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ORIENTAL IT CENTRE

Exploring IT Experiance

TALLY-ERP

ADCA, DCAA, CPA,DIA

OITC

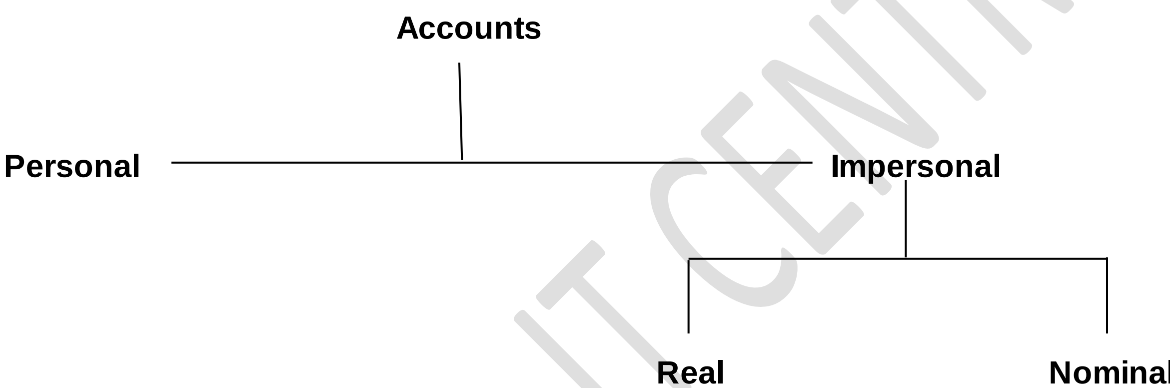
Author,OITC

Tally is an Accounting Package.

Accountancy:

Accounting is the art of recording, classifying and summarizing in a significant manner and in terms of money transaction and events which are in part at least of a financial character and interpreting the result and events which are in part at least of a financial character.

Classification of Accounts:



Personal Accounts:

Accounts recording transaction relating to individual of firms or company are known as Personal accounts.

Personal accounts may further be classified as:

1) **Natural personal accounts** :- The accounts recording transaction relating is individuals human beings (i.e. Rajiv, Vimal etc.) are classified as natural person's personal account.
2) **Artificial personal account**:- The accounts recording transaction relating limited companies, banks, club etc. (Softech Computer A/c, Cotton college A/c, M/s Das & Brothers A/c etc are classified as Artificial personal account.)
3) **Representative personal account:-** The accounts recording transaction relating limited expenses and income are classified as nominal accounts but in certain amount on a particular date is payable to the individual are classified as representative personal accounts. (eg. Wages personal accounts, prepaid personal accounts)

Real Accounts:

The accounts recording transaction relating to tangible things (Which can be touched as a purchase and sold) such as goods, cash, building, machinery etc are classified as tangible real accounts, where as the accounts recording transaction relating to intangible thing (which do not have physical shop) such as goods, Buildings, land, Furniture, copy right trademarks etc.

Nominal Account:

The accounts recording transactions to the losses and income (eg: salary wages, Commissions, bad debt) are classified in nominal account.

What is Debtor?

Ans: A Debtor is a person who owes money to the business. If a person's purchase good on credit, the person is a Debtor to the business.

What is Creditors?

Ans: A Creditor is a person to whom the business owes money. If the business purchases good on credit from a person that person is a creditor to the business.

Golden Rules of Accounts:

1. **Personal Accounts:-**

   Debit (Dr) is the receiver

   Credit (Cr) is what giver

2. **Real Accounts:-**

   Debit (Dr) is what comes in

   Credit (Cr) is what goes out

3. **Nominal Accounts:-**

   Debit (Dr) is expenses and losses.

   Credit (Cr) is income and gains.

Financial Statement:

Trial Balance: As Explain earlier all monetary events classified under various accounts heads which are periodically summerised. This periodical summery is known as Trial balance.

Voucher Entry:

1. **Contra Voucher (F4) -** Bank to cash or Cash to bank
2. **Payment Voucher (F5) -** Every Cash/ Cheque payments.
3. **Receipt Voucher (F6) -** Every cash/ Cheque receipt.
4. **Journal Voucher (F7) -** All Non – cash translation (all accounting transaction not involving any cash or bank ledger)
5. **Sales Voucher (F8)-** All sorts of sales
6. **Purchase Voucher (F9)-** All sorts of purchase

Buttons	**Function**
Alt + F1	Select a Company
F2	To change the date
Alt + F2	To change the period
Alt + F3	For creating a Company
F4	Contra Voucher
F5	Payment Voucher
F6	Receipt Voucher
F7	Journal Voucher
F8	Sales Voucher
F9	Purchase Voucher
F10	To change Company feature
F11	To change configuration of voucher

Accounts Ledger	**Group Under**
Purchase A/c	Purchase A/c
Sales A/c	Sales A/c
Bank loan	Secured loan
Sales tax	Duties & Taxes
Income tax	Duties & Taxes
Commission received	indirect incomes
Discount paid	Indirect Expenses
Bad Debt	Provision (for Debt)
Carriage inward	Direct Expenses
Carriage outward	Indirect Expenses
Drawing A/c	Capital A/c
Shaskar Capital A/c	Capital A/c
Depreciation A/c	Indirect Expenses
Salary A/c	Indirect Expenses
Furniture A/c	Fixed asset
Advertisement A/c	Indirect Expenses
Discount Received	Indirect Income
Wages A/c	Direct Expenses
Return inward	Sales A/c
Return outward	Purchase A/c

Draft & D/D A/c---------------------------- Indirect Expenses

Computer A/c ------------------------------- Fixed Assets

SPL India LTD------------------------------ Sunday creditor

Bank current A/c --------------------------- Bank A/c

Electricity Bill------------------------------- Indirect Expenses

Rent paid ----------------------------------- Indirect Expenses

Telephone bill------------------------------ Fixed Assets

Cheque & D/D A/c ----------------------- Cash In Hand

Machine A/c -------------------------------- Fixed Assets

Stationary A/c------------------------------ Indirect Expenses

Capital A/c ---------------------------------- Capital A/c

Some of Transactions are…

1. Mr. X started a business with a Capital Rs. 100000.

By Cash	10000	
To Capital		100000

(Being commencement of the business)

Type of voucher – **Receipt (F6)**

2. Purchased furniture for 20000 (Fixed is a fixed asset)

By Furniture A/c	20000	
To Cash		20000

(Being purchased furniture in cash)

Type of voucher**- Payment (F5)**

3. He opened a bank account Deposits Rupees 22000

By Bank A/c	22000	
To Cash		22000

(Being Bank A/c opened and cash deposited)

Type of voucher – **Contra (F4)**

4. Purchased goods for Rs. 22124 in cash

By Purchased A/c	22124	
To Cash		22124

(Being goods Purchased in cash)

Type of voucher – **Purchased (F9)**

5. Sold goods worth Rs. 24240 in Cash

By Cash	24240	
To Sales A/c		24240

(Being goods sold In Cash)

Type of Voucher **– Sales (F8**)

6. Salary Paid to staff for the month Rs. 12246

By Salary A/c	12246	
To Cash		12246

(Being Salary Paid in cash)

Type of voucher **– Payment (F5)**

7. Cash withdrawn from bank 10000

By cash	10000	
To Bank A/c		10000

(Being Cash withdrawn from Bank)

Type of voucher – **Contra (F4)**

8. Paid for stationary 245

By stationary A/c	245	
To cash		245

(Being Rupees paid for stationary)

Type of voucher - **Payment (F5)**

9. Purchased goods from Rama store Worth Rs 24000 on credit

By Purchased A/c	24000	
To Rama store (Sundry Creditor)		24000

(Being purchased goods on credit)

Type of voucher – **Purchase (F9)**

10. Sold goods to Vikash worth Rs. 32000 on credit

By Vikash A/c (Sundry)	32000	
To Sales A/c (Debtor)		32000

(Being goods Sold on credit)

Type of voucher – **sales (F8)**

11. Mr. X withdraw Rs. 248 from business for his personal use

By Drawings A/c	248	
To cash		248

(Being cash withdraw from business personal use)

Type of voucher – **Payment (F5)**

12. Issued one cheque for Rs. 4236 for Advertisement

By Advertisement A/c	4236	
To Bank A/c		4236

(Being issued cheque for Advertisement

Type of voucher – **Payment (F5)**

13. Telephone bill paid Rs. 1200 in Cash

By Telephone Bill A/c	1200	
To Cash		1200

(Being Telephone Bill paid)

Type of voucher **– Payment (F5)**

14. Rent paid for the month Rs. 4000 by cheque

By Rent a/c	4000	
To Bank A/c		4000

(Being Rent paid by cheque)

Type of voucher**- Payment (F5)**

15. Taken loan from SBI Rs. 50000

By cash A/c	50000	
To SBI Loan A/c		50000

(Being Loan taken from SBI)

Type of voucher **– Receipt (F6)**

16. Borrowed Rs. 20000 from Vishal – Unsecured loan

By cash A/c	20000	
To Vishal A/c		20000

(Being loan taken from Vishal)

Type of voucher **– Receipt (F6)**

17. Paid to Rama store Rs. 24000 and discount received Rs. 240

By Rama store A/c	24000	
To Cash A/c		23760
To Discount received		240

(Being amount paid to Rama store and discount received)

Type of voucher **– Payment (F5)**

18. Received Rs. 32000 from Vikash and discount allowed to him Rs. 500

By Cash	31500

To Discount allowed	500	
To Vikash		32000

(Being amount received and discount allowed)

Type of voucher – **Receipt (F6)**

BILLWISE DETAILS :

First Press F11 (Enter) set yes all maintain Bill wise Details- YES

Accounts info > Ledger > Create- Enter

Purchase A/c (under Purchase A/c), Sales A/c (Sales A/c), SR Enterprises (Sundry Creditors), Manoj A/c (Sundry Debtors) then go to Accounting Voucher enter

Press F9 (Purchase)

	Dr	Cr
To SR Enterprises A/c		10000
New Ref Bill no.- 1		
By Purchase A/c	10000 enter	

Return to Gateway of Tally > Display

Statement of Accounts > Outstanding > Payables - Enter

Go to Accounting Voucher Enter

Press F5 (Payment)

	Dr	Cr
By SR Enterprise A/c	5000	
Against Bill no -1		
To Cash		5000

For Sales

Go to Accounting Voucher Enter Press F8 (Sales Voucher)

	Dr	Cr
By Monoj a/c	5000	
New reference Bill no- 1		
To Sales A/c		5000

Return to Gateway of Tally- Enter Display- Enter Statement of Accounting - Enter Outstanding - Enter - Receivables –Enter - Receipt

	Dr	Cr
To Monoj A/c		1200
Against Referance Bill no- 1		
By Cash A/c	1200	

Returned to gateway of Tally enter Display enter Statement of Accounting enter Outstanding enter Receivable enter.

COST CENTER:

First **Press F11** and set **Yes** at **Maintain Cost Center** and Go to- Accounts info- Create- Ledger

Example - Salary A/c under Indirect Expenses

Cost centers are applicable- **yes**

Then Go to **Cost Center** Enter – **Create** – Enter (Single Cost Center)

Create Salary A/c (under primary) and Name of Employees (under Salary A/c) (Example- Pooja A/c under Salary a/c)

Then Go to Accounting Voucher – Enter Press -F5 (Payment)

	Dr	Cr
By Salary A/c	25000	
Name of Cost Center - Amount		
Puja A/c		6000
Pankaj A/c		7000
Babu A/c		7000
Sabita A/c		5000
To Cash A/c	25000	

Return to **Gateway of Tally**

Display > A/c Book > Ledger > Salary A/c -Enter

INVENTORY:

First Create a Company (**Accounts with Inventory**.)

Go to **Inventory info > Stock Group > Create - enter**

Example: Rice under Primary

Dull under Primary

Soap under Primary

Washing Powder under Primary

Then Go to **Unit of Measure < Create - Enter**

Example: - Kg (Kilogram)

No (Number)

Pcs (Pieces)

Pkg (Package)

Then Go to **Stock Items > Create > Enter**

Example:- Basmati under Rice unit Kg

Lux under soap unit pcs

Masur under Dull unit Kg

Wheel under Washing Powder unit Kg

Then **Create Ledger like Purchase A/c under Sundry Creditors and Sales A/c Sundry Debtors**

Then Go to **Accounting Voucher Enter Press F9 (as Purchase Voucher)**

	Dr	Cr
To SR Enterprises	1000	
By Purchase		1000

Name of Item	Quantity	Rate	Amount
Basmati	25 Kg	Rs. 35	
Joha	15 Kg	Rs. 30	
Breeze	6 pcs	Rs. 6	
Wheel	3 Pkg	Rs. 12	

Enter

Return to Gateway of Tally > then Go to Stock Summary - Enter

Press Alt+F1

Sales

Go to Accounting Vouchers - Enter - **Press F8 (As Sales Voucher)**

	Dr	Cr
By Monoj a/c (Sundry Debtors)	55000	
To Sales A/c		55000

Name of Item	Quantity	Rate	Amount
Basmati	15 Kg	Rs. 38	
masur	10 Kg	Rs. 40	
Breeze	6 pcs	Rs. 7	
Wheel	2 Pkg	Rs. 12	

MAINTAIN MULTIPLE GODOWN:

First Press- F11 - Enter then set yes at Maintain Multiple Godown and Accept then go to Inventory Info- Enter- Godown Enter- Create- Enter

Name- Fancy Bazar under main location

Name- Pan Bazar under main location then

Go **to Accounting Vouchers Enter Then Press F9 (Purchase)**

	Dr	Cr
To SR Enterprice		1000
By Purchase	1000	

Godown	Quantity	Rate	Amount
Fancy Bazaar	25 Kg	30	
Pan Bazar	25 Kg	30	

Name of Item

Return to Gateway of Tally > Display > Statement of Inventory > Godown > (Select Godown Name and Press Enter)

Sales

Again Press F8 (Sales Voucher)

	Dr	Cr
By Monoj a/c	2000	

Name of Item Enter

Godown	**Quantity**	**Rate**	**Amount**
Fancy Bazaar	25 Kg	45	

Return to **Gateway of Tally Display > Statement of Inventory > Godown (Select Godown Name and Press Enter)**

Go to Accounting Voucher > Press Alt+F7

Transfer of Material

Source (Consumption)					Destination (Production)				
Name of item	God.	Quantity	Rate	Amount	Name of item	God.	Quantity	Rate	Amount
Masur	PanBazar	25 Kg	45	675	Masur	Fancy Bazar	25 Kg	45	675

Return to Gateway of Tally > Display > Day Book Enter

VAT (VALUE ADDED TAX)

First Create a company with Name of State and setting **yes** at use Indian VAT and VAT Tin No. (11 digit)

Then Go to Account info and Create Ledger.

1) Purchase @ 4%

   Under Purchase Account

   Used in vat returns? Yes

   Vat/Tax class Purchase @4%

   Inventory values are affected? Yes

2) Purchase @ 12.5%

Under Purchase Account

Used in vat returns? Yes

Vat/Tax class Purchase @ 12.5%

Inventory values are affected? Yes

3) Sales @ 4%

Under Sales Account

Used in vat returns? Yes

Vat/Tax class Sales @4%

Inventory values are affected? Yes

4) Sales@ 12.5%

Under Sales Account

Used in vat returns? Yes

Vat/Tax class Sales @4%

Inventory values are affected? Yes

5) Input vat @ 12.5%

Under Duties and Tax

Type of Duty/Tax: Vat

Vat/Tax class input vat @ 12.5%

Inventory values are affected? No

6) Out5put vat @ 4%

Under Duties and Tax

Type of Duty/Tax: Vat

Vat/Tax class Output vat @ 12.5%

Inventory values are affected? No

7) Output vat @ 12.5%

Under Duties and Tax

Type of Duty/Tax: Vat

Vat/Tax class output vat @ 12.5%

Inventory values are affected? No

1) Output vat @ 12.5%

Under Duties and Tax

Type of Duty/Tax: Vat

Vat/Tax class output vat @ 12.5%

Inventory values are affected? No

S. R Enterprise

Under: Sundry Creditors

Monoj Enterprise

Under: Sundry Debtors

Then Go to Inventory Info and Create Stock Groups, Unit of Measure, Stock Items, and then Go to Accounting Voucher Enter then Press F9.

Party A/c Name: SR Enterprise

Current balance:

Purchase Ledger: Purchase @12.5%

VAT/Tax Class:- Purchase @12.5%

Name of Item	Quantity	Rate Per	Amount
LUX	10 pcs	Rs. 15	150.00
Swastik	48 Kg	Rs. 75 per Kg	3600
			…………

Output vat @ 12.5% ……………………

Return to Gateway of Tally Enter Display Enter

Statutory Report Enter

VAT Report Enter

VAT Computation Enter

MULTI VAT

Press F12 then Go to Invoice/order Entry Enter set no at (use common Ledger A/c for item allocation)? And set no. (Allow selection of VAT/Tax class during entry?)

Then **Go to Accounting info Enter and Create Ledger**

1) Purchase @ 4%
2) Sales @ 4%
3) Purchase @ 12.5%
4) Purchase exempted
5) Sales @ 12.5%
6) Sales exempted
7) Input Vat @ 12.5%
8) Input Vat @ 4%
9) Output Vat @ 12.5%
10) Output Vat @ 4 %

Then **Create Stock Group, Stock item, and Unit of Measure**

Then go to **Accounting Voucher Enter**

Press F9

Party Name: S R Enterprises

Name of Item	Quantity	Rate Per	Amount
LUX	10 pcs	Rs. 2	20.00

Particulars	VAT/Tax Class	Amount

Purchase @ 12.5%	Purchase @ 12.5%		20.00
Wheel	12 pkt	Rs. 14.00 pkt	168.00
Input Vat @ 12.5%	12.5%		250.00
Input vat @ 4%	4%		672.00

Sales (Output)

Go to **Accounting Vouchers**

Press F8(as Sales Vouchers)

Party name: Manoj A/c

Name of Item	**Quantity**	**Rate Per**	**Amount**
LUX	9 pcs	Rs. 3.00/pcs	27.00
Particulars	**VAT/Tax Class**		**Amount**
Sales @ 12.5%	Sales @ 12.5%		27.00
Wheel	9 pkt	Rs. 16.00/pkt	144.00
Output Vat @ 12.5%		12.50%	Rs. 3.38
Output vat @ 4%		4%	Rs. 5.76

Return to **Gateway of Tally Enter**

Display Enter

Statutory Report Enter

VAT Report Enter

VAT Computation Enter

TDS (TAX DEDUCTION AT SOURCE)

First **Press F11 and Set Yes to (Statutory & Taxation)**

1) Enable **T.D.S- Yes Enter (Set/Alter T.D.S details)**
2) **Maintain Billwise Details- Yes**
3) Set/Modify other Company Feature- **Yes** Enter
4) Enter T.D.S Deduction Details **(Yes)** Enter

   Tax Assessment No.- Tax 5642

   Income Tax Circle/Word (T.D.S): word No. ii

   Deduction type: Company

   Name of Person responsible: Ram

   Designation: Accountant

Go to **Account Info Enter Ledger Enter Create Enter**

1) T.D.S on Professional Service

   Under: Duties & Taxes

   Type of Duty/Tax: T.D.S

   Nature of Payment: Fees for professional or technical service

   Ignore T.D.S Exemption Limit- Yes

2) Professional charge

   Under: Indirect Expenses

3) Advocate Kumar

   Under: Sundry Creditors

   Is TDS Applicable? Yes

   Deduction type: Association of Person

   Ignore Surcharge Exemption Limit—Yes

   Maintain balance bill- Bill-Yes

Go to Accounting Voucher Enter Press F7 (As Journal Voucher)

<u>Journal 1:</u>

By Professional charge 10000

To Advocate Kumar 10000

Ref: Advocate Kumar TDS of Professional Service

Then click on TDS Deduction (on the button bar)

<u>Journal 2:</u>

By Advocate Kumar 561

(TDS A. Kumar 561/-)

To TDS on Professional Service 561

TDS Details for: TDS on professional service

Then Go to **Payment Voucher (F5)**

<u>Payment 1:</u>

By Advocate Kumar 9439

Agst Ref A. Kuamr

To Cash 9439

<u>Payment 2:</u>

By TDS on professional service 561

TDS Details for: TDS on professional Service

Agst ref 2

To Cash 561

Then Go to Display > Statutory Report > TDS Report Printer (or click Direct day is Exception Report- TDS not Deduction)

SERVICE TAX:

First Press F11 (Features) and Set to Yes

1) Enable Service Tax
2) Bill wise details - Set Alter service tax details
3) Set/Modify other Company Feature Enter

Enter Service Tax Details- Yes enter

Service Tax Reg. – 2246

Date of Reg. – 1-4-2000

Assets code- abc123

Type of organization: Company Resident

Major Service category- Air Travel agency

Credit adjustment- 20%

Focal Bank name:

Focal Bank code: SBI 1298

Focal Bank name: State Bank of India

Focal Bank name: A.T. Road, Ghy

Then **Accounts Info Enter Ledger Enter Create Enter**

1) Service Income

   Under: Sales A/c

   Type of Duty/Tax: Air Travel Agency

   Maintain Balances bill by bill- No

   Inventory values are selected- No

2) Service Tax

   Under- Duties and Tax

   Category name- Air Travel Agency

3) R.B Corporation

Under- Sundry Debtors.

Is Service Tax Applicable: Yes

Maintain Balance Bill by Bill: Yes

Inventory values are affected- No

Then **Go to Accounting Voucher Enter Press F8 (Sales Voucher)**

Party A/c Name – R.B.Corporation

Particulars

Service Income 4000

Service Tax 10%

Service Tax Details

Service ledger

Service Amount 4000

Less

Abatement 20% @ 10%

Service Tax @ 2%

Cess

New Ref. Sale Enter

Then **Go to Receipt Voucher**

To R.B.Corporation

(Agst Ref.)

By Cash

Then return **Gateway of Tally < Display < Statutory Report**

Service Tax Payable

Then Go to Payment Voucher

By Service Tax

(Agst Ref.)

To Cash/Bank

TRACKING NO:

Press F11 Enter Set Yes to

"Allow purchase order processing"

"Allow Sales order processing"

"Use Tracking No"

Ledger required:

1) Purchase A/c
2) Sales A/c
3) Sundry creditors (X A/c)
4) Sundry Debtors (Y A/c)

Then Create Stock Group

Units of Measure

Stock Item

Then **Go to Accounting Voucher Enter**

Press (Alt+F4) Purchase Order

Purchase order

Party A/c Name: (X A/c) order No:1

Purchase ledger: Purchase A/c

Name of item	Qty	Rate	Amount
Rin			
….Due on 1.4.06			
	20	20.00	400.00

Enter

Then **Go to Receipt note (Alt+F9)**

Name of item	Qty	Rate	Amount
Rin			
….Tracking 1			

Enter

Gateway of Tally < Display < Statement of Inventory < Purchase bill pending Enter

(Goods received but bill not received)

Again Go to Accounting Voucher Enter

Press F9

Purchase

Purchase ledger: Purchase A/c

Name of item	Qty	Rate	Amount
Rin			
….Due on 1.4.06			
	20	20.00	400.00 enter

Enter enter

Sales Order – Alt+F5

Delivery Note – Alt+F8

Sales Voucher – F8

DEBIT / CREDIT NOTE:

First **Press F11 and set Yes to "Use Debit/ Credit Note" Enter**

Ledger required

1) Purchase A/c under Purchase A/c
2) Sales A/c under Sales A/c
3) X A/c under Sundry Creditors

4) Y A/c under Sundry Debtors
5) Purchase return under Purchase A/c
6) Sales Return under Sales A/c

Then **Go to Accounting Voucher Enter**

Press F9 (Purchase)

To X A/c	20000	
By Purchase A/c		20000

Narration Enter Enter

Again **Go to Accounting Voucher Enter**

Press Alt+F9

<u>Debit Note</u>

By X A/c	2000	
To Purchase Returns A/c		2000

Narration (Being goods Return to X)

Then **Go to Sales Voucher**

Press F8 (Sales)

By Y A/c (Sundry Debtors)		20000
To Sales A/c	20000	

Narration Enter Enter

Then **Go to Credit Note**

Press Alt+F8

<u>Credit Note</u>

To Y A/c	5000	
By Sales Returns A/c		5000

Narration (Being goods return from Y)

FRINGE BENEFITS TAX :

Introduction

The Finance Act, 2005 introduced a new Tax structure under the title, Benefit Tax (FBT) by introducing a new chapter, XII-H in the income Tax Act 1961, containing sections 115 W to 115 WL, which provides for the levy additional income tax on fringe benefits offered by employers to their employees, FBT is payable in the year in which the expenditure is incurred. Irrespective of whether the expenditure is capitalized or not. However the same expenditure will not be liable to FBT again in the year in which it is amortized and change to profit.

Characteristic of FBT:

Fringe benefits tax is

- A tax of expenditure, not income.
- A tax of employers, not employees.
- A surrogate tax on employers.
- A tax on benefits enjoyed collectively by employers and cannot be attributed to individual employees.
- Payable by the employer only if he has employees based on India.
- Payable irrespective of whether the employer is liable to pay income tax on his total income.
- In the nature of an additional income tax.

Meaning of Fringe Benefits:

Fringe benefits mean

a. Any privilege, service, facility or amenity directly or indirectly provided by an employer to his employees (including former employees) by reason of their employment. It also includes reimbursement made by the employer, either directly or indirectly, to the employees for any purpose.
b. Any free of concession tickets provided by the employer for private journeys undertaken by the employees or their family members.
c. Contribution by the employer to an approved superannuation fund.

Meaning of Deemed Fringe benefits:

Fringe benefits shall be deemed to have been provided if the employer has, in the course of his business or profession (including any activity whether or not such activity is carried on with the object of deriving income profit or gains), incurred any expense or on made any payment for the following purposes, Namely-

A) Entertainment
B) Conveyance, tour and travel (including foreign travel)
C) Festival celebration.
D) Gifts.

Employers who are liable to pay Fringe benefits Tax

1) An individual or a Hindu Undivided Family (HUF) engaged in a business or profession. The profits and gains where of are assessable to income Tax under the head “profit and gains” of
   i. Business or profession
   ii. A company
   iii. A Firm
   iv. An association of person or a body of individuals, whether incorporated or not.
   v. A Local Authority
   vi. Every artificial Juridical person not falling within any of the proceeding sub-clauses.

…… Enabling FBT in Tally

Activation o0f FBT in Tally is a one – time configuration in Tally.

To enable FBT feature in Tally

1) Create/migrate a company.
2) Enable FBT in F11: Company feature.
3) Specify FBT assessee details.
4) Record transactions by creating master with FBT configuration under different FBT classifications.
5) Record payment of FBT and generate FBT challans and other related reports.

Company Create and press Enter to Accept.

Go to **Gateway of Tally press F11: Select Statutory & Taxation Enter Company Name Enter.**

Set Enable Fringe Benefits Tax (FBT) to Yes.

Enable Set/Alter FBT details to Yes.

Enter the details in FBT Assessee Details Screen

. #PAN/Income Tax Number: CIPL125115.

. #Select a Assessee Type as Firms/Domestic Companies.

. #Set a Surcharge Applicable to Yes

. #Select Other as Assessee a Category

Create Ledger

1) HDFC Bank
   Under: Bank Accounts
   Ensure that the opening Balance is Rs. 150000

2) Conveyance Expenses
   Under: Indirect Expenses
   Set in FBT Applicable to Yes
   Select Conveyance, Tours and Travel (Including Foreign Travel) from FBT Category.

3) Entertainment Expenses
   Under: Indirect Expenses
   Set is FBT Applicable to Yes
   Select not Applicable from FBT category

4) Dynamic Cable Network
   Under: Sundry Creditors
   Set Maintain bill by bill Yes

   . #Then go to Gateway of Tally & Select Accounting Voucher
   Press F12 (make a single mode)
   Then press F5 Payment Voucher

   Account:: HDFC Bank
   Current balance: ……..

   Conveyance Expenses 10000
   …. Then **Press F7 Journal Voucher**
   Dr Entertainment Expenses 4500

Cr Dynamic Cable Network 4500

…. Then press F5 Payment Voucher

Account: HDFC Bank
Current Balance: …..

Dynamic Cable Network 4500

.#Create Ledger

1) Reliance Petrol Industries
   Under: Sundry Creditors
   Set Maintain balances bill by bill -Yes

2) Fuel for staff under direct expenses
   Set is FBT applicable Yes
   Select Repairs Running and maintain Motor Car

3) Fuel for Office under direct expenses
   Set FBT Applicable: No

Then go to Gateway of tally Select Accounting voucher enter press F9 Purchase Voucher

Party A/c Name: Reliance Petrol Industries
Fuel for staff: 12000
Fuel for Office: 8000

Create ledger
Fringe Benefit Tax
Under: Duties & Tax
Type of Duty/tax: FBT
Then go Accounting voucher enter press F5 Payment voucher (Single Entry Mode)
Click FBT Helper to view the FBT Filters Screen
Type of Payment: Self Assessment Tax (300)
FBT Ledger: Fringe Benefits Tax (FBT)

From Date: 1-4-2006
To Date: 1-7-2006
Account: HDFC Bank
Fringe Benefits Tax Ledger 2121

EXCISE DEALER:

Introduction

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, Excise Duty is chargeable at the time of production or manufacture, but for convenience it is charged at the time of removal.

It is indirect tax on the manufacture 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 rates specified under the central Excise tariff Act, 1985. The duty is commonly refer to as Basic Excise Duty. Certain items like fiber, yarn and so on also attract Additional Excise Duty under Additional Duties of Excise (Textiles and Textile Articles) Act 1975.

Basic Concepts:

The following are some basic terms related to Excise.

Excisable Goods:

Excisable goods are goods specified in the schedule of the Central Excise Tariff Act, 1985 as being subject to duty of excise.

The basic conditions to be specified are:

a. The goods must be movable.
b. The goods must be remarkable i.e. saleable in the market such goods. Actual sale of goods in the market is not necessary as excise duty is chargeable on manufacture and not on sale.
c. The goods must be specified in the central Excise Tariff Act.

Dealer of Excisable Goods:

A dealer of excisable goods is one who is registered under Central Excise Rules

Any of the following categories would constitute a registered dealer

1. Depot of a manufacture or the premises of the consignment agent of the manufacture or any other premises from where the goods are sold on behalf of the manufacture.
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 dealer who purchase the goods directly from:

1. The manufacturer registered under the provision of the central excise rules, 2002, or representative of such manufacture, under cover of an invoice.
2. An importer or from the representative of such importer, under cover of an invoice.

Second Stage Dealer

A Second Stage Dealer is one who purchases goods from a first stage dealer.

First create a company then press F11 select statutory and Taxation and enter

Enable Dealer Excise: Yes

Set/Alter details to: Yes

Enable Value Added Tax (VAT)

Set/Alter VAT Details: Yes

Company Excise Details: acf45612 Commissinarate: KUMARPARA

Range Division

Code: viii Code: iv

Name: Softech

Address: Kumarpara Guwahati

Name: Softech

Address: Kumarpara

Then Select **Accounting info Enter Ledger Create Enter**

1. Name: Stalin Stain Industries
   Under: Sundry Creditors
   Set Maintain balances bill by bill: Yes
   Set Excise Details: Yes
   Select: manufacture
2. Name: Decora Engineers
   Under: Sundry Debtors
   Set Maintain balances bill by bill: Yes
   Set Excise Details: Yes
   Select: Second Stage Dealer

3. Purchase Excisable Goods
   Under: Purchase Account
   Set used in VAT Returns: Yes
   Select: Purchased @ 4% from the VAT/Tax class
4. Input vat @ 4%
   Under: Duties and Tax
   Set used in VAT Returns: Yes
   Select: input VAT @ 4%

5. Sales Excisable Goods
   Under: Sales Account
   Set used in VAT Returns: Yes
   Select: Sales @ 4% from the VAT/Tax class

6. Output vat @ 4%
   Under: Duties and Tax
   Set used in VAT Returns: Yes
   Select: output VAT @ 4%

Then **Go to Gateway of Tally Select Accounts Info Enter Select Voucher types Enter select Create Enter**

Name: Excise Purchase

Abbr: Excise Purchase

Use of voucher Numbering: Automatic

By default use common Narration is set to Yes

Set use for Dealer excise to: Yes

Name: Excise Sales

Abbr: Excise Sales

Use of Voucher Numbering: Automatic

By default use Common Narration is set to Yes

Set use for Dealer excise to: Yes

Then **Go to Gateway of Tally < Inventory Info < Stock Items < Create Enter**

Name: Rolled Coils

Under: Primary

Units: MT

Excise details: Yes

Type of Duty	Rate of Duty	Method of Calculation
Basic Excise Duty	16%	On Assessable Value
Education cess	2%	On Duty Value

Then **Go to Gateway of Tally select Accounting Vouchers Enter Press F9 Purchase Voucher**

Select Excised purchased

Party A/c Name: Stalin Steel Industries

Nature of Purchased: manufacture

Name of Item	Quantity	Rate per	Amount
Rolled Coils Input vat @ 4%	400 mt	561.61 mt 4%	2326640 9305.60

Press **F8 Sales Voucher** select

Excise Sales

Party A/c Name: Decora Engineers

Name of Item	Quantity	Rate Per	Amount
Rolled Coils Output VAT @ 4%	250 mt -	600 mt 4%	150000 6000

Then **Go to Gateway of Tally select Display Enter Statutory Reports Enter Dealer Excise Reports Enter**

Form 2 Enter select Yes Click Zoom

VAT FOR COMPOSITE DEALER

Introduction

All dealers with a gross annual turnover above the specified limit as determined by the states are required to be registered under the VAT act of the respective state. All existing dealer are automatically registered under the VAT act, while a new dealer is allowed thirty days from the date of liability to get registered.

Small dealer with gross turnover not exceeding Rs. 5 lakh are not liable to pay VAT, This change limit of Rs. 5 lakh may very from state to state.

Dealer with an annual gross turnover not exceeding Rs. 50 lakh who are otherwise liable to pay VAT, can opt for a composition scheme with a payment of tax at a small percentage of gross turnover (again the limit of Rs. 50 lakh varies from state to state). This option is particular convenient for a retailer who normally sells to the end user/consumer.

Dealer opting for this composition scheme shell not collect VAT on their invoice, and they are not entitle to input Tax Credit on their purchases. The VAT paid on their purchases will be the total cost of purchases but they are required to submit their VAT returns every quarter in a separate format.

First Create a Company (Select Create and Enter)

Then Gateway of Tally Press F11 and select Statutory Taxation Enter Company Name Enter.

Set enable value added Tax: Yes

Enable set/Alter VAT details: Yes and Press Enter

State: Karnataka

Types of Dealers: Composition

Condition of Scheme Applicable: 1-4-2005

Then Create Ledger

1. Purchase A/c Under Purchase Account

Set Inventory values are affected to Yes

Set used in VAT Returns to Yes

Set VAT/Tax class to not applicable

2. Hindustan Traders under Sundry Creditors
   Let Maintain Balances bill by bill to Yes
   Inventory values are affected No
3. Sales under: Sales Account
   Set Inventory values are affected to Yes
   Set Used in VAT Returns to Yes
   Set VAT/ Tax class to Sales Composition Tax @ 1%
4. Greenport PVT LTD Under Sundry Debtors
   Set Maintain Balance bill by bill to Yes
   Inventory values are affected No

Inventory Information select and Enter Units of Measure select and Enter
Create Enter
Type: Simple
Symbol: No
Formal Name: Number
Number of Decimal places: 0
Then select Stock Group Enter Create Enter
Computer
Under: Primary
Then select stock items enter create enter
Keyboard/Mouse/CPU/Monitor
Under: Computer
Units: No's
Then go to Accounting voucher Enter press F9 (Purchase voucher)
Party Account Name: Hindustan Traders
Purchase ledger Purchase
VAT/Tax Class: Not applicable

Name of Item	Quantity	Rate per	Amount
Keyboard	5 Nos	2080 Nos	10400
Mouse	10 Nos	1560 Nos	15600
CPU	5 Nos	7800 Nos	39000
Monitor	6 Nos	5200 Nos	31200

Then Go to Accounting Voucher Enter Press F8 (Purchase Voucher)
Party A/c Name: Greenport PVT LTD
Sales Ledger Sales
VAT/Tax Class: Sales composition 1%

Name of Item	Quantity	Rate per	Amount
Keyboard	5 Nos	3000 Nos	15000
Mouse	10 Nos	2000 Nos	14000
CPU	5 Nos	8000 Nos	40000
Monitor	6 Nos	6000 Nos	36000

End of list
Display Enter Statutory Reports Enter VAT Reports Enter VAT composition Reports Enter

POS (POINT OF SALE):

First **Create a company then Press F11(Features) Select Statutory and Taxation Enter**
Enable value added Tax: Yes
Set Alter VAT details: Yes
Then **Go to Gateway of Tally** select **Accounting info** enter **Ledger** enter Create **Enter**

1. Purchase VAT @ 4%
   Under: Purchase Account
   Set used in VAT returns: Yes
   Select Purchased @ 4% from the VAT/Tax class
2. Input VAT @ 4%
   Under: Duties and Tax
   Set used in VAT returns: Yes
   Select: input VAT @ 4%
3. Sales VAT @ 4%
   Under: Sales A/c
   Set used in VAT returns: Yes
   Select: Sales @ 4% from the VAT/Tax class
4. Output VAT @ 4%
   Under: Duties and Tax
   Set used in VAT returns: Yes
   Select: Output VAT @ 4%
5. Gift Voucher
   Under: Sundry Debtors
6. Credit Card
   Under: Bank A/c
7. HDFC Bank
   Under: Bank A/c
8. Ram A/c
   Under: Sundry Debtors
9. Hari A/c
   Under: Sundry Creditors

Then **Go to Gateway of Tally select Inventory info Enter Stock Item select and Enter Create Enter**

Name: Mouse

Under: Primary

Units of Measure: No

Then **Go to Gateway of Tally select Accounts info and Enter select Voucher types and enter Create Enter**

Name: POS
Type of Voucher: Sales
Abbr: Sales
Method of Voucher Numbering: Automatic
Use common narration: Yes
Use pos invoicing: Yes
Name of Class: POS

Default Ledger Account for POS invoice

Gift Voucher: Yes Gift Voucher

Credit/Debit card Payment: Yes Credit card

Cheque/ DD Yes HDFC Account

Cash Yes Cash A/c

Ledger Name	**VAT/Tax Class**	**Percentage %**	**Rounding Method**	**Overriding Default**
Sales A/c	Sales @ 4%	96%	Not Applicable	No
Output VAT @ 4%	Output VAT @ 4%	4%		

Then **Go to Gateway of Tally select Accounting voucher and enter press F9 (Purchase voucher)**

Party Account Name: Hari

Name of Item	Quantity	Rate per	Amount
Mouse	3 Nos	1000 nos	3000
Select (Purchase VAT @ 4%)			
Input VAT 4%		4%	120

Press F8 (Select POS)
Name: POS
Class: POS

Name of Item	Quantity	Rate per	Amount
Mouse	3 Nos	1200 nos	3600

Gift Voucher: Yes Gift Voucher 1000
Credit/Debit card Payment: Yes Credit card 500 card no 451233
Cheque/DD Yes HDFC Account 1000 Bank Name: HDFC
Cash Yes Cash A/c 1100 Cash Tender: 1100
Then Accept then click Yes click zoom

BATCH – WISE DETAILS:

First Create a Company then Press F11 select Inventory features Enter

1) Maintain stock category - Yes
2) Maintain Batch wise Details: Yes
3) Set expiry Dates for Batches: Yes

Select Accounts Info Inter Ledger Enter Create Enter

Name: Purchase A/c

Under: Purchase A/c

Inventory values are affected: Yes

Name: Ram A/c

Under: Sundry Debtors

Inventory values are affected: No

Name: Hari A/c

Under: Sundry Creditors

Inventory values are affected: No

Select Inventory Info Enter select Stock Group Enter Create Enter

Name: Medicine

Under: Primary

Select Units of Measure Enter create Enter

Name: Liver Tonic

Under: Primary

Name Cough Syrup

Under: Primary

Select Stock Items Enter create Enter

Name: Zeet

Under: Medicine

Category: Cough Syrup

Units: Bot

Maintain in Batches – Yes

Track date of Mfg – Yes

Use expiry date: Yes

Set Components (BOM): No

Name: Livosin

Under: Medicine

Category: Liver tonic

Units: Bot

Maintain in batches – Yes

Track date of Mfg – Yes

Use expiry date: Yes

Set Components (BOM): No

Select **Accounting Voucher** enter **Press F9 (Purchase voucher)**

(Click invoice mode)

By Purchase A/c	35000	
To Hari A/c		35000

Zeet

On Mfg Duty	Expiry dates	Quantity	Rate Per	Amount
1 April 2008	1 May	5000	30 bot	15000

Livosin

On Mfg Duty	Expiry dates	Quantity	Rate Per	Amount
1 April 2008	1 July	5000	40 bot	200000

Then **Press F8 (Sales Voucher)**

By Ram A/c

To Sales

PAYROLL:

Press F11 Accounting feature enter

Maintain Payroll – Yes

More than one Payroll – Yes

(Accept the screen)

Go to Payroll info nter

Units (Work) enter

Create enter

1. Simple

Symbol: Min
Minute

2. Simple: Hr
Hour
3. Compound
Hr of 60 Mi

1) Go to **Attendance/ Production Types Enter**
Create enter
Name: Present
Under: Primary
Attendance Type: Production
Unit: Hr
2) Go to **Employees Group enter Create Enter**
Category: Primary Cost Category
Name: Officer/ Marketing/ Gr. IV
Under: Primary
Go to employees enter create enter
Category: Primary Cost Category
Name: Krishna
Under: Primary
Date of joining: 1-4-2006
3) Go to **Pay Heads Enter Create Enter**
Name: Basic Salary
Pay head Types: Earning for employees
Under: Indirect expenses
Appears in Pay in slip: Yes
Name of appear Pay in slip: Basic Salary
Use for gratuity: Yes
Calculation Type: On attendance
Attendance/ Leave with pay: Present
Calculation period: Month
Per day calculation Basic: User defined calendar
Month: 30 month
4) **Gratuity**
Pay Head Type: Gratuity
Gratuity Date of Month: 6

From	To	
1	60	0
60	120	72
121	0	72

5) Name: **DA**
Pay Head Types: Earning for employees
Under: Indirect Expenses
Appears in pay slip in slip: Yes
Name of appear pay in slip: DA
Use for gratuity: No
Calculation type: Flat Rate

6) Name: **Over Time**
Pay head types: Earning for employees
Under: Indirect Expenses
Name of appear pay in slip: Over time
Use for gratuity: No
Calculation type: On production

7) Name: **Professional Tax**
Pay head types: Employees Statutory Deduction
Under: Current liabilities
Appears in pay in slip: Yes
Name of appear pay in slip: Professional tax
Calculation type: As user defined Value

Then **Go to Payroll info Enter Salary Details Enter Create Enter**
Select: Krishna
Under: Primary

Pay Head	Rate
Basic Salary	
DA	5000
Gratuity	300
Over Time	
Professional tax	200 Hr

Go to **Payroll Voucher**

CTRL+5

1. Employees Name Cur/Balance
   Krishna PRESENT 26 DAYS
   Krishna OVERTIME 10 HRS

   Then press CTRL+F4
   Payroll
   Account: Cash

   Primary cost category
   Krishna
   Basic salary 5000
   DA 200
   Over Time 200
   Professional Tax
   Enter Enter
   Go to **Gateway of Tally enter Display Enter Payroll Report enter Statements of Payroll Enter Pay slip enter Krishna enter**
   Krishna
   Attendance Details
   Over Time: 10 Hrs
   Present: 26

Earnings	Account	Deduction	Amount
Basic Salary	20000	Professional Tax	520
DA	600		
Over Time	800		

BILL OF MATERIALS:

First press F12, Go to **Accounting info** enter

Allow Component list Details (Bill of materials): Yes

Then go to accounts info and create ledger

1. Purchase A/c
   Under: Purchase A/c
2. Wages A/c
   Under: Direct Expenses

3. Packing Charge
   Under: Indirect Expenses

Then **Go to Inventory info enter Units of Measure enter** like Mtr, Nos, Pcs etc. Select **Stock item**, Like Cloth, Bottom, Reel etc **under: Primary** and Shirt (Finished goods) under: Primary

Then **Go to Accounting Voucher Enter**

Press F9 (Purchase Voucher)

To cash

By purchased

Name of Item	Quantity	Rate	Amount
Cloth	20 mtr	80 mtr	
Buttom	100 no	50 no	

Pasty	10 mtr	20 mtr
Reel	12 no	12 no

Voucher type Ceation

Gateway of Tally Enter Accounts Info Enter Voucher type Create

Name: Manufacturing Journal

Type of voucher: Stock journal

Use of Manufacturing Journal: Yes

Then **Go to Accounting Voucher**

Press Alt+F7

Select Manufacturing Journal

Name of Product shirt

QTY: 10 No

COMPONENT	COST OF COMPONENT
Cloth 20 mtr Reel 10 no Buttom 100 Pasty 10 mtr	Wages 200 Packing charge 20

Go to **Gateway of Tally Stock Summary**

BANK RECONCILATION STATEMENT (BRS):

First **Create a Company**

Then **Select a Account Info enter Ledger enter Create enter**

1. SBI A/c under Bank A/c
2. Salary A/c under Indirect Expenses
3. Wages A/c under Direct Expenses

4. Rent A/c under Indirect Expenses
5. Amal A/c under Sundry Debtors
6. Bimal A/c under Sundry Creditors

Then **select Accounting Voucher enter Press F4 (Contra Voucher)**

By SBI A/c

To Cash

Select Press F5 (Payment Voucher)

1. By Salary A/c
   To SBI
2. By Rent A/c
   To SBI
3. By Wages A/c
   To SBI
4. By Bimal A/c
   To SBI

Then press F4 (Contra Voucher)

By Cash A/c

To SBI

Select Display enter Account book Enter Cash/Bank book Enter

Select SBI A/c Enter press F5 and Change the Date

CENTRAL SALES TAX (CST):

First Create a Company Press F11(Accounting Features)

Select Statutory and Taxation

Enable value added tax VAT: Yes

Set Alter VAT Details: Yes

Select account info enter select ledger enter select create enter

Name: Inter State Purchase

Under: Purchase A/c

Inventory values are affected: Yes

Use VAT Returns: Yes

Select Interstate Purchase

Name: Inter State Sales

Under: Sales A/c

Inventory values are affected: Yes

Use VAT returns: Yes

Select interstate Sales

Name: Input CST

Under: Purchase A/c

Inventory values are affected: No

Use VAT returns: Yes

Select interstate Purchase

Name: Output CST

Under: Duties and Taxes

Use VAT/Tax class: CST

Select interstate Sales

Inventory values are affected: No

Name: Shillong Computer Solution

Under: Sundry Debtors

Name: Delhi Infosys

Under: Sundry Creditors

Select Inventory Info Enter select Stock Items enter Select Create Enter

Name: Computer

Under: Primary

Units: Nos.

Select Accounting Voucher enter press F9 (Purchase Voucher)

Party A/c Name: Delhi Infosys

Purchase ledger: Inter State Purchase

Use VAT/Tax class: Inter State Purchase

Name of Item		**Amount**
Computer	5 nos Rs 20000/Nos	100000
Select interstate purchase		
Input CST @ 4%		4000

Select Accounting Voucher enter press F8 (Sales Voucher)

Party A/c name:

Sales ledger: Shillong Computer Solution

Use VAT/ Tax Class: Interstate Sales

Name of Item		**Amount**
Computer	5 Rs 22000	110000
Select interstate purchase		
Output CST @ 4%		4400

Display – Enter Statutory Reports – Enter VAT Reports – Enter VAT Computation – Enter

REJECTION INWARD/OUTWARD:

Press F11 Enter set to Yes

-Allow purchase order processing

-Allow sales order processing

-Allow invoicing

-Use Debit/Credit Notes

-Use Tracking Number

-Use Rejection Inward/Outward Notes

Ledger required:

1) Purchase A/c
2) Sales A/c
3) Sundry Creditors (X A/c)
4) Sundry Debtors (Y A/c)

Then **Go to Accounting Voucher Enter**

Press (Alt+F4) Purchase Order

Party A/c Name: (X A/c) order No: 1

Purchase Ledger: Purchase A/c

Name of Item	Quantity	Rate	Amount
Rin			
……Due on 1-4-06			
	20	20.00	400.00 enter

Enter enter

Then Go to Receipt Note (Alt+F9)

Receipt Note

Name of Item	**Quantity**	**Rate**	**Amount**
Rin			

……Tracking 1

	20	20.00	400.00 enter

Enter enter

Gateway of Tally Enter Display enter Statement of Inventory enter Purchase bill pending

Enter

(Goods received but bill not received)

Again go to Accounting voucher enter

Press F9 (Purchase)

Party A/c Name: (X A/c) Order No: 1

Purchase Ledger: Purchase A/c

Name of Item	Quantity	Rate	Amount
Rin			
……Tracking 1			
	20	20.00	400.00 enter

Enter enter

Gateway of Tally Enter Display enter Statement of Inventory enter Purchase bill pending

Enter

Press Alt+ F6 (Rejection Out)

Ledger Account

X A/c

Name of Item	Quantity	Rate	Amount
Rin	2	20.00	40.00

Enter enter

(Gateway of Tally Enter Display enter Statement of Inventory enter Purchase

Bill Pending

Enter)

Press Ctrl+F9 (Debit Note) (Invoice Mode)

Party A/c Name: X A/c

Select tracking No: 1

Rin (Tracking Number 1)

Quantity	Rate	Amount
2	20.00	40.00

Enter enter

Gateway of Tally enter Display enter Statement of Inventory enter Purchase bill pending

Enter

GST

What is GST?

‘**G’** – Goods

‘S’ –Services

‘**T’** –Tax

“Goods and Service Tax (GST) is a comprehensive tax **levy on manufacture, sale and consumption of goods and service** at a national level under which on distinction is made between goods and services for levying of tax. It will mostly **substitute all indirect taxes** levied on goods and services by the Central and state governments in India.

GST is a tax on goods and services under which every person is liable to pay tax on his output and is entitled to get input tax credit (ITC) on the tax paid on it’s inputs (therefore a tax on value addition only) and ultimately the final consumer shall bear the tax.”

OBJECTIVES OF GST: One of the main objective of Goods & Service Tax (GST) would be to eliminate the doubly taxation i.e. cascading effects of taxes on production and distribution cost of goods and service. The exclusion of cascading effects i.e. tax on tax till the level of final consumers will significantly improve the competitiveness of original goods and services in market which leads to beneficial impact to the GDP growth of the country . Introduction of a GST to replace the existing multiple tax structures of Centre and State taxes is not only desirable but imperative. Integration of various taxes into a GST system would make it possible to give full credit for inputs taxes collected. GST, being a destination-based consumption tax based on VAT principle.

Worldwide GST:

France was the first country to introduce GST in 1954. Worldwide, Almost 150 countries have introduced GST in one or the other form since now. Most of the countries have a unified GST system. Brazil and Canada follow a dual system vis-à-vis India is going to introduce. In China, GST applies only to goods and the provision of repairs, replacement and processing services. GST rates of some countries are given below:-

Country	**Rate of GST**
Australia	10%
France	19.6%
Canada	5%
Germany	19%
Japan	5%
Singapore	7%
New Zealand	15%

Q. How many types of GST?

In India there are three types of GST

CGST, central Goods and Service tax

SGST, State Goods and Service tax

IGST, Integrated Goods and service tax

Q. What is SGST/CGST/IGST?

The GST levied on the intra-state supply of goods or services by the Centre is Central GST (CGST) and that by the states is state GST (CGST).

On inter-state supply of goods and services, Integrated GST (IGST) is collected by the centre. IGST is also applicable on imports.

GST is a consumption based tax. The tax is received by the state in which goods or services are consumed and not by the state in which such goods are manufactures. IGST is designed to ensure seamless flow of input tax credit from one state to another. Every state has to deal only with the Central government to settle tax amounts and not every other state, thus making the process easier.

Which central taxes are submitted under GST?

The GST should replace the following taxes. Taxes currently levied and collected by the centre.

- Central Excise Duty
- Additional Excise duties
- Duties of excise (Medical and Toilet preparation)
- Service tax
- Additional Duties of Customs (Commonly Known as CVD)
- Special Additional Duty of Customs (SAD)
- Central Surcharges and Cesses so far as they relate to supply of goods and service

Sate taxes that would be subsumed under the GST are:

- VAT/Sales Tax
- Entertainment tax (unless it is levied by the local bodies)
- Luxury tax
- Taxes on Cesses and Surcharges in so far as they relate to supply of goods and services.
- Entry tax not in lieu of Octroi

Purchase tax: Purchase tax was exempted from this list as several states benefiting from it through they would be devoid of substantial revenue if it were to be subsumed. It was eventually decided that in case the tax has to be subsumed, adequate compensation would have to be paid to the states. The issue is currently being discussed with the government.

Q. What are the benefits of GST?

GST brings transparency on the taxes levied on the supply of goods and services. At present, when an item is purchased, the common man sees only the state taxes on the product label, not the various embedded tax components. GST will improve the ease of doing business as entry barriers along sate borders will be dismantled. The new indirect tax system is expected to improve tax compliance, boost revenue receipts of central and state governments and accelerate GDP growth rate by an estimated 1.5-2 percentage points. Elimination of cascading of taxes will result in reduced tax burden on many items.

What are the rates of GST?

There are four types of GST Rates…….5%, 12%, 18% &28%

KITCHENWARE AND APPLIANCES		
	GST RATE (%)	EXISTING RATE (%)
Stoves (except Kerosene, LPG)	28	18.5
Electrical hot plates	28	18.5
Aluminium utensils	12	18.5
LPG for domestic supply	5	17
Household copper articles	5	18.5
Iron/steet/household articles	5	18.5
Iron/steet/Kerosene stoves	5	18.5

CONSUMR GOODS		
	Under GST	Current
Soft Drink	28%	23-24%

Agarbatti	12%	0
Dry Fruits	12%	6%
Tooth paste	28%	26%
Coffee tea	5%	6%
Soap	18%	26%
Hair Oil	18%	26%

LIFE STYLES		
	Under GST	Current
Luxury Hotels	28%	28-30%
Financial Services	5%	15-18%
Telecom Services	18%	15%
Cell Phones	28%	6%
Air Conditioner	12%	6%
Refrigerators	28%	26%

FOODS		
	Under GST	Current
Sugar	5%	
Cooking Oil	5%	
Preserved Vegetables	18%	0
Butter/ghee/cheese	12%	6%
Frozen meat	12%	6%
Salt	Exempt	0

PHARMA (MEDICINE)		
	Under GST	Current
Life saving API	5%	5-8%
Other API	18%	17%
Formation	12%	9%

SERVICES		
	GST Rate	Existing Rate (%)
Telecom	18	15
Works Contracts	12	15
Non Ac/ alcohol-serving restaurants	12	18.5
Ac/ alcohol-serving resturents	18	22
Five-star resturents	28	18

Q. What is input tax credit?

To make sure that tax is levied only on the amount of value addition at each stage of the supply chain, credit for the taxes paid at the previous stage is granted. For example, a garment manufacture gets credit for the taxes paid on the taxes paid on the materials purchased while computing the final indirect tax liability on his product that is collected from the consumer. Similarly, a service provider, say, a telecom company, gets credit for the taxes paid on the goods and services used in his business.

Q. Who is liable to pay GST?

Businesses and traders with annual sales above Rs20 lakh are liable to pay GST. The threshold for

Paying GST is Rs 10 lakh in the case of north-eastern and special category states. GST is application on

Inter-state trade irrespective of this threshold.

What are the existing taxes subsumed into GST?

Taxes on production such as central excise duty and additional excise duty, import duties such as additional customs duty known as countervailing duty and special additional customs duty, service tax, central cesses and surcharges , state taxes like value-added tax (VAT), central sales tax on inter-state trade of goods, luxury tax, entertainment tax expect those levied by local bodies, taxes on advertisement, taxes on betting and gambling and state cesses and surcharges on supply on goods and services are subsumed into GST. Basic customs duty, which includes the tariff barrier on imports, is not part of GST.

What are the products not part of GST?

Crude oil, diesel, petrol, natural gas jet fuel is temporarily kept out of GST. The GST council, the federal indirect tax body of state finance minister chaired by the union finance minister, will decide when to bring these items into GST. Liquor is kept out of GST as a constitutional provision and hence it would require an amendment to constitution if it is to be brought into GST net.

How are imports treated?

Imports are treated as inter-state supplies and will attract IGST. Exports do not attract any tax taxes paid on raw materials and services used in export of goods and services are refunded to the business.

How are decisions taken at the GST Council?

NO decision can be taken in Council without the concurrence of both the Union and the state governments. Decisions will be taken by a 75% majority of the weighted votes of members present and voting. The Union government's vote has a weightage of one-third of the votes cast, while all states together will have a weightage of two-thirds of the votes cast.

What is integrated GST or IGST?

IGST is the tax on inter-state supply of goods and services with central and state GST components.

IGST means Integrated Goods and Service Tax, one of the three categories under Goods and Service Tax (CGST, IGST and SGST) with a concept of one tax one nation. IGST falls under Integrated Goods and Service Tax Act 2016

IGST is charged when movement of goods and services from one state to another. For example, if goods are moved from Tamil Nadu to Kerala, IGST is levied on such goods. The revenue out of IGST is shared by state government and central government as per the fixed by the authorities.

Under the GST regime, an Integrated GST (IGST) would be levied and collected by the Centre on inter-state supply of goods and services. Under Article 269A of the Constitution, the GST on supplies in the course of inter State trade or commerce shall be levied and collected by the Government of India and such tax shall be apportioned between the Union and the States in the manner as may be provided by parliament by law on the recommendations of the Goods and Services Tax Council.

Who will pocket taxes?

For Inter State Transactions: In case of Intra State Transactions, Seller collects both CGST & SGST from the buyer and CGST needs to be deposited with Central Govt. and SGST with State Govt.

For Inter State Transactions: Integrated Goods and Service Tax (IGST) shall be levied on Inter State Transactions of goods and services which are based on **destination principle**. Tax gets transferred to Importing state. More over it is proposed to levy an additional tax on **supply of goods**, not exceeding one percent, in the course of inter-state trade or commerce, to be collected by the Central Govt. for a period of **two years**, and assign to the States where the supply originates. Valuation of stock transfer to be determined. Exports and Supplies to SEZ units will be zero rated.

How to adjust the credit?

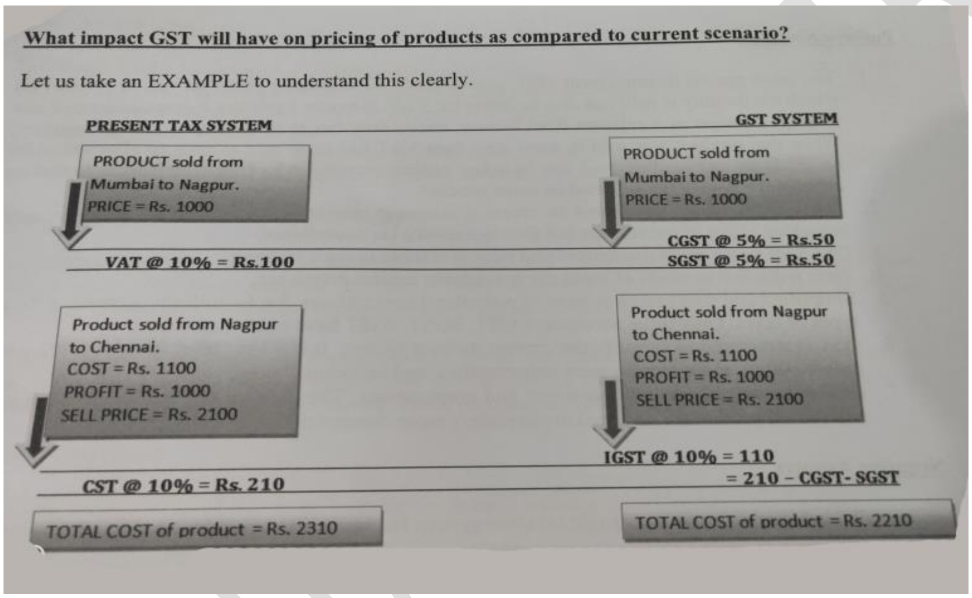
Setoff of IGST, CGST & SGST will be as follows in the below metioned chronological order only.

Credit Of	**To be Adjusted with**
IGST	1) IGST
	2) CGST
	3) SGST
CGST	1) CGST
	2) IGST

SGST	1) SGST
	2) IGST

<u>What impact GST will have on pricing of products as compared to current scenario?</u>

Let us take an EXAMPLE to understand this clearly.



In the above example you can not that the tax paid on sale within state can be claim against tax paid on sale outside state in GST system, which is not in present tax system.

The credit of CGST cannot be taken against SGST cannot be taken against CGST but both credits can be taken against IGST.

<u>ENROLLMENT & REGISTRATION:</u>

- NSDL has been appointment to incubate the GST Portal and develop its functionality. NSDL has created a pilot portal known as “GST Pilot Portal”
- Here, every tax payer will be issued a 15 digit common identification number which will be called as “Goods & Services tax identification Number” (GSTIN) a PAN based number.
- Online application form for dealers will be available to provide their details and upload documents.

- Registration includes basic steps like register themselves on the Enrolment page, and then Login using the given “User ID” and “password”, filling the application form by uploading the requisite documents related to excise, Service Tax, IEC, CIN, Professional Tax numbers, Shops & establishment Number and any other state specific registration numbers, contact numbers, postal address & E-mail address of business entity, bank account details including MICR code, place of business, details of goods & services, scanned signed photographs.

POSITIVE ASPECTS

1. The main reason to implement GST is to abolish the cascading effect on tax. A product on which excise duty is paid can also be liable for VAT. Suppose a product A is manufactured in a factory. As soon as it release form factory, excise duty has to be paid to central government. Also when that product A is sold in same state then VAT has to be paid to state government. Also no credit on excise duty paid can be taken against output VAT. This is termed as cascading effect since double tax is levied on same product.
2. The GST is being introduced to create a common market across states, not only to avoid enfeebled effect of indirect tax but also to improve tax compliance.
3. GST will lead a more transparent and neutral manner to raise revenue.
4. Price reduction as credit of input tax is available against output tax.
5. Simplified and cost saving system as procedural cost reduces due to uniform accounting for all types of taxes. Only three accounts; CGST, SGST, IGST have to be maintained.
6. GST is structured to simplify the current indirect system. It is long term strategy leading to a higher output, more employment opportunities, and economic boom.
7. GST is beneficial for both economy and corporations. The reduced tax burden on companies will reduce production cost making exporters more competitive.

Negative Aspects

GST is being referred as a single taxation system but in reality it is a dual tax in which state and centers both collects separate tax on a single transaction of sale and service.

At present the main indirect tax system of central Government is central excise. All the goods and commodities are not covered by the central excise and further there is an exemption limit of Rs. 1.50 Crores in the central excise and further traders are not liable to pay central excise. The central excise is payable up to the stage of Manufacturing but now GST is payable up to the stage of sale.

3. Majority of dealers are not covered with the central excise but are only paying V A T in the state. Now all the vat dealers will be required to pay ‘’central goods and service tax’’.

4. The calculation of RNR (Revenue Neutral Rate) is very difficult and further Govt. wants to enhance its revenue hence rate of Tax will be a problem. As per the News reports the proposed rate of state GST is 12% and central GST is plus Govt. wants to impose 1% CST at the initial stage of GST on the interstate sale of goods and service. So the normal rate of overall tax will be 26% This is very high comparing to the fact that small and medium Industries are at present not covered by the central excise and most of the goods such as agricultural products are out of the preview of the central excise.

5. Improvement are out of the Manufacturing and distribution of goods and service, increase in exports, various reforms, check on corruption, less government control are some of the factors which are responsible for the economic growth of the country. A tax system can make a revolution in the economy of the country is ‘’rarest of the rare’’ thing.

How is applied?

GST is a consumption based tax/levy. It is based on the ‘’Destination principle’’ GST is applied on goods and services at the place where final/actual consumption happens. GST is collected on value-added goods and services at each stage of sale or purchase in the supply chain. Apr 6, 2017

How GST will affect you

The Rajya Sabha has cleared a constitutional amendment to bring about a system of Goods and Services Tax (GST) in India. It is perhaps the most important economic reform item on the Narendra Modi government’s agenda. This is one reform which affects all of us.

It also happens to be a complicated reform as most taxation matters usually are. This blog attempts to present an overview on GST and explain why it is expected to make a difference to all of us.

How is India’s tax system structured today?

The constitution divides taxation powers between central and states. Both levels of government have some exclusive areas where they can levy tax. Income tax, which includes tax on company profits. Is the exclusive domain of central government. Taxes on consumption are the

How will GST help?

Goods and Services Tax (GST) is an indirect tax reform which aims to remove tax barriers between states and create a single market. For that to happen the constitution first needs to be amended to remove different layers of governments' exclusive powers to levy taxes. Once this step is taken the tax barriers between states and centre and states will disappear.

How will it help consumers?

Today consumers have no idea about the extent of taxes they pay on goods. If you get a bill after buying merchandise which gives the extent of VAT you have paid, it is an understatement of the actual tax you have paid. Remember, well before merchandise reached the retail outlet, the central government has collected excise duty. The extent of excise duty is not mentioned in the bill.

Therefore, today it is reasonable to assume we pay well over 20% tax for most merchandise we buy. In GST, consumers should benefit in two ways. First, all taxes will be collected at the point of consumption. It means that if a shirt is taxed at 18%, it will include both central government's taxes and state government's taxes. Transparency in taxation should deter governments from indiscriminately increasing taxes as there is bound to be public backlash.

Second, once barriers between states are removed, we as consumers will not end up paying "tax on tax" which is what happens when goods move across state borders.

Difference between VAT and GST

Q. What is VAT? How does GST work? How to distinguish between GST and VAT?

Ans: The full form of GST is Goods and Service Tax. The elaborate form of VAT is Value Added Tax.

VAT is charged on safe of goods immediately up on preparation of Sale Invoice or immediately when goods are moved for sale. GST is charged on goods and services at the end stage of distribution of goods. Many indirect taxes including VAT are being eliminated and merging with GST.

Difference between Central Excise Tax and VAT

What is Central Excise Tax and VAT? How does VAT differ from Central Excise Tax?

VAT means Value Added Tax. VAT is meant for State government and Central Excise Tax is levied by central government. Central Excise Tax is levied up on manufacture of excisable goods in India. But VAT is charges at the time sale of goods within the state.

Separate information about VAT and Central Excise Tax is mentioned in this web blog. You may click below links to know more: All about enrolment with GST common portal for registration in India.

How to distinguish between CST and GST

What is CST? How does GST work? How distinguish between GST and CST?

Ans: The short form of Goods and Service Tax is called GST. CST means Central Sales Tax.CST/VAT is charged on sale of goods immediately up on preparation of Sale Invoice or immediately when goods are moved for sale. GST is charged on goods and services at the end stage of distribution of goods. Many indirect taxes including CST are being eliminated and merged with GST.

How to differentiate between CENVAT and SGST

What is CENVAT and SGST? How does SGST differ from CENVAT?

Ans: SGST means State Goods and Service Tax. CENVAT means Central Value Added Tax. SGST is one of the three components of Good and Service Tax (GST). i.e., CGST, SGST and IGST. SGST is charged at user level where as CENVAT is levied at the very beginning of movement of manufacture of goods. CENVAT abolishes and merges with Goods and Service Tax, once GST Act come in to force.

Difference between CST and Central Excise Tax

What is Central Excise Tax and CST? How does CST differ from Central Excise Tax?

Ans: CST means Central Sales Tax which is levied when sale of goods from one state to another state CST is imposed when the goods are transferred or at the time of generating invoice whichever is earlier. For example, if sale of goods is moved from Mumbai to Bangalore, CST is charged. Central Excise Tax is levied up on manufacture of excisable goods in India. So Central Excise Tax has to be paid at the time of removal of manufactured products.

More information about CST and Central Excise Tax is mentioned in this wed blog. You may click below links to know more: Distinguish between

More Information about CST and Central Excise 0Tax is mentioned in this web blog. You may click below links to know more:

Distinguish between GST and Central Excise Tax

Different between Central Excise Tax and GST

How does GST work? What is Central and Service Tax work? How does GST differ from Central Excise Tax?

Ans: GST is the short form of Goods and Services Tax Central Excise Tax is charged on manufacture of excisable goods in India. GST is charged on Goods and Services. Many indirect taxes including Central excise tax are being abolished or merging when GST implements.

Central Excise Tax has to be paid at time of removal of manufactured products at the first stage of distribution of goods. However, GST is paid on goods and services at the last stage of distribution at end user level.

According to GST portal: (Update on 17th June, 2017) is GST Necessary for all ?

1. If you are a Taxpayer having received Acknowledgement Reference Certificate from " Download Certificates" at GST website from 27th June 2017.
2. If you are a Taxpayer, who has saved the enrolment from with al details but has not submitted the same with DSC, E-Sign or EVC:

   You will receive the ARN at your registered email ID, if the data given are successfully validated after 27th June 2017.

   In case of validation failure (data like PAN not matching), you should be able to login at the same portal from 27th June 2017 onwards and correct the errors. You can refer the register email for details of the errors.
3. If you are Taxpayer, who has partially completed the enrolment from:

   You can login at the portal on the above mentioned date and complete the rest of the form.

4. If you are not an existing taxpayer and wish to register newly under GST

   You would be able to apply for new registration at the GST portal from 25th

June 2017.

What is the Meaning of Exports and imports in India?

Ans: We would like to conclude the article as below:

a) Export means ‘Taking out of India to a place outside territorial waters of India which is 12 nautical miles into the sea from the coast of India’’. (This definition is redefined by the author of this blog)

b) Import means ‘Bringing in to India from a place inside territorial waters of India which is 12 nautical miles in to the sea from the coast of India’(Redefined by the author of this blog.) The liability

   To pay import duty commences as soon as the goods entered 12 nautical miles in to the sea from the coast of India.

What is GST Return?

A return is a document containing details of income which a taxpayer is required to file with the tax administrative authorities. This is used by tax authorities to calculate tax liability. Under GST, a registered dealer has to file GST returns that includes.

- Purchases
- Sales
- Output GST (On sales)
- Input tax credit (GST paid on purchases)

To file GST returns, GST compliant sales and purchase invoices are required. You can generate GST

Compliant invoices for free on clear tax Bill Book.

Who has to file GST Returns?

In the GST regime, any regular business has to file three monthly returns and one annual return. This amounts to 37 returns in a year. The beauty of the system is that one has to manually enter details of one monthly return – GSTR-1. The other two returns –GSTR 2 & 3 will get auto-populated by deriving information from GSTR-1 filed by you and your vendors.

There are separate returns required to be filed by special cases such as composition dealers.

What are the types of GST Returns?

Here is a list of all the returns to be filed under GST law.

Any regular business:

Simple return that business need to file in the first two methods of GST (July and August, 2017)

The government has postponed the filling of GSTR 1,2 & 3 for July and August, 2017 in order business some time to adjust to GST.

Late fee & Penalty

Filing GSTR-3B is mandatory. Even if a business has no transctions during July, it will still have to file nil return.

If you do not file by 25th/28th August, you will be liable to pay interest and a late fee.

Interest is 18% per annum. It has to be calculated by the tax payer on the amount of outstanding tax to be paid. Time period will be from the next day of filing (26th/29th Aug) to the date of payment.

Late fee is Rs. 100 per day. Maximum is Rs. 5,000. This will be calculated by the GST Portal.

A dealer opting for **composition scheme :**

A composition dealer will enjoy the benefits of lesser returns & compliance along with payment of taxes at nominal rates. A composition dealer will file only 2 returns:

To output IGST……………………..Cr. 16,000

4. **He paid telephone bill Rs. 5000**

Telephone expences a/c …………Dr. 5000

Input CGST A/C……………………Dr. 400

Input SGST A/C……………………Cr. 5800

5. **He purchased an air cooler for his office for Rs. 12,000 (locality)**

Office equipment a/c ………………. Dr 12,000

Input CGST A/c ……………………… Dr 960

Input CGST A/C ………………………. Dr 960

To ABC furniture shop A/C ..Cr.

Total Input CGST = 400+960= Rs. 1360

Total output CGST = 12000

Total Input SGST = 400+960= Rs. 1360

Total output SGST= 12000

Total input IGST = 24000

Total output IGST= 16000

Particulars	CGST	SGST	IGST
Output	**12000**	**12000**	**16000**
Less input tax credit			
CGST	**1360**		
SGST		**1360**	
IGST	**800**		**16000**
Amount payable	**2640**	**10640**	**NILL**

Any GST credit will first be applied to set off IGST and then CGST. Balance if any will be applied to setoff SGST

So out of total IGST of Rs. 24000 firstly it will be completely setoff against IGST. Then balance Rs.8000 against CGST.

From the total Rs. 40000 only Rs. 13280 is payable.

1. **(SETOFF** AGAINST **CGST OUTPUT)**

Output CGST ………… Dr. 9360

To Input CGST A/C …………………Cr 1360

Input IGST A/C ………………………Cr 8000

2. **(SETOFF AGAINST SGST OUTPUT)**

Output SGST ……………… Dr. 9360

To Input SGST A/C ……………………Cr 1360

(SETOFF AGAINST IGST OUTPUT)

3. **Output IGST…………… Dr. 16000**

To Input IGST A/C ………………. Cr. 16000

4. **Final payment**

Output CGST ………….. Dr. 2640

Output SGST …………… Dr. 10640

To electronic case ledger A/C …………………. Cr. 13280

\GST journal entries

1. **Mr. X purchased goods Rs . 100000 locally (Interstate)**

(Assuming CGST And SGST @8%)

Purchase a/c ……………….. Dr. 1, 00, 000

Input CGST A/C ……………. Dr. 8, 000

Input SGST A/C …………….. Dr. 8,000

To Creditors A/C ……………… Cr. 1, 16, 000

2. **He sold them for Rs. 1, 50, 000 the same state**

Debtors A/C …………… Dr. 1, 74, 000
To sales A/C ……………,,,. Cr. 1, 50, 000
To output CGST …………… Cr. 12, 000
To output SGST ……………. Cr. 12, 000

3. **He paid legal consultation fees Rs. 5000**

Legal Fees A/c…………….Dr. 5000

Input CGST A/C ……………. Dr. 400

Input SGST A/C …………….. Dr. 400

To Bank A/c……………………Cr. 5800

4. He purchased furniture for his office for Rs. 12,000

Furniture A/c………………. Dr.	12000	
Input CGST A/C……………. Dr	960	
Input CGST A/c……………..Dr	960	
To ABC furniture shop A/c..Cr.		13920

Total input CGST = 8000+400+960= Rs. 9360
Total input SGST = 8000+400+960= Rs. 9360
Total Output CGST =12000
Total output SGST= 12000
Therefore Net CGST payable= 12000-9360=2640
Therefore Net CGST payable= 12000-9360=2640

Output CGST A/c………….Dr.	12000	
Output SGST A/c………....Dr.	12000	
To input CGST A/c…………Cr.		9360
To input SGST A/c…………Cr.		9360
To Electronic cash ledger A/c= 5280		

Thus due to input tax credit tax liability of Rs. 24000/- is reduced to only Rs. 5280. Also GST on legal fees is also adjusted which was not possible in current tax regime.

If there had been any input tax credit left it would have been carried forward to the next year.

……

1. Mr. X purchased goods Rs. 1, 50, 000/- from outside the state.

(Assuming CGST And SGST @8%)

Purchase a/c ……………… Dr	1, 50, 000	
Input IGST A/C …………….. Dr	24, 000	
To Creditors A/C ……………..Cr .		1, 74, 000

2. He sold them for Rs. 1, 50, 000 locally

Debtors A/C …………………. Dr	1, 74, 000	
To sales A/C …………………. Cr		1, 50, 000

To output CGST ………………. Cr 12, 000
To output SGST ………………… Cr 12, 000

3. He sold them for Rs. 1, 00, 000 outside the state

Debtors A/C ………………. Dr . 1, 16, 000
To sales A/C ……………… Cr 1, 00, 000

1. Enter the basic information, i.e., **Name, Mailing Name and Address** of the company, for e.g., **GST in Tally** and other relevant details.
2. Select **Singapore** from the **List of countries** in the **Statutory compliance for** field.
3. Specify the **E-mail** details.
4. The **Currency Symbol** for **Indonesia** will be displayed as **S$** by default.
5. In the **Maintain** field, select, **Accounts Only** or **Accounts with inventory** as per the company requirements.
6. In the **Financial Year from** and **Books beginning from** fields, the first day of the current financial year for e.g., 1-4-2016 will be displayed by default, which can be changed as per requirement.
7. Set the option **Disallow opening in Education mode** to either **Yes** or **No** as per requirement.
8. Enter the **Tally Vault Password** if required.

Set **Use Security Control** field to **No**

Press **Y** or **Enter** to accept and save.

Enabling GST in F11: Features

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

1. Set **Prepare & Follow Singapore Style GST Returns** to **Yes**
2. Enter the **GST Registration Number** and the **Company Registration Number**

Accept the **Company Operations Alteration** screen

Creating Purchase Ledger with GST

To create ledger under the Purchase Accounts group

Go to **Gateway of Tally > Accounts info > Create**

1. Enter the **Name** for the Purchase ledger as **Purchase**
2. In the **Under** field select **Purchase Accounts** from the **List of Groups**
3. Set **Inventory values are affected** to **Yes** if you maintain inventory
4. Set the field **GST Applicable** to **Yes** under **Statutory Information**
5. Accept the screen to **Save.**

Creating Sales Ledger with GST

To create ledgers under the Sales Accounts group

Go to **Gateway of Tally > Accounts info > Ledgers > Create**

1. Enter the **Name** for the Sales ledger as **Sales**
2. In the **Under** field select **Sales Accounts** from the **List of Groups**
3. Set **Inventory values are affected** to **Yes** if you maintain inventory
4. Set the field **GST Applicable** to **Yes** under **Statutory Taxation**
5. Accept the screen to **Save.**

Creating a input GST Tax Ledger

Go to Gateway of Tally > Accounts Info > Ledgers > Create

1. Enter the Name for the **GST** ledger as input GST 10% in the **Name** field
2. In the **Under** field, select **Duties & Taxes** from **List of Groups**
3. Set **Inventory Values are affected** to **No**
4. Set the **Percentage of Calculation** to 10%
5. Select the **Method of Calculation** from the **Type of Duty** menu
6. Select **GST Deductible – Input Tax** from the **GST Type** menu in the **GST Account**

7. Accept the screen to **save.**

Creating a Output GST Tax Ledger

Go to **Gateway of Tally > Accounts Info > Ledger > Create**

1. Enter the name of the **GST** Ledger as Output GST 10% in the **Name** field
2. In the **Under** field, select **Duties & Taxes** from **List of Groups**
3. Set **Inventory Values are affected** to **No**
4. Set the **Percentage of Calculation** to 10%
5. Select the **Method of Calculation** from the **Type of Duty** menu
6. Select **GST Payable – Output Tax** from the **GST Type** menu in the **GST Account Type** field.
7. Accept the screen the **save.**

Creating a Stock Items with GST

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

1. Enter the **Stock Item Name** as **13 Computers**
2. In the **Under** field select **Primary** from the **List of Groups**
3. In Units field Press Alt+C, Create Unit as Nos
4. Enter the **Rate of GST**

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

Creating a Customer Ledger

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

1. Enter the Ledger Name as **A1 Computer** in the **Name** field
2. In the **Under** field, select **Sundry Debtors** from the **List of Groups**
3. Set **Maintain balances bill-by-bill** to **Yes**
4. The option, **Inventory Values are affected** to set to **No** by default. Set this to **Yes** if applicable
5. Enter the **Mailing Details** and **Tax information**
6. Accept the screen **save.**

Creating a supplier Ledger

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

1. Enter the ledger name as **Dell Computers** in the **Name** field
2. In the **Under** field, select **Sundry Creditors** from the **list of Groups**
3. Set **maintain balances bill-by-bill** to **Yes**
4. The option, **Inventory values are affected** is set to **No** to default. Set this to **Yes** if applicable
5. Enter the **Mailing Details** and **Tax Information**
6. Accept the screen the **save.**

Keys & Functions

ALT + 2
To Duplicate a voucher

ALT + A
To Add a voucher
To Alter the column in columnar report

ALT + C
To create a master at a voucher screen (if it has not been already assigned a different function, as in reports like Balance Sheet, where it adds a new column to the report)

To access Auto Value Calculator in the amount field during voucher entry

ALT + D
To delete a voucher
To delete a master
To delete a column in any columnar report

ALT + E
To export the report in ASCII, HTML OR XML format

ALT + I
To insert a voucher
To toggle between Item and Accounting invoice

ALT + N
To view the report in automatic columns

ALT + P
To print the report

ALT + R
To remove a line in a report

ALT + S
To bring back a line you removed using ALT + R

ALT + U
To retrieve the last line which is deleted using Alt + R

ALT + W
To view the Tally Web browser.

ALT + X
To cancel a voucher in Day Book/List of Vouchers

ALT + Y
To Register Tally

CTRL + A
To accept a form – wherever you use this key combination, that screen or report gets

accepted as it is.

CTRL + ALT + B
To check the Company Statutory details

CTRL + G
To select the Group

Ctrl + Alt + I
To import statutory masters

CTRL + Q
To abandon a form – wherever you use this key combination, it quits that screen without making any changes to it.

CTRL + R
To repeat narration in the same voucher type

CTRL + Alt + R