all the states in India and some of the states have formulated different professional tax slabs for men, women and the senior citizens of the respective states. The rates depend upon profession, years in the profession and the amount of income or turnover and so on. In Karnataka, the professional taxes are leviable as follows:

| S.No | Salary or wage earners whose salary or wage or both, as the case may be, for a month is, | Tax Amount       |
|------|------------------------------------------------------------------------------------------|------------------|
| (a)  | less than Rs.5000                                                                        | Rs. 0 Per month  |
| (b)  | not less than Rs. 5,000 but less than Rs.8,000                                           | Rs. 60 Per month |
| (c)  | not less than Rs.8,000 but less than Rs.10,000                                           | Rs.100 Per month |
| (d)  | not less than Rs.10,000 but less than Rs.15,000                                          | Rs.150 Per month |
| (e)  | Rs. 15,000 and above                                                                     | Rs.200 Per month |

### 22.6.1 Processing Professional Tax Payment

In Tally.ERP 9, creation of **Professional Tax** Ledger is discussed in detail in the **Creation of Masters** chapter and the procedure to process **Professional Tax Deduction** from Employee Salaries is discussed in detail in **Processing Payroll in Tally.ERP 9** Chapter. In this section, we will discuss recording of transactions related to payment of Professional Tax.

#### Example 11:

*On 30th April, 2009 M/s. Indus Solutions Pvt. Ltd., made payment of Professional Tax for the month of April 2009.*

*The same is accounted as shown :*

#### Step 1: Create Payment Voucher

Go to **Gateway of Tally > Accounting Vouchers**

1. Press **F5** for **Payment Voucher**
2. Press **F2**, specify the date as **30-04-2009** and press **Enter**
3. Press **Alt+A (Payroll Auto Fill)** to prefill employee payroll details
4. In **Employee Filters** screen,
  - Select **Professional Tax Payment** from the **Process List**
  - Specify **1-4-2009** and **30-4-2009** in the **From** and **To** date fields respectively

- Specify **30-4-2009** in the **Voucher Date** field (This field is prefilled, if the voucher date is specified during Voucher Entry)
- Select **Primary Cost Category** in the **Cost Category** field
- Select **All Items** in the **Employee/ Group** field
- Select **HDFC Bank** in the **Bank / Cash Ledger** field

| Disburse Employee Filters                                                                                                                                                                                                                                                                                                                                                                                                                                     |       | Indus Solutions Pvt. Ltd. |  | Ctrl + M                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------------------------|--|-------------------------|
| Payment                                                                                                                                                                                                                                                                                                                                                                                                                                                       | No. 2 |                           |  | List of Ledger Accounts |
| Account :                                                                                                                                                                                                                                                                                                                                                                                                                                                     |       |                           |  | Cash                    |
| Cur Bal                                                                                                                                                                                                                                                                                                                                                                                                                                                       |       |                           |  | <b>HDFC Bank</b>        |
| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                   |       |                           |  |                         |
| <div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: 80%;"> <p align="center"><b>Employee Filters</b></p> <p>Process for : Professional Tax Payment</p> <p>From (blank for beginning) : 1-4-2009</p> <p>To (blank for end) : 30-4-2009</p> <p>Voucher Date : 30-4-2009</p> <p>Cost Category : Primary Cost Category</p> <p>Employee/Group : All Items</p> <p><b>Bank / Cash Ledger : HDFC Bank</b></p> <p>Payroll Ledger :</p> </div> |       |                           |  |                         |
| Narration:                                                                                                                                                                                                                                                                                                                                                                                                                                                    |       |                           |  |                         |

Figure 22.127 Employee Filters screen - Payment Ledger Selection

- Select **Profession Tax Ledger** in the **Payroll Ledger** field

The completed **Employee Filters** screen will appear as shown:

| Disburse Employee Filters                                                                                                                                                                                                                                                                                                                                                                                                                                |          | Indus Solutions Pvt. Ltd. | Ctrl + M                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------------------------|-------------------------|
| Payment                                                                                                                                                                                                                                                                                                                                                                                                                                                  | No. 2    |                           | List of Ledger Accounts |
| Account :                                                                                                                                                                                                                                                                                                                                                                                                                                                | Cur Bal: |                           | Professional Tax        |
| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                              |          |                           |                         |
| <div style="border: 1px solid black; padding: 10px; margin: 10px auto; width: 80%;"> <p align="center"><b>Employee Filters</b></p> <p>Process for : Professional Tax Payment</p> <p>From (blank for beginning) : 1-4-2009</p> <p>To (blank for end) : 30-4-2009</p> <p>Voucher Date : 30-4-2009</p> <p>Cost Category : Primary Cost Category</p> <p>Employee/Group : All Items</p> <p>Bank / Cash Ledger : HDFC Bank</p> <p>Payroll Ledger : </p> </div> |          |                           |                         |
| Narration:                                                                                                                                                                                                                                                                                                                                                                                                                                               |          |                           |                         |

Figure 22.128 Completed Employee Filters screen

- Press **Enter** to accept the screen and go back to **Payment Voucher** Screen
- Press **Enter** to Prefill the Professional Tax amount in the Payment Voucher

The completed **Professional Tax** Payment Voucher will appear as shown:

| Accounting Voucher Creation                           |           | Indus Solutions Pvt. Ltd. | Ctrl + M                |
|-------------------------------------------------------|-----------|---------------------------|-------------------------|
| <b>Payment</b>                                        | No. 2     |                           | 30-Apr-2009<br>Thursday |
| <i>Payroll Auto Fill - (Professional Tax Payment)</i> |           |                           |                         |
| Account : <b>HDFC Bank</b><br>Cur Bal: 8,94,041.40 Dr |           |                           |                         |
| Particulars                                           |           |                           | Amount                  |
| <b>Professional Tax</b>                               |           |                           | 700.00                  |
| Cur Bal: 0.00 Dr                                      |           |                           |                         |
| <b>Primary Cost Category</b>                          |           |                           |                         |
| Atul Sharma                                           | 200.00 Dr |                           |                         |
| Dinesh                                                |           |                           |                         |
| Preeti Sinha                                          | 150.00 Dr |                           |                         |
| Ramesh Arora                                          | 200.00 Dr |                           |                         |
| Rohit Roy                                             | 150.00 Dr |                           |                         |
| Tamanna                                               |           |                           |                         |
| Provide Details : <b>Yes</b>                          |           |                           |                         |
| Narration:                                            |           |                           |                         |
| Ch. No. : 258147, Professional Tax for April 2009     |           |                           |                         |
|                                                       |           |                           | 700.00                  |
|                                                       |           |                           | <b>Accept ?</b>         |
|                                                       |           |                           | Yes or No               |

Figure 22.129 Completed Profession Tax Payment Voucher

5. Press **Enter** to Accept.

Similarly, process the Professional Tax payments for other months.



- The creation of **Professional Tax** Pay Head is discussed in detail in **Creation of Masters** section.
- The procedure to process **Professional Tax Deduction** from Employee Salaries is discussed in detail in **Processing Payroll in Tally.ERP 9** section.

## 22.7 Generating Payroll Reports

Payroll Reports help you to ascertain the payroll expenses for a specified month or for year-to-date (YTD) transactions for a particular employee/ group along with the Attendance and Production details. You can also view the statutory forms required for Provident Fund and Employee State Insurance. In Tally.ERP 9, the Payroll reports can be broadly categorized into two viz.,

- Payroll Reports
- Payroll Statutory Reports

### 22.7.1 Payroll Reports

In Tally.ERP 9, you can generate the following Payroll related reports.

**Chart showing Payroll Reports in Tally.ERP 9**

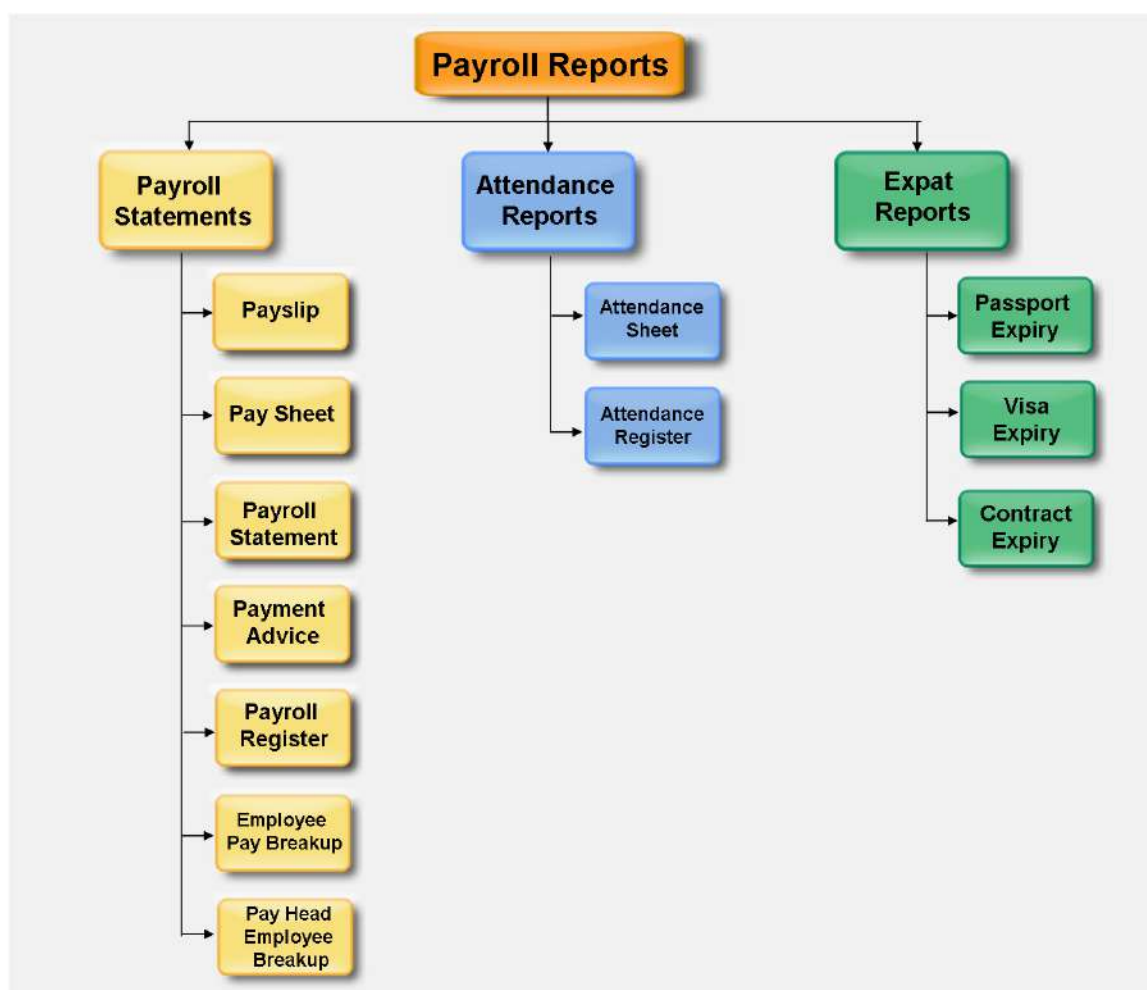


Figure 22.130 Payroll Reports in Tally.ERP 9

We will discuss each report in detail in the coming sections as explained below :

## Payslip

A Payslip refers to a document issued to an employee, which itemises each component of his/ her earnings and deductions and the net amount paid for a given pay period. It provides particulars on how the net amount has been arrived at i.e., how much money has been earned and how much tax / deductions have been made.

## Display Payslip

Go to **Gateway of Tally > Display > Payroll Reports > Statements of Payroll > Payslip > Single Pay Slip**

- Select the required Employee and press **Enter**

The **Payslip** for the selected employee displays as shown:

Pay Slip

Indus Solutions Pvt. Ltd.

Ctrl + M

Pay Slip for April-2009

Ramesh Arora

Employee Number : 225

Income Tax Number (PAN) : AGBYY5620B

Function : City Head

PF Account Number : KAR/BN/32185/552

Designation : Regional Sales Manager

ESI Number : KAR/BN/90002/200

Location : Bangalore

Passport Details : KAR333555

Bank Details : 055-005590-121, HSBC Bank, Kormanagala

Visa Expiry Date : 30-Apr-2011

Date of Joining : 1-Apr-2009

| Attendance Details | Value   |
|--------------------|---------|
| Present            | 22 Days |

| Earnings             | Amount    | Deductions       | Amount    |
|----------------------|-----------|------------------|-----------|
| Basic                | 15,231.00 | Professional Tax | 200.00    |
| House Rent Allowance | 3,046.00  | EPF @ 12%        | 780.00    |
| Conveyance           | 2,000.00  |                  |           |
| Total Earnings       | 20,277.00 | Total Deductions | 980.00    |
|                      |           | Net Amount       | 19,297.00 |

Figure 22.131 Payslip

In Tally.ERP 9 Payroll, the Payslip can be configured to vertically display the details of attendance, in terms of attendance or production, with **Year to Date Values (YTD)**.

- Press **F12: Configure** and set the following options to **Yes**

| Configuration                          |                |
|----------------------------------------|----------------|
| Show Vertical Pay Slip                 | ? No           |
| Show Employee Details                  | ? Yes          |
| Show Passport Details                  | ? Yes          |
| Show Visa Expiry Date                  | ? Yes          |
| Show Joining Date                      | ? Yes          |
| Show Attendance/Production Details     | ? Yes          |
| Show Attendance/Production Groups      | ? Yes          |
| Display Production Types in Tail Units | ? No           |
| Show Year To Date Values               | ? Yes          |
| Show Gross Salary                      | ? No           |
| Remove Zero Entries                    | ? Yes          |
| for Attendance/Production also         | ? Yes          |
| Appearance of Employee Names           | : Name Only    |
| Appearance of Pay Head Names           | : Payslip Name |

Figure 22.132 Payslip F12: Configuration screen



Some of the options in **F12: Configuration** screen, are by default set to **Yes** viz., **Show Employee Details, Show Attendance/Production Details, Show Attendance/Production Groups, Remove Zero Entries for Attendance/Production also** based on the **Payroll Features / Payroll Statutory features** enabled during voucher entry.



The **F12: Configuration** options in Payslip are explained as follows:

- **Show Vertical Payslip** – Set this option to **Yes** to view / print the Payslip in vertical format, i.e. align Deductions pay heads below Earnings pay heads
- **Show Employee Details** – Set this option to **Yes** to display employee information as entered in the employee master
- **Show Passport Details** – Set this option to **Yes** to display an employee's passport details
- **Show Visa Expiry Date** – Set this option to **Yes** to display an employee's visa expiry date
- **Show Attendance/Production Details** – Set this option to **Yes** to display Attendance/Production information
- **Show Attendance/Production Groups** – Set this option to **Yes** to display the grouping of the Attendance/Production data as defined during the creation of **Types**





The **F12:Configuration** options in Payslip are explained as follows:

- ❑ **Display Attendance/Production Type in Tail Units** – For compound units used in Attendance/Production Type, set this option to **Yes**, to display the value of the Attendance/Production details in the Tail unit. If this option is set to **No**, the Production units will display in primary units
- ❑ **Show Year To Date values** – Set this option to **Yes** to display the cumulative value of Attendance/Production records and Earnings /Deductions for any given period
- ❑ **Show Gross Salary** - Set this option to **Yes** by setting the ‘**Show Year To Date values**’ to **No**, to view Gross Earnings and Deductions for any given period
- ❑ **Remove Zero Entries** – Set this option to **Yes** to remove the Earnings/ Deductions components with Zero value from the Payslip
- ❑ **For Attendance/Production also** – Set this option to **Yes** to remove Attendance/ Production records with zero values from the Payslip
- ❑ **Appearance of Employee Names** – Select the appropriate name style to appear in the Payslip (i.e., Alias (Name), Alias only, Name (Alias), Name only)
- ❑ **Appearance of Pay Head Names** – Select the appropriate name style to appear for each Pay Head in Payslip (i.e. Alias(Name), Alias only, Name(Alias), Name Only, Payslip Name)

The **Payslip** with the above configurations will appear as shown:

| Pay Slip Indus Solutions Pvt. Ltd. Ctrl + M           |  |           |                                      |                  |  |
|-------------------------------------------------------|--|-----------|--------------------------------------|------------------|--|
| Pay Slip for April-2009                               |  |           |                                      |                  |  |
| Ramesh Arora                                          |  |           |                                      |                  |  |
| Employee Number : 225                                 |  |           | Income Tax Number (PAN) : AGBYY5620B |                  |  |
| Function : City Head                                  |  |           | PF Account Number : KAR/BN/32185/552 |                  |  |
| Designation : Regional Sales Manager                  |  |           | ESI Number : KAR/BN/90002/200        |                  |  |
| Location : Bangalore                                  |  |           | Passport Details : KAR333555         |                  |  |
| Bank Details : 055-005590-121, HSBC Bank, Kormanagala |  |           | Visa Expiry Date : 30-Apr-2011       |                  |  |
| Date of Joining : 1-Apr-2009                          |  |           |                                      |                  |  |
| Attendance Details                                    |  | Apr-09    | YTD                                  |                  |  |
| Present                                               |  | 22 Days   | 22 Days                              |                  |  |
| Earnings                                              |  | Apr-09    | YTD                                  | Deductions       |  |
| Basic                                                 |  | 15,231.00 | 15,231.00                            | Professional Tax |  |
| House Rent Allowance                                  |  | 3,046.00  | 3,046.00                             | EPF @ 12%        |  |
| Conveyance                                            |  | 2,000.00  | 2,000.00                             |                  |  |
| Total Earnings                                        |  | 20,277.00 | 20,277.00                            | Total Deductions |  |
|                                                       |  |           |                                      | Net Amount       |  |
|                                                       |  |           |                                      |                  |  |

Figure 22.133 Payslip with YTD values

The Payslip now displays the Attendance with Present / Overtime details, Year to Date balance, and so on. To view the Payslip in vertical form, press **F12: Configure** and set **Show Vertical Payslip** to **Yes**.

The **Vertical Payslip** will appear as shown:

Pay Slip

Indus Solutions Pvt. Ltd.

Ctrl + M

Pay Slip for April-2009

Ramesh Arora

Employee Number : 225

Income Tax Number (PAN) : AGBYY5620B

Function : City Head

PF Account Number : KAR/BN/32185/552

Designation : Regional Sales Manager

ESI Number : KAR/BN/90002/200

Location : Bangalore

Passport Details : KAR333555

Bank Details : 055-005590-121, HSBC Bank, Kormanagala

Visa Expiry Date : 30-Apr-2011

Date of Joining : 1-Apr-2009

| Attendance Details | Apr-09  | YTD     |
|--------------------|---------|---------|
| Present            | 22 Days | 22 Days |
|                    |         |         |

| Earnings             | Apr-09    | YTD       |
|----------------------|-----------|-----------|
| Basic                | 15,231.00 | 15,231.00 |
| House Rent Allowance | 3,046.00  | 3,046.00  |
| Conveyance           | 2,000.00  | 2,000.00  |
| Total Earnings       | 20,277.00 | 20,277.00 |
| Deductions           | Apr-09    | YTD       |
| Professional Tax     | 200.00    | 200.00    |
| EPF @ 12%            | 780.00    | 780.00    |
| Total Deductions     | 980.00    | 980.00    |
| Net Amount           | 19,297.00 | 19,297.00 |

Figure 22.134 Configured Payslip with Vertical Display

- You can further view additional information in the Payslip, by pressing **Alt+F1**.

The detailed **Payslip** displays as shown:

Pay Slip

Indus Solutions Pvt. Ltd.

Ctrl + M

Pay Slip for April-2009

Ramesh Arora

Employee Number : 225

Income Tax Number (PAN) : AGBYY5620B

Function : City Head

PF Account Number : KAR/BN/32185/552

Designation : Regional Sales Manager

ESI Number : KAR/BN/90002/200

Location : Bangalore

Passport Details : KAR333555

Bank Details : 055-005590-121, HSBC Bank, Kormanagala

Visa Expiry Date : 30-Apr-2011

Date of Joining : 1-Apr-2009

| Attendance Details | Apr-09  | YTD        |
|--------------------|---------|------------|
| Present            | 22 Days | 22 Days    |
|                    |         | 1 more ... |

| Earnings             | Apr-09    | YTD       |
|----------------------|-----------|-----------|
| Basic                | 15,231.00 | 15,231.00 |
| Payroll 1 30-4-2009  | 15,231.00 |           |
| House Rent Allowance | 3,046.00  | 3,046.00  |
| Payroll 1 30-4-2009  | 3,046.00  |           |
| Conveyance           | 2,000.00  | 2,000.00  |
| Payroll 1 30-4-2009  | 2,000.00  |           |
| Total Earnings       | 20,277.00 | 20,277.00 |
| Deductions           | Apr-09    | YTD       |
| Professional Tax     | 200.00    | 200.00    |
| Payroll 1 30-4-2009  | 200.00    |           |
| EPF @ 12%            | 780.00    | 780.00    |
| Payroll 1 30-4-2009  | 780.00    |           |
| Total Deductions     | 980.00    | 980.00    |
| Net Amount           | 19,297.00 | 19,297.00 |

Figure 22.135 Detailed Payslip

The voucher number, date and the number of attendance or payroll records are displayed as shown in the screen above. This is very useful where multiple attendance/payroll vouchers are entered for the same payroll period. You can drill down to the voucher level for reference or to effect an alteration by pressing **Enter** on the required record.



- **Period Button** – By default, the Payslip for the current month displays. However, you can change the period by pressing **F2: Date** and defining the required date. This button can be used to display multiple period payroll information to view/print a consolidated Payslip.
- **Employee Button** – From the existing Payslip of an employee, you can toggle between employees by pressing **F4: Employee**.

### Printing Payslip

- Press **Alt+P** from the **Payslip** screen, the **Printing Payslip** screen appears

| Printing Pay Slip                                  |             |                                |                                         |
|----------------------------------------------------|-------------|--------------------------------|-----------------------------------------|
| Printer                                            | : (Ne00:)   | Paper Type                     | : Letter                                |
| No. of Copies                                      | : 1         |                                |                                         |
| Print Language                                     | : English   |                                | (Printing Dimensions)                   |
| Method                                             | : Neat Mode | Paper Size                     | : (8.50" x 10.98") or (216 mm x 279 mm) |
| Page Range                                         | : All       | Print Area                     | : (8.03" x 10.63") or (204 mm x 270 mm) |
| Report Titles                                      |             |                                |                                         |
| Pay Slip                                           |             |                                |                                         |
| (with Print Preview)                               |             |                                |                                         |
| Without Date Range of Report, Without Page Numbers |             |                                |                                         |
| Height of PaySlip (inches)                         |             | :                              | 10                                      |
| Width of PaySlip (inches)                          |             | :                              | 7.50                                    |
| Space to leave on top (default 0.25)               |             | :                              | 0.25                                    |
| Space to leave on left (default 0.5)               |             | :                              | 0.50                                    |
| Show Vertical Pay Slip                             | ? No        | Show Year To Date Values       | ? Yes                                   |
| Show Employee Details                              | ? Yes       | Show Gross Salary              | ? No                                    |
| Show Passport Details                              | ? Yes       | Remove Zero Entries            | ? Yes                                   |
| Show Visa Expiry Date                              | ? Yes       | for Attendance/Production also | ? Yes                                   |
| Show Joining Date                                  | ? Yes       | Appearance of Names            | : Nat                                   |
| Show Attendance/Production Details                 | ? Yes       | Show Authorised Signatory      | ? Yes                                   |
| Show Attendance/Production Groups                  | ? Yes       | Show Pay Slip Note             | : No                                    |
| Display Production Types in Tail Units             | ? Yes       | Show Pay Slip Message          | ? Yes                                   |
|                                                    |             |                                | <b>Print ?</b>                          |
|                                                    |             |                                | Yes or No                               |

Figure 22.136 Payslip Print Configuration screen

Some of the configuration in the Printing screen, are similar to **F12: Configure** and can be configured from either of the screens. In addition, **Show Authorised Signatory** option is available in the above screen.

- In the **Printing Payslip** screen, press **backspace** and enable the required option as required
- Press **Enter** to Print

The printed **Payslip** of Mr. Rohit Roy displays as shown.

**Indus Solutions Pvt. Ltd.**  
4/1 St. Mark's Road,  
Bangalore

**Pay Slip**  
for April-2009

**Ramesh Arora**

---

|                                                       |                                     |
|-------------------------------------------------------|-------------------------------------|
| Employee Number : 225                                 | Income Tax Number (PAN): AGBYY5620B |
| Function : City Head                                  | PF Account Number: KAR/BN/32185/552 |
| Designation : Regional Sales Manager                  | ESI Number : KAR/BN/90002/200       |
| Location : Bangalore                                  | Passport Details : KAR333555        |
| Bank Details : 055-005590-121, HSBC Bank, Kommanagala | Visa Expiry Date : 30-Apr-2011      |
| Date of Joining : 1-Apr-2009                          |                                     |

---

| Attendance Details | Apr-09  | YTD     |
|--------------------|---------|---------|
| Present            | 22 Days | 22 Days |

| Earnings              | Apr-09           | YTD              | Deductions              | Apr-09           | YTD              |
|-----------------------|------------------|------------------|-------------------------|------------------|------------------|
| Basic                 | 15,231.00        | 15,231.00        | Professional Tax        | 200.00           | 200.00           |
| House Rent Allowance  | 3,046.00         | 3,046.00         | EPF @ 12%               | 780.00           | 780.00           |
| Conveyance            | 2,000.00         | 2,000.00         |                         |                  |                  |
| <b>Total Earnings</b> | <b>20,277.00</b> | <b>20,277.00</b> | <b>Total Deductions</b> | <b>980.00</b>    | <b>980.00</b>    |
|                       |                  |                  | <b>Net Amount</b>       | <b>19,297.00</b> | <b>19,297.00</b> |

Amount (in words) : for Indus Solutions Pvt. Ltd.  
Rs. Nineteen Thousand Two Hundred Ninety Seven Only

Authorised Signatory

Happy New Year!!!

Figure 22.137 Printed Payslip

### Printing Multiple Payslips

Tally.ERP 9 allows you to print Payslips for all the employees at once in each separate page, by using Multi-Payslip option. You may print multiple Payslips of all the of employees or employees in a particular group / department for the selected period.

Go to **Gateway of Tally > Display > Payroll Reports > Statements of Payroll > Payslip > Multiple Pay Slip**

In the **Employee Filters** screen,

- In the **Name of Category** field select the required **Payroll Category**
- In the **Name of Employee Group** select the required **Employee Group** from the **List of Employees / Groups**
- Press **Alt+P** to Print Multiple Pay Slip

In the **Printing Payslip** screen,

- Press **Backspace** and enable the options as required

The **Printing Configuration for Multi-Payslip** displays as shown.

| Printing Pay Slips                                 |             |                                |                                         |
|----------------------------------------------------|-------------|--------------------------------|-----------------------------------------|
| Printer                                            | : (Ne00:)   | Paper Type                     | : Letter                                |
| No. of Copies                                      | : 1         |                                |                                         |
| Print Language                                     | : English   |                                | (Printing Dimensions)                   |
| Method                                             | : Neat Mode | Paper Size                     | : (8.50" x 10.98") or (216 mm x 279 mm) |
| Page Range                                         | : All       | Print Area                     | : (8.03" x 10.63") or (204 mm x 270 mm) |
| Report Titles                                      |             |                                |                                         |
| Pay Slip                                           |             |                                |                                         |
| (with Print Preview)                               |             |                                |                                         |
| Without Date Range of Report, Without Page Numbers |             |                                |                                         |
| Height of PaySlip (inches)                         | :           | 10                             |                                         |
| Width of PaySlip (inches)                          | :           | 7.50                           |                                         |
| Space to leave on top (default 0.25)               | :           | 0.25                           |                                         |
| Space to leave on left (default 0.5)               | :           | 0.50                           |                                         |
| From (blank for beginning)                         | :           | 1-4-2009                       |                                         |
| To (blank for end)                                 | :           | 30-4-2009                      |                                         |
| Cost Category                                      | :           | Primary Cost Category          |                                         |
| Employee/Group                                     | :           | All Items                      |                                         |
| Show Vertical Pay Slip                             | ? No        | Show Year To Date Values       | ? Yes                                   |
| Show Employee Details                              | ? Yes       | Show Gross Salary              | ? No                                    |
| Show Passport Details                              | ? Yes       | Remove Zero Entries            | ? Yes                                   |
| Show Visa Expiry Date                              | ? Yes       | for Attendance/Production also | ? Yes                                   |
| Show Joining Date                                  | ? Yes       | Show Zero Value Payslips also  | ? No                                    |
| Show Attendance/Production Details                 | ? Yes       | Appearance of Names            | : Nam                                   |
| Show Attendance/Production Groups                  | ? Yes       | Show Authorised Signatory      | ? Yes                                   |
| Display Production Types in Tail Units             | ? Yes       | Show Pay Slip Note             | : No                                    |
|                                                    |             | Show Pay Slip Message          | ? Yes                                   |
|                                                    |             |                                | <b>Print ?</b><br>Yes or No             |

Figure 22.138 Printing Configuration for Multi-Payslip

- Press **Enter** to print the payslips of all employees in alphabetical order in separate sheets.

The printed **Payslip** for **Atul Sharma** is as shown:

**Indus Solutions Pvt. Ltd.**  
4/1 St. Mark's Road,  
Bangalore

**Pay Slip**  
for April-2009

**Atul Sharma**

---

|                                                        |                                     |
|--------------------------------------------------------|-------------------------------------|
| Employee Number : 465                                  | Income Tax Number (PAN): AVBUU4560C |
| Function : Sales-Direct                                | PF Account Number : KA/BN/14785/841 |
| Designation : Area Sales Manager                       | ESI Number : KA/BN/90005/103        |
| Location : Bangalore                                   | Passport Details : KAR325784        |
| Bank Details : 005-005690-110, HSBC Bank, Koramangalam | Visa Expiry Date : 30-Apr-2010      |
| Date of Joining : 1-Apr-2009                           |                                     |

---

| Attendance Details | Apr-09   | YTD      |
|--------------------|----------|----------|
| Overtime           | 360 Mins | 360 Mins |
| Present            | 20 Days  | 20 Days  |

| Earnings              | Apr-09           | YTD              | Deductions              | Apr-09           | YTD              |
|-----------------------|------------------|------------------|-------------------------|------------------|------------------|
| Basic                 | 15,385.00        | 15,385.00        | Professional Tax        | 200.00           | 200.00           |
| House Rent Allowance  | 6,154.00         | 6,154.00         | EPF @ 12%               | 780.00           | 780.00           |
| Conveyance            | 2,500.00         | 2,500.00         |                         |                  |                  |
| Variable Pay          | 1,000.00         | 1,000.00         |                         |                  |                  |
| <b>Total Earnings</b> | <b>25,039.00</b> | <b>25,039.00</b> | <b>Total Deductions</b> | <b>980.00</b>    | <b>980.00</b>    |
|                       |                  |                  | <b>Net Amount</b>       | <b>24,059.00</b> | <b>24,059.00</b> |

Amount (in words) : for Indus Solutions Pvt. Ltd.  
Rs. Twenty Four Thousand Fifty Nine Only

Authorised Signatory

Happy New Year!!!

Figure 22.139 Printed Payslip through Multi Payslip Printing

The subsequent pages will print the Payslips for the remaining employees in the alphabetical order.

### Emailing Payslip

Go to **Gateway of Tally > Display > Payroll Reports > Statements of Payroll > Payslip > Single Pay Slip**

- ❑ Select the required Employee and press **Enter**
- ❑ Press **Alt+M**, the **Mailing Payslip** screen is as shown:



| Mailing Pay Slip                                                                       |                                         |
|----------------------------------------------------------------------------------------|-----------------------------------------|
| E-Mail Server : <span style="background-color: black; color: black;">[REDACTED]</span> | To E-Mail Address :                     |
| (Name:Port, Default Port is 25)                                                        | CC To (if any) : <b>None</b>            |
| From : <i>Indus Solutions Pvt. Ltd.</i>                                                | Subject : <b>Pay Slip</b>               |
| From E-Mail Address : <i>sales@indussolutions.com</i>                                  | Additional Text (if any) :              |
| Authentication User Name:                                                              |                                         |
| (Only if required)                                                                     |                                         |
| Password :                                                                             |                                         |
| Use SSL : <b>No</b>                                                                    |                                         |
| (Choose Yes, if using Secured SMTP Server)                                             |                                         |
| Format : <i>HTML (Web-Publishing)</i>                                                  | Information sent : <b>As Attachment</b> |
| Resolution : <i>1024 x 768</i>                                                         |                                         |

Figure 22.140 Mailing Payslip sub screen

- In the **Mailing Payslip** screen,
  - Specify the **SMTP Server Name** in the **Email Server** field
  - Press **Enter** to accept the **From & From E-mail Address** fields (The company name & Email id is defaulted from the company master, however you can modify the same)
  - Specify the **Authentication User Name** and **Password**, if required
  - Set **Use SSL** to **No**
  - Select **HTML (Web publishing)** in the **Format** field
  - Select the required **Resolution** from the Resolutions drop down
  - Press **Enter** to accept the **To Email Address** (The Employee address is defaulted from the Employee Master, however, you may modify as required)
  - Enter the other information as shown

The completed **Mailing Payslip configuration** screen is as shown.

| Mailing Pay Slip                |                             |                          |                                                                           |
|---------------------------------|-----------------------------|--------------------------|---------------------------------------------------------------------------|
| E-Mail Server                   | : smtp.indussolutions.com   | To E-Mail Address        | : ramesh@indus-sales.com                                                  |
| (Name:Port, Default Port is 25) |                             | CC To (if any)           | : [ None                                                                  |
| From                            | : Indus Solutions Pvt. Ltd. | Subject                  | : Pay Slip for April 2009                                                 |
| From E-Mail Address             | : sales@indussolutions.com  | Additional Text (if any) | : This is a computer generated Payslip and does not require any signature |
| Authentication User Name:       |                             |                          |                                                                           |
| (Only if required)              |                             |                          |                                                                           |
| Password                        | :                           |                          |                                                                           |
| Use SSL                         | : No                        |                          |                                                                           |
| Format                          | : HTML (Web-Publishing)     |                          |                                                                           |
| Resolution                      | : 800 x 600                 |                          |                                                                           |
|                                 |                             | Information sent         | : As At                                                                   |
|                                 |                             |                          | Mail ?                                                                    |
|                                 |                             |                          | Yes or No                                                                 |

Figure 22.141 Completed Mailing Payslip sub screen

### Mailing Payslip Configurations



- **Email Server** – Name of the SMTP mail server should be specified.
- **From** - In the From field is prefilled with the name of your Company as specified in the Company Creation screen. You can change the same if you want some other name to be displayed.
- **From E-mail Address** is pre-filled with the Company's email address as filled during the Company Creation.
- **Authentication User Name** and **Password** field should be filled if your SMTP Server needs Authentication for sending emails.
- **Use SSL** - This is set to **Yes** for the servers using the Secured Socket Layer protocol for extra security reasons.
- **Format** - you can select from format in which the Payslip should be viewed by the mail recipient.
- **Resolution** - appropriate resolution for the Emailed Payslip can be selected in this field.
- **To E-Mail Address** - this will be selected automatically if the email address is provided in the Employee Master. Or else, you need to specify the same at the time of emailing.
- **CC To (if any)** - If you want the Payslip to be marked to some other email address that can be specified here.
- **Subject** - specify the Subject of email to be seen by the user.
- **Additional Text (if any)** - This will appear in the body of the email that is sent.
- **Information Sent** - The option to send the Email as an Attachment or as a direct view can be selected here.

□ Press **Enter** to Email the Payslip



*If you want to use the Gmail's (Google Mail) SMTP service for emailing Payslip,*

- Enter **Gmail's SMTP server name: port no.** (viz. *smtp.gmail.com:465*)
- Provide your **Gmail User name and Password** against **Authentication User Name and Password**
- Set Use **SSL to Yes**

*All other settings will be same as shown above.*

The emailed **Payslip** when viewed from the mail box of the employee is as shown:

This is computer generated payslip and does not require any signature

| Pay Slip                                                       |                                        |                          |                         |                  |                  |
|----------------------------------------------------------------|----------------------------------------|--------------------------|-------------------------|------------------|------------------|
| Indus Solutions Pvt. Ltd.<br>4/1 St. Mark's Road,<br>Bangalore |                                        |                          |                         |                  |                  |
| <u>Pay Slip for April-2009</u><br><b>Ramesh Arora</b>          |                                        |                          |                         |                  |                  |
| Employee Number:                                               | 225                                    | Income Tax Number (PAN): |                         | AGBYY5620B       |                  |
| Function:                                                      | City Head                              | PF Account Number:       |                         | KAR/BN/32185/552 |                  |
| Designation:                                                   | Regional Sales Manager                 | ESI Number:              |                         | KAR/BN/90002/200 |                  |
| Location:                                                      | Bangalore                              | Passport Details:        |                         | KAR333555        |                  |
| Bank Details:                                                  | 055-005590-121, HSBC Bank, Kormanagala | Visa Expiry Date:        |                         | 30-Apr-2011      |                  |
| Date of Joining:                                               | 1-Apr-2009                             |                          |                         |                  |                  |
| <b>Attendance Details</b>                                      | <b>Apr-09</b>                          | <b>YTD</b>               |                         |                  |                  |
| Present                                                        | 22 Days                                | 22 Days                  |                         |                  |                  |
| <hr/>                                                          |                                        |                          |                         |                  |                  |
| <b>Earnings</b>                                                | <b>Apr-09</b>                          | <b>YTD</b>               | <b>Deductions</b>       | <b>Apr-09</b>    | <b>YTD</b>       |
| Basic                                                          | 15,231.00                              | 15,231.00                | Professional Tax        | 200.00           | 200.00           |
| House Rent Allowance                                           | 3,046.00                               | 3,046.00                 | EPF @ 12%               | 780.00           | 780.00           |
| Conveyance                                                     | 2,000.00                               | 2,000.00                 |                         |                  |                  |
| <b>Total Earnings</b>                                          | <b>20,277.00</b>                       | <b>20,277.00</b>         | <b>Total Deductions</b> | <b>980.00</b>    | <b>980.00</b>    |
|                                                                |                                        |                          | <b>Net Amount</b>       | <b>19,297.00</b> | <b>19,297.00</b> |
| Amount (in words) :                                            |                                        |                          |                         |                  |                  |
| Rs. Nineteen Thousand Two Hundred Ninety Seven Only            |                                        |                          |                         |                  |                  |
| Happy New Year!!!                                              |                                        |                          |                         |                  |                  |
| <i>Created using Tally.ERP 9</i>                               |                                        |                          |                         |                  |                  |

Figure 22.142 Emailed payslip

## Exporting Payslip to MS Excel

Go to **Gateway of Tally > Display > Payroll Reports > Statements of Payroll > Payslip > Single Payslip**

- Select the required Employee and press **Enter**
- Press **Alt+E**, the configuration screen to select the required format appears as shown:
- In the **Export** screen,
  - Select the **required Format** in the **Languages** field
  - Select the **Excel** as **Format** from the drop down list of Formats
  - **Output File Name** is defaulted to **Payslip.xls**, however you can modify the same
  - **Output Sheet Name** is defaulted to **Payslip**, however you can modify the same
  - Complete the remaining options as shown

The completed **Export** screen is as shown:

|                                            |                           |
|--------------------------------------------|---------------------------|
| Language                                   | : Default (All Languages) |
| Format                                     | : Excel (Spreadsheet)     |
| Export Location                            | : C:\Tally.ERP9           |
| Output File Name                           | : Pay Slip.xls            |
| Output Sheet Name                          | : Pay Slip                |
| Update existing file                       | : Yes                     |
| Excel (Spreadsheet) Formatting with Colour | : Yes                     |

Export ?  
Yes or No

Figure 22.143 Export Payslip screen

The Payslip exported into Excel will appear as shown:

Pay Slip.xls

|    | A                                                   | B                                                      | C                                   | D                | E        | F          |
|----|-----------------------------------------------------|--------------------------------------------------------|-------------------------------------|------------------|----------|------------|
| 1  | Indus Solutions Pvt. Ltd.                           |                                                        |                                     |                  |          |            |
| 2  | 4/1 St. Mark's Road,                                |                                                        |                                     |                  |          |            |
| 3  | Bangalore                                           |                                                        |                                     |                  |          |            |
| 4  | Pay Slip for April-2009                             |                                                        |                                     |                  |          |            |
| 5  | Ramesh Arora                                        |                                                        |                                     |                  |          |            |
| 6  | Employee Number:                                    | 225                                                    | Income Tax Number (PAN): AGBYY5620B |                  |          |            |
| 7  | Function:                                           | City Head                                              | PF Account Number: KAR/BN/32185/552 |                  |          |            |
| 8  | Designation:                                        | Regional Sales Manager                                 | ESI Number: KAR/BN/90002/200        |                  |          |            |
| 9  | Location:                                           | Bangalore                                              | Passport Details: KAR333555         |                  |          |            |
| 10 | Bank Details:                                       | 055-005590-121, HSBC Bank, Visa Expiry Date: 30-Apr-11 |                                     |                  |          | Kormnagala |
| 11 | Date of Joining:                                    | 1-Apr-09                                               |                                     |                  |          |            |
| 12 | Attendance Details                                  | 9-Apr                                                  | YTD                                 |                  |          |            |
| 13 | Present                                             | 22 Days                                                | 22 Days                             |                  |          |            |
| 14 | Earnings                                            | 9-Apr                                                  | YTD                                 | Deductions       | 9-Apr    | YTD        |
| 15 | Basic                                               | 15231.00                                               | 15231.00                            | Professional Tax | 200.00   | 200.00     |
| 16 | House Rent Allowance                                | 3046.00                                                | 3046.00                             | EPF @ 12%        | 780.00   | 780.00     |
| 17 | Conveyance                                          | 2000.00                                                | 2000.00                             |                  |          |            |
| 18 | Total Earnings                                      | 20277.00                                               | 20277.00                            | Total Deductions | 980.00   | 980.00     |
| 19 |                                                     |                                                        |                                     | Net Amount       | 19297.00 | 19297.00   |
| 20 | Amount (in words) :                                 | for Indus Solutions Pvt. Ltd.                          |                                     |                  |          |            |
| 21 | Rs. Nineteen Thousand Two Hundred Ninety Seven Only |                                                        |                                     |                  |          |            |
| 22 | Authorised Signatory                                |                                                        |                                     |                  |          |            |
| 23 |                                                     |                                                        |                                     |                  |          |            |
| 24 | Rs. Nineteen Thousand One Hundred Thirty Five Only  |                                                        |                                     |                  |          |            |
| 25 | Authorised Signatory                                |                                                        |                                     |                  |          |            |
| 26 | Happy New Year!!!                                   |                                                        |                                     |                  |          |            |

Figure 22.144 Exported Payslip

## Pay Sheet

A Pay Sheet is a columnar report which displays the Group/Department-wise employees' break-up of earnings and deductions for the selected month.

Go to **Gateway of Tally > Display > Payroll Reports > Statements of Payroll > Pay Sheet**

In the **Employee Filters** screen,

- In the **Name of Category** field select the required **Payroll Category**
- In the **Name of Employee Group** select the required **Employee Group** from the **List of Employees / Groups**

The **Pay Sheet** displays as shown:

| PaySheet              |           |            |                      |              |              | Indus Solutions Pvt. Ltd. |             |           |                  |                  |            | Ctrl + M                  |
|-----------------------|-----------|------------|----------------------|--------------|--------------|---------------------------|-------------|-----------|------------------|------------------|------------|---------------------------|
| For All Employees     |           |            |                      |              |              |                           |             |           |                  |                  |            | 1-Apr-2009 to 30-Apr-2009 |
| Particulars           | Basic     | Conveyance | House Rent Allowance | Overtime Pay | Variable Pay | Total Earnings            | ESI @ 1.75% | EPF @ 12% | Professional Tax | Total Deductions | Net Amount |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
| Primary Cost Category | 45,924.00 | 5,000.00   | 15,323.00            | 480.00       | 2,500.00     | 69,227.00                 |             | 3,120.00  | 700.00           | 3,820.00         | 65,407.00  |                           |
| Administration        | 7,000.00  | 500.00     | 2,800.00             | 480.00       | 1,500.00     | 12,280.00                 |             | 780.00    | 150.00           | 930.00           | 11,350.00  |                           |
| Rohit Roy             | 7,000.00  | 500.00     | 2,800.00             | 480.00       | 1,500.00     | 12,280.00                 |             | 780.00    | 150.00           | 930.00           | 11,350.00  |                           |
| R & D                 | 8,308.00  |            | 3,323.00             |              |              | 11,631.00                 |             | 780.00    | 150.00           | 930.00           | 10,701.00  |                           |
| Preeti Sinha          | 8,308.00  |            | 3,323.00             |              |              | 11,631.00                 |             | 780.00    | 150.00           | 930.00           | 10,701.00  |                           |
| Sales                 | 30,616.00 | 4,500.00   | 9,200.00             |              | 1,000.00     | 45,316.00                 |             | 1,560.00  | 400.00           | 1,960.00         | 43,356.00  |                           |
| Atul Sharma           | 15,385.00 | 2,500.00   | 6,154.00             |              | 1,000.00     | 25,039.00                 |             | 780.00    | 200.00           | 980.00           | 24,059.00  |                           |
| Ramesh Arora          | 15,231.00 | 2,000.00   | 3,046.00             |              |              | 20,277.00                 |             | 780.00    | 200.00           | 980.00           | 19,297.00  |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |
|                       |           |            |                      |              |              |                           |             |           |                  |                  |            |                           |

Figure 22.145 Pay Sheet

You can further configure the Pay Sheet to display the net amount, column subtotals, Category/Group subtotals, user-defined payslip names, Employee names and sort it by Employee number in the **F12: Configure**.

The **F12: Configuration** from the Pay Sheet screen displays as shown:

| Configuration                          |                    | Appearance       |  |
|----------------------------------------|--------------------|------------------|--|
| Appearance of Pay Head Types           | : <b>All Items</b> | <b>All Items</b> |  |
| Show 'Net Amount' Column               | ? <b>Yes</b>       | Deductions       |  |
| Show Column SubTotals                  | ? <b>Yes</b>       | Earnings         |  |
| Remove Zero Entries                    | ? <b>Yes</b>       |                  |  |
| Show Payslip Names for Ledgers         | ? <b>Yes</b>       |                  |  |
| Include Employee Groups & Categories   | ? <b>Yes</b>       |                  |  |
| Show Category/Group Total              | ? <b>Yes</b>       |                  |  |
| Show Grand Total                       | ? <b>Yes</b>       |                  |  |
| Show Attendance Details                | ? <b>No</b>        |                  |  |
| Display Production Types in Tail Units | ? <b>No</b>        |                  |  |
| Format                                 | : <b>Detailed</b>  |                  |  |
| Show Employee Number                   | ? <b>No</b>        |                  |  |
| Show Employee Designation              | ? <b>No</b>        |                  |  |
| Expand all levels in Detailed Format   | ? <b>Yes</b>       |                  |  |
| Appearance of Names                    | : <b>Name Only</b> |                  |  |
| Sorting Method                         | : <b>Default</b>   |                  |  |

Figure 22.146 F12: Configuration



The **F12 :Configuration** options in the Pay Sheet are explained as follows.

- ❑ **Appearance of Pay Head Types** – Set All Items to view Deductions and Earnings.
- ❑ **Show Net Amount Column** – Set this option to **Yes** to display the Net Payable Column.
- ❑ **Show Column SubTotals** – Set this option to **Yes** to display the subtotals of Earnings/Deductions pay head columns.
- ❑ **Remove Zero Entries** – Set this option to **Yes** to eliminate Earnings/ Deductions pay heads with Zero values.
- ❑ **Show Payslip Names for Ledgers** – Set this option to **Yes** to display the Name defined in the Appear in Payslip field in the pay head master.
- ❑ **Include Employee Groups & Categories** – Set this option to **Yes** to display Category-wise/ Group-wise pay sheet. If this option is set to No, the Pay Sheet will appear Employee-wise.
- ❑ **Show Category/Group Total** – Set this option to **Yes** to display Category and Group-wise columnar pay head totals.
- ❑ **Show Grand Total** – Set this option to **Yes** to display the sum of all pay head columns appearing in the report.
- ❑ **Show Attendance Details** - Set this Option to **Yes** to display the Attendance for the Employees
- ❑ **Display Production types in Tail Units** - Set this Option to **Yes** to show the Overtime details in minutes.
- ❑ **Format** – Select Detailed mode to view Pay Sheet information of employees with their respective category and group. Select Condensed mode when only sum totals are required for each category and group.
- ❑ **Show Employee Number** – Set this option to **Yes** to display employee numbers.
- ❑ **Show Employee Designation** - Set this Option to **Yes** to show the designation for employees.
- ❑ **Expand all levels in Detailed Format** – Set this option to **Yes** to expand all levels and display Employee details.
- ❑ **Appearance of Names** – Select the appropriate name style to appear in the paysheet (viz., Alias (Name), Alias only, Name (Alias), Name only).
- ❑ **Sorting Method** – Sort the Pay Sheet either by Alphabetical increasing / decreasing, Employee number or by the Default method.

- Set the **F12: Configuration** screen as shown:

| Configuration                          |                      |                           | 780.00   | 150.00 |
|----------------------------------------|----------------------|---------------------------|----------|--------|
| Appearance of Pay Head Types           | : <b>[ All Items</b> |                           | 780.00   | 150.00 |
| Show 'Net Amount' Column               | ? <b>Yes</b>         |                           | 780.00   | 150.00 |
| Show Column SubTotals                  | ? <b>Yes</b>         |                           | 1,560.00 | 400.00 |
| Remove Zero Entries                    | ? <b>Yes</b>         |                           | 780.00   | 200.00 |
| Show Payslip Names for Ledgers         | ? <b>Yes</b>         |                           | 780.00   | 200.00 |
| Include Employee Groups & Categories   | ? <b>Yes</b>         |                           |          |        |
| Show Category/Group Total              | ? <b>Yes</b>         |                           |          |        |
| Show Grand Total                       | ? <b>Yes</b>         |                           |          |        |
| Show Attendance Details                | ? <b>Yes</b>         |                           |          |        |
| Display Production Types in Tail Units | ? <b>Yes</b>         |                           |          |        |
| Format                                 | : <b>Detailed</b>    |                           |          |        |
| Show Employee Number                   | ? <b>Yes</b>         |                           |          |        |
| Show Employee Designation              | ? <b>Yes</b>         |                           |          |        |
| Expand all levels in Detailed Format   | ? <b>Yes</b>         |                           |          |        |
| Appearance of Names                    | : <b>Name Only</b>   |                           |          |        |
| Sorting Method                         | : <b>Default</b>     |                           |          |        |
|                                        |                      | <b>Sorting Methods</b>    |          |        |
|                                        |                      | Alphabetical (Decreasing) |          |        |
|                                        |                      | Alphabetical (Increasing) |          |        |
|                                        |                      | <b>Default</b>            |          |        |
|                                        |                      | EmployeeNumber            |          |        |

Figure 22.147 F12: Configuration screen - Pay Sheet

The **Pay Sheet** with the above configurations will appear as shown:



| PaySheet              |                 | Indus Solutions Pvt. Ltd. |                           |                        |         |        |           | Ctrl + M   |                      |
|-----------------------|-----------------|---------------------------|---------------------------|------------------------|---------|--------|-----------|------------|----------------------|
| For All Employees     |                 |                           | 1-Apr-2009 to 30-Apr-2009 |                        |         |        |           |            |                      |
| Particulars           | Employee Number | Employee Designation      | Calendar Month            | Overtime               | Present | Absent | Basic     | Conveyance | House Rent Allowance |
|                       |                 |                           |                           |                        |         |        |           |            |                      |
| Primary Cost Category |                 |                           |                           | 1,080 Mins             | 86 Days |        | 45,924.00 | 5,000.00   | 15,323.00            |
| Administration        |                 |                           |                           | 720 Mins               | 26 Days |        | 7,000.00  | 500.00     | 2,800.00             |
| Rohit Roy             |                 |                           | 469                       | Manager                |         |        | 7,000.00  | 500.00     | 2,800.00             |
| R & D                 |                 |                           |                           |                        | 18 Days |        | 8,308.00  |            | 3,323.00             |
| Preeti Sinha          |                 |                           | 578                       | Manager                |         |        | 8,308.00  |            | 3,323.00             |
| Sales                 |                 |                           |                           | 360 Mins               | 42 Days |        | 30,616.00 | 4,500.00   | 9,200.00             |
| Atul Sharma           |                 |                           | 465                       | Area Sales Manager     |         |        | 15,385.00 | 2,500.00   | 6,154.00             |
| Ramesh Arora          |                 |                           | 225                       | Regional Sales Manager |         |        | 15,231.00 | 2,000.00   | 3,046.00             |
|                       |                 |                           |                           |                        |         |        |           |            |                      |
|                       |                 |                           |                           |                        |         |        |           |            |                      |
|                       |                 |                           |                           |                        |         |        |           |            |                      |
|                       |                 |                           |                           |                        |         |        |           |            |                      |
|                       |                 |                           |                           |                        |         |        |           |            |                      |
|                       |                 |                           |                           |                        |         |        |           |            |                      |
|                       |                 |                           |                           |                        |         |        |           |            |                      |
|                       |                 |                           |                           |                        |         |        |           |            |                      |
|                       |                 |                           |                           |                        |         |        |           |            |                      |
|                       |                 |                           |                           |                        |         |        |           |            |                      |
|                       |                 |                           |                           |                        |         |        |           |            |                      |
|                       |                 |                           |                           |                        |         |        |           |            |                      |
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|                       |                 |                           |                           |                        |         |        |           |            |                      |
|                       |                 |                           |                           |                        |         |        |           |            |                      |
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|                       |                 |                           |                           |                        |         |        |           |            |                      |
|                       |                 |                           |                           |                        |         |        |           |            |                      |
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|                       |                 |                           |                           |                        |         |        |           |            |                      |
|                       |                 |                           |                           |                        |         |        |           |            |                      |
|                       |                 |                           |                           |                        |         |        |           |            |                      |
|                       |                 |                           |                           |                        |         |        |           |            |                      |
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|                       |                 |                           |                           |                        |         |        |           |            |                      |

Figure 22.148 Pay Sheet

To view the **Pay Sheet** till date with **Category** and **Group Totals**

- ❑ In **F12: Configuration**, set **Category / Group Total** to **Yes** (by default it is set to **Yes**)
- ❑ Press **Alt+F2** and change period as **01-04-2009** to **30-06-2009**

The **Pay Sheet** with **Category** and **Group Totals** displays as shown:

| PaySheet              |                  | Indus Solutions Pvt. Ltd. |                           |                |             |           |                  | Ctrl + M         |             |
|-----------------------|------------------|---------------------------|---------------------------|----------------|-------------|-----------|------------------|------------------|-------------|
| For All Employees     |                  |                           | 1-Apr-2009 to 30-Jun-2009 |                |             |           |                  |                  |             |
| Particulars           | Employee Number  | Employee Designation      | Variable Pay              | Total Earnings | ESI @ 1.75% | EPF @ 12% | Professional Tax | Total Deductions | Net Amount  |
|                       |                  |                           | ← ... 4 more              |                |             |           |                  |                  |             |
| Primary Cost Category |                  |                           | 4,200.00                  | 2,22,022.00    | 208.00      | 9,360.00  | 2,150.00         | 11,718.00        | 2,10,304.00 |
| Administration        |                  |                           | 2,000.00                  | 33,883.00      | 196.00      | 2,340.00  | 450.00           | 2,986.00         | 30,897.00   |
|                       | Rohit Roy 469    | Manager                   | 2,000.00                  | 33,083.00      | 182.00      | 2,340.00  | 450.00           | 2,972.00         | 30,111.00   |
|                       | Tamanna 531      | Manager                   |                           | 800.00         | 14.00       |           |                  | 14.00            | 786.00      |
| R & D                 |                  |                           |                           | 40,062.00      |             | 2,340.00  | 500.00           | 2,840.00         | 37,222.00   |
|                       | Preeti Sinha 578 | Manager                   |                           | 40,062.00      |             | 2,340.00  | 500.00           | 2,840.00         | 37,222.00   |
| Sales                 |                  |                           | 2,200.00                  | 1,48,077.00    | 12.00       | 4,680.00  | 1,200.00         | 5,892.00         | 1,42,185.00 |
|                       | Atul Sharma 465  | Area Sales Manager        | 1,000.00                  | 86,039.00      |             | 2,340.00  | 600.00           | 2,940.00         | 83,099.00   |
|                       | Dinesh 789       | Manager                   |                           | 700.00         | 12.00       |           |                  | 12.00            | 688.00      |
|                       | Ramesh Arora 225 | Regional Sales Manager    | 1,200.00                  | 61,338.00      |             | 2,340.00  | 600.00           | 2,940.00         | 58,398.00   |
| Grand Total           |                  |                           | 4,200.00                  | 2,22,022.00    | 208.00      | 9,360.00  | 2,150.00         | 11,718.00        | 2,10,304.00 |

Figure 22.149 Pay Sheet with Category and Group Total

**Button options:**

- ❑ **Detailed/Condensed Button** – This button (**Alt+F1**) is used to toggle between the **detailed** and **condensed** modes of reporting.
- ❑ **Period button** – This option (**F2**) is used to define the periodicity of the report, i.e. for a day, week, fortnight, month, quarter, half-year, year or any given period.

To view the **Pay Sheet** for a particular Employee Group,

- ❑ Press **Ctrl+F7** from the Pay Sheet display, the Employee Filters screen appears
- ❑ In the **Employee Filters** screen,
  - Select **Primary Cost Category** in the **Cost Category** field
  - Select **Sales** as the **Employees/ group**

The **Employee Filters** screen displays as shown:

| Employee Filters                                        |                 |                      |              |                |             |           | Indus Solutions Pvt. Ltd. |  | Ctrl + M |
|---------------------------------------------------------|-----------------|----------------------|--------------|----------------|-------------|-----------|---------------------------|--|----------|
| For All Employees Under Category: Primary Cost Category |                 |                      |              |                |             |           | List of Employees / Group |  |          |
| Particulars                                             | Employee Number | Employee Designation | Variable Pay | Total Earnings | ESI @ 1.75% | EPF @ 12% | Provisions                |  |          |
| Primary Cost Category                                   |                 |                      |              | 78,003.00      | 208.00      | 3,120.00  |                           |  |          |
| Administration                                          |                 |                      |              | 11,180.00      | 196.00      | 780.00    |                           |  |          |
| Rohit Roy                                               | 469             | Manager              |              | 10,380.00      | 182.00      | 780.00    |                           |  |          |
| Tamanna                                                 | 531             | Manager              |              | 800.00         | 14.00       |           |                           |  |          |
| R & D                                                   |                 |                      |              | 15,508.00      |             | 780.00    |                           |  |          |
| Preeti Sinha                                            | 578             | Manager              |              | 15,508.00      |             | 780.00    |                           |  |          |
| Sales                                                   |                 |                      |              | 51,315.00      | 12.00       | 1,560.00  |                           |  |          |
| Atul Sharma                                             | 465             | Area Sales Manager   |              | 30,500.00      |             | 780.00    |                           |  |          |
| Dinesh                                                  | 789             | Manager              |              | 700.00         | 12.00       |           |                           |  |          |
| Ramesh Arora                                            | 225             |                      |              |                |             |           |                           |  |          |
| Grand Total                                             |                 |                      |              | 78,003.00      | 208.00      | 3,120.00  |                           |  |          |

**Employee Filters**

Cost Category : Primary Cost Category

Employee/Group :

All Items (Group)

Administration (Group)

Atul Sharma

Dinesh

Preeti Sinha

Ramesh Arora

R & D (Group)

Rohit Roy

Sales (Group)

Tamanna

Figure 22.150 Employee Filters

The **Pay Sheet** for the selected **Employee Group** displays as shown:

| PaySheet                             |                 | Indus Solutions Pvt. Ltd. |                           |                |             |            |                       | Ctrl + M              |             |
|--------------------------------------|-----------------|---------------------------|---------------------------|----------------|-------------|------------|-----------------------|-----------------------|-------------|
| For All Employees Under Group: Sales |                 |                           | 1-Apr-2009 to 30-Jun-2009 |                |             |            |                       |                       |             |
| P a r t i c u l a r s                | Employee Number | Employee Designation      | Variable Pay              | Total Earnings | ESI @ 1.75% | EPF @ 12 % | Profession-<br>al Tax | Total Deductio-<br>ns | Net Amount  |
|                                      |                 |                           | ← ... 8 more              |                |             |            |                       |                       |             |
| Primary Cost Category                |                 |                           | 2,200.00                  | 1,48,077.00    | 12.00       | 4,680.00   | 1,200.00              | 5,892.00              | 1,42,185.00 |
| Sales                                |                 |                           | 2,200.00                  | 1,48,077.00    | 12.00       | 4,680.00   | 1,200.00              | 5,892.00              | 1,42,185.00 |
| Atul Sharma                          | 465             | Area Sales Manager        | 1,000.00                  | 86,039.00      | 12.00       | 2,340.00   | 600.00                | 2,940.00              | 83,099.00   |
| Dinesh                               | 789             | Manager                   |                           | 700.00         |             |            |                       | 12.00                 | 688.00      |
| Ramesh Arora                         | 225             | Regional Sales Manager    | 1,200.00                  | 61,338.00      |             | 2,340.00   | 600.00                | 2,940.00              | 58,398.00   |
| Grand Total                          |                 |                           | 2,200.00                  | 1,48,077.00    | 12.00       | 4,680.00   | 1,200.00              | 5,892.00              | 1,42,185.00 |

Figure 22.151 Employee Group Pay Sheet

You can also drill down from the above report to the voucher level, by highlighting the pay heads column of the required employee and pressing **Enter**.

#### Button Options:



- ❑ **Employee Filter Button** – By using the **Employee Filter button (Ctrl+F7)**, view the individual employee/ Employee group pay sheet report.
- ❑ **New Column** – This option (**Alt+C**) is used to add a new column for any other Pay Head, which is not part of the pay structure.
- ❑ **Alter Column** – This option (**Alt+A**) is used to replace an existing column in the report with another Pay Head column.
- ❑ **Delete Column** – This option (**Alt+D**) is used to delete an existing column in the report.

You can also print the Pay Sheet, by pressing **Alt+P** and specifying the required options in the **Pay Sheet Print configuration** screen.

The Pay Sheet Print Configuration screen will appear as shown:

| Printing Pay Sheet                                     |             |            |                                         |
|--------------------------------------------------------|-------------|------------|-----------------------------------------|
| Printer                                                | : (Ne00:)   | Paper Type | : Letter                                |
| No. of Copies                                          | : 1         |            |                                         |
| Print Language                                         | : English   |            | (Printing Dimensions)                   |
| Method                                                 | : Neat Mode | Paper Size | : (8.50" x 10.98") or (216 mm x 279 mm) |
| Page Range                                             | : All       | Print Area | : (8.03" x 10.63") or (204 mm x 270 mm) |
| <b>Report Titles</b>                                   |             |            |                                         |
| <b>Pay Sheet</b>                                       |             |            |                                         |
| (with Print Preview)                                   |             |            |                                         |
| Increase Line Height for Signature / Stamp ? <b>No</b> |             |            | <b>Print ?</b><br><b>Yes or No</b>      |

Figure 22.152 Pay Sheet Print Configuration screen

The Printed Pay Sheet displays as shown:

| <b>Indus Solutions Pvt. Ltd.</b><br>4/1 St. Mark's Road,<br>Bangalore<br><b>Pay Sheet</b><br>1-Apr-2009 to 30-Jun-2009 |                 |                        |                |                 |                 |        |                  |                  |                      |                 |
|------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------|----------------|-----------------|-----------------|--------|------------------|------------------|----------------------|-----------------|
| Page 1 (A)                                                                                                             |                 |                        |                |                 |                 |        |                  |                  |                      |                 |
| Particulars                                                                                                            | Employee Number | Employee Designation   | Calendar Month | Overtime        | Present         | Absent | Basic            | Conveyance       | House Rent Allowance | Overtime Pay    |
| <b>Primary Cost Category</b>                                                                                           |                 |                        |                | 600 Mins        | 135 Days        |        | 99,000.00        | 14,200.00        | 30,877.00            | 1,800.00        |
| <b>Sales</b>                                                                                                           |                 |                        |                | 600 Mins        | 135 Days        |        | 99,000.00        | 14,200.00        | 30,877.00            | 1,800.00        |
| Atul Sharma                                                                                                            | 465             | Area Sales Manager     |                |                 | 72 Days         |        | 55,385.00        | 7,500.00         | 22,154.00            |                 |
| Dinesh                                                                                                                 | 789             | Manager                |                |                 |                 |        |                  | 700.00           |                      |                 |
| Ramesh Arora                                                                                                           | 225             | Regional Sales Manager |                | 600 Mins        | 63 Days         |        | 43,615.00        | 6,000.00         | 8,723.00             | 1,800.00        |
| <b>Grand Total</b>                                                                                                     |                 |                        |                | <b>600 Mins</b> | <b>135 Days</b> |        | <b>99,000.00</b> | <b>14,200.00</b> | <b>30,877.00</b>     | <b>1,800.00</b> |

Figure 22.153 Printed Pay Sheet 1A

| <b>Indus Solutions Pvt. Ltd.</b><br>4/1 St. Mark's Road,<br>Bangalore<br><b>Pay Sheet</b><br>1-Apr-2009 to 30-Jun-2009 |                 |                        |                 |                    |              |                 |                  |                  |                    |  |
|------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------|-----------------|--------------------|--------------|-----------------|------------------|------------------|--------------------|--|
| Page 1 (B)                                                                                                             |                 |                        |                 |                    |              |                 |                  |                  |                    |  |
| Particulars                                                                                                            | Employee Number | Employee Designation   | Variable Pay    | Total Earnings     | ESI @ 1.75%  | EPF @ 12%       | Professional Tax | Total Deductions | Net Amount         |  |
| <b>Primary Cost Category</b>                                                                                           |                 |                        | 2,200.00        | <b>1,48,077.00</b> | 12.00        | 4,680.00        | 1,200.00         | <b>5,892.00</b>  | <b>1,42,185.00</b> |  |
| <b>Sales</b>                                                                                                           |                 |                        | 2,200.00        | <b>1,48,077.00</b> | 12.00        | 4,680.00        | 1,200.00         | <b>5,892.00</b>  | <b>1,42,185.00</b> |  |
| Atul Sharma                                                                                                            | 465             | Area Sales Manager     | 1,000.00        | <b>86,039.00</b>   |              | 2,340.00        | 600.00           | <b>2,940.00</b>  | <b>83,099.00</b>   |  |
| Dinesh                                                                                                                 | 789             | Manager                |                 | <b>700.00</b>      | 12.00        |                 |                  | <b>12.00</b>     | <b>688.00</b>      |  |
| Ramesh Arora                                                                                                           | 225             | Regional Sales Manager | 1,200.00        | <b>61,338.00</b>   |              | 2,340.00        | 600.00           | <b>2,940.00</b>  | <b>58,398.00</b>   |  |
| <b>Grand Total</b>                                                                                                     |                 |                        | <b>2,200.00</b> | <b>1,48,077.00</b> | <b>12.00</b> | <b>4,680.00</b> | <b>1,200.00</b>  | <b>5,892.00</b>  | <b>1,42,185.00</b> |  |

Figure 22.154 Printed Pay Sheet 1B

While printing the Pay Sheet, you can choose to **Increase the Line Height** (for each employee line) if you want to create space for the employee's signature or to affix a stamp. Such a Pay Sheet can also be used as a salary disbursement register.

- Press **Alt+P** to print Pay Sheet and set the **Increase Line Height for Signature/ Stamp?** field to **Yes**

The printed **Pay Sheet** with space for signature/ stamp is as shown.

| <b>Indus Solutions Pvt. Ltd.</b><br>4/1 St. Mark's Road,<br>Bangalore<br><b>Pay Sheet</b><br>1-Apr-2009 to 30-Jun-2009 |                 |                        |                |                 |                 |        |                  |                  |                      |                 |
|------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------|----------------|-----------------|-----------------|--------|------------------|------------------|----------------------|-----------------|
| Page 1 (A)                                                                                                             |                 |                        |                |                 |                 |        |                  |                  |                      |                 |
| Particulars                                                                                                            | Employee Number | Employee Designation   | Calendar Month | Overtime        | Present         | Absent | Basic            | Conveyance       | House Rent Allowance | Overtime Pay    |
| <b>Primary Cost Category</b>                                                                                           |                 |                        |                | 600 Mins        | 135 Days        |        | 99,000.00        | 14,200.00        | 30,877.00            | 1,800.00        |
| <b>Sales</b>                                                                                                           |                 |                        |                | 600 Mins        | 135 Days        |        | 99,000.00        | 14,200.00        | 30,877.00            | 1,800.00        |
| Atul Sharma                                                                                                            | 465             | Area Sales Manager     |                |                 | 72 Days         |        | 55,385.00        | 7,500.00         | 22,154.00            |                 |
| Dinesh                                                                                                                 | 789             | Manager                |                |                 |                 |        |                  | 700.00           |                      |                 |
| Ramesh Arora                                                                                                           | 225             | Regional Sales Manager |                |                 | 63 Days         |        | 43,615.00        | 6,000.00         | 8,723.00             | 1,800.00        |
|                                                                                                                        |                 |                        |                | 600 Mins        |                 |        |                  |                  |                      |                 |
| <b>Grand Total</b>                                                                                                     |                 |                        |                | <b>600 Mins</b> | <b>135 Days</b> |        | <b>99,000.00</b> | <b>14,200.00</b> | <b>30,877.00</b>     | <b>1,800.00</b> |

Figure 22.155 Printed Pay Sheet with space for Signature/ Stamp (1A)

| <b>Indus Solutions Pvt. Ltd.</b><br>4/1 St. Mark's Road,<br>Bangalore<br><b>Pay Sheet</b><br>1-Apr-2009 to 30-Jun-2009 |                 |                        |                 |                    |              |                 |                  |                  |                    |  |
|------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------|-----------------|--------------------|--------------|-----------------|------------------|------------------|--------------------|--|
| Page 1 (B)                                                                                                             |                 |                        |                 |                    |              |                 |                  |                  |                    |  |
| Particulars                                                                                                            | Employee Number | Employee Designation   | Variable Pay    | Total Earnings     | ESI @ 1.75%  | EPF @ 12%       | Professional Tax | Total Deductions | Net Amount         |  |
| <b>Primary Cost Category</b>                                                                                           |                 |                        | 2,200.00        | <b>1,48,077.00</b> | 12.00        | 4,680.00        | 1,200.00         | <b>5,892.00</b>  | <b>1,42,185.00</b> |  |
| <b>Sales</b>                                                                                                           |                 |                        | 2,200.00        | <b>1,48,077.00</b> | 12.00        | 4,680.00        | 1,200.00         | <b>5,892.00</b>  | <b>1,42,185.00</b> |  |
| Atul Sharma                                                                                                            | 465             | Area Sales Manager     | 1,000.00        | <b>86,039.00</b>   |              | 2,340.00        | 600.00           | <b>2,940.00</b>  | <b>83,099.00</b>   |  |
| Dinesh                                                                                                                 | 789             | Manager                |                 | <b>700.00</b>      | 12.00        |                 |                  | <b>12.00</b>     | <b>688.00</b>      |  |
| Ramesh Arora                                                                                                           | 225             | Regional Sales Manager | 1,200.00        | <b>61,338.00</b>   |              | 2,340.00        | 600.00           | <b>2,940.00</b>  | <b>58,398.00</b>   |  |
|                                                                                                                        |                 |                        |                 |                    |              |                 |                  |                  |                    |  |
| <b>Grand Total</b>                                                                                                     |                 |                        | <b>2,200.00</b> | <b>1,48,077.00</b> | <b>12.00</b> | <b>4,680.00</b> | <b>1,200.00</b>  | <b>5,892.00</b>  | <b>1,42,185.00</b> |  |

Figure 22.156 Printed Pay Sheet with space for Signature/ Stamp (1B)



You can also **Email** or **Export Pay Sheet Report** in the manner as discussed in **Payslip** Section. The navigation steps for Emailing, Exporting Pay Sheet is similar to as explained in **Payslip** Report.

### Payroll Statement

A Payroll Statement is a columnar report which displays Group/Department-wise employees' break-up of selected earnings or deductions, for a specified month or period.

Go to **Gateway of Tally > Display > Payroll Reports > Statements of Payroll > Payroll Statement**

- Select the required pay head and press **Enter**

The **Payroll Statement** for **Basic Pay** Earnings Head for the month of April 2009 is as shown:

| Payroll Statement     |  | Indus Solutions Pvt. Ltd. | Ctrl + M  |
|-----------------------|--|---------------------------|-----------|
| For All Employees     |  | 1-Apr-2009 to 30-Apr-2009 |           |
| Particulars           |  |                           | Basic     |
| Primary Cost Category |  |                           | 45,924.00 |
| Administration        |  |                           | 7,000.00  |
| Rohit Roy             |  |                           | 7,000.00  |
| R & D                 |  |                           | 8,308.00  |
| Preeti Sinha          |  |                           | 8,308.00  |
| Sales                 |  |                           | 30,616.00 |
| Atul Sharma           |  |                           | 15,385.00 |
| Ramesh Arora          |  |                           | 15,231.00 |
| Grand Total           |  |                           | 45,924.00 |

Figure 22.157 Payroll Statement

You can further configure the Payroll Statement to display the Employee groups and categories, category/group subtotals, grand totals, user-defined Payslip names, employee names, employee bank details, sort it by Employee number, by pressing **F12: Configure**

- ❑ Enter the details in **F12: Configuration** screen as shown

The **F12: Configuration** screen will appear as shown:

| Configuration                        |             |
|--------------------------------------|-------------|
| Remove Zero Entries                  | ? Yes       |
| Show Payslip Names for Ledgers       | ? Yes       |
| Include Employee Groups & Categories | ? Yes       |
| Show Category/Group Total            | ? Yes       |
| Show Grand Total                     | ? Yes       |
| Format                               | : Detailed  |
| Show Employee PF Account Number      | ? Yes       |
| Show Income Tax Number (PAN)         | ? Yes       |
| Show Employee Bank Details           | ? No        |
| Show Employee Number                 | ? No        |
| Show Employee ESI Number             | ? No        |
| Show Employee Passport Details       | ? No        |
| Show Employee Visa Expiry Date       | ? No        |
| Expand all levels in Detailed Format | ? Yes       |
| Appearance of Names                  | : Name Only |
| Sorting Method                       | : Default   |

| Sorting Methods           |
|---------------------------|
| Alphabetical (Decreasing) |
| Alphabetical (Increasing) |
| Bank Details              |
| <b>Default</b>            |
| EmployeeNumber            |
| ESI Number                |
| Income Tax Number (PAN)   |
| Passport Details          |
| PF Account Number         |
| Visa Expiry Date          |

Figure 22.158 F12: Configuration

The **F12: Configuration** options in **Payroll Statement Report** are as follows:



- ❑ **Remove Zero Entries** – Set this option to **Yes** to remove Earnings/ Deductions pay head information with Zero values.
- ❑ **Show Payslip Names for Ledgers** – Set this option to **Yes**, to view the names of pay heads as specified in the **Name to Appear in Payslip** field in the Pay Head master creation.
- ❑ **Include Employee Groups & Categories** – Set this option to **Yes** to display Category and Group-wise Employee information.
- ❑ **Show Category/Group Total** – Set this option to **Yes**, to display Category and Group-wise Totals.





- ❑ **Show Grand Total** – Set this option to **Yes**, to display the sum of all the pay head columns in the report.
- ❑ **Format** – Select the **Detailed** mode to view payroll information of employees with their respective categories and groups. Select the **Condensed** mode when only sum totals are required for each category and group.
- ❑ **Show Employee PF Account Number** – Set this option to **Yes**, to display the Provident Fund Account number of an employee.
- ❑ **Show Employee I.T. PAN** – Set this option to **Yes**, to display the Income Tax Permanent Account Number (PAN) of an employee.
- ❑ **Show Employee Bank Details** – Set this option to **Yes**, to display the Bank Account Number of an employee
- ❑ **Show Employee Number** – Set this option to **Yes**, to display the Employee Number of an employee.
- ❑ **Show Employee ESI Number** – Set this option to **Yes**, to display the State Insurance Number of an employee.
- ❑ **Show Employee Passport Details** – Set this option to **Yes**, to display an employee's passport details.
- ❑ **Show Employee Visa Expiry Date** – Set this option to **Yes**, to display an employee's visa expiry date.
- ❑ **Expand all levels in Detailed format** – Set this option to **Yes**, to expand all levels and display Employee details.
- ❑ **Appearance of Names** – Select the appropriate name style to appear in the Payroll Statement (Alias (Name), Alias only, Name (Alias), Name only).
- ❑ **Sorting Method** – Sort the Payroll Statement using Alphabetical (Decreasing), Alphabetical (Increasing), Bank details, Employee IT Pan Number, Employee Number, ESI Number, PF Account Number, Passport details or by the default method.



The **Employee PF Account Number, IT PAN Number, ESI Number, Passport Details, Visa Expiry Date** options will be available in **F12: Configure** only when the options, **Show Statutory details** and **Passport & Visa details**, are set to **Yes** in **F12: Payroll Configuration**.

The **Payroll Statement** with the above Configurations will appear as shown:

| Payroll Statement            |                   |                         | Indus Solutions Pvt. Ltd. | Ctrl + M  |
|------------------------------|-------------------|-------------------------|---------------------------|-----------|
| For All Employees            |                   |                         | 1-Apr-2009 to 30-Apr-2009 |           |
| Particulars                  | PF Account Number | Income Tax Number (PAN) |                           | Basic     |
| <b>Primary Cost Category</b> |                   |                         |                           | 45,924.00 |
| <b>Administration</b>        |                   |                         |                           | 7,000.00  |
| Rohit Roy                    | KA/BN/13478/412   | AQBPP8579C              |                           | 7,000.00  |
| <b>R &amp; D</b>             |                   |                         |                           | 8,308.00  |
| Preeti Sinha                 | KA/BN/13524/112   | AZVBB8520B              |                           | 8,308.00  |
| <b>Sales</b>                 |                   |                         |                           | 30,616.00 |
| Atul Sharma                  | KA/BN/14785/841   | AVBUU4560C              |                           | 15,385.00 |
| Ramesh Arora                 | KAR/BN/32185/552  | AGBYY5620B              |                           | 15,231.00 |
| <b>Grand Total</b>           |                   |                         |                           | 45,924.00 |

Figure 22.159 Payroll Statement with additional information



- ❑ You can also **Email** or **Export Payroll Statement** in the manner as discussed in **Payslip** Section.
- ❑ The **Button Bar** options in **Payroll Statement** are same as in the **Paysheet** report.

To view Payroll Statement for other Pay Heads, you may either select other Pay Head(s) in the manner as discussed or you may also include other Pay Heads in the above report for comparative analysis or to obtain a cumulative value, by pressing **Alt+C** and selecting the required Pay Head(s).

The **Payroll statement** with additional Pay Heads will appear as shown:

| Payroll Statement            |                   |                         | Indus Solutions Pvt. Ltd. |                      |            | Ctrl + M                  |  |  |
|------------------------------|-------------------|-------------------------|---------------------------|----------------------|------------|---------------------------|--|--|
| For All Employees            |                   |                         |                           |                      |            | 1-Apr-2009 to 30-Apr-2009 |  |  |
| Particulars                  | PF Account Number | Income Tax Number (PAN) | Basic                     | House Rent Allowance | Conveyance |                           |  |  |
| <b>Primary Cost Category</b> |                   |                         | 45,924.00                 | 15,323.00            | 5,000.00   |                           |  |  |
| <b>Administration</b>        |                   |                         | 7,000.00                  | 2,800.00             | 500.00     |                           |  |  |
| Rohit Roy                    | KA/BN/13478/412   | AQBPP8579C              | 7,000.00                  | 2,800.00             | 500.00     |                           |  |  |
| <b>R &amp; D</b>             |                   |                         | 8,308.00                  | 3,323.00             |            |                           |  |  |
| Preeti Sinha                 | KA/BN/13524/112   | AZVBB8520B              | 8,308.00                  | 3,323.00             |            |                           |  |  |
| <b>Sales</b>                 |                   |                         | 30,616.00                 | 9,200.00             | 4,500.00   |                           |  |  |
| Atul Sharma                  | KA/BN/14785/841   | AVBUU4560C              | 15,385.00                 | 6,154.00             | 2,500.00   |                           |  |  |
| Ramesh Arora                 | KAR/BN/32185/552  | AGBY5620B               | 15,231.00                 | 3,046.00             | 2,000.00   |                           |  |  |
| <b>Grand Total</b>           |                   |                         | 45,924.00                 | 15,323.00            | 5,000.00   |                           |  |  |

Figure 22.160 Payroll Statement with additional Columns

## Payment Advice

A Payment Advice is an intimation letter containing the details of employees with their bank account numbers issued to the banker to transfer a specified sum (salaries earned) to the employees' bank accounts.

As discussed earlier, the contents of the Payment Advice can be altered in **F12: Payroll Configuration** as per the employer's requirements.

Go to **Gateway of Tally > Display > Payroll Reports > Statements of Payroll > Payment Advice**

The **Printing Configuration** for **Payment Advice** displays as shown:

| Printing Payment Advice                                                  |                       |                                                           |
|--------------------------------------------------------------------------|-----------------------|-----------------------------------------------------------|
| <b>Printer</b>                                                           | : RnD Printer (Ne01:) | <b>Paper Type</b> : Letter                                |
| <b>No. of Copies</b>                                                     | : 1                   |                                                           |
| <b>Print Language</b>                                                    | : English             | (Printing Dimensions)                                     |
| <b>Method</b>                                                            | : Neat Mode           | <b>Paper Size</b> : (10.96" x 8.50") or (279 mm x 216 mm) |
| <b>Page Range</b>                                                        | : All                 | <b>Print Area</b> : (10.71" x 8.19") or (272 mm x 208 mm) |
| <b>Report Titles</b>                                                     |                       |                                                           |
| <b>Payment Advice</b>                                                    |                       |                                                           |
| (with Print Preview)                                                     |                       |                                                           |
| Without Date Range of Report, Without Page Numbers                       |                       |                                                           |
| From (blank for beginning)                                               | :                     | <b>1-6-2009</b>                                           |
| To (blank for end)                                                       | :                     | <b>30-6-2009</b>                                          |
| (Note: The above From and To should be Payment Voucher Period)           |                       |                                                           |
| Cost Category                                                            | :                     | <b>[ All Items</b>                                        |
| Employee/Group                                                           | :                     | <b>[ All Items</b>                                        |
| Bank Ledger                                                              | :                     | <b>HDFC Bank</b>                                          |
| Date Range to Print                                                      | :                     | From: <b>1-6-2009</b> To: <b>30-6-2009</b>                |
| (Note: Salary/Payroll Period to be specified in the Date Range to Print) |                       |                                                           |
| Bank Name                                                                | :                     | <b>Yes</b>                                                |
| Branch                                                                   | :                     | <b>Yes</b>                                                |
| Sorting Method                                                           | :                     | <b>Bank Details</b>                                       |
| Date of Printing                                                         | :                     | <b>1-7-2009</b>                                           |
|                                                                          |                       | <b>Sorting Methods</b>                                    |
|                                                                          |                       | <b>Bank Details</b>                                       |
|                                                                          |                       | Default                                                   |
|                                                                          |                       | Employee Number                                           |

Figure 22.161 Printing Configuration for Payment Advice

- Press **Backspace** and enter the details as shown above
- Press **Enter** to print

The printed **Payment Advice** for May 2009 displays as shown:

**Indus Solutions Pvt. Ltd.**  
4/1 St. Mark's Road,  
Bangalore

**Payment Advice**

1-Jul-2009

**The Manager**  
HDFC Bank

Dear Sir,

**Payment Advice from Indus Solutions Pvt. Ltd. A/C # for period 1-Jun-2009 to 30-Jun-2009**

Please make the payroll transfer from above account number to the below mentioned account numbers towards employee salaries:

| Sl. No. | Name of the Employee | Account No.     | Bank Name | Branch       | Amount           |
|---------|----------------------|-----------------|-----------|--------------|------------------|
| 1.      | Rohit Roy            | 005-005590-104  | HSBC Bank | Koramangala  | 9,268.00         |
| 2.      | Preeti Sinha         | 005-005590-108  | HSBC Bank | Koramangala  | 14,528.00        |
| 3.      | Atul Sharma          | 005-005590-110  | HSBC Bank | Koramangalam | 29,520.00        |
| 4.      | Tamanna              | 005-005590-660  | HSBC Bank | Koramangalam | 786.00           |
| 5.      | Dinesh               | 055-0055680-121 | HSBC Bank | Koramangalam | 688.00           |
| 6.      | Ramesh Arora         | 055-005590-121  | HSBC Bank | Kormanagala  | 19,135.00        |
|         | <b>Total</b>         |                 |           |              | <b>73,925.00</b> |

Yours Sincerely  
**for Indus Solutions Pvt. Ltd.**

Authorised Signatory

Figure 22.162 Printed Payment Advice



- ❑ The **Payment Advice** will be available only when the Salaries are processed through **Bank Transfer** and a **Payment voucher** is passed for the salaries payable for a given month/period.
- ❑ You can also **Email** or **Export Payment Advice** in the manner as discussed in Payslip Section.

## Payroll Register

A Payroll Register is a month-wise transaction summary report which displays the number of payroll vouchers passed during a particular month. Additional information can be appended into the Payroll Register, by inserting a new column with the required voucher type i.e., Attendance, Journal, Purchases, Sales and so on.

Go to **Gateway of Tally > Display > Payroll Reports > Statements of Payroll > Payroll Register**

The **Payroll Register** displays as shown:

| Payroll Register      |                                                                                 | Indus Solutions Pvt. Ltd. |              | Ctrl + M |  |
|-----------------------|---------------------------------------------------------------------------------|---------------------------|--------------|----------|--|
| P a r t i c u l a r s | <i>Payroll</i><br><b>Indus Solutions Pvt. Ltd.</b><br>1-Apr-2009 to 30-Jun-2009 |                           |              |          |  |
|                       | <b>Transactions</b>                                                             |                           |              |          |  |
|                       | Total Vouchers                                                                  |                           | (cancelled ) |          |  |
| April                 |                                                                                 |                           | 2            |          |  |
| May                   |                                                                                 |                           | 1            |          |  |
| June                  |                                                                                 |                           | 2            |          |  |
| July                  |                                                                                 |                           |              |          |  |
| August                |                                                                                 |                           |              |          |  |
| September             |                                                                                 |                           |              |          |  |
| October               |                                                                                 |                           |              |          |  |
| November              |                                                                                 |                           |              |          |  |
| December              |                                                                                 |                           |              |          |  |
| January               |                                                                                 |                           |              |          |  |
| February              |                                                                                 |                           |              |          |  |
| March                 |                                                                                 |                           |              |          |  |
| Grand Total           |                                                                                 |                           | 5            |          |  |

Figure 22.163 Payroll Register

- Press **F12: Configure** and set the **Appearance of Names** and the **Periodicity to use** as shown.

The **F12: Configuration** screen displays as shown:

| Configuration       |                    | Periodicity                                                    |
|---------------------|--------------------|----------------------------------------------------------------|
| Appearance of Names | : <b>Name Only</b> | 4 Week Month<br>Daily<br>Fortnightly<br>Half Yearly<br>Monthly |
| Periodicity to use  | : <b>Quarterly</b> | <b>Quarterly</b><br>Weekly<br>Yearly                           |

Figure 22.164 F12: Configuration

The **Payroll Register** with the above configurations will appear as shown:

| Payroll Register |  | Indus Solutions Pvt. Ltd. |                | Ctrl + M                  |  |
|------------------|--|---------------------------|----------------|---------------------------|--|
| Particulars      |  |                           |                | Payroll                   |  |
|                  |  |                           |                | Indus Solutions Pvt. Ltd. |  |
|                  |  |                           |                | 1-Apr-2009 to 30-Jun-2009 |  |
|                  |  |                           | Transactions   |                           |  |
|                  |  |                           | Total Vouchers | (cancelled )              |  |
|                  |  |                           |                |                           |  |
| Apr - Jun        |  |                           | 5              |                           |  |
| Jul - Sep        |  |                           |                |                           |  |
| Oct - Dec        |  |                           |                |                           |  |
| Jan - Mar        |  |                           |                |                           |  |
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Figure 22.165 Payroll Register - Quarterly

Tally.ERP 9 allows you to drill down to the voucher level from the above display for any kind of verification, by pressing **Enter** on the required month/period.

The **Payroll Register** voucher level screen displays as shown:

| Voucher Register             |                      | Indus Solutions Pvt. Ltd. |         | Ctrl + M                  |               |
|------------------------------|----------------------|---------------------------|---------|---------------------------|---------------|
| List of All Payroll Vouchers |                      |                           |         | 1-Jun-2009 to 30-Jun-2009 |               |
| Date                         | Particulars          | Vch Type                  | Vch No. | Debit Amount              | Credit Amount |
| 30-6-2009                    | Basic Pay            | Payroll                   | 4       | 51,923.00                 |               |
| 30-6-2009                    | Employer ESI @ 4.75% | Payroll                   | 5       | 564.00                    |               |

Figure 22.166 Payroll Voucher Register

You can further drill down to transaction level, by selecting the required transaction and pressing **Enter**.

### Employee Pay Head Breakup

An Employee Pay Head Breakup report is a columnar report which displays the Group/Department-wise employees' breakup of a selected earnings or deductions pay head for a specified month/period. This report also displays the opening balance, debit and credit transactions and the closing balance for a specified period.

This report is also beneficial in tracking loan outstanding and instalments deducted till date or for any specified period.

Go to **Gateway of Tally > Display > Payroll Reports > Statements of Payroll > Employee Pay Head Breakup**

- Select the **required Pay Head** from the **List of Pay Heads** and press **Enter**

The **Employee Breakup of Pay Head** for **Basic pay** screen displays as shown:



| Employee Breakup of Pay Head |                                                                               | Indus Solutions Pvt. Ltd. |        | Ctrl + M           |
|------------------------------|-------------------------------------------------------------------------------|---------------------------|--------|--------------------|
| Particulars                  | Pay Head: Basic Pay<br>Indus Solutions Pvt. Ltd.<br>1-Apr-2009 to 30-Jun-2009 |                           |        |                    |
|                              | Opening<br>Balance                                                            | Transactions              |        | Closing<br>Balance |
|                              |                                                                               | Debit                     | Credit |                    |
|                              |                                                                               |                           |        |                    |
| Primary Cost Category        |                                                                               | 1,48,347.00               |        | 1,48,347.00 Dr     |
| Administration               |                                                                               | 20,731.00                 |        | 20,731.00 Dr       |
| R & D                        |                                                                               | 28,616.00                 |        | 28,616.00 Dr       |
| Sales                        |                                                                               | 99,000.00                 |        | 99,000.00 Dr       |

Figure 22.167 Employee Breakup of Pay Head

To drill down to **Employee Summary report** from the above display,

- ❑ Select **Cost Category** and press **Enter**
- ❑ Press **Alt+F1** to view the detailed report

The **Employee Summary** screen displays as shown:

| Employee Summary |                                                                                                                  | Indus Solutions Pvt. Ltd. |        | Ctrl + M           |    |
|------------------|------------------------------------------------------------------------------------------------------------------|---------------------------|--------|--------------------|----|
| Particulars      | Category: Primary Cost Category<br>Pay Head: Basic Pay<br>Indus Solutions Pvt. Ltd.<br>1-Apr-2009 to 30-Jun-2009 |                           |        |                    |    |
|                  | Opening<br>Balance                                                                                               | Transactions              |        | Closing<br>Balance |    |
|                  |                                                                                                                  | Debit                     | Credit |                    |    |
| Administration   |                                                                                                                  | 20,731.00                 |        | 20,731.00          | Dr |
| Rohit Roy        |                                                                                                                  | 20,731.00                 |        | 20,731.00          | Dr |
| Tamanna          |                                                                                                                  |                           |        |                    |    |
| R & D            |                                                                                                                  | 28,616.00                 |        | 28,616.00          | Dr |
| Preeti Sinha     |                                                                                                                  | 28,616.00                 |        | 28,616.00          | Dr |
| Sales            |                                                                                                                  | 99,000.00                 |        | 99,000.00          | Dr |
| Atul Sharma      |                                                                                                                  | 55,385.00                 |        | 55,385.00          | Dr |
| Dinesh           |                                                                                                                  |                           |        |                    |    |
| Ramesh Arora     |                                                                                                                  | 43,615.00                 |        | 43,615.00          | Dr |
| Grand Total      |                                                                                                                  | 1,48,347.00               |        | 1,48,347.00        | Dr |

Figure 22.168 Employee Summary



You can also **Email** or **Export Employee Breakup of Pay Head Report** in the manner as discussed in Payslip Section.

To drill down to the **Employee Monthly Summary** report from the **Employee Summary report**,

- Highlight the required employee and press **Enter**

The **Employee Monthly Summary** screen displays as shown:

| Employee Monthly Summary |                                                                                                                                  | Indus Solutions Pvt. Ltd. |                 | Ctrl + M |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------|----------|
| Particulars              | Category: Primary Cost Category<br>Pay Head: Basic Pay<br>Ramesh Arora<br>Indus Solutions Pvt. Ltd.<br>1-Apr-2009 to 30-Jun-2009 |                           |                 |          |
|                          | Transactions                                                                                                                     |                           | Closing Balance |          |
|                          | Debit                                                                                                                            | Credit                    |                 |          |
| Opening Balance          |                                                                                                                                  |                           |                 |          |
| April                    | 15,231.00                                                                                                                        |                           | 15,231.00 Dr    |          |
| May                      | 14,538.00                                                                                                                        |                           | 29,769.00 Dr    |          |
| June                     | 13,846.00                                                                                                                        |                           | 43,615.00 Dr    |          |
| July                     |                                                                                                                                  |                           |                 |          |
| August                   |                                                                                                                                  |                           |                 |          |
| September                |                                                                                                                                  |                           |                 |          |
| October                  |                                                                                                                                  |                           |                 |          |
| November                 |                                                                                                                                  |                           |                 |          |
| December                 |                                                                                                                                  |                           |                 |          |
| January                  |                                                                                                                                  |                           |                 |          |
| February                 |                                                                                                                                  |                           |                 |          |
| March                    |                                                                                                                                  |                           |                 |          |
| Grand Total              | 43,615.00                                                                                                                        |                           | 43,615.00 Dr    |          |
|                          |                                                                                                                                  |                           |                 |          |

Figure 22.169 Employee Monthly Summary

To further drill down to Employee Voucher level screen from the Employee Monthly Summary report, press **Enter** on the required month

The **Employee Summary** voucher level screen displays as shown:

| Employee Vouchers               |                  | Indus Solutions Pvt. Ltd. |         | Ctrl + M                  |           |
|---------------------------------|------------------|---------------------------|---------|---------------------------|-----------|
| Employee : <b>Ramesh Arora</b>  |                  |                           |         | 1-Jun-2009 to 30-Jun-2009 |           |
| For Pay Head : <i>Basic Pay</i> |                  |                           |         |                           |           |
| Date                            | Particulars      | Vch Type                  | Vch No. | Debit                     | Credit    |
| 30-6-2009                       | <b>Basic Pay</b> | Payroll                   | 4       | 13,846.00                 |           |
|                                 |                  |                           |         | Opening Balance :         |           |
|                                 |                  |                           |         | Current Total :           | 13,846.00 |
|                                 |                  |                           |         | Closing Balance :         | 13,846.00 |

Figure 22.170 Employee Vouchers Summary

You can further drill down to transaction level, by selecting the required transaction and pressing **Enter**.

The **Employee Breakup of Pay Head** report can be viewed with additional Pay Heads, by pressing **Alt+C** and adding the required Pay Head and for multiple periods, by pressing **Alt+N**.

### Pay Head Employee Breakup

A Pay Head Employee Breakup report displays the sum of transactions and closing balance of the transacted groups for the selected employee.

Go to **Gateway of Tally > Display > Payroll Reports > Statements of Payroll > Pay Head Employee Breakup**

The **Employee Selection** screen displays as shown:

| Select Item                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Indus Solutions Pvt. Ltd.              |  | Ctrl + M |             |       |                       |        |       |                       |              |       |                       |              |       |                       |           |                |                       |         |                |                       |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|--|----------|-------------|-------|-----------------------|--------|-------|-----------------------|--------------|-------|-----------------------|--------------|-------|-----------------------|-----------|----------------|-----------------------|---------|----------------|-----------------------|
| Current Period<br>1-4-2009 to 31-3-2010      | Current Date<br>Tuesday, 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Name of Employee<br><b>Atul Sharma</b> |  |          |             |       |                       |        |       |                       |              |       |                       |              |       |                       |           |                |                       |         |                |                       |
| List of Employees                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                        |  |          |             |       |                       |        |       |                       |              |       |                       |              |       |                       |           |                |                       |         |                |                       |
| Name of Company<br>Indus Solutions Pvt. Ltd. | <table border="1"> <thead> <tr> <th>Atul Sharma</th> <th>Sales</th> <th>Primary Cost Category</th> </tr> </thead> <tbody> <tr> <td>Dinesh</td> <td>Sales</td> <td>Primary Cost Category</td> </tr> <tr> <td>Preeti Sinha</td> <td>R &amp; D</td> <td>Primary Cost Category</td> </tr> <tr> <td>Ramesh Arora</td> <td>Sales</td> <td>Primary Cost Category</td> </tr> <tr> <td>Rohit Roy</td> <td>Administration</td> <td>Primary Cost Category</td> </tr> <tr> <td>Tamanna</td> <td>Administration</td> <td>Primary Cost Category</td> </tr> </tbody> </table> |                                        |  |          | Atul Sharma | Sales | Primary Cost Category | Dinesh | Sales | Primary Cost Category | Preeti Sinha | R & D | Primary Cost Category | Ramesh Arora | Sales | Primary Cost Category | Rohit Roy | Administration | Primary Cost Category | Tamanna | Administration | Primary Cost Category |
| Atul Sharma                                  | Sales                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Primary Cost Category                  |  |          |             |       |                       |        |       |                       |              |       |                       |              |       |                       |           |                |                       |         |                |                       |
| Dinesh                                       | Sales                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Primary Cost Category                  |  |          |             |       |                       |        |       |                       |              |       |                       |              |       |                       |           |                |                       |         |                |                       |
| Preeti Sinha                                 | R & D                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Primary Cost Category                  |  |          |             |       |                       |        |       |                       |              |       |                       |              |       |                       |           |                |                       |         |                |                       |
| Ramesh Arora                                 | Sales                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Primary Cost Category                  |  |          |             |       |                       |        |       |                       |              |       |                       |              |       |                       |           |                |                       |         |                |                       |
| Rohit Roy                                    | Administration                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Primary Cost Category                  |  |          |             |       |                       |        |       |                       |              |       |                       |              |       |                       |           |                |                       |         |                |                       |
| Tamanna                                      | Administration                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Primary Cost Category                  |  |          |             |       |                       |        |       |                       |              |       |                       |              |       |                       |           |                |                       |         |                |                       |

Figure 22.171 Employee Selection

To view the ledger breakup,

- ❑ Select the required Employee from the **List of Employees** and press **Enter**
- ❑ Press **Alt+F1** for detailed view

The ledger-wise **Breakup of Employee** screen displays as shown:

| Breakup of Employee                 |  | Indus Solutions Pvt. Ltd.                              |           | Ctrl + M        |
|-------------------------------------|--|--------------------------------------------------------|-----------|-----------------|
| Particulars                         |  | Employee: Atul Sharma                                  |           |                 |
|                                     |  | Indus Solutions Pvt. Ltd.<br>1-Apr-2009 to 30-Jun-2009 |           |                 |
|                                     |  | Transactions                                           |           | Closing Balance |
|                                     |  | Debit                                                  | Credit    |                 |
| <b>Current Liabilities</b>          |  | 60,904.65                                              | 62,864.65 | 1,960.00 Cr     |
| EDLI Administrative Charges @ 0.01% |  | 0.65                                                   | 0.65      |                 |
| EDLI Contribution @ 0.5%            |  | 32.50                                                  | 32.50     |                 |
| Employee's PF Contribution @ 12%    |  | 780.00                                                 | 2,340.00  | 1,560.00 Cr     |
| PF Administrative Charges @ 1.10%   |  | 71.50                                                  | 71.50     |                 |
| PF Payable                          |  | 780.00                                                 | 780.00    |                 |
| Professional Tax                    |  | 200.00                                                 | 600.00    | 400.00 Cr       |
| Salary Payable                      |  | 59,040.00                                              | 59,040.00 |                 |
| <b>Indirect Expenses</b>            |  | 86,819.00                                              |           | 86,819.00 Dr    |
| Basic Pay                           |  | 55,385.00                                              |           | 55,385.00 Dr    |
| Conveyance                          |  | 7,500.00                                               |           | 7,500.00 Dr     |
| Employer EPF @ 3.67%                |  | 239.00                                                 |           | 239.00 Dr       |
| Employer EPS @ 8.33%                |  | 541.00                                                 |           | 541.00 Dr       |
| House Rent Allowance                |  | 22,154.00                                              |           | 22,154.00 Dr    |
| Variable Pay                        |  | 1,000.00                                               |           | 1,000.00 Dr     |
| <b>Grand Total</b>                  |  | 1,47,723.65                                            | 62,864.65 | 84,859.00 Dr    |

Figure 22.172 Pay Head Employee Breakup

To further drill down to view the Breakup of Employee report for each ledger from the above displayed report, select the required ledger and press **Enter**

The **Breakup of Employee** screen for a selected ledger (Basic Pay) displays as shown:

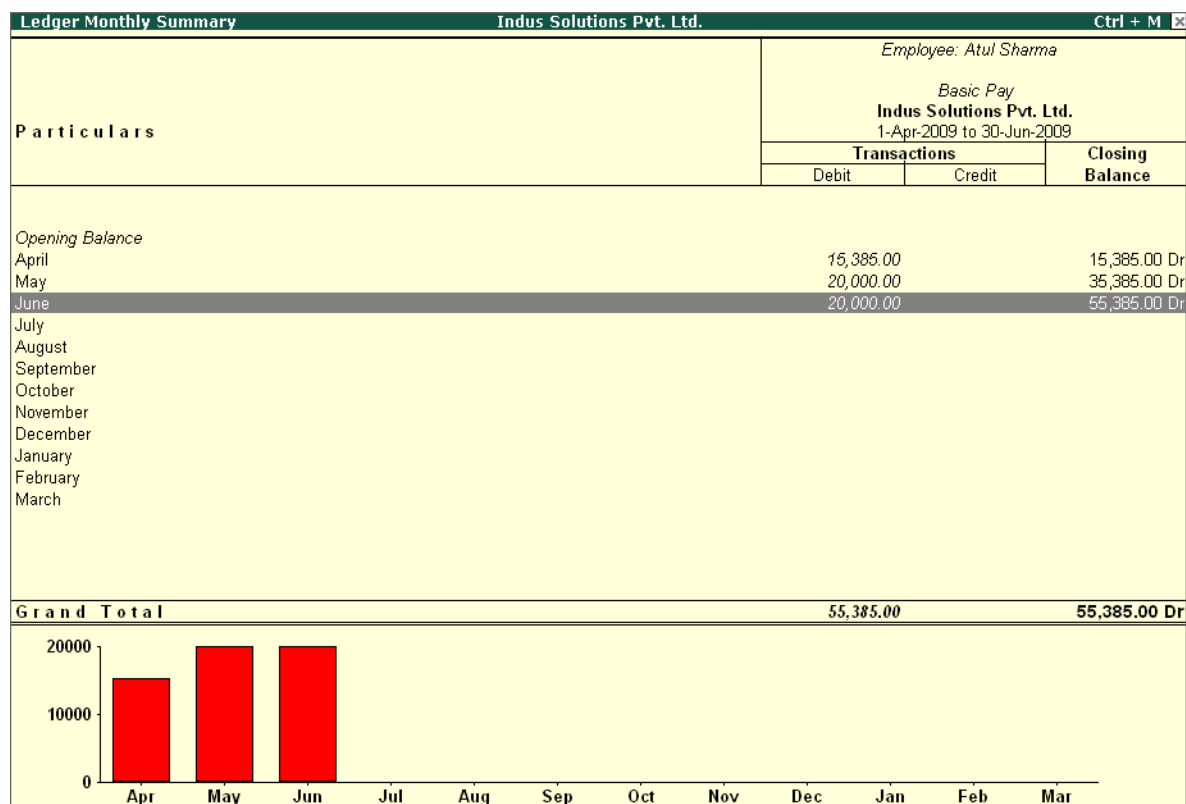


Figure 22.173 Ledger Monthly Summary

You can drill down further to view the Monthly Summary of the selected ledger and the Employee Voucher report.

The **Pay Head Employee Breakup** report can be viewed with additional employees, by pressing **Alt+C** and adding the required Employee and for multiple periods, by pressing **Alt+N**.

### Attendance Sheet

An Attendance Sheet is a columnar report which displays the details of Attendance/ Production types with the number of attendance/ production units achieved during a particular month or period.

Go to **Gateway of Tally > Display > Payroll Reports > Attendance Sheet**

The **Attendance Sheet** displays as shown:

| Attendance Sheet      |  | Indus Solutions Pvt. Ltd. |            | Ctrl + M |        |
|-----------------------|--|---------------------------|------------|----------|--------|
| For All Employees     |  | 1-Apr-2009 to 30-Apr-2009 |            |          |        |
| Particulars           |  | Calendar Month            | Overtime   | Present  | Absent |
|                       |  |                           |            |          |        |
| Primary Cost Category |  |                           | 1,080 Mins | 86 Days  |        |
| Administration        |  |                           | 720 Mins   | 26 Days  |        |
| Rohit Roy             |  |                           | 720 Mins   | 26 Days  |        |
| R & D                 |  |                           |            | 18 Days  |        |
| Preeti Sinha          |  |                           |            | 18 Days  |        |
| Sales                 |  |                           | 360 Mins   | 42 Days  |        |
| Atul Sharma           |  |                           | 360 Mins   | 20 Days  |        |
| Ramesh Arora          |  |                           |            | 22 Days  |        |

Figure 22.174 Attendance Sheet

You may configure the above report with additional details, by pressing **F12:Configure** and enabling the following options, as required.

The completed **F12: Configuration** screen displays as shown:

| Configuration                             |             |
|-------------------------------------------|-------------|
| Remove Zero Entries                       | ? Yes       |
| Include Employee Groups & Categories      | ? Yes       |
| Show Category/Group Total                 | ? Yes       |
| Include Group Attendance/Production Types | ? Yes       |
| Display Production Types in Tail Units    | ? Yes       |
| Format                                    | : Detailed  |
| Show Employee Number                      | ? Yes       |
| Expand all levels in Detailed Format      | ? Yes       |
| Appearance of Names                       | : Name Only |
| Sorting Method                            | : Default   |

| Sorting Methods           |
|---------------------------|
| Alphabetical (Decreasing) |
| Alphabetical (Increasing) |
| <b>Default</b>            |
| EmployeeNumber            |

Figure 22.175 F12: Configuration screen

**F12: Configurations for Attendance Sheet:**



- ❑ **Remove Zero Entries** – Set this option to **Yes**, to remove Attendance/Production information with Zero values.
- ❑ **Include Employee Groups & Categories** – Set this option to **Yes**, to display Category and Group-wise Employee information.

**F12: Configurations for Attendance Sheet:**

- ❑ **Show Category/Group Total** — Set this option to **Yes**, to display Category and Group-wise Totals.
- ❑ **Include Group Attendance/Production Types** – Set this option to **Yes** to include Group Attendance/Production Types in Attendance Sheet report.
- ❑ **Display Attendance/Production Types in Tail Units** – Set this option to **Yes**, to display the Attendance/Production Types in Tail Units.
- ❑ **Format** – Select the **Detailed** mode to view the payroll information of employees with their respective categories and groups. Select the **Condensed** mode when only sum totals are required for each category and group.
- ❑ **Expand all levels in Detailed Format** – Set this option to **Yes**, to expand all levels and display Employee details.
- ❑ **Show Employee Number** – Set this option to **Yes**, to display employee numbers of employees.
- ❑ **Appearance of Names** – Select the appropriate name style to appear in the payroll statement (Alias (Name), Alias only, Name (Alias), Name only)
- ❑ **Sorting Method** – Sort the Attendance Sheet, either by **Employee Number** or by the **Default** method.



The **Attendance sheet** with the above Configurations is as shown:

| Attendance Sheet      |                 | Indus Solutions Pvt. Ltd. |            |         | Ctrl + M |
|-----------------------|-----------------|---------------------------|------------|---------|----------|
| For All Employees     |                 | 1-Apr-2009 to 30-Apr-2009 |            |         |          |
| P a r t i c u l a r s | Employee Number | Calendar Month            | Overtime   | Present | Absent   |
|                       |                 |                           |            |         |          |
| Primary Cost Category |                 |                           | 1,080 Mins | 86 Days |          |
| Administration        |                 |                           | 720 Mins   | 26 Days |          |
| Rohit Roy             | 469             |                           | 720 Mins   | 26 Days |          |
| R & D                 |                 |                           |            | 18 Days |          |
| Preeti Sinha          | 578             |                           |            | 18 Days |          |
| Sales                 |                 |                           | 360 Mins   | 42 Days |          |
| Atul Sharma           | 465             |                           | 360 Mins   | 20 Days |          |
| Ramesh Arora          | 225             |                           |            | 22 Days |          |

Figure 22.176 Attendance sheet



## Attendance Register

An Attendance Register is a month-wise transactions summary report which displays the number of attendance vouchers passed during the month. You can append additional information by inserting a new column with the required voucher type, i.e. Payroll, Journal, Purchases, Sales and so on.

Go to **Gateway of Tally > Display > Payroll Reports > Attendance Register**

The **Attendance Register** displays as shown:

| Attendance Register |  | Indus Solutions Pvt. Ltd.                                            |  | Ctrl + M     |  |
|---------------------|--|----------------------------------------------------------------------|--|--------------|--|
| Particulars         |  | Attendance<br>Indus Solutions Pvt. Ltd.<br>1-Apr-2009 to 30-Jun-2009 |  |              |  |
|                     |  | Transactions                                                         |  |              |  |
|                     |  | Total Vouchers                                                       |  | (cancelled ) |  |
| April               |  |                                                                      |  | 2            |  |
| May                 |  |                                                                      |  | 2            |  |
| June                |  |                                                                      |  | 2            |  |
| July                |  |                                                                      |  |              |  |
| August              |  |                                                                      |  |              |  |
| September           |  |                                                                      |  |              |  |
| October             |  |                                                                      |  |              |  |
| November            |  |                                                                      |  |              |  |
| December            |  |                                                                      |  |              |  |
| January             |  |                                                                      |  |              |  |
| February            |  |                                                                      |  |              |  |
| March               |  |                                                                      |  |              |  |
| Grand Total         |  |                                                                      |  | 6            |  |

Figure 22.177 Attendance Register

- Press **F12: Configure** and set the **Appearance of Names** and the **Periodicity to use** as shown

The **F12:Configuration** options in **Attendance Register** are as follows:

| Configuration       |                    | Periodicity    |
|---------------------|--------------------|----------------|
| Appearance of Names | : <b>Name Only</b> | 4 Week Month   |
| Periodicity to use  | : <b>Monthly</b>   | Daily          |
|                     |                    | Fortnightly    |
|                     |                    | Half Yearly    |
|                     |                    | <b>Monthly</b> |
|                     |                    | Quarterly      |
|                     |                    | Weekly         |
|                     |                    | Yearly         |

Figure 22.178 F12: Configuration for Attendance Register

Tally.ERP 9 allows you to drill down to the voucher register, from the Attendance Register screen for any kind of verification.

The **Voucher level** screen **from Attendance Register** displays as shown:

| Voucher Register                |                         | Indus Solutions Pvt. Ltd. |                           | Ctrl + M     |               |
|---------------------------------|-------------------------|---------------------------|---------------------------|--------------|---------------|
| List of All Attendance Vouchers |                         |                           | 1-Jun-2009 to 30-Jun-2009 |              |               |
| Date                            | Particulars             | Vch Type                  | Vch No.                   | Debit Amount | Credit Amount |
| 30-6-2009                       | Atul Sharma - Present   | Attendance                | 5                         |              |               |
| 30-6-2009                       | Ramesh Arora - Overtime | Attendance                | 6                         |              |               |

Figure 22.179 Attendance Voucher Register

You may further drill down to voucher level, by pressing **Enter** on the required transaction.

## 22.7.2 Expat Reports

Expat Reports provide information about regular as well as contractual employees, working abroad on a short/ long tenure or on assignment. They capture all the relevant information in respect of passport, visa and contract details along with the date of joining, the issuing country and the expiry date. In Tally.ERP 9, the following Expat reports are available.

- ❑ Passport Expiry
- ❑ Visa Expiry
- ❑ Contract Expiry

### Passport Expiry Report

The Passport Expiry Report provides information on the passport details of employees, such as passport number, country of Issue, passport expiry date and other details such as the employee's date of joining and email id.

Go to **Gateway of Tally > Display > Payroll Reports > Expat Reports > Passport Expiry**

The **Passport Expiry Report** displays as shown:

| Passport Expiry Report |                 | Indus Solutions Pvt. Ltd. |                 |                      | Ctrl + M <span>✕</span> |
|------------------------|-----------------|---------------------------|-----------------|----------------------|-------------------------|
| For All Employees      |                 | As on : 30-Jun-2009       |                 |                      |                         |
| P a r t i c u l a r s  | Passport Number | Country of Issue          | Date of Joining | Passport Expiry Date |                         |
| Primary Cost Category  |                 |                           |                 |                      |                         |
| Administration         |                 |                           |                 |                      |                         |
| Rohit Roy              | KAR324579       | INDIA                     | 1-4-2009        | 4-12-2012            |                         |
| R & D                  |                 |                           |                 |                      |                         |
| Preeti Sinha           | KAR457120       | INDIA                     | 1-4-2009        | 30-4-2011            |                         |
| Sales                  |                 |                           |                 |                      |                         |
| Atul Sharma            | KAR325784       | INDIA                     | 1-4-2009        | 21-11-2015           |                         |
| Ramesh Arora           | KAR333555       | INDIA                     | 1-4-2009        | 14-6-2018            |                         |

Figure 22.180 Passport Expiry Report

- ❑ Press **F12: Configure** to configure additional options

The **F12: Configuration** screen appears as shown:

| Configuration          |             |
|------------------------|-------------|
| Show All Employees     | ? Yes       |
| Show Employee Number   | ? No        |
| Appearance of Names    | : Name Only |
| Sorting Method         | : Default   |
| Show Employee Email ID | ? No        |

Figure 22.181 F12: Configuration screen

**The F12: Configurations in Passport Expiry Report are**

- ❑ **Show All Employees** – Set this option to **Yes**, to view the passport details of all employees. It includes information on expired and unexpired passport details. If this option is set to **No**, Show Expiry in days will be available.
- ❑ **Show Expiry in days** – Set this option to **Yes**, to enter the expiry days. When **Show All Employees** and **Show Expiry in days** options are set to **No**, Tally.ERP 9 filters only those employee passport details, which are nearing the expiry date. If this option is set to **Yes**, **Expiry in next n days** will be available.
- ❑ **Expiry in next n days** – Set this option to **Yes**, to get the passport expiry details for the next specified number of days. On entering the number of days, Tally.ERP 9 filters the employee passport details which are likely to expire within the specified period (number of specified days). If this option is left blank, the report will denote the current date (last date of voucher entry).
- ❑ **Show Employee Number** – Set this option to **Yes**, to display the employee number of employees in the report.
- ❑ **Appearance of Names** – Select the appropriate name style to appear in the Passport Expiry Report (Alias (Name), Alias only, Name (Alias), Name only).
- ❑ **Sorting Method** — Sort employee details based on Employee Number, Passport Expiry Date (Ascending/Descending), or by the default method.
- ❑ **Show Employee Email Id** – Set this option to **Yes**, to view the email ids of employees.





**Button Functions in a Passport Expiry Report:**

- ❑ **F2: Change Period** – Allows you to change the period of the report.
- ❑ **F5: Employee Wise** – Allows you to display the Employee-wise Passport Expiry report.
- ❑ **F7: Employee Filters** – This option (**Ctrl+F7**) allows you to display the Passport Expiry Report for a particular Cost Category with the required Group or Employee.

Similarly **Visa Expiry** and **Contract Expiry** reports can be generated.

### 22.7.3 Payroll Statutory Reports

In Tally.ERP 9, you can display, print statutory forms and reports for Provident Fund (EPF), Employee State Insurance (ESI) and Professional Tax (PT) in the prescribed format as required by the statutes. The following Statutory reports are available in Tally.ERP 9 :

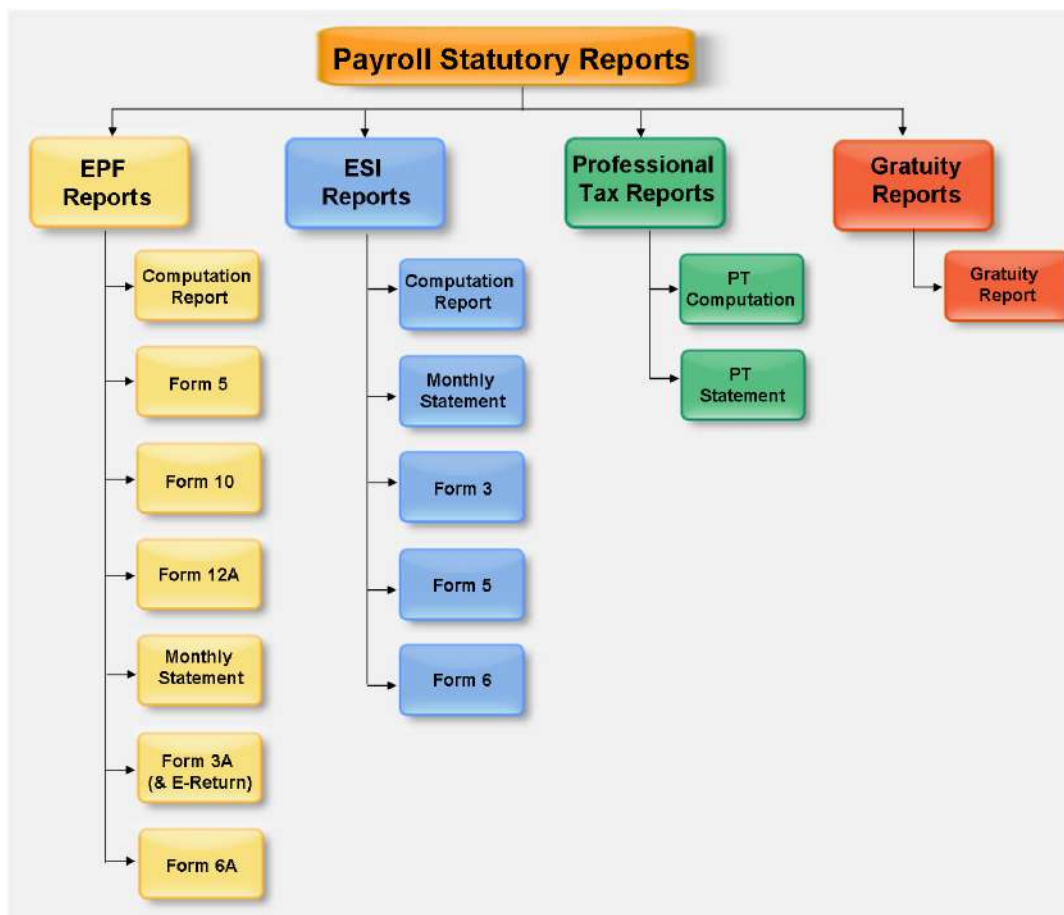


Figure 22.182 Payroll Statutory Reports in Tally.ERP 9

You can view Payroll Statutory reports either from Statutory Reports menu or Payroll Reports menu i.e., **Gateway of Tally > Display > Statutory Reports > Payroll Reports** or **Gateway of Tally > Display > Payroll Reports > Statutory Reports**

### **Provident Fund Reports**

As discussed, the following Provident Fund Reports are available in Tally.ERP 9:

- Computation report
- Form 5
- Form 10
- Form 12A
- Monthly Statement
- Form 3A
- Form 6A
- E-Return

In this section, we will generate each of the above forms / report and understand the purpose and information to be furnished.

#### **i. Computation Report**

The PF Computation Report provides the summary of Amount Payable and amount paid in respect of PF for a given period comprising of Employer Contributions, Employee Deductions and Employer's Other charges, if any. To view PF Computation Report, follow the steps given below:

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Computation**

- Press **F2** and specify the period as **01-04-2009** to **30-06-2009** and press **Enter**

The **Payroll Statutory Computation Report** appears as shown:

| Payroll Statutory Computation      |  | Indus Solutions Pvt. Ltd. |  | Ctrl + M        |  |
|------------------------------------|--|---------------------------|--|-----------------|--|
| Payroll Statutory Computation      |  | 1-Apr-2009 to 30-Jun-2009 |  |                 |  |
| Particulars                        |  | Payable Amount            |  | Paid Amount     |  |
| <u>Provident Fund</u>              |  |                           |  |                 |  |
| Employees' Statutory Deductions    |  | 9,360.00                  |  | 3,120.00        |  |
| Employer's Statutory Contributions |  | 3,120.00                  |  | 3,120.00        |  |
| Employer's Other Charges           |  | 418.60                    |  | 418.60          |  |
| <u>Employee State Insurance</u>    |  |                           |  |                 |  |
| Employees' Statutory Deductions    |  | 208.00                    |  | 208.00          |  |
| Employer's Statutory Contributions |  | 564.00                    |  | 564.00          |  |
| <u>Professional Tax</u>            |  |                           |  |                 |  |
| Employees' Statutory Deductions    |  | 2,150.00                  |  | 700.00          |  |
| <b>Grand Total</b>                 |  | <b>15,820.60</b>          |  | <b>8,130.60</b> |  |

Figure 22.183 Payroll Statutory Computation Report

The report, by default displays summary of Employee's Provident Fund, Employee's State Insurance and Professional Tax, you may however configure to display only details of Provident Fund

- Press **F12 : Configure** and enable/disable the following options as required

| Configuration                         |             |
|---------------------------------------|-------------|
| Format                                | : Condensed |
| Show Provident Fund Details           | ? Yes       |
| Show Employee State Insurance Details | ? No        |
| Show Professional Tax Details         | ? No        |

Figure 22.184 F12: Configurations screen

- Press **Enter**

The **PF Computation** report will appear as shown:

Figure 22.185 PF Computation screen

The detailed **Provident Fund** Computation Report will appear as shown:



| Payroll Statutory Computation       |              | Indus Solutions Pvt. Ltd. |           |             | Ctrl + M       |             |
|-------------------------------------|--------------|---------------------------|-----------|-------------|----------------|-------------|
| Payroll Statutory Computation       |              | 1-Apr-2009 to 30-Jun-2009 |           |             |                |             |
| Particulars                         | Gross Amount | Statutory Details         |           |             | Payable Amount | Paid Amount |
|                                     |              | Percentage                | A/c No.   | Amount      |                |             |
| Provident Fund                      |              |                           |           |             |                |             |
| Employees' Statutory Deductions     |              |                           |           |             | 9,360.00       | 3,120.00    |
| Employee's PF Contribution @ 12%    | 78,000.00    | 12%                       | A/c No.1  | 9,360.00 Cr |                |             |
| Employer's Statutory Contributions  |              |                           |           |             | 3,120.00       | 3,120.00    |
| Employer EPF @ 3.67%                | 26,000.00    | 3.67%                     | A/c No.1  | 956.00 Dr   |                |             |
| Employer EPS @ 8.33%                | 26,000.00    | 8.33%                     | A/c No.10 | 2,164.00 Dr |                |             |
| Employer's Other Charges            |              |                           |           |             | 418.60         | 418.60      |
| EDLI Administrative Charges @ 0.01% | 26,000.00    | 0.01%                     | A/c No.22 | 2.60 Cr     |                |             |
| EDLI Contribution @ 0.50%           | 26,000.00    | 0.50%                     | A/c No.21 | 130.00 Cr   |                |             |
| PF Administrative Charges @ 1.10%   | 26,000.00    | 1.10%                     | A/c No.2  | 286.00 Cr   |                |             |
| Grand Total                         |              |                           |           |             | 12,898.60      | 6,658.60    |

Figure 22.186 Detailed PF Computation Report

You can further drill down to **Employee Breakup** of Pay Head report and from their to Employee Vouchers and so on, by pressing **Enter** on the required ledger from the above screen.

## ii. Form 5

As per the Employees' Provident Funds Scheme, 1952 [para 36 (2)(a)], a return is required to be submitted in Form 5 within 15 days of the following month detailing the list of Employees qualifying for membership to the Employees' Provident Fund for the First time during every month.

Form 5 is a monthly Returns to be submitted with the details of any new employee covered under EPF. In Tally.ERP 9, you can generate Form 5 in the prescribed format containing the details of the new joiners in the organisation for the selected month. To generate the PF Form 5 for the month of June 2009, follow the steps given below:

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Provident Fund > Form 5**

In the **Payroll Statutory Print Configuration** screen,

- ❑ Specify **01-04-2009** and **30-04-2009** in the **From** and **To** fields respectively
- ❑ Select the required **Payroll Category**, **Employee/Group** and **Sorting Method**

- Specify **07-05-2009** in the **Date** field

The completed **Payroll Statutory Print Configuration** screen is as shown:

| Payroll Statutory Print Configuration |                                      |                        |                                         |
|---------------------------------------|--------------------------------------|------------------------|-----------------------------------------|
| <b>Printer</b>                        | : RnD Printer (Ne01:)                | <b>Paper Type</b>      | : A4                                    |
| <b>No. of Copies</b>                  | : 1                                  |                        |                                         |
| <b>Print Language</b>                 | : English                            |                        | (Printing Dimensions)                   |
| <b>Method</b>                         | : Neat Mode                          | <b>Paper Size</b>      | : (8.27" x 11.69") or (210 mm x 297 mm) |
| <b>Page Range</b>                     | : All                                | <b>Print Area</b>      | : (7.95" x 11.34") or (202 mm x 288 mm) |
| <b>Report Titles</b>                  |                                      |                        |                                         |
| <b>Form 5</b>                         |                                      |                        |                                         |
| (with Print Preview)                  |                                      |                        |                                         |
| From (blank for beginning)            | : 1-4-2009                           |                        |                                         |
| To (blank for end)                    | : 30-4-2009                          |                        |                                         |
| Cost Category                         | : <input type="checkbox"/> All Items |                        |                                         |
| Employee/Group                        | : <input type="checkbox"/> All Items |                        |                                         |
| Sorting Method                        | : <b>Account Number</b>              |                        |                                         |
| Date of Printing                      | : 7-5-2009                           |                        |                                         |
|                                       |                                      | <b>Sorting Methods</b> |                                         |
|                                       |                                      | <b>Account Number</b>  |                                         |
|                                       |                                      | Date Of Joining        |                                         |
|                                       |                                      | Employee Name          |                                         |

Figure 22.187 Payroll Statutory Print Configuration screen

- Press **Enter** to print.

The printed **PF Form 5** will appear as shown:

**FORM 5**

**THE EMPLOYEES' PROVIDENT FUNDS SCHEME, 1952**  
**[Paragraph 36(2)(a) & THE EMPLOYEES PENSION SCHEME, 1995 Paragraph 20(2)]**

Return of Employees' qualifying for membership of the Employees' Provident Fund, Employees' Pension Fund & Employees' Deposit Linked Insurance Fund for the first time during the month of April 2009 (To be sent to the Commissioner with Form 2 (EPF & EPS))

Name and Address of the Factory / Establishment : **Indus Solutions Pvt. Ltd.**  
4/1 St. Mark's Road,  
Bangalore

Code No. of the Factory / Establishment : **KN/BN/12345/0203**

| Sl No. | Account No.      | Name of Employee (in block letters) | Father's Name or Husband's Name (in case of married women) | Date of Birth | Sex    | Date of Joining the Fund | Total period of previous service as on the date of joining the Fund (Enclose Scheme Certificate if applicable) | Remarks |
|--------|------------------|-------------------------------------|------------------------------------------------------------|---------------|--------|--------------------------|----------------------------------------------------------------------------------------------------------------|---------|
| 1      | 2                | 3                                   | 4                                                          | 5             | 6      | 7                        | 8                                                                                                              | 9       |
| 1      | KA/BN/13478/412  | ROHIT ROY                           | Mr. S.K.Roy                                                | 21-11-1974    | Male   | 1-4-2009                 |                                                                                                                |         |
| 2      | KA/BN/13524/112  | PREETI SINHA                        | Susmit Sinha                                               | 15-6-1977     | Female | 1-4-2009                 |                                                                                                                |         |
| 3      | KA/BN/14785/641  | ATUL SHARMA                         | Jayant Sharma                                              | 3-2-1978      | Male   | 1-4-2009                 |                                                                                                                |         |
| 4      | KA/BN/132185/552 | RAMESH ARORA                        | Mrs Jaya Arora                                             | 18-10-1980    | Male   | 1-4-2009                 |                                                                                                                |         |

Date : **7-5-2009**

Signature of the employer or other authorised  
Officer of the Factory/Establishment & Stamp of  
the Factory/Establishment

Figure 22.188 PF Form 5

In our case study, there are two new employees joined during the month of June 2009 and thus Form 5 contains the details of the above employees.

### iii. Form 10

As per the Employees' Provident Funds Scheme, 1952 [para 36 (2)(a) & (b)], a Return is required to be submitted in Form 10 within 15 days of the following month detailing the list of members leaving service during the month.

Form 10 is a monthly Return to be submitted with the details of employees leaving the organisation. In Tally.ERP 9, on resignation or retirement or expulsion of any employee, the date of leaving is required to be specified in the Employee master of such employee. The **Date of Leaving** option in the Employee Master appears, in alteration mode. The Form 10 will contain the details of Employees for whom the date of leaving is specified in the Employee Master.

You can generate Form 10 in the prescribed format containing the details of the employees resigned for the selected month. To generate the PF Form 10 for the month of August 2009, follow the steps given below.

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Provident Fund > Form 10**

In the **Payroll Statutory Print Configuration** screen

- ❑ Specify **01-09-2009** and **30-09-2009** in the **From** and **To** fields respectively
- ❑ Select the required **Payroll Category, Employee/Group** and **Sorting Method**
- ❑ Specify **10-10-2009** in the **Date** field

The completed **Payroll Statutory Print Configuration** screen is as shown:

| Payroll Statutory Print Configuration                                                                                                                                                                                                                 |                       |                   |                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------|-----------------------------------------|
| <b>Printer</b>                                                                                                                                                                                                                                        | : RnD Printer (Ne01:) | <b>Paper Type</b> | : A4                                    |
| <b>No. of Copies</b>                                                                                                                                                                                                                                  | : 1                   |                   |                                         |
| <b>Print Language</b>                                                                                                                                                                                                                                 | : English             |                   | (Printing Dimensions)                   |
| <b>Method</b>                                                                                                                                                                                                                                         | : Neat Mode           | <b>Paper Size</b> | : (8.27" x 11.69") or (210 mm x 297 mm) |
| <b>Page Range</b>                                                                                                                                                                                                                                     | : All                 | <b>Print Area</b> | : (7.95" x 11.34") or (202 mm x 288 mm) |
| <b>Report Titles</b>                                                                                                                                                                                                                                  |                       |                   |                                         |
| <b>Form 10</b>                                                                                                                                                                                                                                        |                       |                   |                                         |
| (with Print Preview)                                                                                                                                                                                                                                  |                       |                   |                                         |
| From (blank for beginning) : <b>1-9-2009</b><br>To (blank for end) : <b>30-9-2009</b><br>Cost Category : <b>[ All Items</b><br>Employee/Group : <b>[ All Items</b><br>Sorting Method : <b>Date Of Leaving</b><br>Date of Printing : <b>10-10-2009</b> |                       |                   |                                         |
|                                                                                                                                                                                                                                                       |                       |                   | <b>Print ?</b><br><b>Yes or No</b>      |

Figure 22.189 Payroll Statutory Print Configuration screen

- Press **Enter** to print

The printed **Form 10** is as shown:

**FORM 10**

**THE EMPLOYEES' PROVIDENT FUNDS SCHEME, 1952**  
**[Paragraph 36(2) (a) & (b) EMPLOYEES' PENSION SCHEME, 1995 (Paragraph 20(2))]**

Return of the members leaving service during the month of : **September 2009**

Name and Address of the Factory / Establishment : **Indus Solutions Pvt. Ltd.**  
4/1 St. Mark's Road,  
Bangalore

Code No. of the Factory / Establishment : **KN/BN/12345/0203**

| Sl No. | Account No.    | Name of the Member (in block letters) | Father's Name or husband's Name (in case of married women) | Date of leaving service | Reason for leaving service | Remarks |
|--------|----------------|---------------------------------------|------------------------------------------------------------|-------------------------|----------------------------|---------|
| 1      | 2              | 3                                     | 4                                                          | 5                       | 6                          | 7       |
| 1      | K/BN/13524/112 | PREETI SINHA                          | Susmit Sinha                                               | 30-9-2009               | Personal Reason            |         |

Date : **10-10-2009**

Signature of the employer or the authorised Officer  
Stamp of the Factory/Establishment

Please state whether the member is (a) retiring according to para(69), (i) (a) or (b) of the scheme (b) leaving India for permanent settlement abroad (c) retrenchment (d) Pt. & total disablement due to employment injury (e) discharged (f) resigning from or leaving service (g) taking up employment elsewhere (The name and address of the Employers should be stated) (h) death; (i) attained the age of 58 years.

Certified that the member mentioned at serial No. \_\_\_\_\_ Shri \_\_\_\_\_ was paid/not paid retrenchment compensation of Rs \_\_\_\_\_ under the Industrial Dispute Act, 1947.

Figure 22.190 Printed Form 10

#### iv. Form 12A

As per the Employees' Provident Funds Scheme, 1952 [para 36(1)] and the Employees' Pension Scheme 1995 [para 20(4)] and the Employees' Deposit Linked Insurance Scheme, 1976, a consolidated Statement of dues and remittance is required to be submitted by 25th of the following month to which the dues relate.

You can generate Form 12A in the prescribed format containing the details of the amount of contribution, amount of contribution remitted and the date of remittance in respect of EPF, Pension Fund and EDLI Contribution for the selected month. To generate the PF Form 12A for the month of August 2009, follow the steps given below.

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Provident Fund > Form 12A**

In the **Payroll Statutory Print Configuration** screen

- ❑ Specify **01-04-2009** and **30-04-2009** in the **From** and **To** fields respectively
- ❑ Select the required **Payroll Category, Employee/Group** and **Sorting Method**
- ❑ Specify the **Name & Address of the Bank**
- ❑ Set **Include VPF Account** to **No**
- ❑ Specify **0** in the **Number of Contract Employees** field
- ❑ Press **Enter** to accept **0** in **Number of Rest (Temporary Employees)** field

The completed **Payroll Statutory Print Configuration** screen is as shown.

| Payroll Statutory Print Configuration |                       |                          |                                                                  |
|---------------------------------------|-----------------------|--------------------------|------------------------------------------------------------------|
| <b>Printer</b>                        | : RnD Printer (Ne01:) | <b>Paper Type</b> :      | A4                                                               |
| <b>No. of Copies</b>                  | : 1                   |                          |                                                                  |
| <b>Print Language</b>                 | : English             |                          | (Printing Dimensions)                                            |
| <b>Method</b>                         | : Neat Mode           | <b>Paper Size</b> :      | : (8.27" x 11.69") or (210 mm x 297 mm)                          |
| <b>Page Range</b>                     | : All                 | <b>Print Area</b> :      | : (7.95" x 11.34") or (202 mm x 288 mm)                          |
| <b>Report Titles</b>                  |                       |                          |                                                                  |
| <b>Form 12A</b>                       |                       |                          |                                                                  |
| (with Print Preview)                  |                       |                          |                                                                  |
| From (blank for beginning)            | :                     | <b>1-4-2009</b>          |                                                                  |
| To (blank for end)                    | :                     | <b>30-4-2009</b>         |                                                                  |
| Cost Category                         | :                     | <b>[ All Items</b>       |                                                                  |
| Employee/Group                        | :                     | <b>[ All Items</b>       |                                                                  |
| Name & Address of the Bank            | :                     | <b>HDFC, Koramangala</b> |                                                                  |
| Include VPF Account                   | :                     | <b>No</b>                | <b>Print ?</b><br><br><span style="color: red;">Yes or No</span> |
| Number of Contract Employees          | :                     | <b>0</b>                 |                                                                  |
| Number of Rest(Temporary Employees)   | :                     | <b>0</b>                 |                                                                  |

Figure 22.191 Completed Print Configuration screen

- Press **Enter** to print

The printed **Form 12A** is as shown:

(Only for Un-exempted Establishments)

**EMPLOYEES' PROVIDENT FUNDS AND MISC. PROVISIONS ACT, 1952 EMPLOYEES' PENSION SCHEME(PARA 20 (4))**  
**FORM 12 - A (R)**

(To be filled by the EPFO)

Group Code : **KA/BN/12345/0007**

Establishment status :

Name and Address of the Establishment : **Indus Solutions Pvt. Ltd.**  
4/1 St. Mark's Road,  
Bangalore

Code No. : **KN/BN/12345/0203**

Currency period from : **1-Apr-2009 to 31-Mar-2010**

Statement of Contribution for the month of : **Apr-2009**

|                                | Wages on which Contributions are payable | Amount of Contribution Recovered from the Employees' | Payable by the Employer | Amount of contribution remitted Employee's Share | Employer's Share | Amount of Administrative charges due | Amount of Administrative charges remitted | Date Of Remittance (enclose triplicate copies of Challan) |
|--------------------------------|------------------------------------------|------------------------------------------------------|-------------------------|--------------------------------------------------|------------------|--------------------------------------|-------------------------------------------|-----------------------------------------------------------|
| <b>E.P.F. A/c No. 01</b>       | 26,000.00                                | 3,120.00                                             | 956.00                  | 3,120.00                                         | 956.00           | 286.00                               | 286.00                                    | 30-Apr-2009                                               |
| <b>Pension Fund A/c No. 10</b> | 26,000.00                                | NIL                                                  | 2,164.00                | NIL                                              | 2,164.00         | NIL                                  | NIL                                       | 30-Apr-2009                                               |
| <b>E.D.L.I A/c No. 21</b>      | 26,000.00                                | NIL                                                  | 130.00                  | NIL                                              | 130.00           | 2.60                                 | 2.60                                      | 30-Apr-2009                                               |

Total No. of Employees : **4** Name & Address of the Bank in which the amount is remitted : **HDFC, Koramangala**

(a) Contract : **0**

(b) Rest : **0**

(c) PF Subscribers : **4**

| Details of Subscribers                               | E.P.F.   | Pension Fund | E.D.L.I. |
|------------------------------------------------------|----------|--------------|----------|
| No. of Subscribers as per last month (vide Form 12A) |          |              |          |
| No. of New Subscribers (vide Form 5)                 | <b>4</b> | <b>4</b>     | <b>4</b> |
| No. of Subscribers left service (vide Form 10)       |          |              |          |
| Nett Total Number of Subscribers                     | <b>4</b> | <b>4</b>     | <b>4</b> |

Signature of the Employer with Official (Seal)

Figure 22.192 Printed Form 12A



## v. PF Monthly Statement

The PF Monthly Statement provides a summary of Employee wise monthly PF Employee Deductions and Employer Contribution amount. To print PF Monthly Statement, follow the steps given below:

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Provident Fund > Monthly Statement**

In the **Payroll Statutory Print Configuration** screen,

- ❑ Specify **01-04-2009** and **30-04-2009** in the **From** and **To** fields respectively
- ❑ Select the required **Payroll Category**, **Employee/Group** and **Sorting Method**

| Payroll Statutory Print Configuration                                                                                                                                                                       |                       |                     |                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------|-----------------------------------------|
| <b>Printer</b>                                                                                                                                                                                              | : RnD Printer (Ne01:) | <b>Paper Type :</b> | A4                                      |
| <b>No. of Copies</b>                                                                                                                                                                                        | : 1                   |                     |                                         |
| <b>Print Language</b>                                                                                                                                                                                       | : English             |                     | (Printing Dimensions)                   |
| <b>Method</b>                                                                                                                                                                                               | : Neat Mode           | <b>Paper Size :</b> | : (8.27" x 11.69") or (210 mm x 297 mm) |
| <b>Page Range</b>                                                                                                                                                                                           | : All                 | <b>Print Area :</b> | : (7.95" x 11.34") or (202 mm x 288 mm) |
| <b>Report Titles</b><br><br><b>PF Monthly Statement</b><br><br>(with Print Preview)                                                                                                                         |                       |                     |                                         |
| From (blank for beginning) : <b>1-4-2009</b><br>To (blank for end) : <b>30-4-2009</b><br>Cost Category : <b>[ All Items</b><br>Employee/Group : <b>[ All Items</b><br>Sorting Method : <b>Employee Name</b> |                       |                     |                                         |
|                                                                                                                                                                                                             |                       |                     | <b>Print ?</b><br><b>Yes or No</b>      |

Figure 22.193 Print Configuration screen

- ❑ Press **Enter** to Print.

The printed **PF Monthly Statement** for April 2009 will appear as shown:

| EMPLOYEE PROVIDENT FUND SCHEME - Monthly Statement                                                                     |               |               |         |                  |                         |     |                 |                         |               |                 |
|------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------|------------------|-------------------------|-----|-----------------|-------------------------|---------------|-----------------|
| Name & Address of the Factory or Establishment : <b>Indus Solutions Pvt. Ltd.</b><br>4/1 St. Mark's Road,<br>Bangalore |               |               |         |                  |                         |     |                 |                         |               |                 |
| Statement for the Period : 1-Apr-2009 to 30-Apr-2009                                                                   |               |               |         |                  |                         |     |                 |                         |               |                 |
| Emp No                                                                                                                 | PF Number     | Employee Name | Work-ed | Earned Wages     | Employee's Contribution |     |                 | Employer's Contribution |               |                 |
|                                                                                                                        |               |               |         |                  | PF 12%                  | VPF | Total           | EPS 8.33%               | EPF 3.67%     | Total           |
| 465                                                                                                                    | KARBN14785B41 | Atul Sharma   | 20      | 6,500.00         | 780.00                  |     | 780.00          | 541.00                  | 239.00        | 780.00          |
| 578                                                                                                                    | KARBN13524Y12 | Preeti Sinha  | 18      | 6,500.00         | 780.00                  |     | 780.00          | 541.00                  | 239.00        | 780.00          |
| 225                                                                                                                    | KARBN32185652 | Ramesh Arora  | 22      | 6,500.00         | 780.00                  |     | 780.00          | 541.00                  | 239.00        | 780.00          |
| 469                                                                                                                    | KARBN1347B412 | Rohit Roy     | 26      | 6,500.00         | 780.00                  |     | 780.00          | 541.00                  | 239.00        | 780.00          |
|                                                                                                                        |               | <b>Total</b>  |         | <b>26,000.00</b> | <b>3,120.00</b>         |     | <b>3,120.00</b> | <b>2,164.00</b>         | <b>956.00</b> | <b>3,120.00</b> |

Figure 22.194 PF Monthly Statement

### vi. Form 3A

As per the Employees' Provident Funds Scheme, 1952 [para 35 & 42] and the Employees' Pension Scheme 1995 (Para 19), a Form (Member's Annual Contribution Card) showing month wise recoveries towards EPF and Pension Fund in respect of a member for one financial year is required to be furnished by the employer before 30th April of the following year.

Form 3A is an annual contribution card to be furnished for each employee in separate sheet to EPFO. To print Form 3A, follow the steps given below:

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Provident Fund > Form 3A**

In the **Payroll Statutory Print Configuration** screen

- ❑ Select **Primary Cost Category** in the **Cost Category** field
- ❑ Select **All Items** in the **Employee/Group** field
- ❑ Specify **01-03-2009** and **28-02-2010** in the **From** and **To** fields respectively
- ❑ Set **Include VPF Account** to **No**
- ❑ Select the Employee Name in the **Sorting Method** field
- ❑ Specify **28-02-2010** in the **Date of Printing** field

The completed **Payroll Statutory Print Configuration** screen will appear as shown:

| Payroll Statutory Print Configuration |                       |                   |                                           |
|---------------------------------------|-----------------------|-------------------|-------------------------------------------|
| <b>Printer</b>                        | : RnD Printer (Na01:) | <b>Paper Type</b> | : A4                                      |
| <b>No. of Copies</b>                  | : 1                   |                   |                                           |
| <b>Print Language</b>                 | : English             |                   | (Printing Dimensions)                     |
| <b>Method</b>                         | : Neat Mode           | <b>Paper Size</b> | : (8.27" x 11.69") or (210 mm x 297 mm)   |
| <b>Page Range</b>                     | : All                 | <b>Print Area</b> | : (7.95" x 11.34") or (202 mm x 288 mm)   |
| <b>Report Titles</b>                  |                       |                   |                                           |
| <b>Form 3A</b>                        |                       |                   |                                           |
| (with Print Preview)                  |                       |                   |                                           |
| Cost Category                         | : [ All Items         |                   |                                           |
| Employee/Group                        | : [ All Items         |                   |                                           |
| From (blank for beginning)            | : 1-3-2009            |                   |                                           |
| To (blank for end)                    | : 28-2-2010           |                   |                                           |
| Include VPF Account                   | : No                  |                   |                                           |
| Sorting Method                        | : Employee Name       |                   |                                           |
| Date of Printing                      | : 28-2-2010           |                   |                                           |
|                                       |                       |                   | <b>Print ?</b><br><b>Yes</b> or <b>No</b> |

Figure 22.195 Payroll Statutory Print Configuration

- Press **Enter** to Print.

The printed **Form 3A** for **Atul Sharma** will appear as shown:

**FORM 3 A [REVISED]**  
**EMPLOYEE'S PROVIDENT FUND ORGANISATION**  
**THE EMPLOYEE'S PROVIDENT FUND SCHEME, 1952 [Paras 35 & 42]**  
**AND THE EMPLOYEES' PENSION SCHEME, 1995 [Para 19]**  
**Contribution Card for currency period from 1-Apr-2009 to 31-Mar-2010**

1. Account No. : KA/BN/14785/841  
2. Name/Surname (in block letters) : ATUL SHARMA  
3. Father's / Husband's Name : Jayant Sharma  
4. Statutory Rate of Contribution : 12 %  
5. Voluntary Higher Rate of Employee's contribution if any :  
6. Name & Address of the Factory / Establishment : Indus Solutions Pvt. Ltd.  
4/1 St. Mark's Road,  
Bangalore  
7. Code Number : KN/BN/12345/0203

| Month                            | WORKER'S SHARE   |               | EMPLOYER'S SHARE                             |                                 | Refund of Advance | No. of days / period of non contributing service (if any) | Remarks |
|----------------------------------|------------------|---------------|----------------------------------------------|---------------------------------|-------------------|-----------------------------------------------------------|---------|
|                                  | Amount of Wages  | E.P.F.12%     | E.P.F. Difference between 12% & 8.33% if any | Pension Fund Contribution 8.33% |                   |                                                           |         |
| 1                                | 2                | 3             | 4a                                           | 4b                              | 5                 | 6                                                         | 7       |
| March 2009 Paid in April 2009    |                  |               |                                              |                                 |                   |                                                           |         |
| May 2009                         | 6,500.00         | 780.00        | 239.00                                       | 541.00                          |                   |                                                           |         |
| June 2009                        | 6,500.00         |               |                                              |                                 |                   |                                                           |         |
| July 2009                        | 6,500.00         |               |                                              |                                 |                   |                                                           |         |
| August 2009                      |                  |               |                                              |                                 |                   |                                                           |         |
| September 2009                   |                  |               |                                              |                                 |                   |                                                           |         |
| October 2009                     |                  |               |                                              |                                 |                   |                                                           |         |
| November 2009                    |                  |               |                                              |                                 |                   |                                                           |         |
| December 2009                    |                  |               |                                              |                                 |                   |                                                           |         |
| January 2010                     |                  |               |                                              |                                 |                   |                                                           |         |
| February 2010                    |                  |               |                                              |                                 |                   |                                                           |         |
| February 2010 Paid in March 2010 |                  |               |                                              |                                 |                   |                                                           |         |
| <b>Total</b>                     | <b>19,500.00</b> | <b>780.00</b> | <b>239.00</b>                                | <b>541.00</b>                   |                   |                                                           |         |

Certified that the total amount of contribution (both shares) indicated in this Card i.e. Rs.1,019.00 has already been remitted in full in E.P.S. A/c No.1 & Pension Fund A/c No.10 Rs.541.00  
Certified that the difference between the total of the contribution shown under Cols. 3, 3a, 4a & 4b of the above table and that arrived at on the total wages shown in column 2 at the prescribed rate is solely due to rounding off the contributions to the nearest rupee under the rules.

Date : 28-Feb-2010 Signature of Employer (with Office seal)

Figure 22.196 Printed PF Form 3A

The next page will contain the Contribution Card in Form 3A for the next employee.

## vii. Form 6A

As per the Employees' Provident Funds Scheme, 1952 [para 43] and the Employees' Pension Scheme 1975 [para 20], a Form (Consolidated Annual Contribution Statement) providing annual contributions of each member of the establishment is required to be submitted by 30th April.

Form 6A is vital form for compiling the annual Provident Fund statement of a subscriber. In Tally.ERP 9, you can generate Form 6A in the prescribed format. To print Form 6A follow the steps given below:

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Provident Fund > Form 6A**

In the **Payroll Statutory Print Configuration** screen

- ❑ Specify **01-03-2009** and **28-02-2010** in the **From** and **To** fields respectively
- ❑ Select the required **Payroll Category**, **Employee/Group** and **Sorting Method**

The completed **Payroll Statutory Print Configuration** screen will appear as shown:

| Payroll Statutory Print Configuration                                                                                                                                                                       |                       |                     |                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------|-----------------------------------------|
| <b>Printer</b>                                                                                                                                                                                              | : RnD Printer (Ne01:) | <b>Paper Type :</b> | A4                                      |
| <b>No. of Copies</b>                                                                                                                                                                                        | : 1                   |                     |                                         |
| <b>Print Language</b>                                                                                                                                                                                       | : English             |                     | (Printing Dimensions)                   |
| <b>Method</b>                                                                                                                                                                                               | : Neat Mode           | <b>Paper Size :</b> | : (8.27" x 11.69") or (210 mm x 297 mm) |
| <b>Page Range</b>                                                                                                                                                                                           | : All                 | <b>Print Area :</b> | : (7.95" x 11.34") or (202 mm x 288 mm) |
| <b>Report Titles</b><br><br><b>Form 6A</b><br><br>(with Print Preview)                                                                                                                                      |                       |                     |                                         |
| From (blank for beginning) : <b>1-3-2009</b><br>To (blank for end) : <b>28-2-2010</b><br>Cost Category : <b>[ All Items</b><br>Employee/Group : <b>[ All Items</b><br>Sorting Method : <b>Employee Name</b> |                       |                     |                                         |
|                                                                                                                                                                                                             |                       |                     | <b>Print ?</b><br><b>Yes or No</b>      |

Figure 22.197 Payroll Statutory Print Configuration for PF Form 6A

- ❑ Press **Enter** to Print.

The printed **Form 6A** will appear as shown:

**FORM 6 A**  
**THE EMPLOYEE'S PROVIDENT FUND SCHEME, 1952. [Paragraph 43]**  
**AND THE EMPLOYEES' PENSION SCHEME, 1995 [Paragraph 20(4)]**

**Annual Statement of contribution for the currency period from 1-Apr-2009 to 31-Mar-2010**

Name & Address of the Establishment : Indus Solutions Pvt. Ltd.  
4/1 St. Mark's Road,  
Bangalore

Statutory Rate of Contribution : 12 %

Code No. of the Establishment : KN/BN/12345/0203

No. of members voluntarily contributing at a higher rate : 0

| Sl. No. | Account Number   | Name of the Member (in block letters) | Wages, retaining allowance (if any) & DA including cash value of food concessi- on paid during the currency period | Amount of Worker's Contribut- ions deducted from the wages on 12 % E.P.F. | Employer's Contribution                 |                     | Refund of Advance | Rate of higher volun- tary Contr- ibution (if any) | Remarks |
|---------|------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------|---------------------|-------------------|----------------------------------------------------|---------|
|         |                  |                                       |                                                                                                                    |                                                                           | E.P.F. Difference between 12 % & 8.33 % | Pension Fund 8.33 % |                   |                                                    |         |
| 1       | 2                | 3                                     | 4                                                                                                                  | 5                                                                         | 6                                       | 7                   | 8                 | 9                                                  | 10      |
| 1       | KWBN/14785/841   | ATUL SHARMA                           | 19,500.00                                                                                                          | 2,340.00                                                                  | 239.00                                  | 541.00              |                   |                                                    |         |
| 2       | KWBN/13524/112   | PREETI SINHA                          | 19,500.00                                                                                                          | 2,340.00                                                                  | 239.00                                  | 541.00              |                   |                                                    |         |
| 3       | KAR/BN/32185/552 | RAMESH ARDRA                          | 19,500.00                                                                                                          | 2,340.00                                                                  | 239.00                                  | 541.00              |                   |                                                    |         |
| 4       | KWBN/13478/412   | ROHIT ROY                             | 19,500.00                                                                                                          | 2,340.00                                                                  | 239.00                                  | 541.00              |                   |                                                    |         |
|         |                  | <b>Total</b>                          | 78,000.00                                                                                                          | 9,360.00                                                                  | 956.00                                  | 2,164.00            |                   |                                                    |         |

Figure 22.198 Printed Form 6A - Page 1

The Page 2 of **PF Form 6A** is as shown:

**Indus Solutions Pvt. Ltd.**  
Form 6A : 1-Apr-2009 to 31-Mar-2010

| Sl. No. | Reconciliation of Remittances |                                                           | Adm. Charges at Rs. 1.1 % of wages |                   | Aggregate ( ) Contributions ( ) |                                          | Cols 5, 6, 7 Rs.    |
|---------|-------------------------------|-----------------------------------------------------------|------------------------------------|-------------------|---------------------------------|------------------------------------------|---------------------|
|         | Month/Year                    | Amount remitted                                           | Pension Fund Contributions         | EDLI Contribution | Adm. Charges A/c No. 2          | EDLI Adm. Charges 0.01% A/c. No. 22 /Rs. |                     |
|         |                               | EPF Contributions including refund of advances A/c. No. 1 | A/c. No. 10 /Rs.                   | A/c No.21         |                                 |                                          | Date of Remittances |
| 1       | March 2009                    |                                                           |                                    |                   |                                 |                                          |                     |
| 2       | Paid in April 2009            |                                                           |                                    |                   |                                 |                                          |                     |
| 3       | May 2009                      | 4,076.00                                                  | 2,164.00                           | 130.00            | 286.00                          | 2.60                                     | 30-Apr-2009         |
| 4       | June 2009                     |                                                           |                                    |                   |                                 |                                          |                     |
| 5       | July 2009                     |                                                           |                                    |                   |                                 |                                          |                     |
| 6       | August 2009                   |                                                           |                                    |                   |                                 |                                          |                     |
| 7       | September 2009                |                                                           |                                    |                   |                                 |                                          |                     |
| 8       | October 2009                  |                                                           |                                    |                   |                                 |                                          |                     |
| 9       | November 2009                 |                                                           |                                    |                   |                                 |                                          |                     |
| 10      | December 2009                 |                                                           |                                    |                   |                                 |                                          |                     |
| 11      | January 2010                  |                                                           |                                    |                   |                                 |                                          |                     |
| 12      | February 2010                 |                                                           |                                    |                   |                                 |                                          |                     |
| 13      | Paid in March 2010            |                                                           |                                    |                   |                                 |                                          |                     |
|         | <b>Total</b>                  | <b>4,076.00</b>                                           | <b>2,164.00</b>                    | <b>130.00</b>     | <b>286.00</b>                   | <b>2.60</b>                              |                     |

i) Total number of contribution cards enclosed ( Form 3A(Revised)): 4

ii) Certified that Form3A duly completed, of all the members listed in this statement are enclosed, except those already sent during the course of the currency period for the final settlement of the concerned members account vide 'Remarks' Furnished against the names of the respective members above.

Signature of the Employer  
(With Office Seal)

**Note:**

1. The names of all members, including those who had left service during the currency period, should be included in this statement. Where the Form 3A in respect of such members had left service were already sent to the Regional Office for the purpose of final settlement of their accounts, the fact should be stated against the members in the 'Remarks' Column above thus Form 3A already sent in the month of \_\_\_\_\_ 200\_\_.

2. In case of substantial variation in the wages/contributions of any members as compared to those shown in previous month statement, the reasons should be explained adequately in the 'Remarks' column.

3. In respect of those members who have not opted for Pension Fund their entire employers contribution as the case may be should be under column No. 6.

Figure 22.199 Printed Form 6A - Page 2

### viii. E-Return

In Tally.ERP 9 , you can also generate **PF Form 3A** in **.xls** format for e-filing purposes.

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Provident Fund > E-Return**

In the **Exporting Form 3A Configuration** screen

- ❑ Select **Default (All Languages)** in **Language** field
- ❑ Select **Excel (Spreadsheet)** in **Format** field
- ❑ Specify the **Export Location**
- ❑ Specify **Output File Name** as **Form 3A.xls**
- ❑ Specify **Output Sheet Name** as **Form 3A**
- ❑ Set **Yes** in **Update Existing file, Excel (Spreadsheet) Formatting, with Colour** to **Yes**
- ❑ Specify **01-03-2009** and **28-02-2010** in the **From** and **To** fields respectively
- ❑ Select the required **Payroll Category, Employee/Group** and **Sorting Method**

The completed **Exporting Form 3A Configuration** screen will appear as shown:

| Exporting Form 3A                          |                           |
|--------------------------------------------|---------------------------|
| Language                                   | : Default (All Languages) |
| Format                                     | : Excel (Spreadsheet)     |
| Export Location                            | : C:\Tally.ERP9           |
| Output File Name                           | : Form3A.xls              |
| Output Sheet Name                          | : Form3A                  |
| Update existing file                       | : Yes                     |
| Excel (Spreadsheet) Formatting with Colour | : Yes                     |
| From (blank for beginning)                 | : 1-3-2009                |
| To (blank for end)                         | : 28-2-2010               |
| <div>Export ?</div> <div>Yes or No</div>   |                           |

Figure 22.200 E-Return

- ❑ Press **Enter** to Export the file

The exported file (E-Return) will be placed in the default Tally.ERP 9 directory.



## Employee's State Insurance Reports

As discussed, the following ESI Reports are available in Tally.ERP 9:

- ❑ Computation Report
- ❑ Form 3
- ❑ Monthly Statement
- ❑ Form 5
- ❑ Form 6

In this section, we will generate each of the above forms / report and understand the purpose and information to be furnished.

### i. Computation Report

The ESI Computation Report provides the summary of Amount Payable and amount paid in respect of ESI for given period comprising of Employer Contributions and Employee Deductions. To view ESI Computation Report, follow the steps given below:

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Computation**

- ❑ Press **F2** and specify the period as **01-06-2009** to **30-06-2009** and press **Enter**

| Payroll Statutory Computation      |  | Indus Solutions Pvt. Ltd. |  | Ctrl + M |  |
|------------------------------------|--|---------------------------|--|----------|--|
| Payroll Statutory Computation      |  | 1-Jun-2009 to 30-Jun-2009 |  |          |  |
| Particulars                        |  | Liability                 |  |          |  |
|                                    |  | Payable                   |  | Paid     |  |
| <u>Provident Fund</u>              |  |                           |  |          |  |
| Employees' Statutory Deductions    |  | 3,120.00                  |  |          |  |
| Employer's Statutory Contributions |  |                           |  |          |  |
| Employer's Other Charges           |  |                           |  |          |  |
| <u>Employee State Insurance</u>    |  |                           |  |          |  |
| Employees' Statutory Deductions    |  | 208.00                    |  | 208.00   |  |
| Employer's Statutory Contributions |  | 564.00                    |  | 564.00   |  |
| <u>Professional Tax</u>            |  |                           |  |          |  |
| Employees' Statutory Deductions    |  | 750.00                    |  |          |  |
| Grand Total                        |  | 4,642.00                  |  | 772.00   |  |

Figure 22.201 Payroll Computation report

- Press **F12 : Configure** and enable/disable the following options as required

Figure 22.202 F12: Configuration screen

[illegible]

To view detailed ledger wise information under each contributions / deductions head, press **Alt+F1**.

The detailed **Employee State Insurance** Computation Report will appear as shown:

| Payroll Statutory Computation             |              | Indus Solutions Pvt. Ltd. |         |           | Ctrl + M                  |               |
|-------------------------------------------|--------------|---------------------------|---------|-----------|---------------------------|---------------|
| Payroll Statutory Computation             |              |                           |         |           | 1-Jun-2009 to 30-Jun-2009 |               |
| Particulars                               | Gross Amount | Statutory Details         |         |           | Liability                 |               |
|                                           |              | Percentage                | A/c No. | Amount    | Payable                   | Paid          |
| <b>Employee State Insurance</b>           |              |                           |         |           |                           |               |
| <b>Employees' Statutory Deductions</b>    |              |                           |         |           | <b>208.00</b>             | <b>208.00</b> |
| Employee's ESI Contribution @ 1.75%       | 11,880.00    | 1.75%                     |         | 208.00 Cr |                           |               |
| <b>Employer's Statutory Contributions</b> |              |                           |         |           | <b>564.00</b>             | <b>564.00</b> |
| Employer ESI @ 4.75%                      | 11,880.00    | 4.75%                     |         | 564.00 Dr |                           |               |
| <b>Grand Total</b>                        |              |                           |         |           | <b>772.00</b>             | <b>772.00</b> |

Figure 22.204 Detailed ESI Computation report

You can further drill down to Employee Breakup of Pay Head report and from their to Employee Vouchers and so on, by pressing **Enter** on the required ledger from the above screen.

## ii. Form 3

As per Regulation 14, a declaration form in Form 3 is required to be filed for every Half Yearly stating the list of Employees whose remuneration is not exceeding Rs. 10,000/- per month. To generate ESI Form 3, follow the steps given below:

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Employee State Insurance > Form 3**

In the **Payroll Statutory Print Configuration** screen,

- ❑ Specify **1-04-2009** and **30-09-2009** in the **From** and **To** fields respectively
- ❑ Select the required **Payroll Category, Employee/Group** and **Sorting Method**
- ❑ Select the required **Gender** from the List of Gender field
- ❑ Type **Bangalore** in the **Place** field

- Specify **10-10-2009** in the **Date of Printing** field
- Type the **Designation** details of the person submitting the declaration form

The completed **Payroll Statutory Print Configuration** screen will appear as shown:

| Payroll Statutory Print Configuration                                                                                                                                                                                                                                                                                                      |                       |                     |                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------|----------------------------------------|
| <b>Printer</b>                                                                                                                                                                                                                                                                                                                             | : RnD Printer (Ne01:) | <b>Paper Type</b> : | A4                                     |
| <b>No. of Copies</b>                                                                                                                                                                                                                                                                                                                       | : 1                   |                     |                                        |
| <b>Print Language</b>                                                                                                                                                                                                                                                                                                                      | : English             |                     | (Printing Dimensions)                  |
| <b>Method</b>                                                                                                                                                                                                                                                                                                                              | : Neat Mode           | <b>Paper Size</b> : | (8.27" x 11.69") or (210 mm x 297 mm)  |
| <b>Page Range</b>                                                                                                                                                                                                                                                                                                                          | : All                 | <b>Print Area</b> : | (7.95" x 11.34") or (202 mm x 288 mm)  |
| <b>Report Titles</b><br><br><b>Form 3</b><br><br>(with Print Preview)                                                                                                                                                                                                                                                                      |                       |                     |                                        |
| From (blank for beginning) : <b>1-4-2009</b><br>To (blank for end) : <b>30-9-2009</b><br>Cost Category : <b>[ All Items</b><br>Employee/Group : <b>[ All Items</b><br>Sorting Method : <b>Employee Name</b><br>Gender : <b>[ All Items</b><br>Place : <b>Bangalore</b><br>Date of Printing : <b>10-10-2009</b><br>Designation : <b>CFO</b> |                       |                     |                                        |
|                                                                                                                                                                                                                                                                                                                                            |                       |                     | <b>Print ?</b><br><br><b>Yes or No</b> |

Figure 22.205 Payroll Statutory Print Configuration for ESI Form 3

- Press **Enter** to Print.

The printed declaration form in **Form 3** will appear as shown:

| Original                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>EMPLOYEES' STATE INSURANCE CORPORATION</b><br><b>RETURN OF DECLARATION FORM</b><br><b>[Regulation - 14]</b> | FORM - 3                                       |                                         |                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------|--------------------------------------------------------------------------------|
| Name & Address of the Factory or Establishment : <b>Indus Solutions Pvt. Ltd.</b><br>4/1 St. Mark's Road,<br>Bangalore                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                |                                                |                                         |                                                                                |
| Employer's Code No : <b>KN/BN/34961/0463</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                |                                                |                                         |                                                                                |
| I send herewith the Declaration Forms in respect of the employees mentioned below:<br><br>I hereby declare that every person employed as an employee within the meaning of Section 2(9) of the Employees' State Insurance Act, 1948 as on 30-Sep-2009 in this factory or establishment and is in receipt of the remuneration not exceeding Rs.10,000/- (excluding remuneration for overtime work) per month, has been included in this list, excluding only those in respect of whom declaration forms have been sent to the Corporation in the past. |                                                                                                                |                                                |                                         |                                                                                |
| Sl No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Name of Employee                                                                                               | Distinguishing Number with the employer if any | Father's or Husband's Name              | Insurance No. allotted by the corporation (to be entered at the branch office) |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2                                                                                                              | 3                                              | 4                                       | 5                                                                              |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Dinesh                                                                                                         | 789                                            | Mr. Sujan P                             | KA/BN/90006/301                                                                |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Rohit Roy                                                                                                      | 469                                            | Mr. S.K Roy                             |                                                                                |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Tamanna                                                                                                        | 531                                            | Mr. Susmit                              | KA/BN/90006/108                                                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                |                                                |                                         |                                                                                |
| Place : <b>Bangalore</b><br>Dated : <b>10-Oct-2009</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                |                                                | Signature :<br>Designation : <b>CFO</b> |                                                                                |

Figure 22.206 Printed Form 3

### iii. Monthly Statement

The ESI Monthly Statement provides a summary of Employee wise monthly ESI Employee Deductions and Employer Contribution amount. To print ESI Monthly Statement, follow the steps given below:

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Employee State Insurance > Monthly Statement**

In the **Payroll Statutory Print Configuration** screen,

- Specify **01-06-2009** and **30-06-2009** in the **From** and **To** fields respectively
- Select the required **Payroll Category**, **Employee/Group** and **Sorting Method**

The completed **Payroll Configuration Print screen** will appear as shown:

| Payroll Statutory Print Configuration                                                                                                                                                                                                                                           |                       |                   |                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------|-----------------------------------------|
| <b>Printer</b>                                                                                                                                                                                                                                                                  | : RnD Printer (Ne01:) | <b>Paper Type</b> | : A4                                    |
| <b>No. of Copies</b>                                                                                                                                                                                                                                                            | : 1                   |                   |                                         |
| <b>Print Language</b>                                                                                                                                                                                                                                                           | : English             |                   | (Printing Dimensions)                   |
| <b>Method</b>                                                                                                                                                                                                                                                                   | : Neat Mode           | <b>Paper Size</b> | : (8.27" x 11.69") or (210 mm x 297 mm) |
| <b>Page Range</b>                                                                                                                                                                                                                                                               | : All                 | <b>Print Area</b> | : (7.95" x 11.34") or (202 mm x 288 mm) |
| <b>Report Titles</b>                                                                                                                                                                                                                                                            |                       |                   |                                         |
| <b>ESI Monthly Statement</b>                                                                                                                                                                                                                                                    |                       |                   |                                         |
| (with Print Preview)                                                                                                                                                                                                                                                            |                       |                   |                                         |
| From (blank for beginning) : <b>1-6-2009</b><br>To (blank for end) : <b>30-6-2009</b><br>Cost Category : <input checked="" type="checkbox"/> <b>All Items</b><br>Employee/Group : <input checked="" type="checkbox"/> <b>All Items</b><br>Sorting Method : <b>Employee Name</b> |                       |                   |                                         |
|                                                                                                                                                                                                                                                                                 |                       |                   | <b>Print ?</b><br><b>Yes or No</b>      |

Figure 22.207 Payroll Statutory Print Configuration screen

- Press **Enter** to Print.

The printed **ESI Monthly Statement** for June 2009 will appear as shown:

| EMPLOYEES' STATE INSURANCE - Monthly Statement                                                                         |             |               |                 |              |                  |                  |                          |                          |               |
|------------------------------------------------------------------------------------------------------------------------|-------------|---------------|-----------------|--------------|------------------|------------------|--------------------------|--------------------------|---------------|
| Name & Address of the Factory or Establishment : <b>Indus Solutions Pvt. Ltd.</b><br>4/1 St. Mark's Road,<br>Bangalore |             |               |                 |              |                  |                  |                          |                          |               |
| Statement for the Period : 1-Jun-2009 to 30-Jun-2009                                                                   |             |               |                 |              |                  |                  |                          |                          |               |
| Sl. No                                                                                                                 | Employee No | Employee Name | ESI No          | Worked Days  | Earned Wages     | Fixed Wages      | Employ-ees' Contribution | Employer-'s Contribution | Total         |
| 1                                                                                                                      | 789         | Dinesh        | KA/EN/90006/301 | 23           | 700.00           | 13,084.00        | 12.00                    | 33.00                    | 45.00         |
| 2                                                                                                                      | 469         | Rohit Roy     |                 | 26           | 10,380.00        | 10,380.00        | 182.00                   | 493.00                   | 675.00        |
| 3                                                                                                                      | 531         | Tamanna       | KA/EN/90006/108 | 26           | 800.00           | 13,400.00        | 14.00                    | 38.00                    | 52.00         |
|                                                                                                                        |             |               |                 | <b>Total</b> | <b>11,880.00</b> | <b>36,864.00</b> | <b>208.00</b>            | <b>564.00</b>            | <b>772.00</b> |

Figure 22.208 ESI Monthly Statement

#### iv. Form 5

As per Regulation 26, a Return of Contribution in Form 5 is required to be submitted to the appropriate Branch Office within 42 days of the expiry of the contribution period (i.e, 12th May or November 11th of each year). Such return of contribution should be prepared in quadruplicate and submitted separately for the main Code Number and each sub-code number.

The employer may make compliance from the parent unit and submit only one return in respect of all the branches or may make compliance through their Branch Offices/ Sales Offices separately in the Regions where such offices are located.

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Employee State Insurance > Form 5**

In the **Payroll Statutory Print Configuration** screen

- ❑ Specify **01-04-2009** and **30-09-2009** in the **From** and **To** fields respectively
- ❑ Select the required **Payroll Category**, **Employee/Group** and **Sorting Method**
- ❑ Select the required **Display Employee Name Style** in **Appearance of Employee Names** field
- ❑ Specify **Bangalore** in the **Place** Field
- ❑ Specify **30-09-2009** in the **Date of Printing** field
- ❑ Type the name of the Signatory in the **Authorised Signatory Name** field
- ❑ Type the **Designation** details of the signing authority
- ❑ In the **Residential Address** field provide the Home Address of Authorised Signatory

The completed **Payroll Statutory Print Configuration** screen for ESI Monthly Statement is as shown:

| Payroll Statutory Print Configuration |                                                 |                                                           |
|---------------------------------------|-------------------------------------------------|-----------------------------------------------------------|
| <b>Printer</b>                        | : RnD Printer (Ne01:)                           | <b>Paper Type</b> : A4                                    |
| <b>No. of Copies</b>                  | : 1                                             |                                                           |
| <b>Print Language</b>                 | : English                                       | (Printing Dimensions)                                     |
| <b>Method</b>                         | : Neat Mode                                     | <b>Paper Size</b> : (8.27" x 11.69") or (210 mm x 297 mm) |
| <b>Page Range</b>                     | : All                                           | <b>Print Area</b> : (7.95" x 11.34") or (202 mm x 288 mm) |
| <b>Report Titles</b>                  |                                                 |                                                           |
| <b>Form 5</b>                         |                                                 |                                                           |
| (with Print Preview)                  |                                                 |                                                           |
| From (blank for beginning)            | : 1-4-2009                                      |                                                           |
| To (blank for end)                    | : 30-9-2009                                     |                                                           |
| Cost Category                         | : <input checked="" type="checkbox"/> All Items |                                                           |
| Employee/Group                        | : <input checked="" type="checkbox"/> All Items |                                                           |
| Sorting Method                        | : Account Number                                |                                                           |
| Appearance of Employee Names          | : Name Only                                     |                                                           |
| Place                                 | : Bangalore                                     |                                                           |
| Date of Printing                      | : 30-9-2009                                     |                                                           |
| Authorised Signatory Name             | : Mr. Nikhil                                    |                                                           |
| Designation                           | : CFO                                           |                                                           |
| Residential Address                   | : No. 36, BTM Layout, Cross Street-6, 3rd Main  |                                                           |
|                                       |                                                 | <b>Print ?</b><br>Yes or No                               |

Figure 22.209 Payroll Statutory Print Configuration screen

- Press **Enter** to Print

The printed **Form 5** will appear as shown:



Original (Page1)

FORM-5

Name of Branch Office **Koramangala** Employer's Code No. **KN/BN/34961/0463**

**RETURN OF CONTRIBUTIONS  
EMPLOYEES' STATE INSURANCE CORPORATION  
Regulation - 26**

Name & Address of the Factory or Establishment : **Indus Solutions Pvt. Ltd.**  
4/1 St. Mark's Road,  
Bangalore

PARTICULARS OF THE PRINCIPAL EMPLOYERS.

a) Name **Mr. Nikhil** b) Designation **CFO**  
c) Residential Address No. 36, BTM Layout, Cross Street  
-6, 3rd Main

Contribution Period From **1-Apr-2009** To **30-Sep-2009**

I furnish below the details of the employer's and employee's share of contribution in respect of the under mentioned Insured persons. I hereby declare that the return includes every employee, employed directly or through an immediate employer or in connection with the work of the factory / establishment or any work connected with the administration of the factory / establishment or purchase of raw materials, sale or distribution of finished products etc., to whom the ESI Act, 1948 applies, in the contribution period to which this return relates and that the contributions in respect of Employer's and Employee's share have been correctly paid in accordance with the provisions of the Act and regulations.

Details of Total Contribution are as below:

|                    |   |               |
|--------------------|---|---------------|
| Employer's Share   | : | <b>564.00</b> |
| Employee's Share   | : | <b>208.00</b> |
| Total Contribution | : | <b>772.00</b> |

Details of Challans :

| Sl No                    | Month | Date of Challan | Amount        | Name of the Bank and Branch |
|--------------------------|-------|-----------------|---------------|-----------------------------|
| 1                        | June  | 30-Jun-2009     | 772.00        | HDFC & 5300320              |
| <b>Total amount paid</b> |       |                 | <b>772.00</b> |                             |

**I declare that**

a) All the Records and Registers have been maintained as per provisions contained in ESI Act, Rules & Regulations framed therein.

b) During the period of return \_\_\_\_\_ No. of Declaration forms have been submitted.

c) During the above period \_\_\_\_\_ No. of TICs have been received.

d) During the above period \_\_\_\_\_ No. of PICs have been received.

e) During the above period \_\_\_\_\_ No. of PICs have been distributed amongst the eligible IPs.

f) During the above period \_\_\_\_\_ accidents have been reported to the concerned Branch Office.

g) During the period 3 No. of employees directly employed by us have been covered and a total wages of Rs.11,880.00 have been paid to such employees.

h) During the period \_\_\_\_\_ No. of employees directly employed by us have not been covered and a total wages of Rs. \_\_\_\_\_ have been paid to such employees.

Figure 22.210 Printed Form 5 - Page 1

The Page 2 of **Form 5** is as shown:

Page 2

i) During the period \_\_\_\_\_ No. of employees employed through immediate employer have been covered and a total wages of Rs. \_\_\_\_\_ have been paid to such employees.

j) During the period \_\_\_\_\_ No. of employees employed through immediate employer have not been covered and a total wages of Rs. \_\_\_\_\_ have been paid to such employees.

k) Following components of wages have been taken into consideration for the purpose of payment of contribution :-

- 1 Basic
- 2 House Rent Allowance
- 3 Conveyance
- 4 Overtime Pay

l) Following components of wages have not been taken into consideration for the purpose of payment of contribution :-

- 1 Variable Pay

The above mentioned information is based on records and any information if found incorrect will render me liable for prosecutions under provisions of ESI Act and action for recovery of contribution due along with interest and damages as per provisions of the ESI Act.

Place : **Bangalore**  
Date : **30-Sep-2009**

Signature of the Employer :  
Designation : **CFO**  
(with Rubber stamp)

**CERTIFICATE BY CHARTERED ACCOUNTANT**  
( To be submitted in case of Employers employing 40 or more Employees )

Certified that I have verified the above return from the records & Registers of M/s Indus Solutions Pvt. Ltd. and found it to be correct.

Signature & Seal Of  
the Chartered Accountant with Membership No.

Important Instructions: Information to be given in Remarks Column (No.9)

If any I.P. is appointed for the first time and / or leaves during the contribution period indicate 'A' \_\_\_\_\_ (date) and / or 'L' \_\_\_\_\_ (date)

Please indicate Insurance Nos. in ascending order

Figures in Column 4,5 & 6 of the Return

Invariably strike totals of column 4,5 & 6 of the Return

No overwriting shall be made. Any corrections, if made, should be signed by the Employer

Every page of this Return should bear full signature and rubber stamp of the Employer

Daily wages in Column 7 of the return shall be calculated by dividing figures in Column 5 by figures in Column 4 to two decimal places

For \*CP ending 31st March, due date is 12th May  
For CP ending 30th September, due date is 11th November

Figure 22.211 Printed Form 5 - Page 2

The Page 3 of **Form 5** is as shown:

Page 3

**EMPLOYEES' STATE INSURANCE CORPORATION**

Employer's Name & Address : Indus Solutions Pvt. Ltd., 4/1 St. Mark's Road,, Bangalore  
Employer's Code No. : KN/BN/34961/0463 Branch Office : Koramangala  
Period : 1-Apr-2009 to 30-Sep-2009

| Sl No.       | Insurance No.  | Name of Insured Person | No. of days for which wages paid | Total amount of wages paid | Employee's contribution deducted | Average Daily wages 5/4 | Whether still continues working and drawing wages within the insurable wages ceiling | Name of the Dispensary of the I.P. | Remarks       |
|--------------|----------------|------------------------|----------------------------------|----------------------------|----------------------------------|-------------------------|--------------------------------------------------------------------------------------|------------------------------------|---------------|
| 1            | 2              | 3                      | 4                                | 5                          | 6                                | 7                       | 7(A)                                                                                 | 8                                  | 9             |
| 1            |                | Rohit Roy              | 77                               | 10,380.00                  | 182.00                           | 134.81                  | Yes                                                                                  |                                    | A: 1-Apr-2009 |
| 2            | KNBN/90106/108 | Tamanna                | 118                              | 800.00                     | 14.00                            | 6.78                    | Yes                                                                                  |                                    | A: 5-Jun-2009 |
| 3            | KNBN/90106/301 | Dinesh                 | 115                              | 700.00                     | 12.00                            | 6.09                    | Yes                                                                                  |                                    | A: 8-Jun-2009 |
| <b>Total</b> |                |                        |                                  | <b>11,880.00</b>           | <b>208.00</b>                    |                         |                                                                                      |                                    |               |

Date of appointment and leaving the job may be given in remarks column

Signature of the Employer

---

(FOR OFFICIAL USE)

1. Entitlement position marked.  
2. Total of col.5 of return checked and found correct/correct amount is indicated  
3. Checked the amount of Employer's/Employees contribution paid which is in order/observation memo. enclosed

Counter Signature

U D C                      Head Clerk                      Branch Officer

Figure 22.212 Printed Form 5 - Page 3

## v. Form 6

As per Regulation 32, a register of Employees covered under Employees State Insurance Scheme, containing information regarding the Insurance No., dispensary, other occupational details, Employer's Share and month wise (under that particular Half Year) ESI details (i.e., Gross wages, Number of working days and ESI Contribution for each employee) should be furnished. To generate Form 6, follow the steps given below:

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Employee State Insurance > Form 6**

In the **Payroll Statutory Print Configuration** screen

- ❑ Type **01-04-2009** in the **From** field
- ❑ Type **30-09-2009** in the **To** field
- ❑ Select the required **Payroll Category, Employee/Group** and **Sorting Method**

The completed **Payroll Statutory Print Configuration** screen will appear as shown:

|                            |                                                 |                   |                                         |
|----------------------------|-------------------------------------------------|-------------------|-----------------------------------------|
| <b>Printer</b>             | : RnD Printer (Ne01:)                           | <b>Paper Type</b> | : A4                                    |
| <b>No. of Copies</b>       | : 1                                             |                   |                                         |
| <b>Print Language</b>      | : English                                       |                   | (Printing Dimensions)                   |
| <b>Method</b>              | : Neat Mode                                     | <b>Paper Size</b> | : (8.27" x 11.69") or (210 mm x 297 mm) |
| <b>Page Range</b>          | : All                                           | <b>Print Area</b> | : (7.95" x 11.34") or (202 mm x 288 mm) |
| <b>Report Titles</b>       |                                                 |                   |                                         |
| <b>Form 6</b>              |                                                 |                   |                                         |
| (with Print Preview)       |                                                 |                   |                                         |
| From (blank for beginning) | : 1-4-2009                                      |                   |                                         |
| To (blank for end)         | : 30-9-2009                                     |                   |                                         |
| Cost Category              | : <input checked="" type="checkbox"/> All Items |                   |                                         |
| Employee/Group             | : <input checked="" type="checkbox"/> All Items |                   |                                         |
| Sorting Method             | : Account Number                                |                   |                                         |
|                            |                                                 |                   | <b>Print ?</b>                          |
|                            |                                                 |                   | Yes or No                               |

Figure 22.213 Payroll Statutory Print Configuration for ESI Form 6

- ❑ Press **Enter** to Print.

The printed **Form 6** will appear as shown:

Page 1

**Indus Solutions Pvt. Ltd.**  
 4/1 St. Mark's Road,  
 Bangalore

**FORM 6**  
 REGISTER OF EMPLOYEES  
 EMPLOYEES' STATE INSURANCE CORPORATION  
 (Regulation 32)

Contribution Period : From **1-Apr-2009** to **30-Sep-2009**

| Sl. No       | Insurance No.  | Name of the insured person | * Name of dispensary to which attached | Occupation | Rate of wages etc., in the first wage period | Deptt. and shift, if any | If appointed or left service during the contribution period, date of appointment / leaving service | No. of days for which wages paid /payable | Month: April<br>Total amount of wages paid/payable | Employees' share of contribution |
|--------------|----------------|----------------------------|----------------------------------------|------------|----------------------------------------------|--------------------------|----------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------|----------------------------------|
| 1            | 2              | 3                          | 3(A)                                   | 4          | 5                                            | 6                        | 7                                                                                                  | 8                                         | 9                                                  | 10                               |
| 1            |                | Rohit Roy                  |                                        | Manager    |                                              | Administration           | 1-Apr-2009                                                                                         | 26                                        |                                                    |                                  |
| 2            | K4BN/90006/108 | Tamanna                    |                                        | Manager    | 30.77                                        | Facilities Management    | 5-Jun-2009                                                                                         | 0                                         |                                                    |                                  |
| 3            | K4BN/90006/301 | Dinesh                     |                                        | Manager    | 30.43                                        | Corporate Sales          | 8-Jun-2009                                                                                         | 0                                         |                                                    |                                  |
| <b>Total</b> |                |                            |                                        |            |                                              |                          |                                                                                                    |                                           |                                                    |                                  |
|              |                |                            |                                        |            |                                              |                          |                                                                                                    |                                           | Employer's Share                                   |                                  |
|              |                |                            |                                        |            |                                              |                          |                                                                                                    |                                           | Grand Total                                        |                                  |
|              |                |                            |                                        |            |                                              |                          |                                                                                                    |                                           | Paid On                                            |                                  |

Note: The Figure in Columns 7 to 24 shall be in respect of wage periods ending in a particular calendar month.

Figure 22.214 Printed Form 6 - Page 1

The Page 2 of **Form 6** will appear as shown:

Page 2

**Indus Solutions Pvt. Ltd.**  
 4/1 St. Mark's Road,  
 Bangalore

**FORM 6**  
 REGISTER OF EMPLOYEES  
 EMPLOYEES' STATE INSURANCE CORPORATION  
 (Regulation 32)

Contribution Period : From **1-Apr-2009** to **30-Sep-2009**

| Sl. No. | Month: May                               |                                     |                                  | Month: June                              |                                     |                                  | Month: July                              |                                     |                                  | Employees' share of contribution |
|---------|------------------------------------------|-------------------------------------|----------------------------------|------------------------------------------|-------------------------------------|----------------------------------|------------------------------------------|-------------------------------------|----------------------------------|----------------------------------|
|         | No. of days for which wages paid/payable | Total amount of wages paid /payable | Employees' share of contribution | No. of days for which wages paid/payable | Total amount of wages paid /payable | Employees' share of contribution | No. of days for which wages paid/payable | Total amount of wages paid /payable | Employees' share of contribution |                                  |
| 1       | 11                                       | 12                                  | 13                               | 14                                       | 15                                  | 16                               | 17                                       | 18                                  | 19                               |                                  |
| 2       | 25                                       |                                     |                                  | 26                                       | 10,380.00                           | 182.00                           | 31                                       | 31                                  |                                  |                                  |
| 3       | 0                                        |                                     |                                  | 26                                       | 800.00                              | 14.00                            | 31                                       | 31                                  |                                  |                                  |
|         |                                          |                                     |                                  | 23                                       | 700.00                              | 12.00                            | 31                                       | 31                                  |                                  |                                  |
|         | Total                                    |                                     |                                  | Total                                    | 11,880.00                           | 208.00                           | Total                                    | Total                               |                                  |                                  |
|         |                                          | Employer's Share                    |                                  |                                          | Employer's Share                    | 564.00                           |                                          | Employer's Share                    |                                  |                                  |
|         |                                          | Grand Total                         |                                  |                                          | Grand Total                         | 772.00                           |                                          | Grand Total                         |                                  |                                  |
|         |                                          | Paid On                             |                                  |                                          | Paid On                             | 30-Jun-2009                      |                                          | Paid On                             |                                  |                                  |

Note: The Figure in Columns 7 to 24 shall be in respect of wage periods ending in a particular calendar month.

Figure 22.215 Printed Form 6 - Page 2

The Page 3 of **Form 6** will appear as shown:

Page 3

**Indus Solutions Pvt. Ltd.**  
 4/1 St. Mark's Road,  
 Bangalore

**FORM 6**  
 REGISTER OF EMPLOYEES  
 EMPLOYEES' STATE INSURANCE CORPORATION  
 (Regulation 32)

Contribution Period : From **1-Apr-2009** to **30-Sep-2009**

| Sl. No | Month: August                            |                                     |                                  | Month: September                          |                                     |                                  | Summary                                                         |                                                                 |                                        |                        |          |
|--------|------------------------------------------|-------------------------------------|----------------------------------|-------------------------------------------|-------------------------------------|----------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------|------------------------|----------|
|        | No. of days for which wages paid/payable | Total amount of wages paid /payable | Employees' share of contribution | No. of days for which wages paid /payable | Total amount of wages paid /payable | Employees' share of contribution | Total No. of days for which wages paid /payable in Contribution | Total amount of wages paid /payable in Contribution Period (Rs) | Total Employee's share of Contribution | Daily wages (Rs) 27/26 | R- marks |
| 1      | 20                                       | 21                                  | 22                               | 23                                        | 24                                  | 25                               | 26                                                              | 27                                                              | 28                                     | 29                     | 30       |
| 2      | 31                                       |                                     |                                  | 30                                        |                                     |                                  | 77                                                              | 10,380.00                                                       | 182.00                                 | 134.81                 |          |
| 3      | 31                                       |                                     |                                  | 30                                        |                                     |                                  | 118                                                             | 800.00                                                          | 14.00                                  | 6.78                   |          |
|        | 31                                       |                                     |                                  | 30                                        |                                     |                                  | 115                                                             | 700.00                                                          | 12.00                                  | 6.09                   |          |
|        | <b>Total</b>                             |                                     |                                  | <b>Total</b>                              |                                     |                                  |                                                                 | <b>11,880.00</b>                                                | <b>208.00</b>                          | <b>147.68</b>          |          |
|        | Employer's Share                         |                                     | Employer's Share                 |                                           |                                     |                                  |                                                                 |                                                                 |                                        |                        |          |
|        | Grand Total                              |                                     | Grand Total                      |                                           |                                     |                                  |                                                                 |                                                                 |                                        |                        |          |
|        | Paid On                                  |                                     | Paid On                          |                                           |                                     |                                  |                                                                 |                                                                 |                                        |                        |          |

Note: The Figure in Columns 7 to 24 shall be in respect of wage periods ending in a particular calendar month.

Figure 22.216 Printed Form 6 - Page 3

## Professional Tax Reports

As discussed earlier, Professional Tax is applicable to those individuals or professionals in India who are involved in any profession or trade. The state government of each state governs and administers the levy and collection of Professional Tax in the respective State. The state is empowered with the responsibility of structuring as well as formulating the professional tax criteria for the respective state. Professional tax is charged on the incomes of Individuals, profits of business or gains in vocations as per the list II of the Indian Constitution.

In India, the professional tax slabs are different for all the states in India and some of the states have formulated different professional tax slabs for men, women and the senior citizens of the respective states. The rates depend upon profession, years in the profession and the amount of income or turnover and so on.

In Tally.ERP 9, based on the Slab Rates defined in the Professional Tax Ledger, the Professional Tax Report is generated, capturing the amount of Professional Tax deducted under each slab rate.

### i. Professional Tax Computation Report

The Professional Tax Computation Report provides the summary of Amount deducted as Professional Tax in accordance with the Slab rates applicable for the particular state, from the Earnings of the Employees exceeding the prescribed threshold limits.

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Professional Tax > Computation Report**

- From the **List of Ledgers** drop down, select **Professional Tax** and press **Enter**, the Payroll Statutory Print Configuration screen appears
- In the **Payroll Statutory Print Configuration** screen,
  - Specify **01-06-2009** and **30-06-2009** in the **From** and **To** fields respectively
  - Select the required **Payroll Category, Employee/Group** and **Sorting Method**
  - Type **Bangalore** in the **Place** field
  - Specify **30-06-2009** in the **Date of Printing** field

The completed **Payroll Statutory Print Configuration** screen will appear as shown:



| Payroll Statutory Print Configuration |                       |                   |                                         |
|---------------------------------------|-----------------------|-------------------|-----------------------------------------|
| <b>Printer</b>                        | : RnD Printer (Ne01:) | <b>Paper Type</b> | : A4                                    |
| <b>No. of Copies</b>                  | : 1                   |                   |                                         |
| <b>Print Language</b>                 | : English             |                   | (Printing Dimensions)                   |
| <b>Method</b>                         | : Neat Mode           | <b>Paper Size</b> | : (11.69" x 8.27") or (297 mm x 210 mm) |
| <b>Page Range</b>                     | : All                 | <b>Print Area</b> | : (11.34" x 7.95") or (288 mm x 202 mm) |
| Report Titles                         |                       |                   |                                         |
| PROFESSIONAL TAX PAYABLE BY EMPLOYER  |                       |                   |                                         |
| (with Print Preview)                  |                       |                   |                                         |
| From (blank for beginning)            | :                     | 1-6-2009          |                                         |
| To (blank for end)                    | :                     | 30-6-2009         |                                         |
| Cost Category                         | :                     | [ All Items       |                                         |
| Employee/Group                        | :                     | [ All Items       |                                         |
| Place                                 | :                     | Bangalore         |                                         |
| Date of Printing                      | :                     | 30-6-2009         |                                         |
| Authorised Signatory Name             | :                     | Mr. Nikhil        |                                         |
|                                       |                       |                   | <div>Print ?</div> <div>Yes or No</div> |

Figure 22.217 Payroll Statutory Print Configuration screen

- Press **Enter** to Print.

The printed **Professional Tax Computation** Report for the month of June 2009 will appear as shown:

| PROFESSIONAL TAX PAYABLE BY EMPLOYER                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                     |                                     |           |           |                     |                           |                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------|-----------|-----------|---------------------|---------------------------|----------------------------|
| Return of Tax payable for the period : <b>June, 2009</b>                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                     |                                     |           |           |                     |                           |                            |
| Name of the Employer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                     | : <b>Indus Solutions Pvt. Ltd.</b>  |           |           |                     |                           |                            |
| Address                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                     | : 4/1 St. Mark's Road,<br>Bangalore |           |           |                     |                           |                            |
| Registration Certificate No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                     | : <b>KA/PT/53487520</b>             |           |           |                     |                           |                            |
| Number of employees during the month in respect of whom the tax is payable as under :                                                                                                                                                                                                                                                                                                                                                                                                                |                                                     |                                     |           |           |                     |                           |                            |
| SN. o.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Employees whose monthly salaries / wages / both are |                                     |           |           | Number of Employees | Rate of tax per month Rs. | Amount of Tax Deducted Rs. |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Rs                                                  | 0                                   | to        | 5,000.00  |                     | 0.00                      |                            |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Rs                                                  | 5,000.00                            | to        | 8,000.00  |                     | 60.00                     |                            |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Rs                                                  | 8,000.00                            | to        | 10,000.00 |                     | 100.00                    |                            |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Rs                                                  | 10,000.00                           | to        | 15,000.00 | 1                   | 150.00                    | 150.00                     |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Rs                                                  | 15,000.00                           | and above |           | 3                   | 200.00                    | 600.00                     |
| <b>TOTAL</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                     |                                     |           |           | <b>4.00</b>         |                           | <b>750.00</b>              |
| Amount Paid : <b>750.00</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                     |                                     |           |           |                     |                           |                            |
| Amount in Words : <b>Rs. Seven Hundred Fifty Only</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                     |                                     |           |           |                     |                           |                            |
| <p>I certify that all employees who are liable to pay the tax in my employment during the period of return have been covered by the forgoing particulars. I also certify that the necessary revision in the amount of tax deductible from the salary or wages of the employees on account of variation in the salary or wages earned by them has been made wherever necessary.</p> <p>I, Shri Mr. Nikhil solemnly declare that above statements are true to the best of my knowledge and belief.</p> |                                                     |                                     |           |           |                     |                           |                            |
| Place                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                     | : Bangalore                         |           |           |                     |                           |                            |
| Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                     | : 30-Jun-2009                       |           |           |                     |                           |                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                     |                                     |           |           |                     | Signature of Employer     |                            |

Figure 22.218 Printed PT Computation Report

## ii. Professional Tax Statement

The Professional Tax Statement provides the summary of Employee wise Gross Wages paid, No. of Working Days and the amount of Professional Tax deducted during the selected period. To generate the Professional Tax Statement for a month,

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Professional Tax > Statement**

- ❑ From the **List of Ledgers** drop down, select **Professional Tax** and press **Enter**, the Payroll Statutory Print Configuration screen appears
- ❑ In the **Payroll Statutory Print Configuration** screen, specify **01-06-2009** and **30-06-2009** in the **From** and **To** fields respectively
- ❑ Select the required **Payroll Category, Employee/Group** and **Sorting Method**

The completed **Payroll Statutory Print Configuration** screen will appear as shown:

| Payroll Statutory Print Configuration |                       |                   |                                           |
|---------------------------------------|-----------------------|-------------------|-------------------------------------------|
| <b>Printer</b>                        | : RnD Printer (Ne01:) | <b>Paper Type</b> | : A4                                      |
| <b>No. of Copies</b>                  | : 1                   |                   |                                           |
| <b>Print Language</b>                 | : English             |                   | (Printing Dimensions)                     |
| <b>Method</b>                         | : Neat Mode           | <b>Paper Size</b> | : (8.27" x 11.69") or (210 mm x 297 mm)   |
| <b>Page Range</b>                     | : All                 | <b>Print Area</b> | : (7.95" x 11.34") or (202 mm x 288 mm)   |
| <b>Report Titles</b>                  |                       |                   |                                           |
| <b>Professional Tax</b>               |                       |                   |                                           |
| Professional Tax Monthly Statement    |                       |                   |                                           |
| (with Print Preview)                  |                       |                   |                                           |
| From (blank for beginning) :          |                       | <b>1-6-2009</b>   |                                           |
| To (blank for end) :                  |                       | <b>30-6-2009</b>  |                                           |
|                                       |                       |                   | <b>Print ?</b><br><b>Yes</b> or <b>No</b> |

Figure 22.219 Payroll Statutory Print Configuration screen

- ❑ Press **Enter** to Print.

The printed **Professional Tax Statement** for June 2009 will appear as shown:

| PROFESSIONAL TAX - Monthly Statement<br>(Professional Tax)                                                             |              |               |             |                  |               |
|------------------------------------------------------------------------------------------------------------------------|--------------|---------------|-------------|------------------|---------------|
| Name & Address of the Factory or Establishment : <b>Indus Solutions Pvt. Ltd.</b><br>4/1 St. Mark's Road,<br>Bangalore |              |               |             |                  |               |
| Statement for the Period : 1-Jun-2009 to 30-Jun-2009                                                                   |              |               |             |                  |               |
| Sl.No                                                                                                                  | Employee No. | Employee Name | Worked Days | Gross Wages      | Value         |
| 1                                                                                                                      | 465          | Atul Sharma   | 26          | 30,500.00        | 200.00        |
| 2                                                                                                                      | 578          | Preeti Sinha  | 24          | 15,508.00        | 200.00        |
| 3                                                                                                                      | 225          | Ramesh Arora  | 20          | 20,115.00        | 200.00        |
| 4                                                                                                                      | 469          | Rohit Roy     | 26          | 10,380.00        | 150.00        |
|                                                                                                                        |              | <b>Total</b>  |             | <b>76,503.00</b> | <b>750.00</b> |

Figure 22.220 Printed Professional Tax Statement



You can view **PT Computation Report** from **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Computation** menu, detailing Professional Tax collected and paid during a given period in the manner as discussed in **Provident Fund Computation Report** section.

## Gratuity Report

The Gratuity Report displays the provisional liability of an employer towards his employee in respect of gratuity payable at the time of cessation of employment either by resignation, death, retirement or termination.

The Gratuity Summary Report displays the gratuity amount payable in accordance with the pay components and formulae defined in the ledger master, as discussed earlier. In Tally.ERP 9, the Gratuity amount is calculated proportionately for eligible days in a year to the extent of completed months of service.

You can view Gratuity Report either from Statutory Reports menu or Payroll Reports menu i.e., **Gateway of Tally > Display > Payroll Reports > Statutory Reports** or **Gateway of Tally > Display > Statutory Reports > Payroll Reports**.

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Gratuity Report**

The **Gratuity Report** for the Employees eligible for Gratuity will appear as shown:

| Gratuity Summary Indus Solutions Pvt. Ltd. Ctrl + M |                 |                 |                          |                 |
|-----------------------------------------------------|-----------------|-----------------|--------------------------|-----------------|
| For All Employees 1-Jun-2009 to 30-Jun-2009         |                 |                 |                          |                 |
| Particulars                                         | Date of Joining | Date of Leaving | Gratuity Eligible Salary | Gratuity Amount |
| <b>Primary Cost Category</b>                        |                 |                 | <b>57,000.00</b>         | <b>2,740.00</b> |
| <b>Administration</b>                               |                 |                 | <b>7,000.00</b>          | <b>337.00</b>   |
| Rohit Roy                                           | 1-4-2009        |                 | 7,000.00                 | 337.00          |
| <b>R &amp; D</b>                                    |                 |                 | <b>12,000.00</b>         | <b>577.00</b>   |
| Preeti Sinha                                        | 1-4-2009        | 30-9-2009       | 12,000.00                | 577.00          |
| <b>Sales</b>                                        |                 |                 | <b>38,000.00</b>         | <b>1,827.00</b> |
| Atul Sharma                                         | 1-4-2009        |                 | 20,000.00                | 962.00          |
| Ramesh Arora                                        | 1-4-2009        |                 | 18,000.00                | 865.00          |
| <b>Grand Total</b>                                  |                 |                 |                          | <b>2,740.00</b> |

Figure 22.221 Gratuity Summary Report



In order to ascertain the **Gratuity** payable amount, set **Use for Gratuity** to **Yes** in the Pay Head master (i.e. Basic Pay, Dearness Allowance etc.)

**Button Options in the Gratuity Report:**

- ❑ **F4: Change Currency** – Allows you to display the report in any other foreign currency other than base currency.
- ❑ **F5: Employee Wise** – Allows you to display the Employee-wise Gratuity report.
- ❑ **F7: Employee Filters** – This option (**Ctrl+F7**) allows you to display the Gratuity report for a particular Cost Category with the required Group or Employee.



The above report displays the details of all employees' along with the Date of Birth, Date of Joining and the Gratuity Eligible Salary, besides commenting on the total Gratuity liability as on date. Press **F12: Configure** to configure for additional options

| <u>Configuration</u>            |             |
|---------------------------------|-------------|
| Show Employee Number            | ? Yes       |
| Show Date of Birth              | ? Yes       |
| Show Zero Valued Employees also | ? <b>No</b> |

Figure 22.222 F12: Configuration screen

Tally.ERP 9 allows you to drill down to the **Gratuity Details report** from the above display.

- ▣ Select the required employee and press **Enter**

The **Gratuity Details** screen displays as shown:

| Gratuity Details         |                | Indus Solutions Pvt. Ltd.              | Ctrl + M        |
|--------------------------|----------------|----------------------------------------|-----------------|
| Employee Name            | : Ramesh Arora |                                        |                 |
| Date of Joining          | : 1-Apr-2009   |                                        |                 |
| Till Date                | : 30-Jun-2009  |                                        |                 |
| No. of Months worked for | : 1.00         |                                        |                 |
| Gratuity Days of a Month | : 26           |                                        |                 |
| Gratuity Eligible salary | : 18,000.00    |                                        |                 |
| Months From              | Months To      | Eligibility days for Gratuity per year | Gratuity Amount |
| 1                        | 60             | 0                                      | 865.00          |
| Total                    |                |                                        | 865.00          |

Figure 22.223 Gratuity Details Report



*Once the employee is deactivated (i.e., when the date of leaving is filled in the Employee master), Tally.ERP 9 stops computing Gratuity for the deactivated employee. If the tenure of service of such an employee falls below the eligible slab for gratuity calculation, he/she will not be entitled for any gratuity amount. However, in cases where the tenure of service is spread over more than one eligible slab(s), he/she will be entitled to the sum total of all the slabs.*

### Points to Remember

- ❑ Payroll is the process of maintaining records of all employees' salaries.
- ❑ The Payroll function in Tally.ERP 9 facilitates accurate and timely employee payments.
- ❑ The Attendance/Production Type is used to record attendance and production data.
- ❑ Salary components constituting Pay Structures are called Pay Heads.
- ❑ Gratuity is a monetary benefit paid by an employer to an employee, at the end of the employment, for the services rendered over the period of employment.
- ❑ Attendance voucher is a voucher type used to record attendance, over-time, leave or production details.
- ❑ Payroll voucher is used to record employees' payroll related transactions.
- ❑ Payslip is a document, issued to an employee, that itemises each component of his/her earnings and deductions.
- ❑ Pay Sheet is a matrix report with details of pay heads pertaining to employees.
- ❑ Payroll Statement helps to generate reports for specific pay heads.
- ❑ Attendance Sheet displays information relating to employees' attendance or production data.
- ❑ Gratuity Summary Report calculates the liability of a company in terms of gratuity.
- ❑ Expat Report provides comprehensive information about employees who are abroad, on short/ long-term assignments.



## Shortcut Keys

### List of Function Keys

| Function Key |     |                                                        |                                                                                    |
|--------------|-----|--------------------------------------------------------|------------------------------------------------------------------------------------|
| Sl. No       | Key | Functionality                                          | Availability                                                                       |
| 1.           | F2  | To change the menu period.                             | At almost all screens in Tally.ERP 9.                                              |
| 2.           | F4  | To select the contra voucher                           | At accounting voucher creation and alteration screens.                             |
|              |     | To view the list of groups.                            | At the trial balance, cash/bank summary, group summary and group vouchers screens. |
|              |     | To view the list of ledgers.                           | At the ledger vouchers screen.                                                     |
|              |     | To change voucher type.                                | At the sales, purchase and journal register and day book screens.                  |
|              |     | To switch between bills receivable and payable report. | At the bill receivable and payable report screens.                                 |
|              |     | To view other stock item's summary.                    | At the item monthly screen.                                                        |
|              |     | To show/ hide gross profit earned on sales made.       | At the item monthly screen.                                                        |
| 3.           | F5  | To select the payment voucher.                         | At accounting voucher creation and alteration screens.                             |
|              |     | To switch between grouped and ledger wise display.     | At the trial balance, cash/bank summary and group summary screens.                 |
|              |     | To reconcile bank accounts.                            | At the ledger vouchers screen, where the ledger is the bank ledger.                |
| 4.           | F6  | To select the receipt voucher.                         | At accounting voucher creation and alteration screens.                             |
|              |     | To view the age wise analysis of bills payables        | At the bill receivable and payable report screens.                                 |

|     |     |                                                     |                                                                            |
|-----|-----|-----------------------------------------------------|----------------------------------------------------------------------------|
| 5.  | F7  | To select the journal voucher.                      | At accounting creation and alteration screens.                             |
|     |     | To view the monthly summary.                        | At the ledger vouchers screen.                                             |
|     |     | To switch between group summary and group vouchers. | At the group summary and group voucher screens.                            |
| 6.  | F8  | To select a sales voucher.                          | At accounting voucher creation and alteration screens.                     |
| 7.  | F9  | To select a purchase voucher.                       | At accounting voucher creation and alteration screens.                     |
| 8.  | F10 | Navigate between accounting reports.                | At the reports screens, trial balance, account books and day book screens. |
| 9.  | F11 | To select the features screen.                      | At almost all screens in Tally.ERP 9.                                      |
| 10. | F12 | To select the configure screen.                     | At almost all screens in Tally.ERP 9.                                      |

| Special Function Key Combination |           |                                                                             |                                             |
|----------------------------------|-----------|-----------------------------------------------------------------------------|---------------------------------------------|
| Sl. No                           | Key       | Functionality                                                               | Availability                                |
| 1.                               | Alt + F11 | To close a company.                                                         | At all the menu screens.                    |
|                                  |           | To view detailed report.                                                    | At almost all report screens.               |
|                                  |           | To explode a line into its details.                                         | At almost all screens in Tally.ERP 9.       |
| 2.                               | Alt+ F2   | To change the system period.                                                | At almost all screens in Tally.ERP 9.       |
| 3.                               | Alt + F3  | To select the company info menu.                                            | At Gateway of Tally.ERP 9 screen.           |
|                                  |           | To create/ alter/ shut a company.                                           |                                             |
| 4.                               | Alt + F5  | To view sales and purchase register summary on a quarterly basis.           | At the sales and purchase register screens. |
| 5.                               | Alt + F12 | To view the filters screen where the range of information can be specified. | At all the report screens.                  |

|     |           |                                                                                                                                                                                   |                                                                                                                                                                                                                                                                   |
|-----|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6.  | Alt + C   | To create a ledger at a voucher screen.                                                                                                                                           | At accounting voucher and alteration screens, at a field where you have to select a ledger from a list. If the necessary account has not been created earlier, use this key combination to create the ledger without quitting from the accounting voucher screen. |
|     |           | To add a new column to reports.                                                                                                                                                   | At all the reports, trial balance, cash/bank book(s), group summary and journal register screens.                                                                                                                                                                 |
| 7.  | Alt + N   | To add multiple columns to a report (Auto column).                                                                                                                                | At all the reports, trial balance, cash/bank book(s), group summary and journal register screens.                                                                                                                                                                 |
| 8.  | Alt + P   | To print reports.                                                                                                                                                                 | At all reports screens in Tally.ERP 9.                                                                                                                                                                                                                            |
| 9.  | Alt + Z   | To zoom.                                                                                                                                                                          | At all the print preview screens.                                                                                                                                                                                                                                 |
| 10. | Ctrl + F8 | To select a Credit note.                                                                                                                                                          | At accounting voucher creation and alteration screens.                                                                                                                                                                                                            |
| 11. | Ctrl+ F9  | To select a Debit note.                                                                                                                                                           | At accounting voucher creation and alteration screens.                                                                                                                                                                                                            |
| 12. | Ctrl + Q  | To quit a screen - wherever you use this key combination, it quits that screen without making any changes to it. It also does not ask for confirmation from user before quitting. | At almost all screens in Tally.ERP 9.                                                                                                                                                                                                                             |
| 13. | Ctrl + L  | To mark a voucher as optional or regular.                                                                                                                                         | At accounting voucher creation and alteration screens.                                                                                                                                                                                                            |
| 14. | Alt + R   | Recalls the Last narration saved for the first ledger in the voucher, irrespective of the voucher type.                                                                           | At creation/alteration of voucher screen                                                                                                                                                                                                                          |
| 15. | Ctrl + R  | Recalls the Last narration saved for a specific voucher type, irrespective of the ledger.                                                                                         | At creation/alteration of voucher screen                                                                                                                                                                                                                          |
| 16. | Alt + D   | To delete a voucher or To delete a master or To delete a column in any columnar report                                                                                            | At Voucher and Master (Single) alteration screens.                                                                                                                                                                                                                |
| 17. | Alt + X   | To cancel a voucher in Day Book/List of Vouchers.                                                                                                                                 | At all voucher screens in Tally.ERP 9                                                                                                                                                                                                                             |
| 18. | Alt - 2   | To Duplicate a voucher.                                                                                                                                                           | At List of Vouchers – creates a voucher similar to the one where you positioned the cursor and used this key combination                                                                                                                                          |

|     |          |                                                                       |                                                                                                                       |
|-----|----------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| 19. | Alt - A  | To Add a voucher or To Alter the column in columnar report.           | At List of Vouchers – adds a voucher after the one where you positioned the cursor and used this key combination.     |
| 20. | Alt + 1  | To insert a voucher or To toggle between Item and Accounting invoice. | At List of Vouchers – inserts a voucher before the one where you positioned the cursor and used this key combination. |
| 21. | Alt + R  | To remove a line in a report.                                         | At almost all screens in Tally.ERP 9.                                                                                 |
| 22. | Alt + U  | To retrieve the last line which is removed using Alt + R.             | At all reports screens in Tally.ERP 9                                                                                 |
| 23. | Ctrl + U | To retrieve all lines which are removed using Alt + R.                | At all reports screens in Tally.ERP 9                                                                                 |

| Key Combination Used For Navigation |               |                                                                 |                                                                                                                                                                           |
|-------------------------------------|---------------|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sl. No                              | Key           | Functionality                                                   | Availability                                                                                                                                                              |
| 1.                                  | Enter         | To accept anything you type into a field.                       | You have to use this key at most areas in Tally.ERP 9.                                                                                                                    |
|                                     |               | To accept a voucher or master.                                  |                                                                                                                                                                           |
|                                     |               | To get a report with further details of an item in a report.    |                                                                                                                                                                           |
| 2.                                  | Esc           | To remove what you type into a field.                           | At almost all screens in Tally.ERP 9.                                                                                                                                     |
|                                     |               | To exit a screen.                                               |                                                                                                                                                                           |
|                                     |               | To indicate that you do not want to accept a voucher or ledger. |                                                                                                                                                                           |
| 3.                                  | Shift + Enter | To view next level details and condense the next level details. | At the balance sheet, profit and loss account, trial balance, cash/ bank book(s), group summary, group vouchers, voucher register, day book and list of accounts screens. |
| 4.                                  | Space         | Select the current line.                                        | At all reports screens in Tally.ERP 9                                                                                                                                     |
| 5.                                  | Ctrl + Space  | Select all lines.                                               | At all reports screens in Tally.ERP 9                                                                                                                                     |