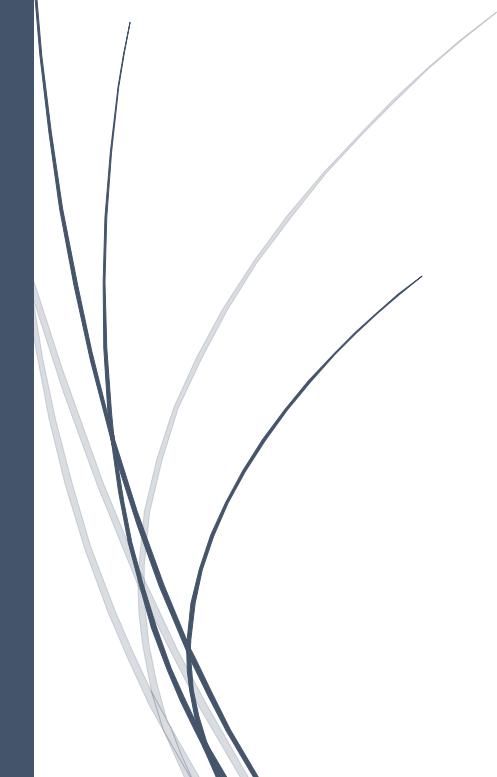


TallyEssential

Level 3





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Chapter 1

Goods and Services Tax (GST)

Learning Objectives

- Introduction to GST
 - GST Registration
 - GST Tax Structure
 - Managing HSN Code/SAC
 - Determination of Tax
 - Supply of goods and services
 - Invoicing
 - Input Tax credit
 - E-Way Bill
 - GST e-Invoice
- Activate GST for a company in TallyPrime
- Configuring tax rates at a different level
- Record Intrastate Inward and Outward Supplies
- Record Interstate Inward and Outward Supplies
- Print GST Invoice
- Record purchase and sales returns
- Accounting inclusive of tax
- Input Tax Credit set-off
- GST tax payment
- Generate and file GSTR-1, GSTR-3B, GSTR-9 and e-Way bill reports
- Generating e-Invoice in TallyPrime
- Introduction to composition dealer
- Conditions to be satisfied under the composition scheme
- Accounting supply of goods under composition scheme
- Generate GSTR-4 return.

1.1 Introduction to GST

India is a federal country where both the Central and the State Government have the powers to levy and collect taxes through appropriate legislation. GST was introduced in India on 1st July 2017.

GST is a business reform, and beyond just modification of the rate of tax GST is changing the process of compliance, thereby resulting in a shift in the way businesses operate. With the concept of invoice matching, instead of filing summarized returns, you will need to submit the details of all your sales invoices periodically, based on their criteria of filing returns/annexures, either monthly or quarterly. This urges every business to digitize its bookkeeping.

1.1.1 Why GST?

The indirect taxation system had inefficiencies and limitations due to:

- Multiple taxes
(Central Government levies like **Excise Duty, Service Tax, and other Cesses**, State Government levies like **VAT, Entry Taxes, Octroi, Luxury Tax, Entertainment Tax, Purchase tax**).
- Multiple tax rates.
- Multiple points of taxation (during manufacture, trader, rendering services, and so on).

GST allows a seamless flow of tax credit and eliminates the cascading effect of all the indirect taxes in the supply chain - from manufacturers to retailers, and across State borders.

Here are some reasons to explain why:

- a. **Simple Tax Structure:** GST replaces several indirect taxes. Further, uniformity in tax rates and the structure of taxation make GST simpler to understand and easy to administer.
- b. **Eliminates the cascading effect of taxes:** The input credit set-off process is seamless, and the benefit is duly passed on to consumers.
- c. **Technology Driven System:** A robust and comprehensive IT system would be the foundation of the GST regime in India. Therefore, all taxpayer services such as registrations, returns, payments, self-assessment, and so on would be available to the taxpayers' online, making compliance easy and transparent.
- d. **Increased Revenue:** A simpler tax structure can bring about greater compliance, thus increasing the number of taxpayers and in turn tax revenues for the Government. The elimination of the cascading effect will directly result in a price reduction of products which will benefit the end consumer.



1.1.2 GST Tax Structure

On every supply of goods and services, a tax component of the Centre and State will be applicable.

GST Tax Structure is explained in Chart 1.1:

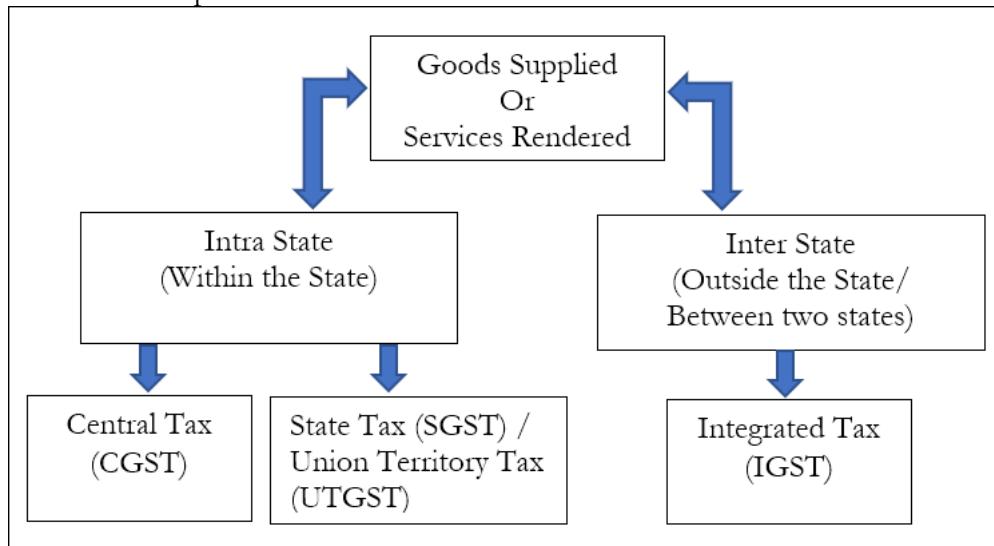


Chart 1.1 GST Tax Structure

- **CGST:** CGST stands for **Central Tax** and the tax is collected by the central government as it is applicable on the supplies made '**Within the state**'.
- **SGST:** SGST stands for the **State Tax** and the tax is collected by the state government as it is applicable on the supplies made '**Within the state**'.
- **UTGST:** UTGST stands for the **Union Territory Tax** and the tax is collected by union territory as it is applicable on the supplies made '**Within the Union Territory**'.
- **IGST:** IGST stands for **Integrated Tax** and the tax is collected and shared between the Centre and State as it is applicable on '**Interstate and Import**' transactions.



1.1.3 Determination of Tax

The structure of indirect taxes was origin based, and with GST we moved to a **destination-based tax system**.

Let us understand the difference referring to Chart 1.2

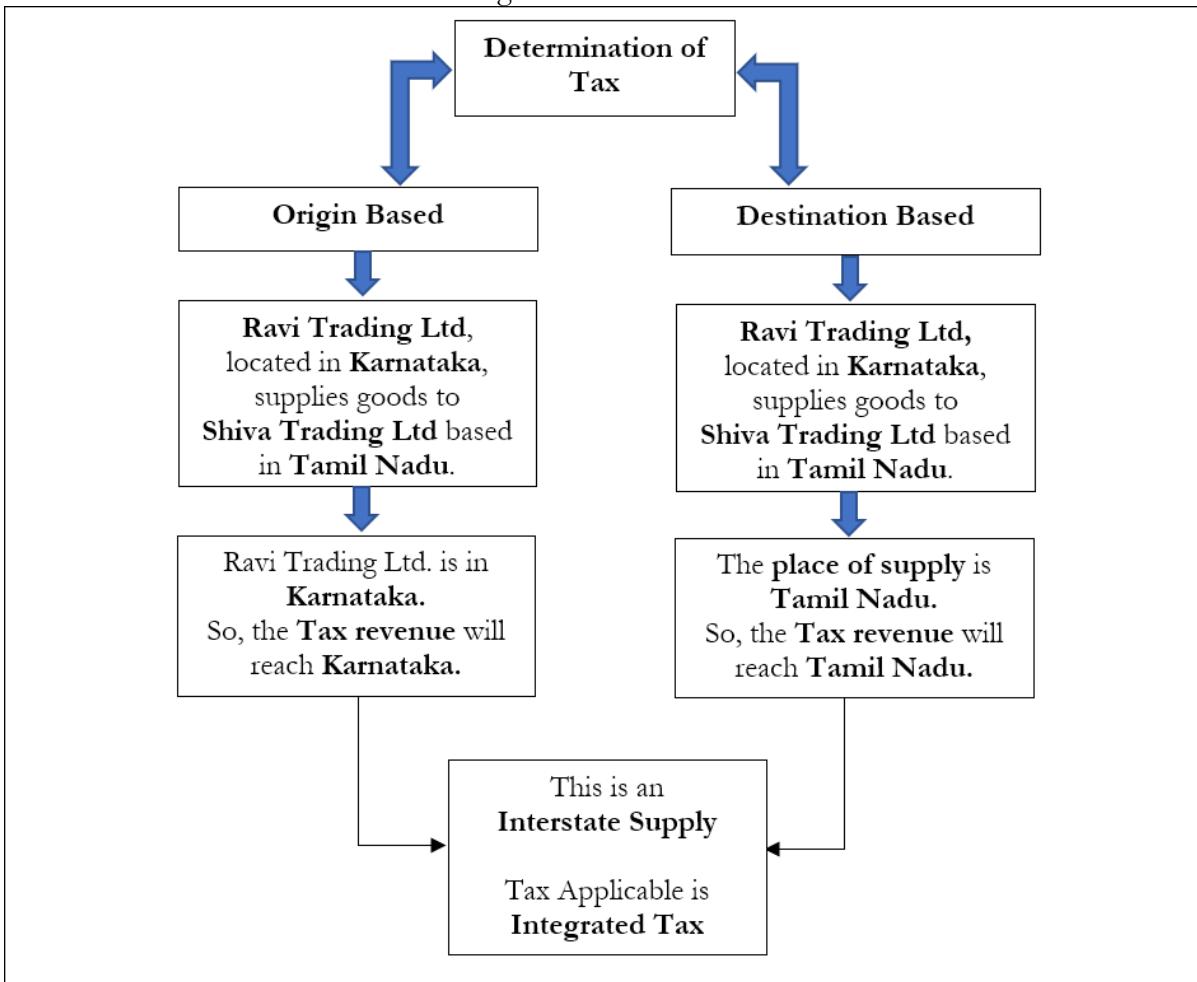


Chart 1.2 Determination of Tax

In Chart 1.2, we can observe that Ravi Trading Ltd, located in **Karnataka**, supplies goods to Shiva Trading Ltd in **Tamil Nadu**.

It is an Interstate Supply, and Integrated Tax is applicable. The Tax revenue will reach **Tamilnadu** since the destination State is Tamilnadu.

1.1.4 GST Registration

Under the GST taxation system, all businesses will be unified under the 'One Tax' - GST. This leads to a unified tax registration of all businesses. It eradicates the old taxation structure in which a separate registration was given based on the nature of business.

Being registered under the GST law means a business is acknowledged by the Government of India, as a supplier of Goods and Services. Only registered (Regular) businesses are allowed to claim Input Tax Credit.



GSTIN Structure

On registration, each business will be allocated a unique **15-digit PAN-based** registration number. This is called the **GST Identification Number (GSTIN)**.

The Structure of GSTIN is shown in Table 1.1:

State Code		PAN Number												Entity Code	Blank	Checksum Digit
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
Example																
2	9	A	Q	N	P	J	2	3	7	6	Q	1	Z		9	

Table 1.1

Tips: To get the GST State Code List of India, login to www.tallsolutions.com/gst/gst-state-code-list/ (type as is in the browser)

Mandatory Registration

The following category of persons have to mandatorily register, irrespective of their turnover:

- A taxable person carrying on interstate supply
- Persons responsible to deduct TDS (Government Departments)
- Agent supplying on behalf of taxable persons
- Casual and non-resident taxable persons
- Sellers of goods on E-commerce platforms and threshold exemption is applicable for the seller of service on the e-commerce platform.
- Input service distributors
- A person supplying online information and database access or retrieval services from outside India to an unregistered person in India
- Businesses liable to pay tax under reverse charge
- E-commerce operators

Regular Dealer Registration-Threshold Limit

Businesses crossing the defined annual aggregate turnover threshold are liable to register under GST. The Aggregate turnover includes the value of all taxable, exempt and export supplies made across India by a business with the same PAN.

Note: It is not mandatory to register for those businesses whose aggregate turnover is less than the defined annual turnover. However, the government allows them to register under GST as 'Voluntary Registration'. It is optional.

The annual aggregated turnover threshold beyond which a business becomes liable to be charged GST is as follows:

The existing annual aggregate turnover threshold limits for the **Sale of Goods and Services** Upto 31st March 2019 as given in Table 1.2:

Applicability	Region	Aggregate Turnover
Up to 31 st March 2019	Special Category States (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttarakhand)	Exceeds ₹10 Lakhs
Up to 31 st March 2019	The Rest of India	Exceeds ₹20 Lakhs

Table 1.2



The Government has extended the threshold limits for the GST Registration for GST Regular dealers as on the 1st April 2019 based on the aggregated turnover of the businesses, the states have an option to opt for a higher limit or continue with the existing limits.

The new annual aggregate turnover threshold limits for the **Sale of Goods**, which is increased from 1st April 2019 as given in Table 1.3:

Applicability	Region	Aggregate Turnover
From 1 st April 2019	Special Category States (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttarakhand)	Exceeds ₹20 Lakhs
From 1 st April 2019	The Rest of India	Exceeds ₹40 Lakhs

Table 1.3

The annual aggregate threshold limits for the **Service Providers** would continue to be ₹20Lakhs in the case of the Rest of India (States) and ₹10 Lakhs in the case of special category states effective from 1st April 2019.

The Government has provided the options, to the states to opt for the new threshold limits or continue with the earlier threshold limits, below details explains the states which has opted for the new threshold limits and those who have not opted.

The Rest of India (States who opted for the new threshold limits aggregate turnover Exceeds ₹40Lakhs)	The Rest of India (States who choose with the earlier threshold limits aggregate turnover exceeds ₹20Lakhs)	Special Category States who opted for the new threshold limits aggregate turnover exceeds ₹20Lakhs)
Chhattisgarh, Jharkhand, Delhi, Bihar, Maharashtra, Andhra Pradesh, Gujarat, Haryana, Goa, Punjab, Uttar Pradesh, Jammu & Kashmir, Assam, Himachal Pradesh, Karnataka, Madhya Pradesh, Odisha, Rajasthan, Tamil Nadu, West Bengal.	Kerala and Telangana	Puducherry, Meghalaya, Mizoram, Tripura, Manipur, Sikkim, Nagaland, Arunachal Pradesh, Uttarakhand

Table 1.4

Composition Dealer Registration -Threshold Limit

Composition Scheme under GST is a simple and easy mechanism for small taxpayers, wherein the taxpayers have less tedious GST formalities and pay GST at a lower or fixed composition tax rate on their turnover.

The GST council has decided to increase the threshold of annual turnover for the composition scheme to ₹1.5 Crore effective from 1st April 2019. However, the special category states will need to decide about the composition's limits in their respective states.

The limits remain unchanged at ₹75Lakhs for the North Eastern States and Uttarakhand. The Taxpayer registered under the scheme must pay tax quarterly and file returns annually effective from 1st April 2019 as given in Table 1.5



Applicability	Region	Aggregate Turnover
From 1 st April 2019	Special Category States	₹ 75 Lakhs
From 1 st April 2019	The Rest of India	₹ 1.5 Lakhs

Table 1.5

On any day, If the turnover of the business crosses the above-mentioned threshold limit, then the person becomes ineligible for the composition scheme and he has to get registered under the regular scheme of GST.

1.1.5 Managing HSN CODE/SAC

HSN code stands for “**Harmonized System of Nomenclature**”, the main purpose of the HSN code is to classify goods from all over the world systematically and logically.

In GST law the HSN code which is used by the taxpayer will be classified based on the Turnover.

- A Taxpayers with a turnover between ₹ 1.5 crores to ₹ 5 crores in the financial year need to specify the HSN code of 2 digits.
- A Taxpayers with a turnover of more than ₹ 5 crores in the financial year, mandatory need to specify the HSN code of 4 digits.
- The HSN code of 8 digits is to be mentioned in the case of the export and import of goods.

SAC code stands for “**Services Accounting Code**” the purpose is likely goods and services are classified uniformly for recognition, measurement, and taxation.

Services are also classified as per the Services Accounting Code as it is containing 6 digits below is explained in detail.

- The First 2 digits 99 are common for all the services.
- The next 2 digits represent the major nature of services.
- The last 2 digits represent the detailed nature of services.

Tips: To get the HSN and SAC for the GST category goods and services, log in to <https://cbec-gst.gov.in > Services > GST Rates>.

1.1.6 GST Rate Structure

The GST Council is the body that decides the rate slabs and the GST Council has been periodically revising the list of goods and services for each rate slab.

The Government intends to have a lower tax rate for goods and services which are essential needs and higher tax rates for goods and services that are considered as luxury supplies.

Below is a list of GST rates structure for goods and services classified across the different GST tax slabs.

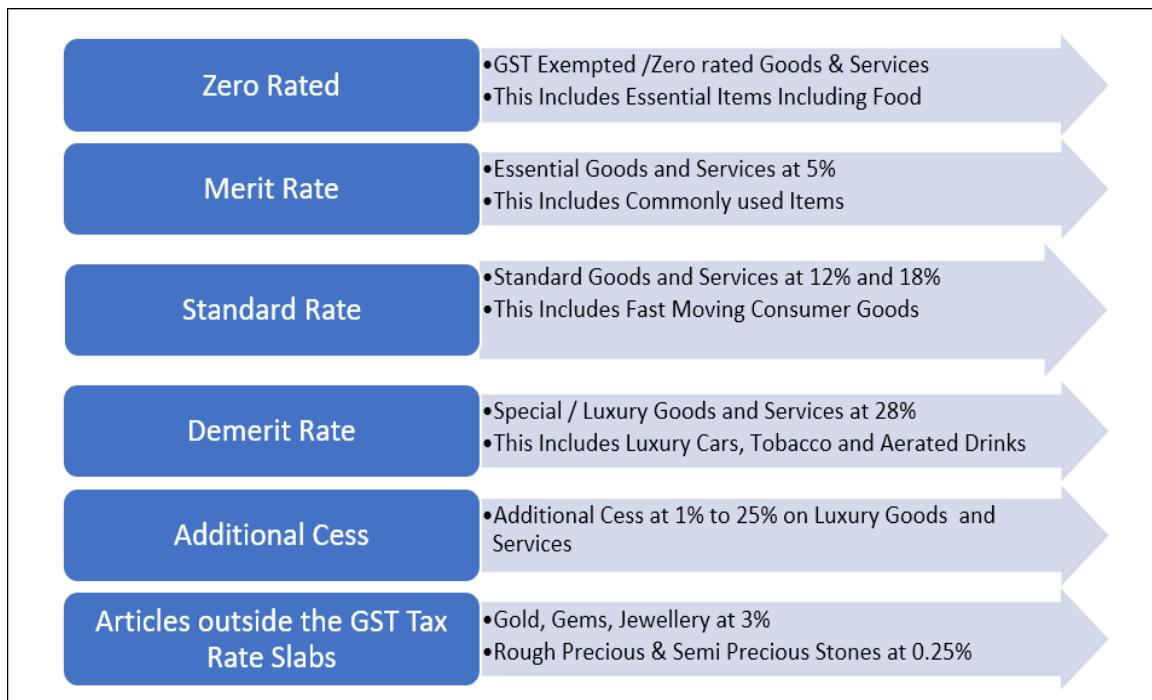


Chart 1.3 GST Rate Structure

Below is a list of Slab-wise GST rates structure for goods and services.

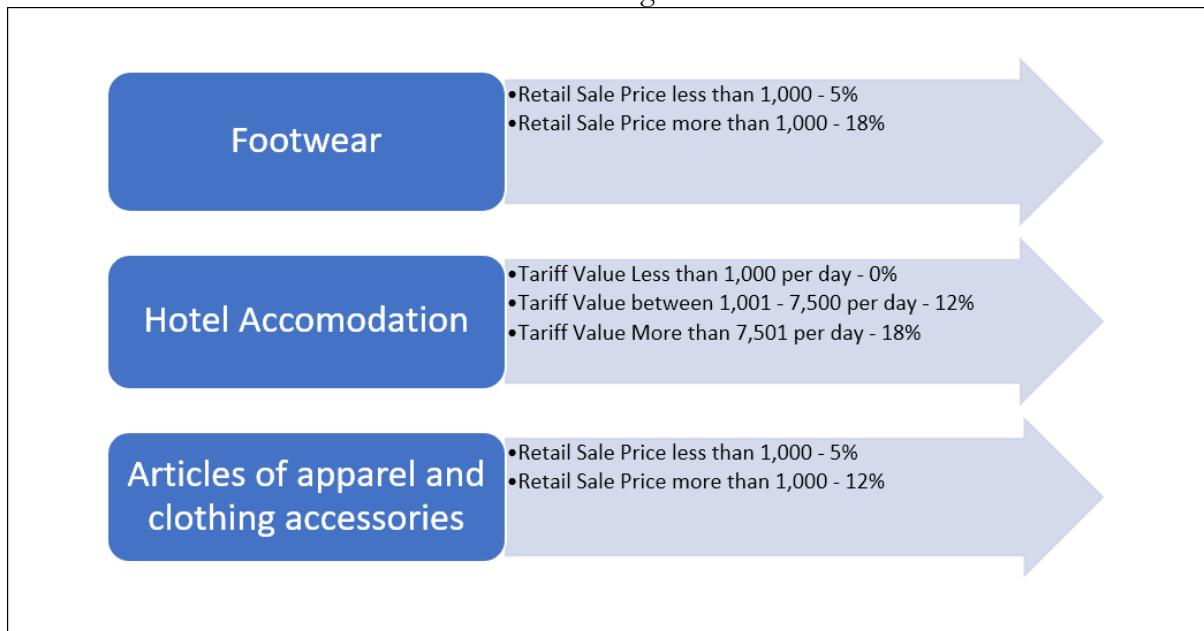


Chart 1.4 Slab-wise GST Rate Structure

1.1.7 Supply of Goods and Services

GST is a supply-based Tax and supply is very important until the supply comes into consideration tax will not be applicable. The taxable event under GST is the supply of goods and/or services. In the GST taxation system, the term supply includes all forms of supply of goods or services, like sale, transfer, barter/exchange, license, rental, lease and disposal supplied or to be supplied, for a consideration, in the course of or for the furtherance of business.



1.1.7.1 Place of Supply

In the GST taxation system, Place of Supply will play a vital role in determining which tax to be charged like:

- Intrastate supplies are subjected to Central Tax and State Tax or Union Territory
- Interstate supplies are subjected to Integrated Tax.

Also, the place of supply helps in determining the taxable jurisdiction where tax should reach. There are two key aspects to be considered while levying taxes based on the place of supply. Location of the Supplier and Place of Supply.

Scenario	Place of Supply	Nature of Transaction	Tax Components
The location of supplier and place of supply are the same state or union territory. Example: Ravi Trading Ltd, located in Karnataka, supplies goods to Abi Trading Ltd Karnataka, hence the location of supplier and place of supply are Karnataka.	Karnataka	Intra-state	Central Tax + State Tax
Location of supplier and place of supply are two different states. Example: Ravi Trading Ltd, located in Karnataka, supplies goods to Shiva Trading Ltd in Tamil Nadu, Hence the location of the supplier is Karnataka and the place of supply is Tamil Nadu.	Tamil Nadu	Inter-state	Integrated Tax

Table 1.6

1.1.7.2 Time of Supply

Point of Taxation (POT) refers to the point in time when tax is required to be paid. This is a mechanism that is used to determine the point in time when the tax liability will arise. Under the old tax regime, the point of taxation is different for each of the tax types.

1.1.7.3 Value of Supply

Under GST, the value of the taxable supply of goods and services will be the transaction value. The taxable value of all the goods and services consumed in an economy is arrived at based on various metrics. Transaction value refers to the price paid or payable for the supply of goods and services.

Let us understand with an example:

Dakshin Electronics Pvt. Ltd. sells the Intel Core i5, 3rd Gen laptop processor to Multi Pvt Ltd for ₹ 4,000 but the MRP price is ₹ 7,000. The invoice that is issued to Multi Pvt Ltd is given in Table 1.7



Tax Invoice				
Sl No	Description of Goods	Qty	Rate	Amount(₹)
1.	Intel i5, 3 rd Gen laptop processor.	1	4,000	4,000
	CGST @ 9%			360
	SGST @ 9%			360
	Total	1		4,720

Table 1.7

As per the above example, the transaction value is ₹ 4,000 on which GST of 18% is charged.

1.1.8 Invoicing

In GST it is very necessary to be aware of the rules of invoicing as invoicing is an important aspect of tax compliance for every business.

In the GST, there are two types of invoices will be issued:

- Tax Invoice
- Bill of Supply

1.1.8.1 Tax Invoice

When a registered taxable person supplies taxable goods or services, a tax invoice is issued. The tax invoice must be issued before or at the time of removal of goods, where the supply involves the movement of goods. In the case of Services, the tax invoice must be issued within 30 days from the date of the supply of the service.

When a registered taxable person supplies taxable goods or services, a tax invoice is issued. Based on the rules of the details required in a tax invoice, a sample tax invoice is shown in Figure 1.1:



Sample of a tax invoice under GST

Tax Invoice															
GSTIN Name Address State Serial No. of Invoice Date of Invoice															
Details of Receiver (Billed to) <small>Details of the person to whom the invoice is billed.</small>						Details of Consignee (Shipped to) <small>Address of delivery, to be specified if different from billing address.</small>									
Name Address			Name Address			State State Code			State State Code						
GSTIN/Unique ID						GSTIN/Unique ID									
S.No.	Description	HSN/Accounting code		Qty.	Unit	Rate	Total	Discount	Taxable value	CGST		SGST		IGST	
										Rate	Amt.	Rate	Amt.	Rate	Amt.
Total															
Total Invoice Value (In figure) Total Invoice Value (In Words) Amount of Tax subject to Reverse Charges												Signature			
<small>*This is an indicative format created based on invoicing rules</small>															
<small>www.tallysolutions.com</small>															

Figure 1.1 Tax Invoice sample format

1.1.8.2 Bill of Supply

When the supplier is not allowed to levy any tax and hence a Tax invoice cannot be issued therefore a particular document called as Bill of supply is issued and a Bill of supply need not be issued when the value of goods or services supplied is less than 100 unless the receiver insists for the bill. However, a consolidated bill of supply should be prepared at the end of the business day for all such supplies for which the bill of supply was not issued.

Bill of Supply is to be issued by a registered supplier in the following cases:

- Supply of exempted goods or services
- The supplier is paying tax under the composition scheme



Based on the rules of details required in a Bill of supply, a sample Bill of Supply is shown in Figure 1.2:

Sample of Bill of Supply

GSTIN									The serial number should be a consecutive number, containing only alphabets and / or numerals, and must be unique for a financial year.		
Name											
Address											
Serial No. of Invoice											
Date of Invoice											
Details of Receiver (Billed to) Details of the person to whom the invoice is billed										Details of receiver to be given if the receiver is registered.	
Name											
Address											
GSTIN/Unique ID									Unique ID is issued to UN bodies, embassies or any other notified persons.		
S.No.	Description	HSN / Accounting code	Qty.	Unit	Rate	Total	Discount	Value	Value after deducting discount / abatement, if any.		
Total											
Signature											

*This is an indicative format created based on invoicing rules

www.tallsolutions.com

Figure 1.2 Bill of Supply sample format

1.1.9 Debit Note, Credit Note/Supplementary Invoice

To revise the taxable value or GST charged in an invoice, a debit note or supplementary invoice or credit note must be issued by the supplier.

Debit Note/Supplementary Invoice- These are to be issued by a supplier to record an increase in taxable value and/or the GST charged in the original invoice.

Credit Note- These are to be issued by a supplier to record a decrease in taxable value and/or the GST charged in the original invoice.

Mandatory components:

The following details are mandatory in debit notes or supplementary invoices and credit notes:

- The nature of the document must be indicated prominently, such as 'revised invoice' or 'supplementary invoice'
- Name, address, and GSTIN of the supplier
- A consecutive serial number containing only alphabets and/or numerals, unique for a financial year
- A consecutive serial number containing only alphabets and/or numerals, unique for a financial year



- If the recipient is registered - Name, address and GSTIN/Unique ID number of the recipient
- If the recipient is unregistered- Name, address of the recipient, and address of delivery, with the state name and code
- Serial number and date of the original tax invoice or bill of supply
- The taxable value of the goods or services, rate of tax and the amount of tax credited or debited to the recipient
- A signature or digital signature of the supplier or his authorized representative.

1.1.10 Receipt Voucher

When a registered dealer receives an advance payment for a supply, the dealer should issue a receipt voucher for the advance paid by the recipient.

After the dealer issues a receipt voucher, if the supply does not take place, the dealer can issue a refund voucher to the recipient against the advance received.

The Taxpayer has to perform the following actions on receiving advance receipts.

- 1) The Supplier needs to issue a receipt voucher for receiving advance receipts to the buyer (Person who makes advance payment).
- 2) The supplier needs to calculate the advance tax received.
- 3) Updating advance receipts information in GSTR -1

Mandatory components to be captured in advance receipt voucher under GST are :

- 1) Supplier's name, address and GSTIN
- 2) The serial number of the receipt voucher, not exceeding 16 characters, containing alphabets or numerals or special characters hyphen (-) or slash (/). It must be unique for a financial year
- 3) Date of issue
- 4) If the recipient is registered, the recipient's name, address and GSTIN or UID
- 5) Description of the goods or services
- 6) Amount of advance taken
- 7) Rate of tax (CGST, SGST, IGST, UTGST or Cess)
- 8) Amount of tax (CGST, SGST, IGST, UTGST or Cess)
- 9) If the supply is interstate, the place of supply, along with the state name and the state code
- 10) Whether tax is payable on reverse charge
- 11) A signature or digital signature of the supplier or his authorized representative



A sample receipt voucher is shown in Figure 1.3

Receipt Voucher

GSTIN										
Name										
Address										
State										
Serial No.		Should be a consecutive serial number containing alphabets or numerals or special characters hyphen “-” or slash “/”. It must be unique for a financial year.								
Date										
Details of Receiver										
Name										
Address										
State										
State Code										
GSTIN/Unique ID		Details of receiver have to be provided if the receiver is registered.								
S.No.	Description	Advance amount	CGST		SGST		IGST		Cess	
			Rate	Amt.	Rate	Amt.	Rate	Amt.	Rate	Amt.
Total										
Is tax payable on reverse charge										
Signature										

*This is an indicative format created based on invoicing rules www.tallysolutions.com

Figure 1.3 Receipt Voucher sample format

1.1.11 Transportation of Goods without Issue of an Invoice

Transportation of goods without the issue of an invoice can happen in the following cases:

- 1) Supply of liquid gas, where the quantity at the time of removal from the place of business of the supplier is not known
- 2) Transportation of goods for job work
- 3) Transportation of goods for reasons other than supply
- 4) Any other notified supplies

In these cases, the consignor can issue a delivery challan in place of an invoice at the time of removal of goods for transportation.



A sample delivery challan is shown in Figure 1.4

Delivery Challan														
<div style="float: left; width: 60%;"> <p>GSTIN</p> <p>Name _____</p> <p>Address _____</p> <p>Serial no. _____</p> <p>Date _____</p> <p>Details of Consignee</p> <p>Name _____</p> <p>Address _____</p> <p>State _____</p> <p>GSTIN/Unique ID _____</p> </div> <div style="float: right; width: 40%; text-align: right; padding-right: 20px;"> <p>Details of the consignor have to be provided if the consignor is registered</p> <p>↑</p> <p>Details of the consignee have to be provided if the consignee is registered</p> <p>↑</p> <p>Place of supply has to be provided if the supply is inter-state</p> <p>↑</p> <p>Tax rate and tax amount have to be provided if the transportation is for supply</p> <p>↓</p> <p>Quantity can be provisional, if the exact quantity is not known</p> </div>														
S.No.	Description	HSN Code	Qty.	Unit	Rate	Taxable Value	CGST Rate	CGST Amt.	SGST Rate	SGST Amt.	IGST Rate	IGST Amt.	Cess Rate	Cess Amt.
Total														
Signature _____														

*This is an indicative format created based on invoicing rules

www.tallsolutions.com

Figure 1.4 Delivery Challan sample format

Copies of Delivery Challan

Original copy - The original copy is issued to the consignee and is marked as 'Original for consignee'.

Duplicate copy - The duplicate copy is issued to the transporter and is marked as 'Duplicate for transporter'.

TriPLICATE copy - The triplicate copy is retained by the consigner and is marked as 'Triplicate for consigner'.

Note:

- 1) When goods are being transported with a delivery challan in place of an invoice, the same should be declared in Waybill.
- 2) When goods are being transported for supply to the recipient, but the tax invoice could not be issued at the time of removal of the goods, the supplier should issue a tax invoice after the delivery of the goods.

1.1.12 Input Tax Credit

One of the fundamental features of GST is the seamless flow of input credit across the chain (from the manufacturer to the consumer) and across the country. Under the GST regime, the input tax credit can be availed by every **registered taxable person** on all the inputs used or intended to be used for the **furtherance of business**.

Input Tax Credit Set-off

On every transaction within a state, a component of Central Tax and State Tax will be applicable. Integrated Tax is applicable on interstate transactions. A registered dealer's liability to pay can be set off against the input tax credit that he/she is entitled to avail. Let us understand how to set off the input credit against each of these components in the order as prescribed by the GST Law.



Input Tax Credit (ITC)	1 Set off Against Liability	2 Set off Against Liability
Integrated Tax	Integrated Tax	Central Tax or State Tax /Union Territory Tax
Central Tax	Integrated Tax	Central Tax
State Tax/UT Tax	Integrated Tax	State Tax /Union Territory Tax

Table 1.8

ITC available on Integrated Tax must be set off against Integrated Tax Liability first, then if there is excess ITC, the same can be adjusted with Central Tax or State Tax liability.

Tax liability of Central Tax must be set off first against the excess ITC of IGST after set-off of IGST liability and the shortage of Central Tax liability is set off against ITC of Central Tax ITC, any excess Central Tax ITC can be carried forward to subsequent periods.

Similarly, the Tax liability of State Tax must be setoff against Integrated Tax excess ITC (the taxable person has the option to proportionate the excess ITC of Integrated Tax between Central and State Tax liability) and the shortage of State Tax liability is set off against ITC of State Tax, any excess State Tax ITC can be carried forward to the subsequent periods.

1.2 E-Way Bill

When goods are shipped from one place to another, a physical document declaring the details of the consignment is provided by the carrier. It has details like the name of the consignor and the consignee, the origin of the consignment, the destination, the route by which the consignment will be transported, the mode of transport, and the transportation charges.

Electronic Waybill (e-Way bill) is an electronic document generated on the GST portal for evidencing the movement of goods. It is a unique reference number generated for the specific consignment which involves the movement of goods. If the invoice value is ₹ 50,000 or above, all registered dealers must generate an e-Way Bill for the interstate movement of goods.

The e-Way bill needs to be generated for all types of movement of goods interstate and intrastate.

In the State of **Bihar**, the e-way bill is required to be generated for intrastate movement of goods if the invoice value is ₹ 2,00,000 or more.

Likewise, in **Delhi, Tamil Nadu, Maharashtra and West Bengal**, the e-way bill must be generated for intrastate movement of goods if the invoice value is ₹ 1,00,000 or more.

In **Mizoram**, the e-way bill threshold limit is ₹ 10,000 for intrastate movement of goods.

Madhya Pradesh and **Chhattisgarh** State Government have notified that an e-way bill is not required for the intra-district movement of goods.

An E-way bill can also be generated and raised for the goods worth less than ₹ 50,000 if the Supplier wishes to.



1.2.1 Components of E-Way Bill

E-Way Bill has two Components such as **Part-A** and **Part-B**. Form EWB-01 component details

Part-A (Form EWB - 01)	Details to be mentioned
GSTIN of recipient	Receiver GSTIN number if the receiver is unregistered then remark "URD"
Place of delivery (PIN Code)	PIN code of place of delivery (Mandatory field) with approximate distance.
Invoice or challan number and Date	Invoice or challan number /date of Supplier
Value of goods	Value as per Invoice or Challan number
HSN code	<ul style="list-style-type: none"> • Turnover up-to ₹5 crores HSN code is 2 digits. • Turnover above ₹5 crores HSN code is 4 digits.
Transport document number	Goods Receipt Number or Railway receipt number or Airway bill number or Bill of lading.
Reasons for transportation	Reason for transportation like sale, job work, import/export, exhibition etc.
Part B (Form EWB - 01)	Details to be mentioned
Mode of transport	The mode of transport. i.e. Road, Air, Rail or by Ship.
Distance in (KM)	Need to enter the travel Distance in Kilometers.
Vehicle Number	Vehicle Number of the Regular/Over Dimensional Cargo transporting goods to the customer.
Transporter ID	Identification Number is given to the transporter/dealer for transporting goods under the GST regime.

Table 1.9

1.2.2 Who must generate E-Way Bill

- **Consignor/ Registered Supplier:** When the Consignment is caused by a registered person as a consignor.
- **Consignee/ Registered Receiver:** When the Consignment is caused by a registered person as the consignee. Where goods are supplied by an unregistered person as the consignor to a registered Recipient.

When goods are transported by a registered person, either acting as a consignee or consignor in his own vehicle, hired vehicle, railways, by air, or by vessel, the supplier or recipient of the goods should generate the E-Way Bill.

1.2.3 Validity of E-Way Bill

- The Validity of the e-Way Bill is fixed as one day for every 100 Kms or part thereof. The validity can be extended online before the expiry.
- The e-Way Bill with a consignment should have the latest vehicle number which is carrying the consignment.
- The contents of PART - A of the Form EWB - 01 can't be edited or modified once generated.
- The contents of PART - B can be updated with Vehicle details/ RR/Airway Bill etc.



1.2.4 E-Way Bill Process Flow

Dakshin Electronics Pvt. Ltd., located in Bengaluru, Karnataka have their supply to be sent to Murugan Traders, Chennai, Tamil Nadu. Dakshin Electronics Pvt. Ltd. chose Ali Transport Agency to move the supplies from Bengaluru to Chennai.

Now, let us understand the sequence of events in the generation and use of e-way bill using Chart 1.5

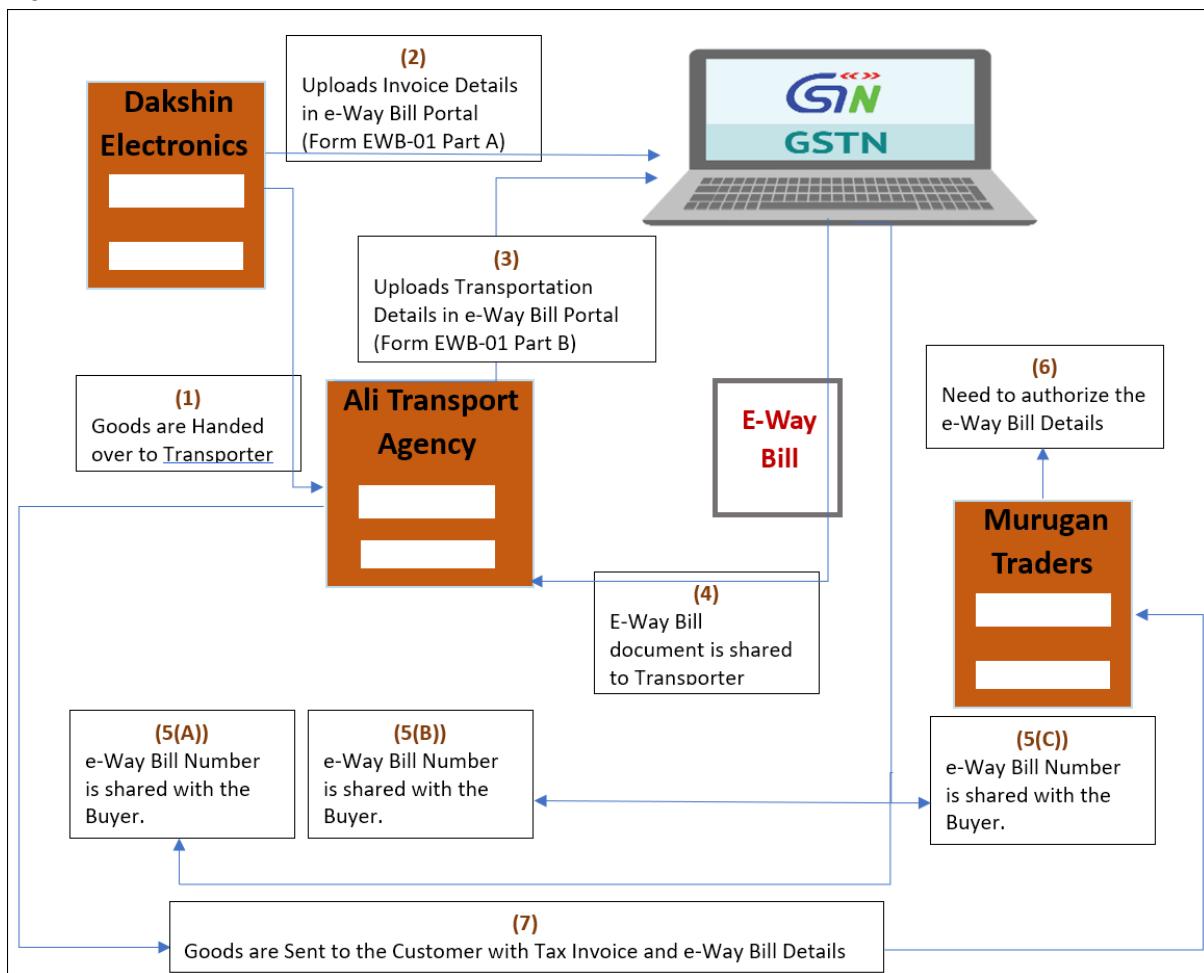


Chart 1.5 E-way Bill Process Flow

Chart 1.5 Explanation

- (1) Dakshin Electronics Pvt. Ltd. handover the goods to Ali Transport Agency for delivering it to Murugan Traders.
- (2) Dakshin Electronics Pvt. Ltd. declares the details of the goods in Part A of Form EWB-01.
- (3) Based on the details furnished, Ali Transport Agency will enter the transporter details in Part B of Form EWB-01.
- (4) E-Way Bill Portal will generate a unique e-Way bill document with 12 digits and will be sent to the transporter.
- (5) The E-Way number will be sent to Dakshin Electronics Pvt. Ltd., Ali Transport Agency and Murugan Traders.



- (6) The details of the e-way bill will be sent to Murugan Traders for acceptance. Murugan Traders will accept the e-Way Bill details.
- (7) Goods will be delivered from Ali Transport Agency to Murugan Traders with the Tax Invoice and e-Way bill details.

1.3 GST e-Invoicing

E-Invoicing is a system that allows the Invoice Registration Portal (IRP) to authenticate B2B and B2G invoices electronically.

E-invoicing is the process of uploading all your B2B transactions (Sales, Credit Note and Debit Notes made to businesses including all types of exports) on the IRP (invoice registration portal) for authentication or registration. Once authenticated, the IRP will issue a unique IRN (Invoice reference number) for every invoice. This IRN will need to be converted to a QR code along with other invoice info and printed on the face of the invoice for it to be considered valid. Not only this, for applicable transactions, e-way bill nos. will need to be generated simultaneously along with e-invoices.

1.3.1 Benefits of e-invoice to the businesses

Following are the benefits of generating e-Invoicing in a business:

- Reduce mismatch errors
- Real-time tracking of invoices prepared by the supplier
- Reduces reporting of same invoice details multiple time in different forms. It's just a one-time upload and everything, as required, will get pre-populated.
- On uploading of invoices, the details will be auto-captured in the GSTR-1 return.
- Faster availability of genuine input tax credit
- Increase efficiency in tax administration by eliminating fake invoice

1.3.2 Date of implementing GST e-invoicing

The GST Council has approved the introduction of e-invoicing in a phased manner for reporting of business – to - business (B2B) invoices to the GST System. This will be introduced based on turnover criteria as detailed in Table 1.10:

Annual turnover	The new date of mandatory implementation of e-invoice
500 Crore & above	1st October 2020
100 Crore up to 500 Crore	1st January 2021
50 Crore & Above	1st April 2021*

Note: The Turnover for implementing e-Invoice in a business is the Turnover in the last 3 preceding Financial Years (Starting 2017-18)

* Turnover in the last 3 preceding Financial Years (Starting 2018-19)

Table 1.10

As mentioned in Table 1.10, the e-invoicing system is already in place for larger businesses with turnover up to 500 crores from 1st October 2020. The mandatory implementation of an e-invoicing system for all businesses with a turnover of 100 crores and above is from 1st January 2021. For businesses whose annual turnover is 50 Crores and above, the implementation will be from 1st April 2021.

1.3.3 Entities exempted for e-invoices

Following are the entities which are exempted from generating e-Invoicing in a business:

- Special Economic Zone Units
- An insurer or a banking company or a financial institution, including a non-banking financial company
- Goods transport agency supplying services in relation to transportation of goods by road in a goods carriage
- Suppliers of passenger transportation service
- Suppliers of services by way of admission to the exhibition of cinematograph films on multiplex screens

1.3.4 Generating E-Way bill with e-Invoice

E-way bill can also be generated along with e-invoice through the IRP portal. IRN is mandatory for generating the e-way bill. Using the IRN, an e-way bill can be generated on the IRP portal or in the e-way bill portal. For invoices that do not require registration on IRP (B2C Invoices) for those e-way bills can be generated through the e-way bill portal.

1.3.5 Modification of e-Invoice

There may be situations where the IRN is generated for a particular voucher, but you might have to cancel it. This can happen when there is a change in the rate of an item, or if the party has cancelled the order, Incorrect entry or Duplicate entry. In such cases, you may want to cancel the invoice.

As per department regulations, invoice cancellation must be done within 24 hours of IRN generation. If an e-Way Bill is already generated for the IRN, it cannot be cancelled. Partial cancellation of e-Invoice is not possible; hence, the whole of the invoice needs be cancelled.

E-invoices once generated cannot be modified on IRP. E-invoice will have to be cancelled for such invoices. A new invoice will have to be raised and uploaded on IRP since the same invoice number cannot be used for the generation of IRN. Beyond that debit note or credit note can be raised to nullify the invoice information.

In case an IRN is cancelled, then GSTR-1 will also be automatically updated with such ‘cancelled’ status.

1.3.6 Role of e-Invoice in GST Returns

Once a GST invoice is uploaded to IRP, the invoice information will be auto-populated in GSTR 1 of the supplier and GSTR 2A/2B of the recipient.

The supplier can modify invoice details in GST returns; however, these modifications will be applied only to GST Returns, and not to e-invoice.



1.3.7 Various modes of generating e-invoice

An e-Invoice can be generated in different modes as shown in Figure 1.5

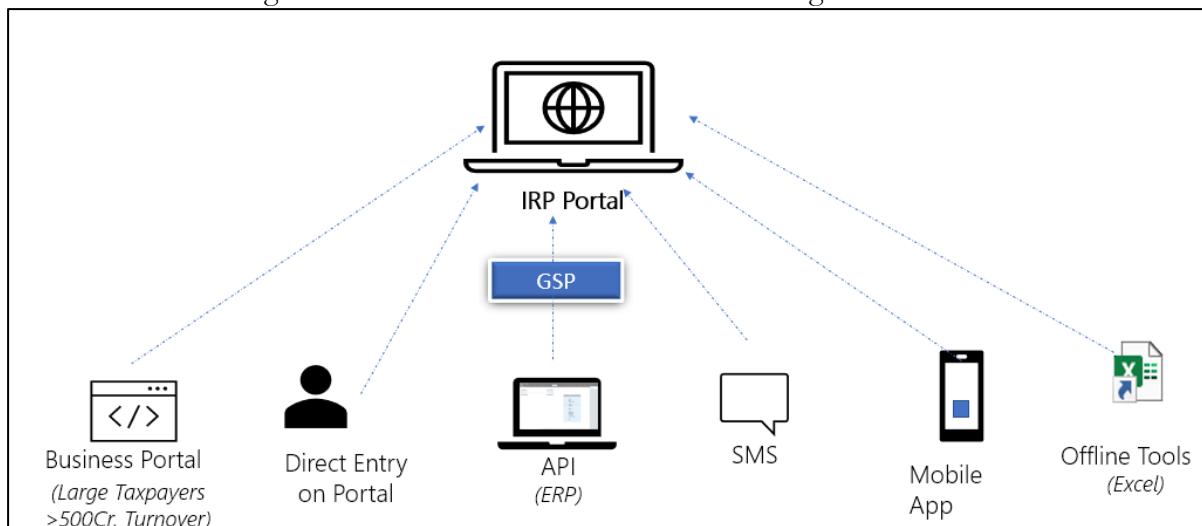


Figure 1.5 Modes of generating e-invoice

1.3.8 Role of IRP in e-Invoice

IRP is known as the Invoice Registration Portal. A system used to validate the authenticity of the GST invoices.

IRP accepts the GST invoice prepared by the taxpayer, Validates the document as per the e-Invoice schema and performs additional checks on the contents of the e-Invoice, and Generates a unique **Invoice Reference Number (IRN)** with **64 characters**, digitally sign the e-Invoice, and generate an e-Invoice QR Code with high-level details of the invoice and reply to the user with these details.

Functions of IRP

- Generating Invoice Reference Number (IRN)
- Validating IRN
- De-duplication of IRN
- Signing Invoices Digitally
- Generating QR Code
- Links with other department systems (GST and E-Way Bill System)
- Sending Invoice To Both Supplier and Recipient

Company Registration in IRP

The Company must be registered for issuing e-Invoice from the Invoice Registration Portal (IRP).

- 1) You must login to <https://einvoicel.gst.gov.in/> > click **Registration** > select **Portal Login**.
- 2) Enter the **GSTIN** of your business in the **e-Invoice Registration Form** > enter **CAPTCHA** > click **Go**.
- 3) You must enter the business details, as required, and click **Send OTP** to verify the details.
- 4) You will receive the OTP on your registered mobile number > Enter the **OTP** >click **Verify OTP**.
- 5) After verifying the OTP, you will be asked to enter a **Username** and **Password** to create your login credentials. Confirm and save the details.

Creating Company API Profile in IRP

The Company after registering in IRP, for issuing e-Invoice from the Invoice Registration Portal (IRP) company must create the API (Application Programming Interface).

Application Programming Interface under GST e-invoicing system facilitates the communication and exchange of data between taxpayers or GSPs (GST Suvidha Providers), and the e-invoice system. Tally is registered as GSP and gets listed under the list while creating an API profile.

- 1) You must login to <https://einvoicel.gst.gov.in/> > **Login** with a valid **Username** and **Password**.
- 2) **IRP Dashboard** gets opened > Click **API Registration** > Enter on **User Credentials** > Enter on **Create API User** > Select **Through GSP**
- 3) The **API Registration** screen appears > In the **Select your GSP** field, select **Tally (India) Private Ltd**
- 4) Enter the **API Username** and **Password** > click **Submit**
- 5) A user profile will be created with Tally (India) Private Ltd as the GSP.

Note: The API user credential will be different from the IRP credential.

1.3.9 The practice of Generating GST e-Invoice

The practice of printing the invoice, sending by post, transportation, sorting, and registration is removed under the current practice of generating e-Invoicing in a business. Multiple Invoice handling steps are eliminated.

Under the e-Invoicing, the following steps are followed:

Step 1: Invoice is raised by the Supplier

Step 2: Invoice is uploaded to IRP (within 72 hours with/without e-Way Bill details)

Step 3: IRN is generated successfully. The invoice is printed with IRN details and QR Code. The Invoice is handed over to the buyer

The e-Invoice generation flow is shown in Figure 1.6

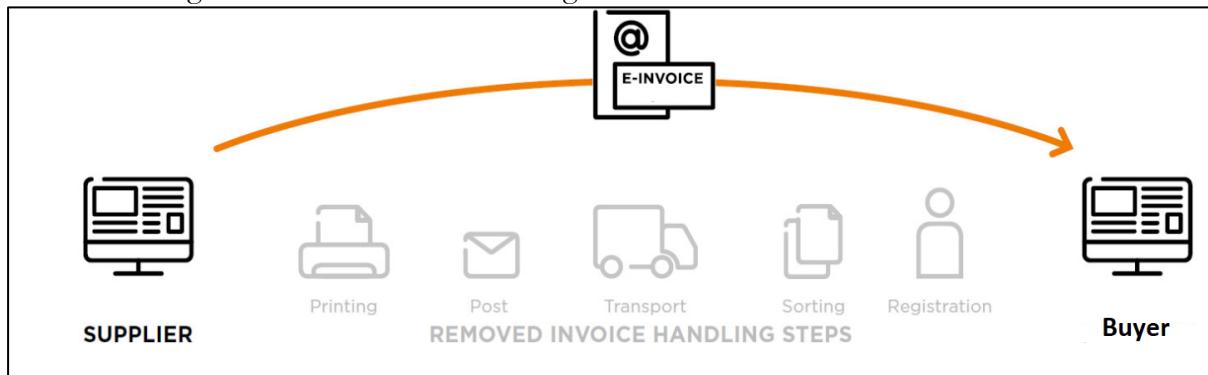


Figure 1.6 Generating GST e-Invoice

1.3.10 E-invoice Details

B2B/ B2G Tax Invoices, Export Invoices, Reverse Charge Invoices (Outward Supplies for reverse chargeable items/service), Credit Notes and Debit Notes are the documents to be reported to the e-invoice system.

An e-Invoice will contain the following details:



- Seller Details (Name/Address/GSTIN/Pin code etc.)
- Buyer Details
- Consignee Details
- Dispatch From Details
- Item Details (Qty/Rate/UQC/Amount/HSN)
- Invoice Details (Invoice No./Date/Discount/Other charges/Amount.)
- Export details (if applicable: Shipping Bill No./Date/Port Code/Currency, Country code)
- E-Way Bill Details (Transporter/Distance/Mode/Pin code etc..)

1.3.11 Invoice Reference Number (IRN)

Invoice Reference Number (IRN) is a 64 characters unique number. IRN helps buyers, tax authorities and anyone else, to whom it matters, to uniquely identify the invoices raised in India. IRN will be formed by combining the following details and computing SHA 256 hash (Secure Hash Algorithm):

- Supplier GSTIN
- Financial Year of the Invoice
- Document Type (Invoice, Credit Note, etc.)
- Invoice Number or Document Number

1.4 GST in TallyPrime

We will now enable GST for this company and record the registration details. Later, will record GST compliant transactions and generate accurate GST Returns.

Business Scenario

Dakshin Electronics Pvt. Ltd. started the business in October 2020 with a capital of ₹ 50,00,000. The company started recording compliance related transactions from 1st October 2020 in TallyPrime. The company trades in wholesale and retail sales of electronic goods. The company also provides Maintenance Services on the selected electronic goods.

The company is registered as a Regular Dealer under the Goods and Services Tax Act. The company deals in different brands of Television, LED Lights for Home Decor, Washing Machines and Mobile Phones. Most of the electronic goods will attract an 18% GST rate. Therefore, the company decides to define the tax details at the company level. Further, the stock items other than the 18% GST rate will be defined in the Stock Item or the Stock Group.

Applicable from 1st Jan 2021, the company is all set to implement GST e-Invoicing in the business and decided to issue e-Invoices to all the B2B supply transactions and reduce issuing manual tax invoices.

The company has an account in **Kotak Bank Current A/c** for business purpose.

1.4.1 Creation of Company and Activating GST

The first step in working with TallyPrime is to create a Company. A Company in TallyPrime is a central repository where we can maintain all the financial records of our business, and we can extract the required financial reports and statements.

Now let us create the company to maintain the financial data in TallyPrime.



Company Creation

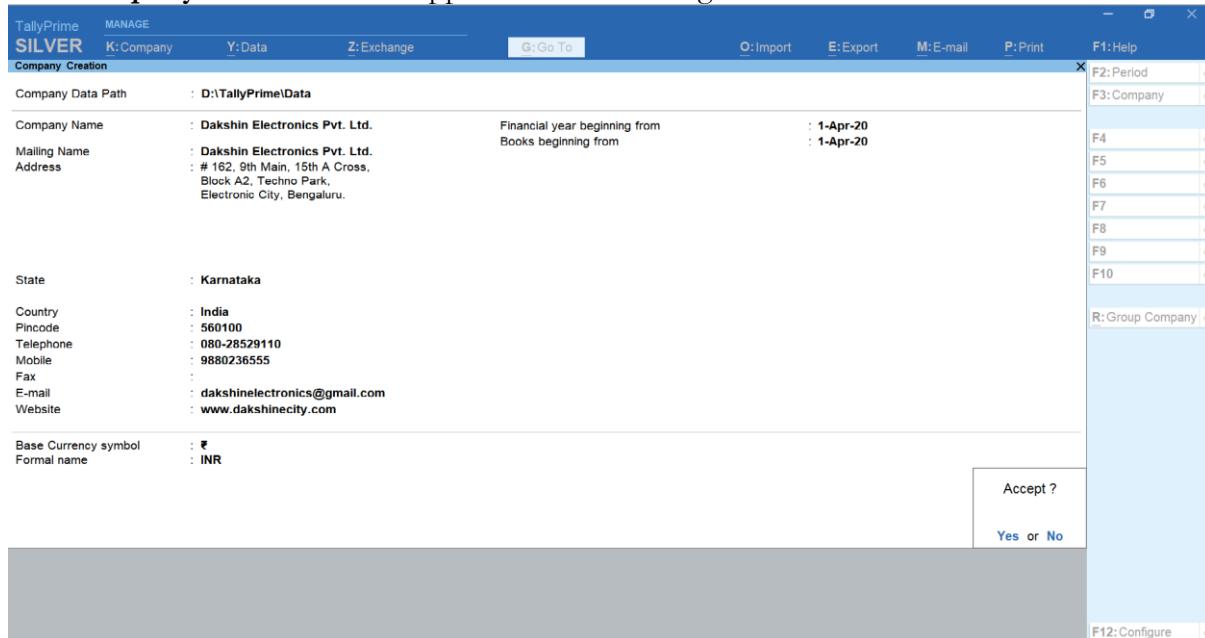
- 1) To create the company in TallyPrime, Open **TallyPrime** > From the **Select Company** screen, select **Create Company**.
- 2) The **Company Creation** screen appears. Enter the details as shown in Table 1.11

Dakshin Electronics Pvt. Ltd.	
Against the field	Action to be performed
Company Data Path	By default, the path provided while installing the TallyPrime application will be shown. i.e., D:\TallyPrime Note: It is recommended to install TallyPrime and provide the data folder path of D:/ drive (As this will help to recover the data, whenever the system gets crashed).
Company Name	Provide a name for the company that is being created. Enter the company name as Dakshin Electronics Pvt. Ltd.
Mailing Name	Dakshin Electronics Pvt. Ltd. appears by default. We can alter the name if required and the name specified here will be used in Invoice Printing and Reports.
Address	Enter the address as below: # 162, 9 th Main, 15th A Cross, Block A2, Techno Park, Electronic City, Bengaluru.
State	Select as Karnataka
Country	By default, India will appear in this field because we have selected the state as Karnataka .
Activity: Click on F12: Configure > Set Provide Contact Details to Yes > Accept the screen.	
Pincode	Enter as 560100
Telephone	Enter as 080-28529110
Mobile	Enter as 9880236555
Fax	Keep it Blank
E-mail	Enter as dakshinelectronics@gmail.com
Website	Enter as www.dakshinicity.com
Financial year beginning from	By default, it will appear as 1-Apr-20 TallyPrime pre-fills this field based on the date settings of your computer and the Country selected in the Company Creation screen. For example , TallyPrime considers the computer date and the financial period applicable to the selected country and updates the Financial year beginning from in the field accordingly
Books beginning from	By default, it will appear as 1-Apr-20 Dakshin Electronics Pvt. Ltd. has started maintaining the books of accounts with TallyPrime from 1-Oct-20 . However, the company wants to retain the Books beginning from 1-Apr-20.
Base Currency symbol	By default, it will appear as ₹ (We have selected the Country as India)
Formal Name	By default, it will appear as INR
Note: To get the additional base currency details like suffix symbol to amount, number of decimal places etc., then from company creation screen click F12: Configure and set Provide Additional Base Currency details to Yes .	

Table 1.11



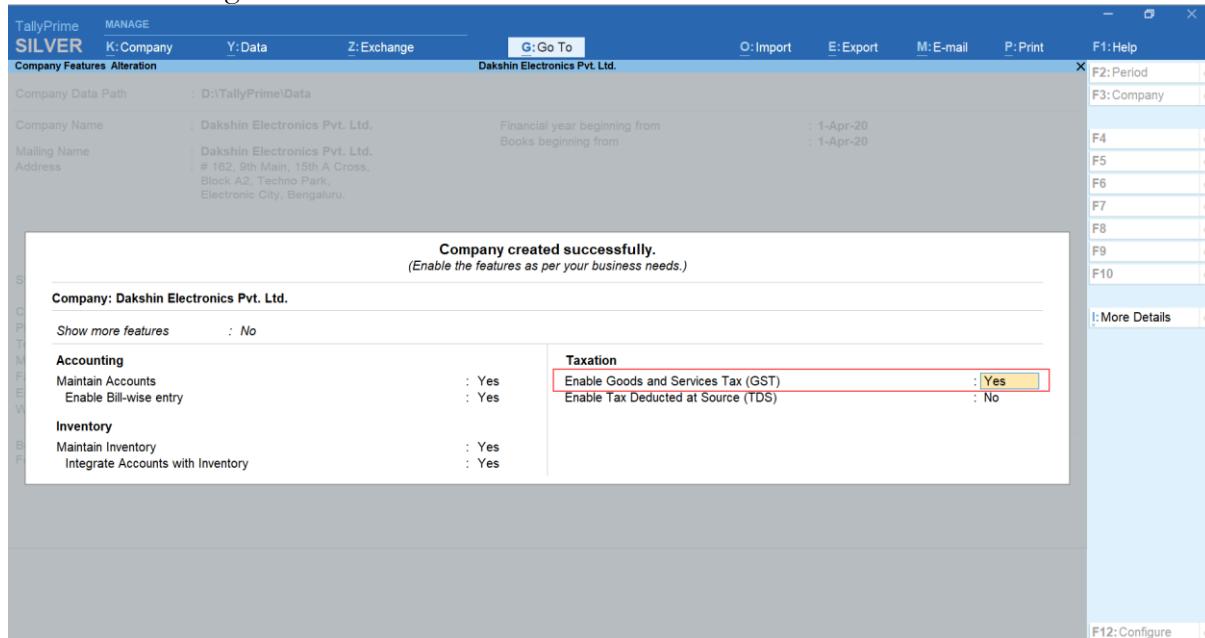
The **Company Creation** screen appears as shown in Figure 1.7:



The screenshot shows the Company Creation screen in TallyPrime. The company name is set to 'Dakshin Electronics Pvt. Ltd.' with address '# 162, 9th Main, 15th A Cross, Block A2, Techno Park, Electronic City, Bengaluru'. The financial year begins on 1-Apr-20. The state is Karnataka, and the country is India. The base currency is INR. A confirmation dialog box is open in the bottom right corner asking 'Accept ?' with 'Yes or No' options.

Figure 1.7 Company Creation screen

- 3) Immediately after saving the Company Creation screen, **Company Features Alteration** screen appears with the message, **Company created successfully**.
- 4) From the **Company Features Alteration** screen,
 - a. **Enable Goods and Services Tax (GST)** is by default set to **Yes** as shown in Figure 1.8



The screenshot shows the Company Features Alteration screen. It displays a success message: 'Company created successfully. (Enable the features as per your business needs.)'. Under the 'Taxation' section, 'Enable Goods and Services Tax (GST)' is checked as 'Yes', while 'Enable Tax Deducted at Source (TDS)' is checked as 'No'. Other features like Accounting and Inventory are also listed with their respective settings.

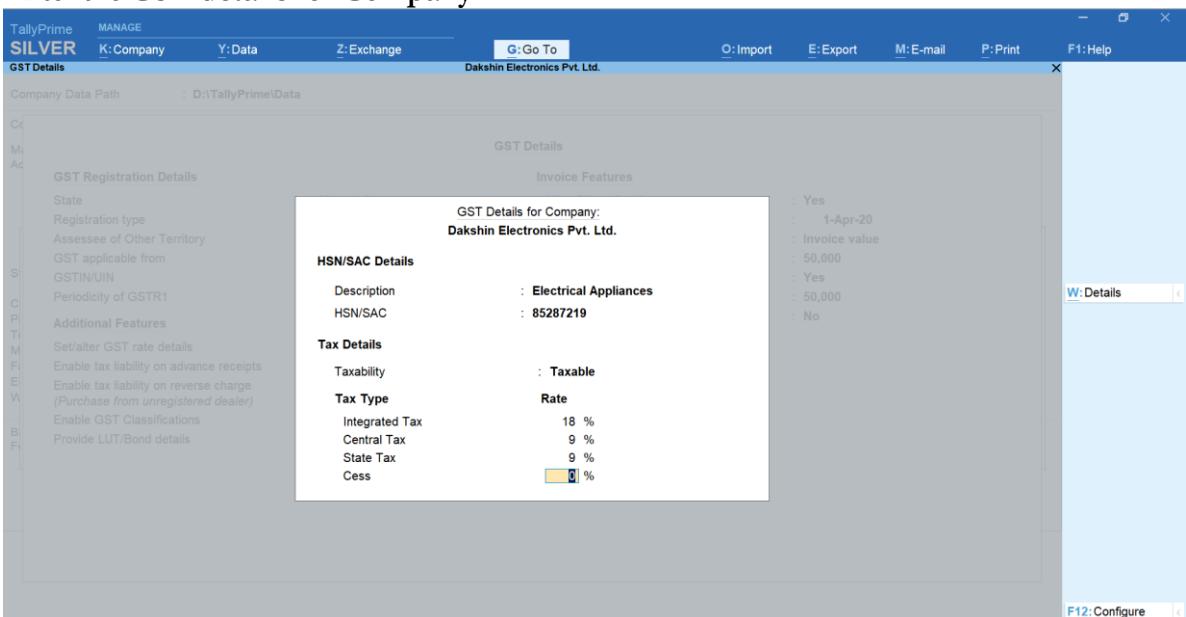
Figure 1.8 Company Features Alteration screen

Observation: In Figure 1.8, we can observe there are a few options that are available by default upfront, these are the company features enabled by default which is essential for the organization.

To display more feature, we can set the option **Show more features** to **Yes** (as of now do not enable the option)

- b. Click **I: More Details** > Enter on **GST Details** and enter the **Company GST Details** as given in Table 1.12:



GST Registration Details	
State	Karnataka
Registration type	Regular (In Tally there are two types of registrations Regular and Composition , by default Regular is selected as the Registration type)
Assessee of Other Territory	Set to No <i>Other Territory is inclusive of all territories that do not form part of any State (including the two Union Territories with Legislature being Delhi and Puducherry) and excludes the Union Territories (i.e., the Andaman and Nicobar Islands, Lakshadweep, Dadra and Nagar Haveli, Daman and Diu, and Chandigarh). Under GST, Other Territory has defined under Union Territory rules.</i>
Applicable from	Enter as 1-Oct-20
GSTIN/UIN	Enter a Valid GSTIN starting with 29 (It is a 15-digit PAN-based number) Note: If you have your own company GSTIN, then you can Enter the same. If GSTIN is not available, then to get the valid GSTIN, you can go to google and type " GSTIN of dealers in Karnataka " (whichever state you want the state name can be typed) you will directly get the list of GSTIN).
Periodicity of GSTR 1	Select Monthly (If the turnover of a company is more than 1.5 cr. then we can select Monthly as periodicity)
Additional Features	
Set/alter GST rate details	Set to Yes
Note: Click F12: Configure > Set Allow HSN/SAC details to Yes > Accept the screen	
Enter the GST details for Company	
 <p>The screenshot shows the TallyPrime GST Details window for 'Dakshin Electronics Pvt. Ltd.' The 'GST Details' tab is active. In the 'HSN/SAC Details' section, 'Description' is set to 'Electrical Appliances' and 'HSN/SAC' is set to '85287219'. In the 'Tax Details' section, 'Taxability' is set to 'Taxable' and 'Tax Type' is set to 'Integrated Tax'. The 'Rate' column lists tax rates: Integrated Tax at 18 %, Central Tax at 9 %, State Tax at 9 %, and Cess at 0 %.</p>	
Accept the screen	
Enable tax liability on advance receipts	Set to No



Enable tax liability on reverse charge (Purchase from unregistered dealer)	Set to No
Enable GST Classifications	Set to No
Provide LUT/Bond details	Set to No
Invoice Features	
e-Way Bill applicable	Set to Yes
Applicable from	Enter as 1-Oct-20
Threshold limit includes	Select as Invoice value
Threshold limit	Enter as 50,000
Applicable for intrastate	Set to Yes
Threshold limit	Enter as 50,000
e-Invoicing applicable	Set to Yes
Applicable from	Enter as 1-Jan-21
Bill from place	Enter as Electronic City (Depending on your business operation, this can be either the same or different from the location where your supplies are shipped from)
Default period for the e-invoice report	Enter as 3 Days (As per department regulations, e-invoices must be generated within 72 hours of billing. However, TallyPrime will allow you to set a period between 1 and 31 days, as per your business requirement)
Send e-Way Bill details with e-invoice (Applicable for sales transactions)	Set to No (TallyPrime provides you with the option to generate your e-Way Bill along with your e-invoice.)

Table 1.12

The **Company Features Alteration** screen appears as shown in Figure 1.9

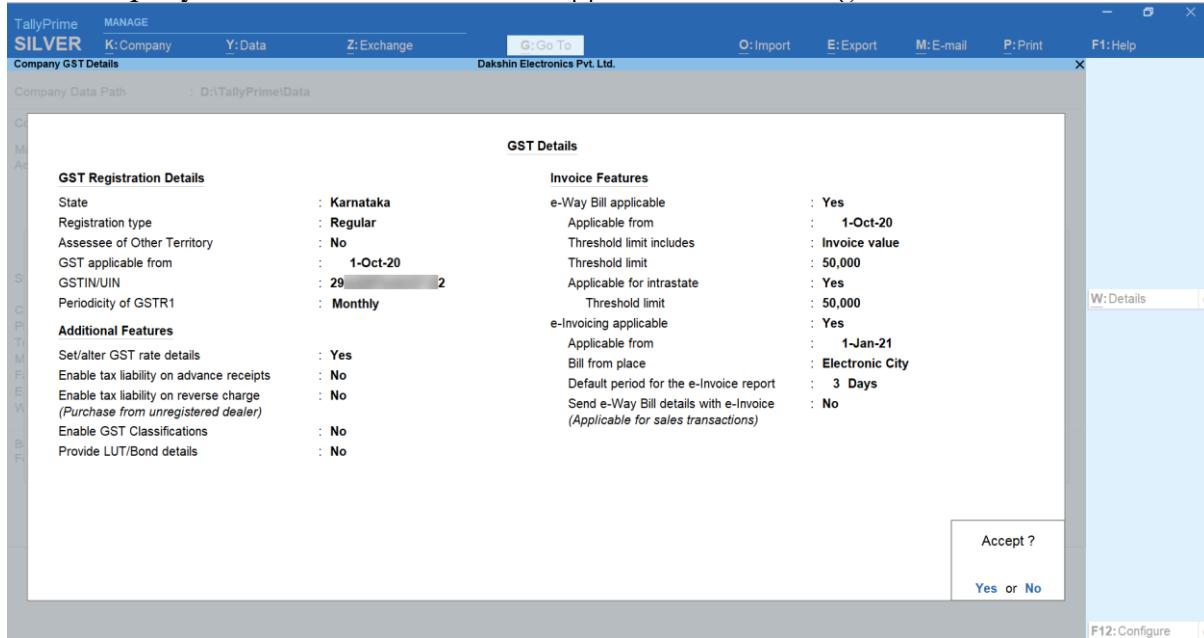


Figure 1.9 Company Features Alteration screen

- 5) Accept the **Company GST Details** screen
- 6) Click **I: More Details > under General Details**, Enter on **PAN/CIN Details > Mention the Company PAN/Income tax no. as ASDFG3345Q.**



- 7) Accept the **Company Features Alteration** screen.

Once after accepting the **Company Features Alteration** screen, The **Gateway of Tally** screen will appear as shown in Figure 1.10

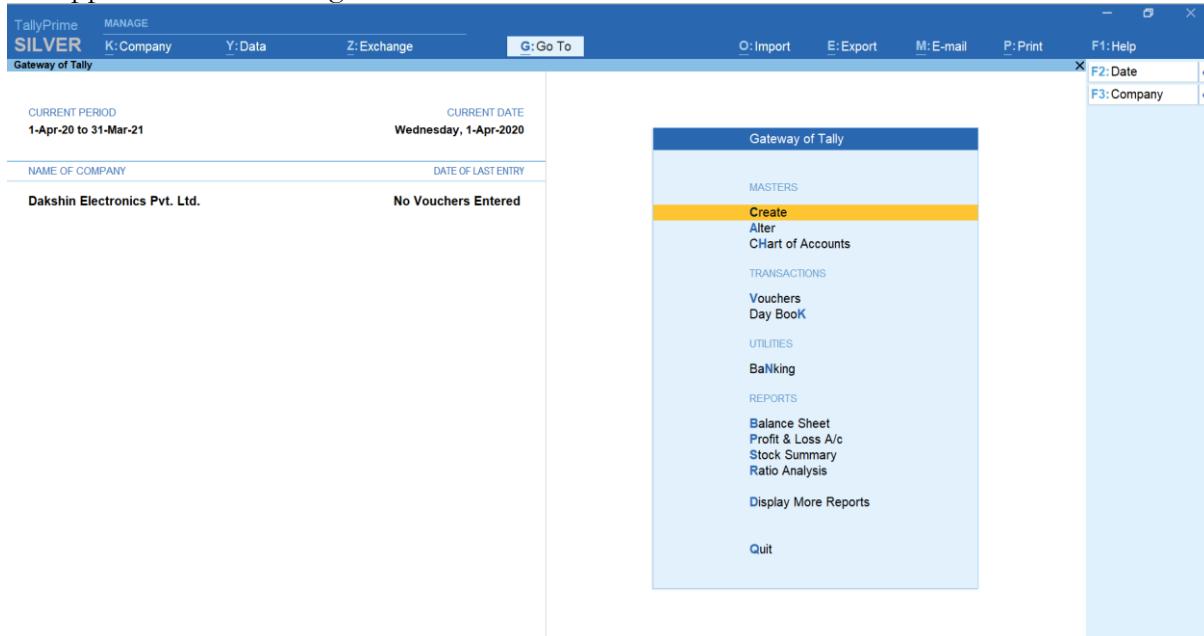


Figure 1.10 Gateway of Tally screen

1.4.2 Introducing Capital into the Business

Initial Capital is the money invested by the business owners/Managing Directors to set up a business and the money invested to start a business is also called start-up capital.

In TallyPrime, we can record the Receipt or Journal voucher for introducing capital in the business.

Illustration 1: Introducing Capital into the Business.

Receipt Voucher			
Date	Particulars	Debit	Credit
1 st October 2020	Kotak Bank Current A/c _____ Dr To, Owner's Capital Account	₹ 50,00,000	₹ 50,00,000

Table 1.13

Step 1: Creation of Accounting Masters

Kotak Bank Current A/c

- 1) From **Gateway of Tally** > **Create** > under **Accounting Masters** > **Ledger**.

Kotak Bank Current A/c	
Against the field	Action to be performed
Name	Enter as Kotak Bank Current A/c
Under	Select as Bank Accounts
Bank Account Details	
A/c holder's name	Dakshin Electronics Pvt. Ltd.
A/c no.	Enter as 101002549567
IFS code	Enter as KKBK0000420



SWIFT code	Enter a KKBKINBB
Bank name	Select Kotak Mahindra Bank (India) from the List of Banks .
Branch	Enter as Electronic City
BSR Code	Enter as 2698657
Client Code	Enter as 2668597
Bank Configuration	
Set cheque books	Set to No
Enable cheque printing	Set to No
Enable auto reconciliation	Set to No
Mailing Details	
Name	By default, it is Kotak Bank Current A/c
Address	Enter as #115, Block 21, RK Nagar, Electronic City, Bengaluru.
State	Select as Karnataka
Country	By default it is India
Pincode	Enter as 560109
Accept the screen	

Table 1.14

Note:

- The BSR (Basic Statistical Returns) code is used for bank drafts, challan etc. it contains 7 digits and is given by RBI to the bank branch. Bank BSR code is different from the branch code).
- SWIFT Code or BIC Code is a unique code to identify financial and non-financial institutions.

Capital A/c

Owner's Capital Account	
Against the field	Action to be performed
Name	Enter as Owner's Capital Account
Under	Select as Capital Account
Mailing Details	
Accept the mailing details as it is	
Tax Registration Details	
Accept the Tax Registration Details as it is	
Accept the screen	

Table 1.15

Note: We can create the ledgers directly from the **G: Go To** option available in the **Top Menu**. To do so, click **G: Go To > Create Master > under Accounting Masters > Ledger**. We can use this option from any screen in TallyPrime to directly go to the ledger creation screen.

Step 2: Recording Receipt Voucher

Receipt entries can be entered in Tally in the following modes:

- **Double Entry Mode:** This mode allows to **Debit (Dr)** and **Credit (Cr)** multiple accounts at a time.
- **Single Entry Mode:** This mode allows to **Debit (Dr)** one account and **Credit (Cr)** multiple accounts at a time.



To record the **Receipt Voucher**,

- 1) From **Gateway of Tally > Vouchers > F6: Receipt**
- 2) Click **F2: Date** and enter the date as **1-Oct-20**
- 3) Click **H: Change mode** and select the mode as **Single Entry**
- 4) In the **Account** field, select **Kotak Bank Current A/c**

Note: We can create the ledgers directly from the **G: Go To** option available in the **Top Menu**. To do so, click **G: Go To > Create Voucher**. We can use this option from any screen in TallyPrime to directly go to the voucher creation screen.

- 5) In the **Particulars** field, select **Owner's Capital Account**
- 6) In the **Amount** field, enter the amount as **₹ 50,00,000**
- 7) In the **Bank Allocations** screen, select the **Transaction Type** as **Cheque/DD** and enter the **Instrument number (Cheque Number)** as **950005** > **Inst. date** as **1-Oct-20** > Select the **Bank** as **State Bank of India (India)** > **Accept** the screen
- 8) Enter the **Narration** if required.

The **Receipt Voucher Creation** screen appears as shown in Figure 1.11

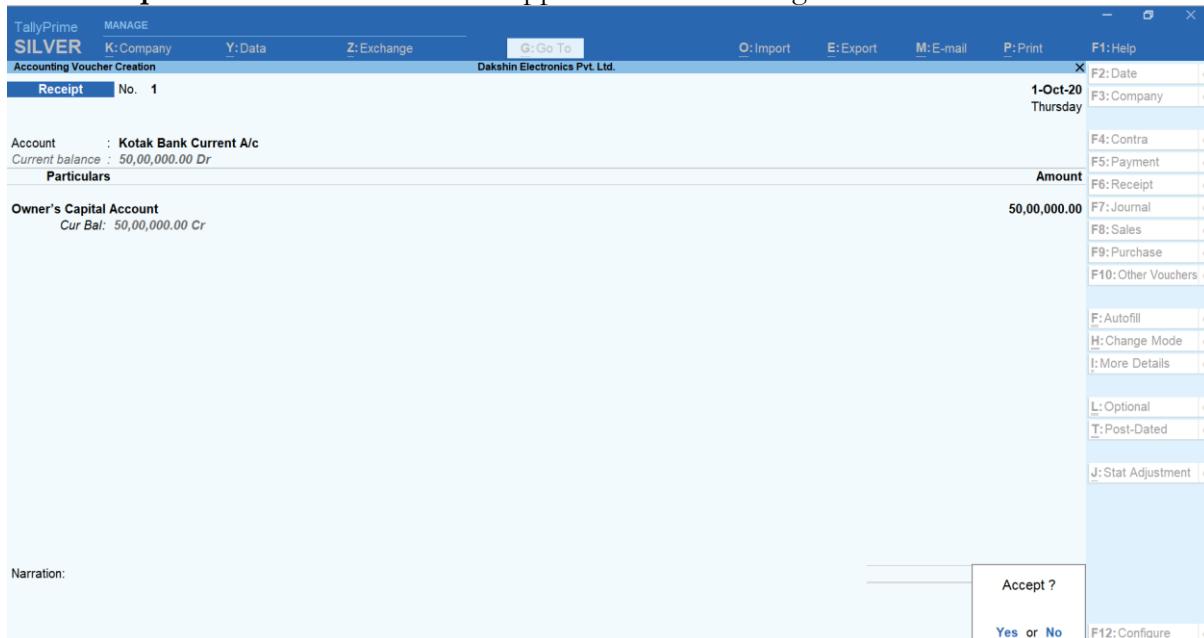


Figure 1.11 Receipt Voucher screen

- 9) **Accept** the screen

Step 3: Viewing the Receipt Voucher in Reports

The Receipt voucher recorded in TallyPrime will capture in **Cash/Bank Book, Balance Sheet, Profit & Loss A/c, Ledger A/c, Receipts and Payments, Receipt Register and Cash/Funds Flow report**.

- 1) To check the **Balance Sheet** report directly from the **Receipt Voucher** creation screen, Click **G: Go To** > under **Common Reports** > select **Balance Sheet**.

Observation: Once after recording the transaction of Figure 1.11, the impact of this transaction will appear in the **Balance Sheet**. The amount will be credited under the head **Capital Account** and debited under the head **Current Assets**.



1.4.3 Creation of Masters in TallyPrime

A single interface for all masters and chart of accounts helps you to create, alter and display the masters easily with an amazing search capability.

1.4.3.1 Creation of Accounting Masters

Party Ledgers

To create the supplier and customers ledger accounts,

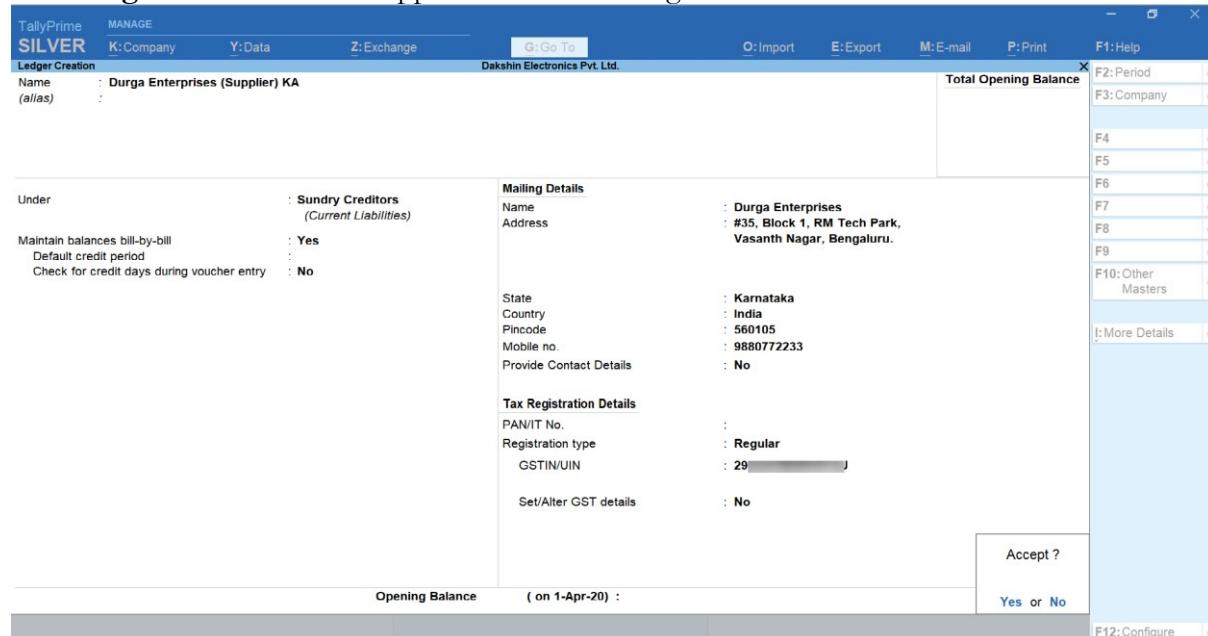
- 1) From **Gateway of Tally > Create >** under **Accounting Masters > Ledger**
- 2) In the Ledger Creation screen, enter the details referring to Table 1.16.

Durga Enterprises (Supplier) KA	
Against the field	Action to be performed
Name	Enter as Durga Enterprises (Supplier) KA
Under	Select as Sundry Creditors
Maintain balances bill-by-bill	Set to Yes
Default credit period	Keep it Blank , Press Enter
Check for credit days during voucher entry	Set to No
Mailing Details	
Name	Enter as Durga Enterprises
Address	#35, Block 1, RM Tech Park, Vasanth Nagar, Bengaluru.
State	Select as Karnataka
Country	By default its India
Pincode	Enter as 560105
Tips: Click F12: Configure > Set Provide Contact Details to Yes > Accept the screen	
Mobile no.	Enter as 9880772233
Tax Registration Details	
PAN/IT No.	Keep it Blank, Press Enter
Registration type	Select as Regular
GSTIN/UIN	Enter Valid GSTIN starting with 29
Set/alter GST details	Set as No

Table 1.16



The **Ledger Creation** screen appears as shown in Figure 1.12



The screenshot shows the 'Ledger Creation' screen in TallyPrime. The top menu bar includes 'MANAGE', 'K: Company', 'Y: Data', 'Z: Exchange', 'G: Go To', 'Dakshin Electronics Pvt. Ltd.', 'O: Import', 'E: Export', 'M: E-mail', 'P: Print', and 'F1: Help'. A right-click context menu is open with options like 'Total Opening Balance', 'F2: Period', 'F3: Company', 'F4', 'F5', 'F6', 'F7', 'F8', 'F9', 'F10: Other Masters', 'I: More Details', 'Accept?', 'Yes or No', and 'F12: Configure'. The main area displays ledger details for 'Durga Enterprises (Supplier) KA'. Under the 'Under' section, 'Sundry Creditors (Current Liabilities)' is selected. In the 'Mailing Details' section, the address is listed as '#35, Block 1, RM Tech Park, Vasanth Nagar, Bengaluru'. The 'Tax Registration Details' section shows PAN/IT No. as blank, Registration type as 'Regular', and GSTIN/UIN as '9880772233'. The 'Opening Balance' field is set to '(on 1-Apr-20) :'. A note at the bottom left says 'Maintain balances bill-by-bill'.

Figure 1.12 Ledger Creation screen

3) Accept the screen

Similarly, create the suppliers and customers ledger accounts in the books of Dakshin Electronics Pvt. Ltd. referring to Table 1.17

Name	Enter as KSS Enterprises (Supplier) AP	Enter as Pooja Appliances (Supplier) KA	Enter as Bhawani Enterprise s (Customer) KA	Enter as Mataji Electronic s (Customer) TN	Enter as Tamara Agencies (Supplier) KA
Under	Select as Sundry Creditors	Select as Sundry Creditors	Select as Sundry Debtors	Select as Sundry Debtors	Select as Sundry Creditors
Maintain balances bill-by-bill	Set to Yes	Set to Yes	Set to Yes	Set to Yes	Set to Yes
Default credit period	Keep it Blank, Press Enter	Keep it Blank, Press Enter	Keep it Blank, Press Enter	Keep it Blank, Press Enter	Keep it Blank, Press Enter
Check for credit days during voucher entry	Set to No	Set to No	Set to No	Set to No	Set to No
Mailing Details					
Name	Enter as KSS Enterprises	Enter as Pooja Appliances	Enter as Bhawani Enterprise s	Enter as Mataji Electronic s	Enter as Tamara Agencies
Address	#105, Satyanaraya napuram, Krishna	#43, Vivekanand a Circle, BSK 2nd	#23, Hosur Main Road, Global Tech Park,	# 21, Mahatma Gandhi Road,	# 9/23, Kaveri Nilaya, HSR 5th



		Stage, Bengaluru	Bengaluru	Chennai	Main Road, Bengaluru
State	Select as Andhra Pradesh	Select as Karnataka	Select as Karnataka	Select as Tamil Nadu	Select as Karnataka
Country	By default its India				
Pincode	Enter as 520011	Enter as 560104	Enter as 560821	Enter as 600003	Enter as 560103
Mobile no.	Enter as 8880987612	Enter as 9766898761	Enter as 9863898060	Enter as 9977898060	Enter as 9620991080
Tax Registration Details					
PAN/IT No.	Keep it Blank , Press Enter				
Registration type	Select as Regular				
GSTIN/UIN	Enter Valid GSTIN starting with 37	Enter Valid GSTIN starting with 29	Enter Valid GSTIN starting with 29	Enter Valid GSTIN starting with 33	Enter Valid GSTIN starting with 29
Set/alter GST details	Set as No				

Table 1.17

Note: If you have your own company GSTIN, then you can Enter the same.

If GSTIN is not available, then to get the valid GSTIN, you can go to **google** and type "**GSTIN of dealers in Karnataka**" (whichever state you want the state name can be typed) you will directly get the list of GSTIN)

Purchase Ledger

Since we have defined tax details at the company level, defining the tax details in the purchase ledger is not required. Transactions will inherit the details defined at the company level. However, the type of purchase whether goods or services can be identified in the purchase ledger.

- From **Gateway of Tally > Create > under Accounting Masters > Ledger**

Purchase A/c	
Against the Field	Action to be Performed
Name	Enter as Purchase A/c
Under	Select as Purchase Accounts
Type of Ledger	Select as Not Applicable
Statutory Information	
Is GST Applicable	Select as Applicable
Set/Alter GST Details	Set to No
Type of Supply	Select as Goods



Table 1.18

2) Accept the screen

Sales Ledger

Since we have defined tax details at the company level, defining the tax details in the sales ledger is not required. Transactions will inherit the details defined at the company level. However, the type of sales whether goods or services can be identified in the sales ledger.

1) From Gateway of Tally > Create > under Accounting Masters > Ledger

Sales A/c	
Against the Field	Action to be Performed
Name	Enter as Sales A/c
Under	Select as Sales Accounts
Type of Ledger	Select as Not Applicable
Statutory Information	
Is GST Applicable	Select as Applicable
Set/Alter GST Details	Set to No
Type of Supply	Select as Goods

Table 1.19

2) Accept the screen

Tax Ledgers

Integrated Tax

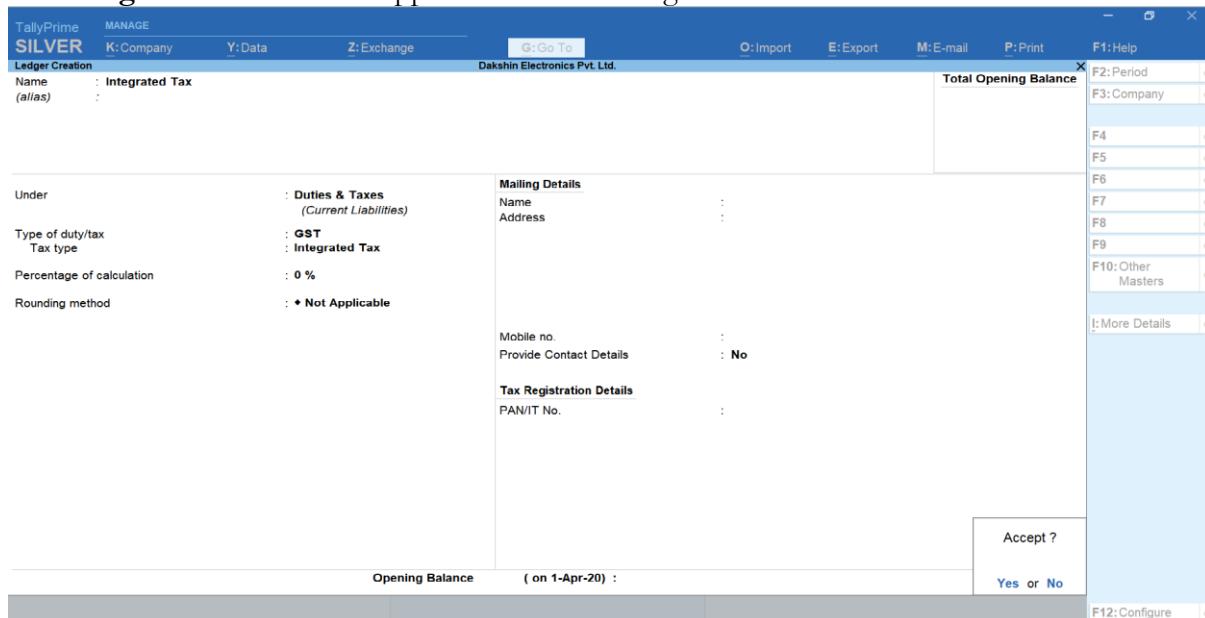
1) From Gateway of Tally > Create > under Accounting Masters > Ledger

Integrated Tax	
Against the filed	Action to be performed
Name	Enter as Integrated Tax
Under	Select as Duties and Taxes
Type of duty/tax	Select as GST
Tax type	Select as Integrated Tax
Percentage of calculation	Enter as 0%
Rounding method	Select as Not Applicable

Table 1.20



The **Ledger Creation** screen appears as shown in Figure 1.13



The screenshot shows the 'Ledger Creation' window in TallyPrime. The 'Name' field is set to 'Integrated Tax'. Under the 'Under' section, 'Duties & Taxes (Current Liabilities)' is selected. The 'Tax type' is 'GST' and 'Integrated Tax'. The 'Percentage of calculation' is '0 %'. The 'Rounding method' is 'Not Applicable'. On the right, there are sections for 'Mailing Details', 'Mobile no.', 'Provide Contact Details' (set to 'No'), and 'Tax Registration Details' (PAN/IT No.). A 'Total Opening Balance' table is visible on the right side. At the bottom, there is an 'Accept ?' button with 'Yes or No' options.

Figure 1.13 Ledger Creation screen – Integrated Tax

2) Accept the screen

Similarly, create the **Central Tax** and **State Tax** ledger accounts in the books of Dakshin Electronics Pvt. Ltd referring to Table 1.21

Ledger Name	Under	Type of duty/tax	Tax type	Percentage of calculation	Rounding method
Enter as Central Tax	Select as Duties & Taxes	Select as GST	Select as Central Tax	Enter as 0%	Select as Not Applicable
Enter as State Tax	Select as Duties & Taxes	Select as GST	Select as State Tax	Enter as 0%	Select as Not Applicable

Table 1.21

1.4.3.2 Creation of Inventory Masters

Unit Quantity Code (UQC)

Unit Quantity Code (UQC) is a uniform measuring unit used by the department. UQCs are used to maintain consistency and prevent variations in quantities in the returns filed by different businesses. This requires the businesses to measure the quantities of items using the UQC from the list given by the department.

To allocate UQCs for Units of Measure in Tally,

1) From **Gateway of Tally > Create >** under **Inventory Masters > Unit**

Against the filed	Action to be performed
Type	Select as Simple
Symbol	Enter as Nos
Formal Name	Enter as Numbers
Unit Quantity Code (UQC)	Select as NOS-NUMBERS
Number of decimal places	Enter as 0

Table 1.22



The **Unit Creation** screen appears as shown in Figure 1.14

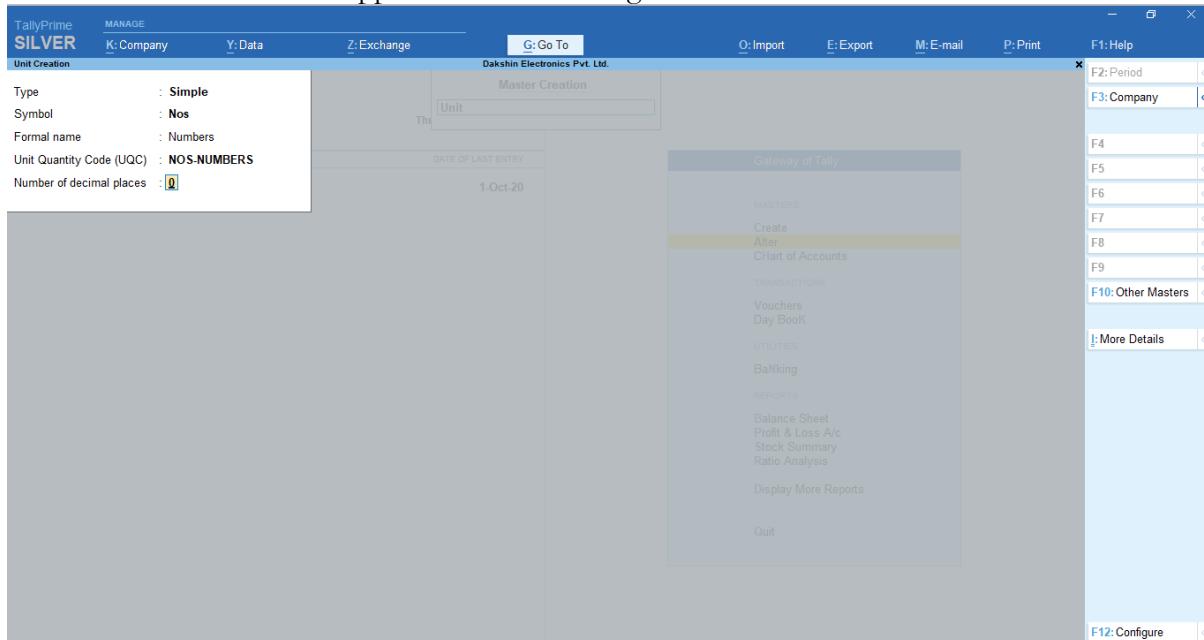


Figure 1.14 Unit Creation screen

- 2) Accept the screen.

Stock Group

Activity: From **Gateway of Tally > Create > under Inventory Masters > Stock Group**. Create a Stock Group as **Television** > Set **Should quantities of items be added to Yes** > Set/Alter **GST Details** to **No** > Accept the screen.

Stock Items

We will not specify tax rate details in the stock item as well. However, we need to identify the type of supply.

- 1) From **Gateway of Tally > Create > under Inventory Masters > Stock Item**

Samsung 32 Inches LED Smart TV	
Against the Field	Action to be Performed
Name	Enter as Samsung 32 Inches LED Smart TV
Under	Select as Television
Units	Select as Nos
Statutory Details	
GST Applicable	Select as Applicable
Set/Alter GST Details	Select to No
Type of Supply	Select as Goods
Rate of Duty	Enter as 18

Table 1.23



The Stock Item Creation screen appears as shown in Figure 1.15

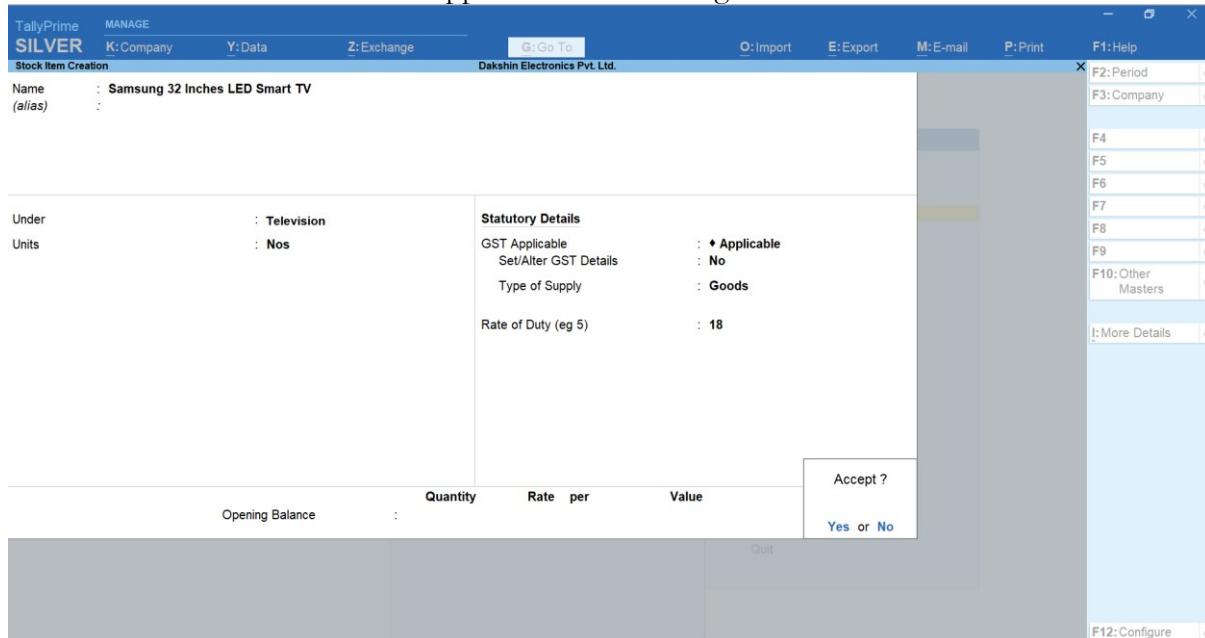


Figure 1.15 Stock Item Creation screen

Similarly, create the Stock Items in the books of Dakshin Electronics Pvt. Ltd. referring to Table 1.24

Sony 32 Inches LED Smart TV	
Against the Field	Action to be Performed
Name	Enter as Sony 32 Inches LED Smart TV
Under	Select as Television
Units	Select as Nos
Statutory Details	
GST Applicable	Select as Applicable
Set/Alter GST Details	Set to No
Type of Supply	Select as Goods
Rate of Duty	Enter as 18

Table 1.24

1.4.3.3 Displaying Chart of Accounts

TallyPrime provides flexibility in setting up a chart of accounts. Tally allows us to group ledger accounts right at the time of creating a chart of accounts. List of Accounts in Tally displays the existing chart of accounts, listed as groups, in alphabetical order.

To view the **List of Accounts**,

- 1) Click **G: Go To** > under **Common Reports** > **Chart of Accounts** > **Ledgers** > Click **F5: Ledger View**

Observation: In the List of Accounts screen, those accounts which are listed in **bold** are the parent groups and sub-groups; accounts listed in *italic* are ledgers. This will help the user to identify the nature of accounts, that is groups or ledgers.

- 2) To get the **Stock Items** List, Click **F10: Other Masters** > under **Inventory Masters** > **Stock Items**.

Note: Similarly, other accounting and inventory masters can be viewed using **F10: Other Masters** option.



1.5 Hierarchy of Calculating Tax in Transactions

In TallyPrime, we can define the tax rates at any required levels such as Company level, Stock Group level, Stock Item level, Accounting Group level, Accounting Ledger level, and the transactions level.

Once after defining the tax rates, to calculate the tax rates automatically in TallyPrime, firstly Tally will search the tax rate at the transactional level and then at the accounting ledger level, then at the accounting group level, then at the stock item level, then at the stock group level, and at last at the company level for GST calculation.

When tax rate details are defined at multiple levels, Tally applies tax rates as shown in Figure 1.16

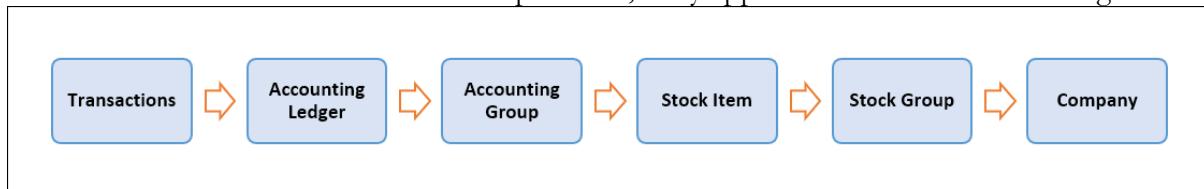


Figure 1.16 Hierarchy of Applying Tax in Transactions

For Example, if the tax rates are defined at the transactional level, then it will not search for tax rates in other levels. If the tax rates are not defined at the transactional level, next it will search at the accounting ledger level, if it is defined at this level, then the same will be taken for tax calculation. If the tax rate is not defined at the accounting ledger level, then it will move to the next level i.e. accounting group level, stock item level, Stock Group level and finally at the Company level till it gets the tax rates.

Scenario 1: If the 28% tax rate is defined in the Stock Group—TallyPrime will search for tax rates at the transaction level first, Accounting Ledger, Accounting Group, Stock Item and then the Stock Group. In this case, the tax is defined at the Stock Group level. Hence, 28% tax will be considered for the calculation.

Scenario 2: If the 5% tax rate is defined in the Stock Item—TallyPrime will search for tax rates at the transaction level first, Accounting Ledger, Accounting Group, and then the Stock Item. In this case, the tax is defined at the Stock Item. So, it will not consider Accounting Group 28% rate. Hence, a 5% tax will be considered for the calculation.

Scenario 3: If the 18% tax rate is defined in the Accounting Group - TallyPrime will search for tax rates at the transaction level first, Accounting Ledger and then the Accounting Group. In this case, the tax is defined at the Accounting Group. So, it will not consider the Stock Group 18% rate. Hence, 18% tax will be considered for the calculation.

Scenario 4: If the 12% tax rate is defined in the Accounting Ledger- TallyPrime will search for tax rates at the transaction level first, and then the Accounting Ledger. In this case, the tax is defined at the Ledger Level. So, it will not consider the Stock Group 12% rate. Hence, 12% tax will be considered for the calculation.

1.5.1 Defining GST Rates at Company Level

For businesses who are dealing with a single stock item or different stock items with the same GST rate, then the GST rate can be defined at the company level.

Dakshin Electronics Pvt. Ltd. deals in different brands of Television which attract an 18% GST rate. Therefore, the company has defined tax details at the company level.

In section 1.4.1, we have seen how to define the GST details at the company level from the **Company Features Alteration**.

To check the GST Details for Company,

- 1) From **Gateway of Tally > click K: Company > Features (F11)**
- 2) The **Company Features Alteration** screen appears, set **Enable Goods and Services Tax to Yes > Set/alter GST rate details to Yes**
- 3) The **GST Details for Company** screen appears with the Tax Rate 18%

1.5.2 Defining GST Rates at Stock Group Level

For businesses who are dealing with different stock items with different GST rates, then the GST rates can be defined at the stock group level.

For Example, if a company deals with **Computer Accessories** like Key Board, Optical Mouse, Video Card etc., which attracts GST 18% and **Consumer Goods** like Umbrellas, Walking-sticks, spectacles etc., which attracts GST 12%, then in TallyPrime, we can create the stock groups **Computer Accessories** and **Consumer Goods** and configure GST rates for each stock group.

Business Scenario

Dakshin Electronics Pvt. Ltd. deals with different brands of Television that attract an 18% GST rate and the tax configuration is made at the company level. Now, the company also trades **LED Lights** which attracts a 12% GST rate and **Washing Machines** at an 18% GST rate. To account for this in Tally, we can create the stock group as LED Lights and Washing Machine and configure GST rates for the stock group.

By doing so, the tax rate details are applied to all stock items created under a group seamlessly.



The Stock Groups to be created appears as shown in Chart 1.6

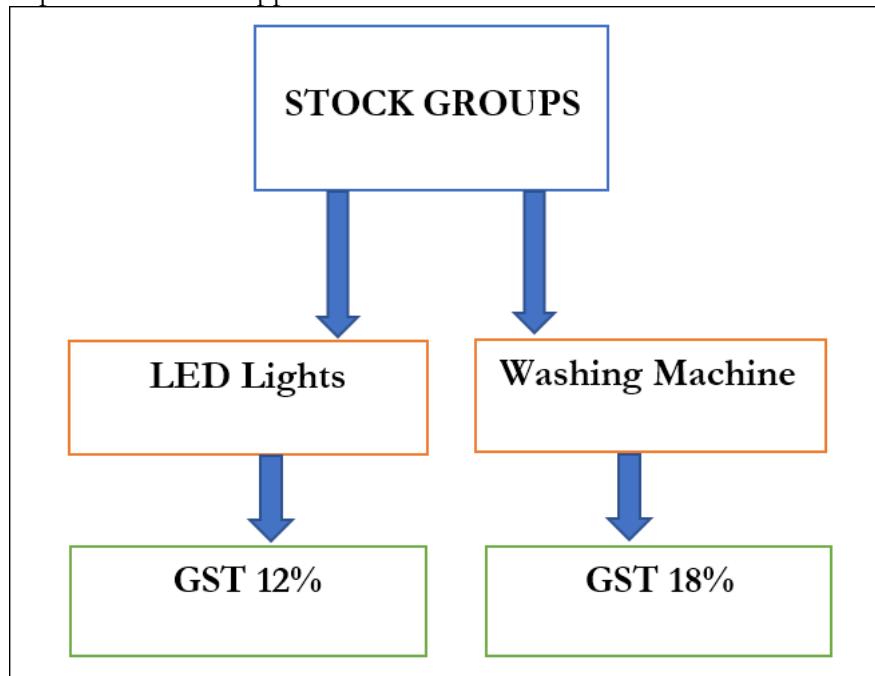


Chart 1.6 Stock Groups

To define GST rates at the **Stock Group** level,

- 1) From **Gateway of Tally > Create >** under **Inventory Masters > Stock Group**
- 2) Enter the **Name** as **LED Lights** > Under **Primary** > Set **Should quantities of items be added** to **Yes**
- 3) Set the option **Set/Alter GST Details** to **Yes**
- 4) In the **GST Details** screen, enter the details referring to Table 1.25

Against the Field	Action to be Performed
Description	Enter as LED lights or fixtures including LED lamps
HSN/SAC	Enter as 9405
Taxability	Select as Taxable
Integrated Tax	Enter as 12%
Central Tax	Gets auto-filled based on the value of Integrated Tax . Press Enter .
State Tax	Gets auto-filled based on the value of Integrated Tax . Press Enter .

Table 1.25



The **GST Details for Stock Group LED Lights** appears as shown in Figure 1.17

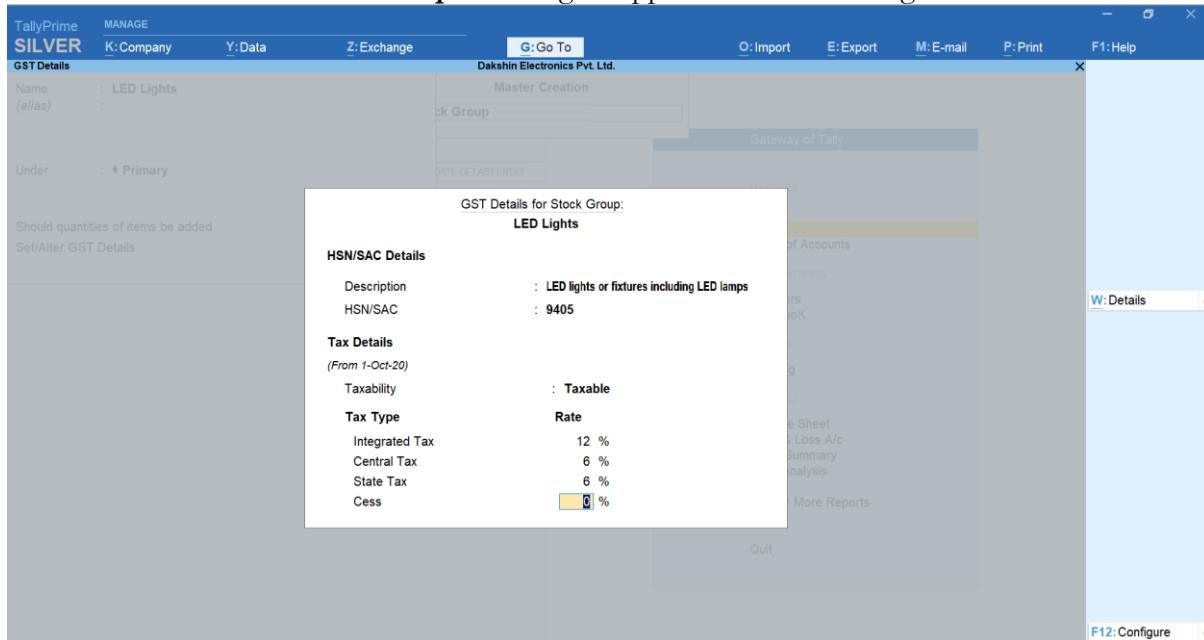


Figure 1.17 GST Details screen

5) Accept the Stock Group Creation screen

Similarly, referring to Table 1.26, create a Stock Group as a **Washing Machine** and define the GST details.

Against the Field	Action to be Performed
Name	Enter as Washing Machine
Under	Select Primary
Should quantities of items be added	Set to Yes
Set/Alter GST Details	Set to Yes
GST Details for Stock Group	
Description	Enter as Household or Laundry-type Washing Machines
HSN/SAC	Enter as 84501100
Taxability	Select as Taxable
Integrated Tax	Enter as 18%
Central Tax	Gets auto-filled based on the value of Integrated Tax . Press Enter .
State Tax	Gets auto-filled based on the value of Integrated Tax . Press Enter .

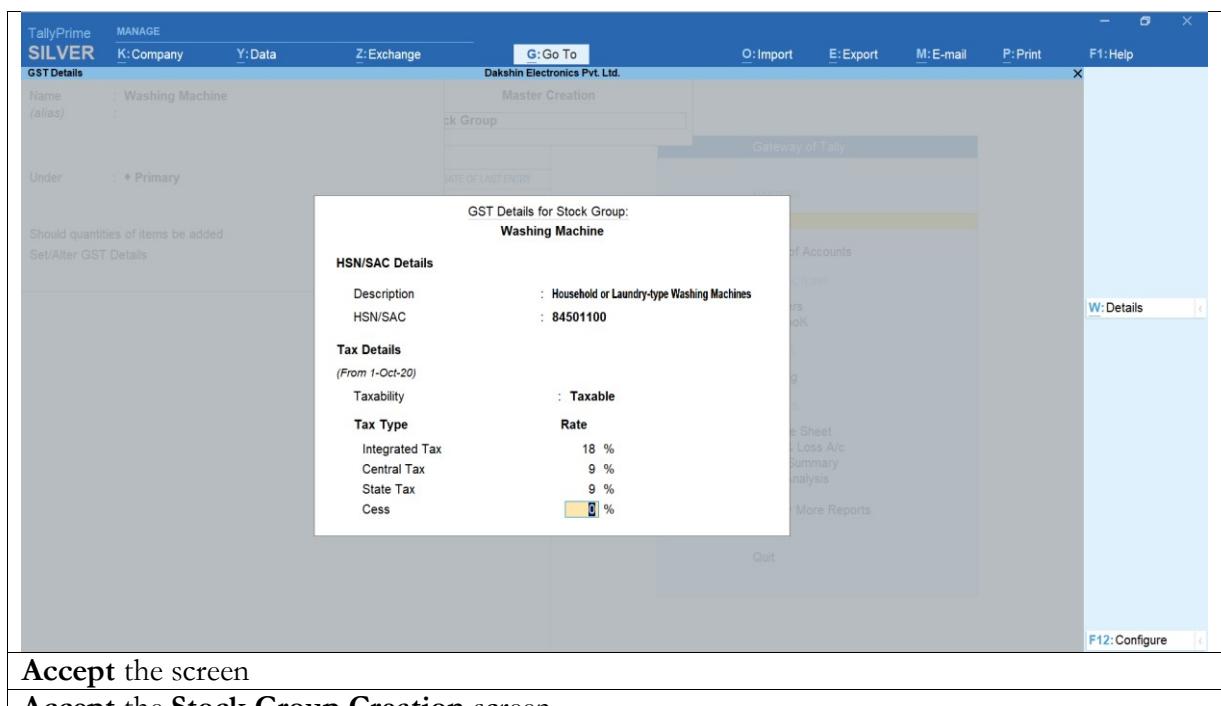


Table 1.26

1.5.3 Defining GST Rates at Stock Item Level

In Tally, we can create stock items and define GST rates.

Business Scenario

Dakshin Electronics Pvt. Ltd. deals with different brands of Television that attract an 18% GST rate and the tax configuration is made at the company level. The company also supplies Television above 43 inches which attract a 28% GST rate. To account for this in Tally, we can create the stock items and configure GST rates for each stock item.

The Stock Items to be created appears as shown in Chart 1.7

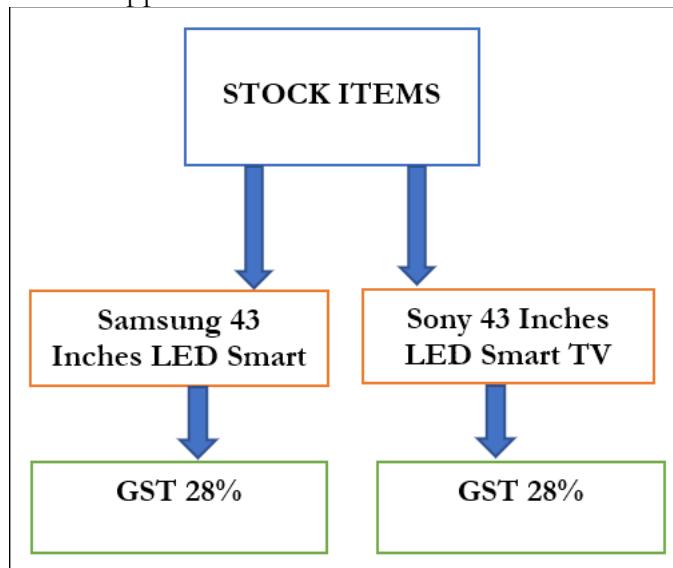


Chart 1.7 Stock Items



To define GST rates at the **Stock Item** level,

- 1) From **Gateway of Tally > Create >** under **Inventory Masters > Stock Item**
- 2) In the Stock Item Creation screen, create the stock items referring to Table 1.27

Name	Enter as Samsung 43 Inches LED Smart TV	Enter as Sony 43 Inches LED Smart TV
Under	Select as Primary	Select as Primary
Units	Select as Nos	Select as Nos
Statutory Details		
GST Applicable	Select as Applicable	Select as Applicable
Set/Alter GST Details	Set to Yes	Set to Yes
GST Details for Stock Item		
Description	Enter as Electrical Appliances	Enter as Electrical Appliances
HSN/SAC	Enter as 85287219	Enter as 85287219
Calculation type	Select as On Value	Select as On Value
Taxability	Select as Taxable	Select as Taxable
Integrated Tax	Enter as 28%	Enter as 28%
Central Tax	Gets auto-filled based on the value of Integrated Tax . Press Enter .	Gets auto-filled based on the value of Integrated Tax . Press Enter .
State Tax	Gets auto-filled based on the value of Integrated Tax . Press Enter .	Gets auto-filled based on the value of Integrated Tax . Press Enter .
Statutory Details		
Type of Supply	Select as Goods	Select as Goods
Rate of Duty	Enter as 28	Enter as 28
Accept the screen		

Table 1.27

1.5.4 Defining GST Rates at Accounting Group Level

GST Details can also be defined at the accounting group level. To do so you can follow the below procedure.

- 1) From **Gateway of Tally > Create/Alter >** under **Accounting Masters > Group**

Note: The group should be created under **Sales Accounts, Purchase Accounts, Indirect Expenses or Indirect Incomes**.

- 2) In the **Group Creation/Alteration** screen, Click **I: More Details > under Statutory Details > GST Details**
- 3) In **GST Details for Group** screen, you can enter the following details:
 - **HSN/SAC Details** - Description, HSN/SAC, Nature of transaction
 - **Tax Details**- Taxability
 - **Tax Type**- Integrated Tax, Cess.
- 4) **Accept** the screen

Note: Dakshin Electronics Pvt. Ltd. does not configure GST rates at the accounting group level.



1.5.5 Defining GST Rates at Ledger Level

In TallyPrime, we can define the GST details in the ledger creation or alteration screen. This configuration can be done if the company is rendering or receiving services on which GST is applicable.

Business Scenario

Dakshin Electronics Pvt. Ltd. provides **Maintenance Services** which is taxable at 18% GST and receives **Print Media Services** which is taxable at 5% GST.

The Ledgers to be created appears as shown in Chart 1.8

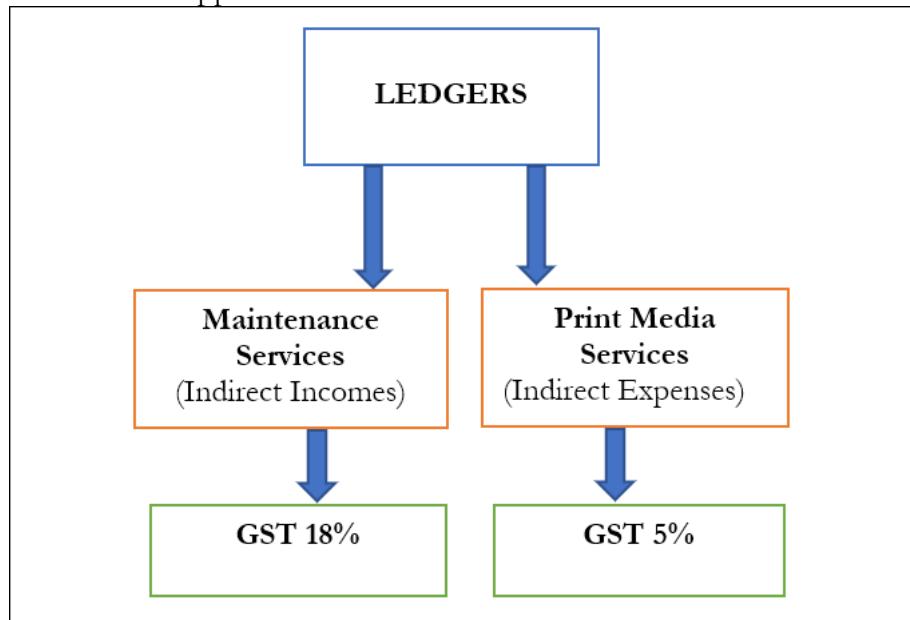


Chart 1.8 Ledgers

To define the GST details in the ledgers,

- 1) From **Gateway of Tally > Create > under Accounting Masters > Ledger**

Maintenance Services	
Against the Field	Action to be Performed
Name	Enter as Maintenance Services
Under	Select as Indirect Incomes
Type of Ledger	Select as Not Applicable
Statutory Information	
Is GST Applicable	Select as Applicable
Set/Alter GST Details	Set to Yes
GST Details for Ledger	
Description	Enter as Repairs and Maintenance Services
HSN/SAC	Enter as 9987
Nature of transaction	Select as Not Applicable
Taxability	Select as Taxable
Integrated Tax	Enter as 18%
Central Tax	Gets auto-filled based on the value of Integrated Tax . Press Enter .
State Tax	Gets auto-filled based on the value of Integrated Tax . Press Enter .



SILVER MANAGE Dakshin Electronics Pvt. Ltd.

GST Details

Name : Maintenance Services
(alias) :

Under : Services

Type of Ledger : Maintenance Services

**GST Details for Ledger:
Maintenance Services**

HSN/SAC Details

Description	: Repairs and Maintenance Services
HSN/SAC	: 9987
Nature of transaction	: Not Applicable

Tax Details

(From 1-Oct-20)

Taxability	: Taxable
Tax Type	Integrated Tax Rate 18 % Central Tax 9 % State Tax 9 % Cess 0 %

Opening Balance (on 1-Apr-20) :

Statutory Information

Type of Supply	Select as Services
----------------	--------------------

Table 1.28

The **Ledger Creation** screen appears as shown in Figure 1.18

SILVER MANAGE Dakshin Electronics Pvt. Ltd.

Ledger Creation

Name : Maintenance Services
(alias) :

Under : Indirect Incomes

Type of Ledger : Not Applicable

Mailing Details

Name	:
Address	:

Statutory Details

Is GST applicable	: Applicable
Set/Alter GST Details	: Yes
Type of Supply	: Services

Provide Contact Details : No

TAX Registration Details

PAN/IT No.	:
------------	---

Total Opening Balance

(on 1-Apr-20) :

Accept ?
Yes or No

Figure 1.18 Ledger Creation screen

2) Accept the screen

Similarly, create **Print Media Services** ledger under **Indirect Expenses** with the GST details.

- **Is GST Applicable-** Select as **Applicable**
- **Set/Alter GST Details-** Set to **Yes**
- **Description-** Enter as **Selling of space for advertisement in print media.**
- **HSN/SAC-** Enter as **9983**
- **Nature of transaction-** Select as **Not Applicable**



Note: The list of nature of transactions will appear for ledgers created under Expenses Direct and Indirect, Incomes Direct and Indirect, Purchase and Sales. The nature of transaction such as Purchase Exempt, Purchase Taxable, Purchase Nil Rated can be selected depending on the type of Ledger. By default, if the Nature of transaction is selected as Not Applicable, then the behaviour of the transaction will be taxable based on the rate provided for the ledger. It also helps to maintain a single ledger for local (intrastate) and outside the State (Intrastate) transactions.

For Example: If a ledger is created as **Exempted Purchase**, then the Nature of Payment can be selected as **Purchase Exempt**. The nature of transaction list will be document level information and shown to the user in transactions. This can be overridden at the voucher level also.

- Taxability - Select as **Taxable**
- Integrated Tax- Enter as **5%**

1.5.6 Defining GST Rates at Transaction Level

GST rates defined at a different level can be altered or overridden in the transaction level in TallyPrime. This can be done in rare cases like when a business is involved in local purchases and it rarely records transactions related to imports.

For Example: If a company supplies(sells) taxable stock item to an SEZ, and to be declared as exempt, the stock item which is taxable at 18% needs to be overridden at the transaction level.

In this case, The tax rate defined at the Company level, Stock Group level, Stock Item level, Accounting group and Ledger level will be ignored and considers the rate overridden in the transaction for Tax calculation.

Note: Dakshin Electronics Pvt. Ltd. does not configure GST rates at the transaction level.

Activity 1: Referring to Table 1.29, create the Stock Items under the respective stock groups.

Stock Item Creation		
Name	Enter as LG Washing Machine	Enter as Philips LED Floor Lamps
Under	Select as Washing Machine	Select as LED Lights
Units	Select as Nos	Select as Nos.
Statutory Details		
<i>GST Applicable</i>	Select as Applicable	Select as Applicable
<i>Set/Alter GST Details</i>	Select to No	Select to No
<i>Type of Supply</i>	Select as Goods	Select as Goods
<i>Rate of Duty</i>	Enter as 18	Enter as 12
Note: The Stock Items created under the Stock Group Washing Machine and LED Lights do not require defining GST details. Because the GST details are configured at the Stock Group level.		

Table 1.29

Activity 2: Referring to Table 1.30, create the Stock Group.

Stock Group Creation	
Against the Field	Action to be Performed
Name	Enter as Mobile Phones
Under	Select as Primary
<i>Should quantities of items be added</i>	Select to Yes
<i>Set/Alter GST Details</i>	Select to Yes
GST Details for Stock Group	
Description	Enter as Mobile Phones



HSN/SAC	Enter as 8517
Taxability	Select as Taxable
Integrated Tax	Enter as 18%
Central Tax	Gets auto-filled based on the value of Integrated Tax . Press Enter .
State Tax	Gets auto-filled based on the value of Integrated Tax . Press Enter .

Table 1.30

Activity 3: Referring to Table 1.31, create the Stock Items under the respective stock groups.

Stock Item Creation		
Name	Enter as Nokia C3	Enter as Samsung J7
Under	Select as Mobile Phones	Select as Mobile Phones
Units	Select as Nos	Select as Nos
Statutory Details		
<i>GST Applicable</i>	Select as Applicable	Select as Applicable
<i>Set/ Alter GST Details</i>	Set to No	Set to No
<i>Type of Supply</i>	Select as Goods	Select as Goods
<i>Rate of Duty</i>	Enter as 18	Enter as 18
Note: The Stock Items created under the Stock Group Mobile Phones does not require to define GST details. Because the GST details are configured at the Stock Group level.		

Table 1.31

1.6 Recording GST compliant transactions

Recording GST compliant transactions in TallyPrime is very simple. The configurations applied in the different levels such as at the Company Level, Stock Group Level, Stock Item Level, Accounting Group and Ledger Level will automatically apply all the necessary tax rules, as defined, and computes accurate applicable tax rates based on the type of supply. Hence, no expertise in statutory laws and rules required to record the GST transactions in TallyPrime.

1.6.1 Accounting Intrastate Supply of Goods & Services

We know the taxability depends on the place of supply. Determining the place of supply is critical to identify the taxability. Intrastate supply is a transaction where the location of the supplier and the place of supply is the same.

Similarly, in the case of services also a supply of services shall be an **Intrastate** supply if the service provider and the service recipient are in the same State.

For Example - Dakshin Electronics Pvt. Ltd. is a company registered in Bengaluru, Karnataka. When JJ Traders Pvt. Ltd. purchases from a supplier whose company is registered in Mysore, Karnataka, the supply is **Intrastate Inward Supply**.

In this section, we will see how to record Intrastate transactions using TallyPrime.



1.6.1.1 Intrastate Inward Supply of Goods

Illustration 2: Recording Purchase voucher for accounting intrastate inward supply of goods with GST and checking GSTR-3B.

Date	Particulars			
5 th October 2020	Voucher: Purchase As on 05 th October 2020, Dakshin Electronics Pvt. Ltd. purchased the following goods from Durga Enterprises , Karnataka on credit with Supplier Invoice no. DE/PUR/119			
Name of Item	Quantity	Rate per (₹)	Amount (₹)	
Samsung 32 Inches LED Smart TV	5 Nos	18,000	90,000	
Samsung 43 Inches LED Smart TV	5 Nos	30,000	1,50,000	

Table 1.32

Let us determine the taxability for this transaction:

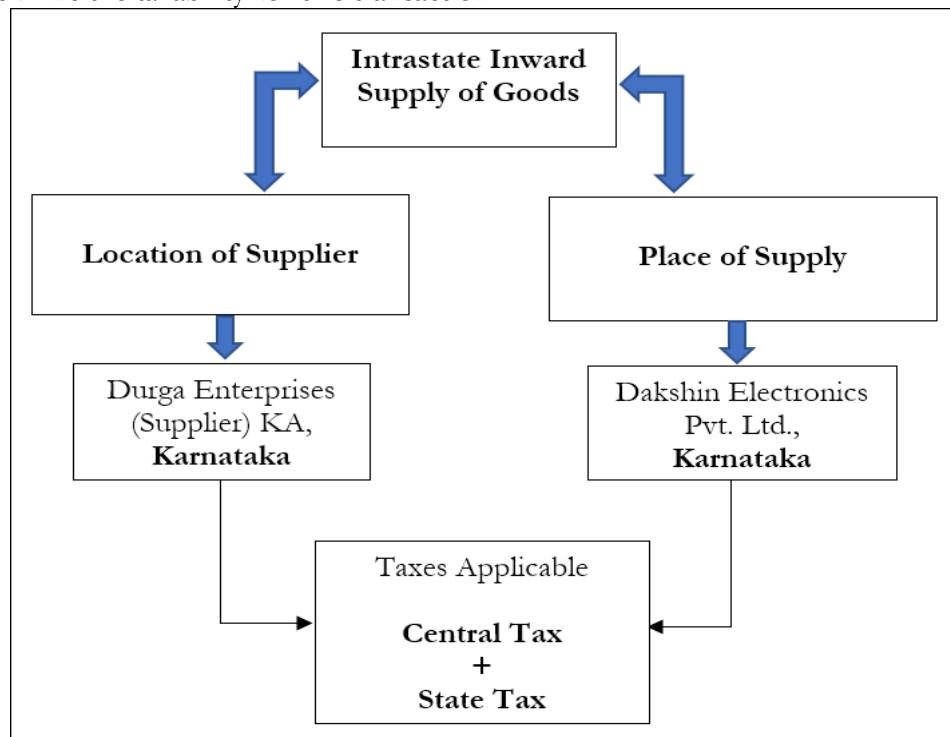


Chart 1.9 Determining the Taxability

Location of Supplier	Durga Enterprises (Supplier) KA, Karnataka
Place of Supply	Dakshin Electronics Pvt. Ltd., Karnataka
Taxes Applicable	Central Tax and State Tax

Table 1.33

Step 1: Recording Intrastate Inward Supplies

To record intrastate inward supply of goods,

- 1) From **Gateway of Tally** > **Vouchers** > **F9: Purchase**
- 2) Click **H: Change Mode** (Alternatively, Press **Ctrl+H**) > Select **Item Invoice**
- 3) Click **F2: Date** and change the date to **5-Oct-20**.
- 4) Click **F12: Configure** > Set **Provide Supplier Invoice details** as **Yes** > Accept the screen.



- 5) Enter the **Supplier Invoice No.** as **DE/PUR/119** and **Date** as **5-Oct-20**.
- 6) Select **Durga Enterprises (Supplier) KA** in the **Party A/c name** field. (Accept the **Receipt Details** and **Party Details** as it is)

Note: The GSTIN/UIN as entered in the supplier ledger is displayed get **Party Details** screen.

- 7) Select the **Purchase A/c** ledger in the **Purchase ledger** field.
- 8) Under **Name of Item** field, select **Samsung 32 Inches LED Smart TV** > Enter **Quantity** as 5 Nos > Enter **Rate** as **₹ 18,000** > **Amount ₹ 90,000** will capture automatically.
- 9) Similarly, Select **Samsung 43 Inches LED Smart TV** > Enter **Quantity** as 5 Nos > Enter **Rate** as **₹ 30,000** > **Amount ₹ 1,50,000** will capture automatically.
- 10) Select the **Central Tax** ledger.
- 11) Select the **State Tax** ledger.

Note: Central and State Tax amount will get captured automatically. In case if the calculation of tax does not happen automatically by Tally, then you would have not made proper configuration of the master or selected the wrong GST tax ledger, need to verify the configuration. Ensure once the correct GST ledger has been selected, Tally has to calculate the tax automatically.

- 12) Set **Provide GST/e-Way Bill details to No**
- 13) Click **I: More Details** to view the tax implication in this transaction > In the **More Details** screen, under **Additional Details > GST > Select GST-Tax Analysis**.

The **More Details of Voucher** screen appears as shown in Figure 1.19

Item	Quantity	Rate per	Amount
Samsung 32 Inches LED Smart TV	5 Nos	18,000.00 Nos	90,000.00
Samsung 43 Inches LED Smart TV	5 Nos	30,000.00 Nos	1,50,000.00
			2,40,000.00
			29,100.00
			29,100.00

GST - Tax Analysis

Category	Sub-Category	Amount
10 Nos		2,08,200.00

Figure 1.19 More Details of Voucher screen

- 14) The **GST-Tax Analysis** screen appears, Click **F5: Detailed** (Alternatively, press Alt+F5)

The **GST-Tax Analysis** screen appears as shown in Figure 1.20.

Figure 1.20 GST- Tax Analysis screen

Observation: We can see that for Samsung 32 Inches LED Smart TV Stock Item, State Tax and Central Tax have been calculated based on the Integrated Tax rate of 18% defined at the Company level. Similarly, for Samsung 43 Inches LED Smart TV Stock Item, State Tax and Central Tax have been calculated based on the Integrated Tax rate 28% defined in the Stock Item level.

- 15) Press **Esc** to go back to the **Accounting Voucher Creation** screen.
 - 16) In the **Bill-wise Details for** screen, select **New Ref** and **Accept** the screen.
 - 17) Enter the **Narration** if required.

The **Intrastate Inward Supply** appears as shown in Figure 1.21.

TallyPrime MANAGE

SILVER K:Company Y:Data Z:Exchange G:Go To Dakshin Electronics Pvt. Ltd. O:Import E:Export M:E-mail P:Print F1:Help

Accounting Voucher Creation X

Purchase No. 1 5-Oct-20
Supplier Invoice No.: DE/PUR/119 Date : 5-Oct-20 Monday

Party A/c name : Durga Enterprises (Supplier) KA

Current balance : Purchase ledger : Purchase A/c

Current balance :

Name of Item	Quantity	Rate per	Amount
Samsung 32 Inches LED Smart TV	5 Nos	18,000.00 Nos	90,000.00
Samsung 43 Inches LED Smart TV	5 Nos	30,000.00 Nos	1,50,000.00
			2,40,000.00
Central Tax			29,100.00
State Tax			29,100.00

F2: Date F3: Company
F4: Contra F5: Payment F6: Receipt
F7: Journal F8: Sales F9: Purchase
F10: Other Vouchers
F11: Autofill F12: Change Mode
F13: More Details
F14: Optional F15: Post-Dated

Provide GST/e-Way Bill details : No

Narration: 10 Nos

Accept ? Yes or No F12: Configure

Figure 1.21 Purchase Voucher - Intrastate Inward Supply

- 18) **Accept** the screen.



Observation: The Central Tax and State Tax ledgers are created under the Duties & Taxes group. The implication of the transaction will be in the Balance Sheet.

From **Gateway of Tally > Balance Sheet > Current Liabilities > Duties & Taxes.**

Activity: Referring to Table 1.34, record the Inward Supply transaction.

Date	Particulars		
8 th October 2020	Voucher: Purchase <i>As on 08th October 2020, Dakshin Electronics Pvt. Ltd. purchased the following goods from Pooja Appliances, Karnataka on credit with Supplier Invoice No. PA/PUR/22</i>		
Name of Item	Quantity	Rate per (₹)	Amount (₹)
LG Washing Machine	5 Nos	15,000	75,000
Philips LED Floor Lamps	5 Nos	12,000	60,000

Tips:

- Select **Central Tax and State Tax** duty Ledgers after selecting the Stock Items.
- Set **Provide GST/e-Way Bill Details to No**

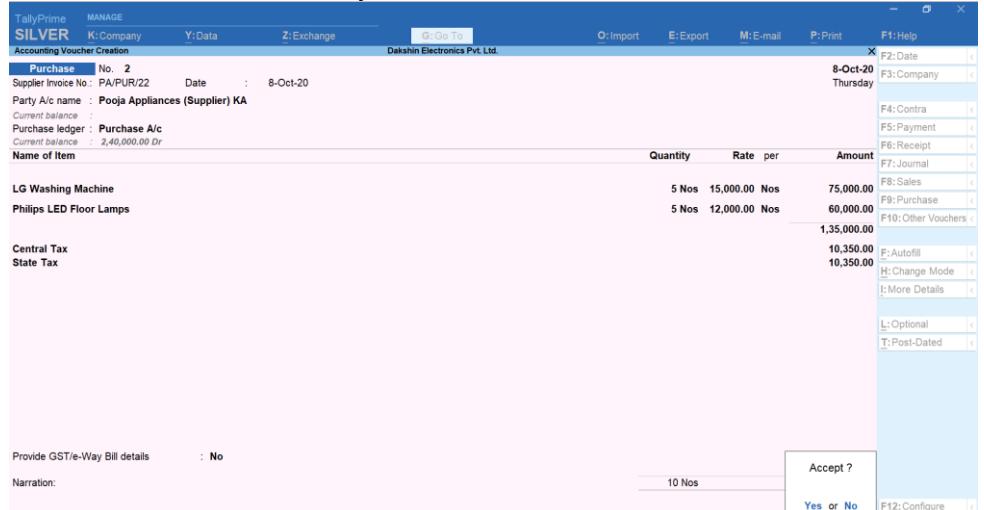


Table 1.34

Since the recorded transactions are inward supplies, the tax implication of this transaction can be viewed in **GSTR-3B**.

To view **GSTR-3B**,

- 1) Click **G: Go To** > In the Search field, Type as **GSTR** > Enter on **GSTR-3B**
- 2) The details will capture in **4 Eligible ITC**.



The **GSTR-3B** screen appears as shown in Figure 1.22

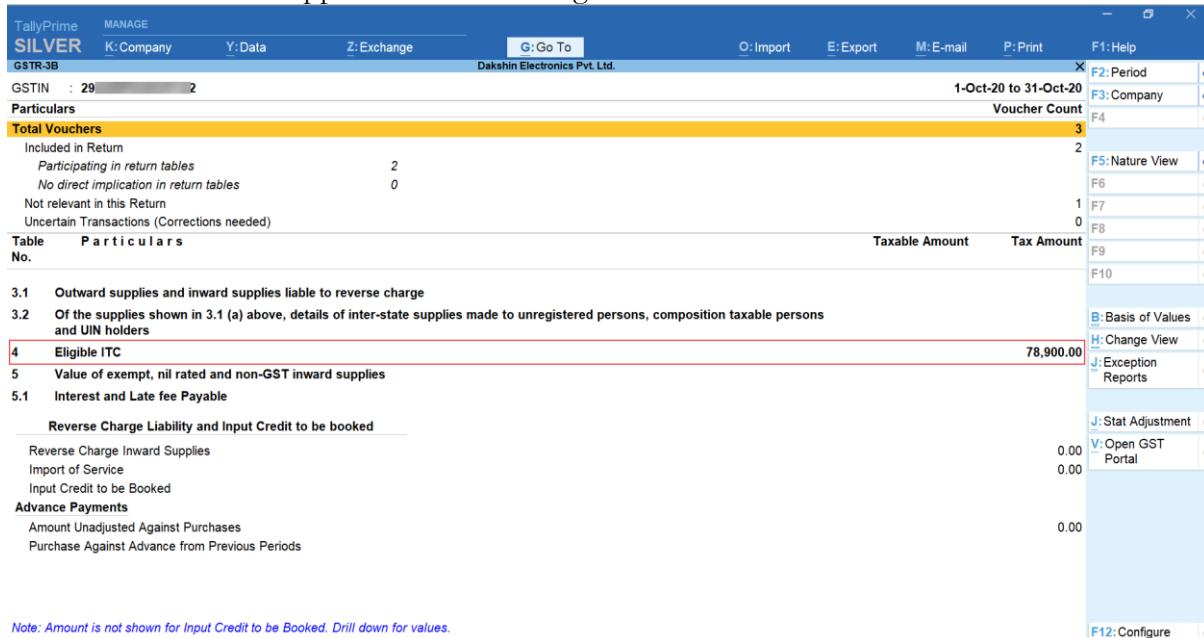


Figure 1.22 GSTR-3B Report

Observation: You can observe that the Central Tax and State Tax ledger amount in the purchase voucher will appear as Eligible ITC (Input Tax Credit) in GSTR-3B.

1.6.1.2 Intrastate Outward Supply of Goods

Outward supply will constitute the supply of goods and/or services of the transaction of sale, transfer, barter, exchange, licence, rental, lease and disposal of goods in the course of business. Issuing GST compliant invoices is very critical under GST for error-free return filing.

Since Dakshin Electronics Pvt. Ltd. is a registered dealer, they need to record each sales transaction with all required details for GST compliance and file the returns in GSTR-1.

Illustration 3: Recording Sales voucher for accounting intrastate outward supply of goods with GST and checking GSTR-1 & GSTR-3B.

Date	Particulars												
12 th October 2020	Voucher: Sales As on 12 th October 2020, Dakshin Electronics Pvt. Ltd. sold the following goods to Bhawani Enterprises , Karnataka on credit with Sale Bill No. 1												
<table border="1"> <thead> <tr> <th>Name of item</th><th>Quantity</th><th>Rate per (₹)</th><th>Amount (₹)</th></tr> </thead> <tbody> <tr> <td>Samsung 32 Inches LED Smart TV</td><td>2 Nos</td><td>18,500</td><td>37,000</td></tr> <tr> <td>Philips LED Floor Lamps</td><td>2 Nos</td><td>13,000</td><td>26,000</td></tr> </tbody> </table>		Name of item	Quantity	Rate per (₹)	Amount (₹)	Samsung 32 Inches LED Smart TV	2 Nos	18,500	37,000	Philips LED Floor Lamps	2 Nos	13,000	26,000
Name of item	Quantity	Rate per (₹)	Amount (₹)										
Samsung 32 Inches LED Smart TV	2 Nos	18,500	37,000										
Philips LED Floor Lamps	2 Nos	13,000	26,000										

Table 1.35



Let us determine the taxability for this transaction:

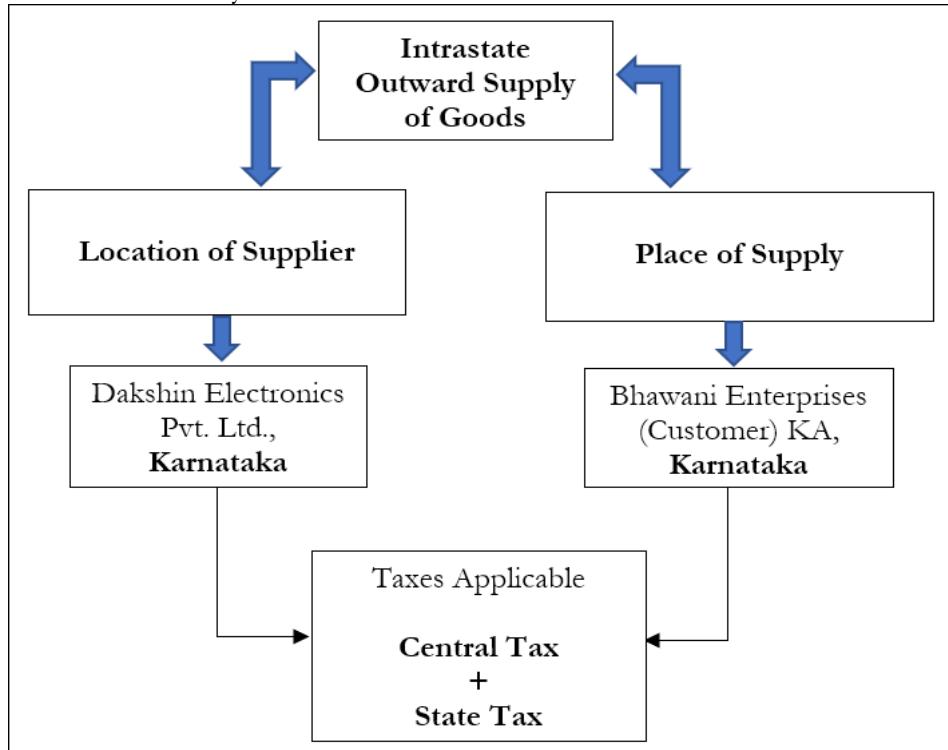


Chart 1.10 Determining the Taxability

Location of Supplier	Dakshin Electronics Pvt. Ltd., Karnataka
Place of Supply	Bhawani Enterprises (Customer) KA, Karnataka
Taxes Applicable	Central Tax and State Tax

Table 1.36

Step 1: Recording Intrastate Outward Supplies

To record intrastate outward supply of goods,

- 1) From **Gateway of Tally > Vouchers > F8: Sales**
- 2) Click **H: Change Mode** (Alternatively, Press **Ctrl+H**) > Select **Item Invoice**.
- 3) Click **F2: Date** and change the date to **12-Oct-20**.
- 4) Select **Bhawani Enterprises (Customer) KA** in the **Party A/c name** field (Accept the **Dispatch Details** and **Party Details** as it is)

Note: The GSTIN/UIN as entered in the supplier ledger is displayed get **Party Details** screen.

- 5) Select the **Sales A/c** ledger in the **Sales ledger** field.
- 6) Under **Name of Item** field, select **Samsung 32 Inches LED Smart TV** > Enter **Quantity** as **2 Nos** > Enter **Rate** as **₹ 18,500** > **Amount ₹ 37,000** will capture automatically.
- 7) Similarly, Select **Philips LED Floor Lamps** > Enter **Quantity** as **2 Nos** > Enter **Rate** as **₹ 13,000** > **Amount ₹ 26,000** will capture automatically.
- 8) Select the **Central Tax** ledger.
- 9) Select the **State Tax** ledger.

Note: Central and State Tax amount will get captured automatically.

- 10) Set **Provide GST/e-Way Bill details** to **Yes**.



- 11) In the **Statutory Details** screen, enter the mandatory details required for generating the e-Way Bill as shown in Figure 1.23

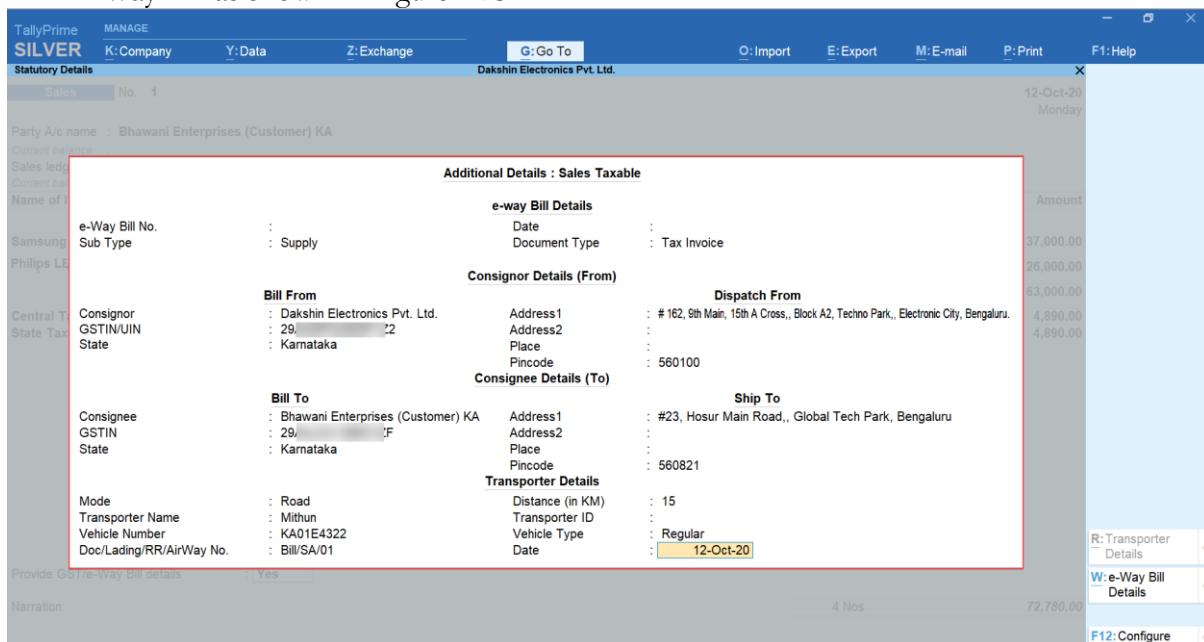


Figure 1.23 Statutory Details screen – e-Way Bill Details

- 12) Accept the **Statutory Details** screen.
 13) Click **I: More Details** to view the tax implication in this transaction.
 14) In the **More Details** screen, under **Additional Details > GST > Select GST-Tax Analysis**
 15) The **GST-Tax Analysis** screen appears, Click **F5: Detailed**. (Alternatively, you can press Alt+F5)

The **GST-Tax Analysis** screen appears as shown in Figure 1.24

GST - Tax Analysis			
Particulars	Taxable Value	Tax rate	Duty/Tax Value
Sales Taxable	63,000.00		9,780.00
Samsung 32 Inches LED Smart TV (85287219) Item Value (Sales Value 37,000.00)	37,000.00		6,660.00
Central Tax		9%	3,330.00
State Tax		9%	3,330.00
Philips LED Floor Lamps (85094010) Item Value (Sales Value 26,000.00)	26,000.00		3,120.00
Central Tax		6%	1,560.00
State Tax		6%	1,560.00
Total			9,780.00

Figure 1.24 GST- Tax Analysis screen

Observation: We can see that for Samsung 32 Inches LED Smart TV Stock Item, State Tax and Central Tax have been calculated based on the Integrated Tax rate of 18% defined at the Company level.



Similarly, for Philips LED Floor Lamps Stock Item, State Tax and Central Tax have been calculated based on the Integrated Tax rate 12% defined in the Stock Group level.

- 16) Press **Esc** to go back to the **Accounting Voucher Creation** screen.
- 17) In the **Bill-wise Details for** screen, select **New Ref** and **Accept**
- 18) Enter the **Narration** if required.

The **Intrastate Outward Supply** appears as shown in Figure 1.25

Name of Item	Quantity	Rate per	Amount
Samsung 32 Inches LED Smart TV	2 Nos	18,500.00 Nos	37,000.00
Philips LED Floor Lamps	2 Nos	13,000.00 Nos	26,000.00
			63,000.00
			4,890.00
			4,890.00
			72,780.00

Provide GST/e-Way Bill details : Yes

Narration: 4 Nos

Accept ?

Yes or No F12:Configure

Figure 1.25 Sales Voucher - Intrastate Outward Supply

- 19) **Accept** the screen.
- 20) Tally will automatically ask for **Exporting Details for e-Way Bill** as shown in Figure 1.26

Exporting Details for e-Way Bill

File Format : JSON e-Way Bill Details (Data Interchange)
 Folder path : D:\TallyPrime
 File Name : Ewaybill_1_121020_223836.json

C:Configure **E:Send**

Provide GST/e-Way Bill details : Yes

Narration: 4 Nos 72,780.00

F12:Configure

Figure 1.26 Export Details for e-Way Bill screen

Note: After saving the sales voucher with the valid e-Way Bill details, TallyPrime will ask to export the details in JSON file format automatically. The option **Export e-Way Bill details after saving Voucher** is enabled under **GST Details** in the **F12: Configure > Voucher Configuration** screen.



- 21) Click **E: Send** to create a JSON file. The folder in which the JSON is created now appears as shown in Figure 1.27

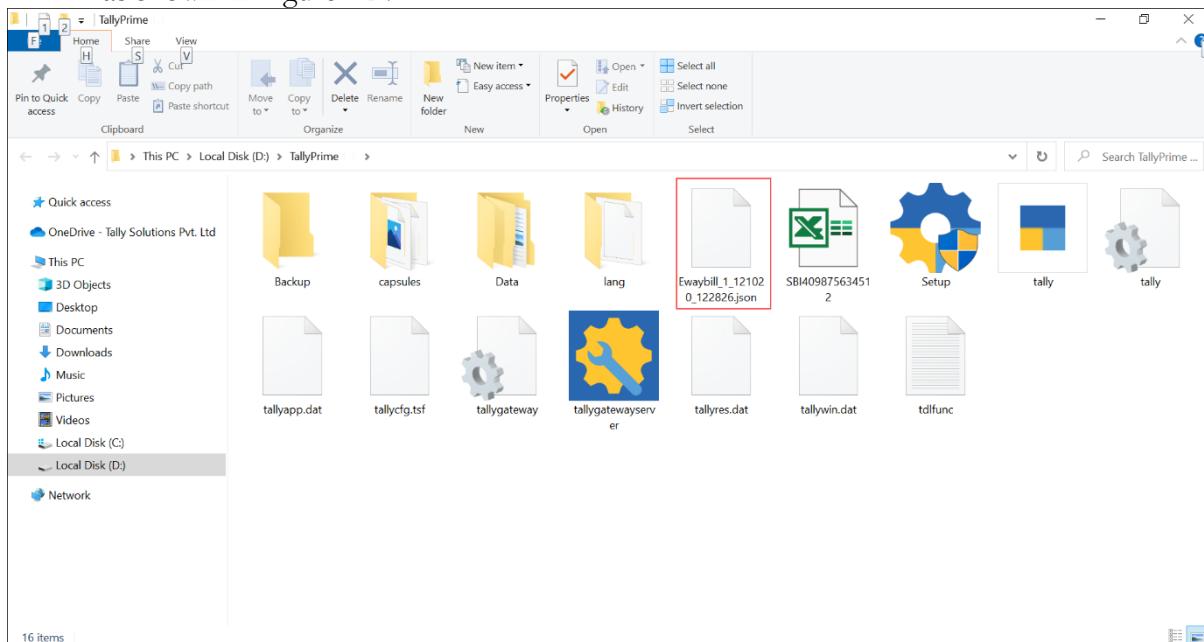


Figure 1.27 Exported JSON file

- 22) Once after JSON file is created we can upload the JSON file to the e-Way Bill portal to generate the e-Way Bill for the invoice.

Step 2: Upload the JSON file in e-Way Bill portal

To upload the JSON to the portal follow the below steps:

- 1) Login to <https://ewaybill.nic.in/> >click **Login**.
- 2) **E-WAY BILL SYSTEM LOGIN** screen appears. Enter the credentials and login.
- 3) To generate the e-Way Bill, Click on **e-Way bill > Generate Bulk**.

Bulk Upload & Generate E-way Bill screen appears as shown in Figure 1.28

The screenshot shows the E-Way Bill System dashboard. The left sidebar has a navigation menu with 'e-Waybill' selected, and 'Generate Bulk' is highlighted with a red border. The main area displays a dashboard for the last 3 days with the following data:

EWBs generated by me	EWBs cancelled by me	EWBs rejected by me	EWBs Gen. by other party on my GSTIN	My EWBS rejected by other party	EWB pending for Part-B updation
27/10/2018 26/10/2018 25/10/2018	0 0 0	27/10/2018 26/10/2018 25/10/2018	0 0 0	27/10/2018 26/10/2018 25/10/2018	2 1 1

Below the dashboard, there's a section titled 'Latest Updates -25/09/2018' with a link to 'View Document'. It also includes a note about 'Enhancements in E-Way Bill Form' and a new note about 'Transaction Sub-type' and 'Lots'.

Figure 1.28 Bulk Upload & Generate E-way Bill screen



- 4) Click on **Browse** > select the **JSON** file available inside Tally folder > Click on **Upload**.
- 5) After uploading the JSON, the **Success** message will be displayed.
- 6) Click on **Generate** to get the e-Way Bill number for the particular invoice.
- 7) After generating the e-Way Bill number, open TallyPrime > The **e-Way Bill Information** screen appears.
- 8) In the **Update e-Way Bill Information** screen, enter the **e-Way Bill No** and **e-Way Bill Date** as shown in Figure 1.29

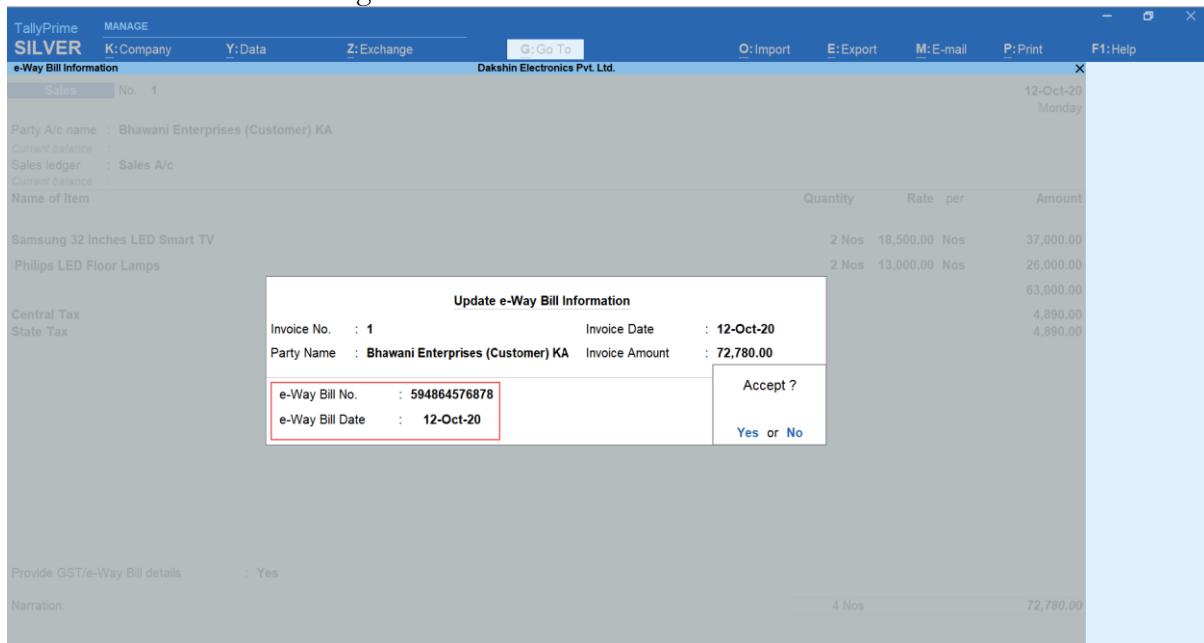


Figure 1.29 Update e-Way Bill Information screen

- 9) Accept the screen.

Observation: After entering the **e-Way Bill No.** and **e-Way Bill Date** in the e-Way Bill Information screen, the same details will be captured in the Statutory Details screen on the sales voucher.

To check the same,

- 1) Click on **G: Go To** > under **Common Reports** > select **Day Book** > Enter on the Sales Voucher Number 1 > Move the cursor to **Provide GST/e-Way Bill details** and Set as **Yes**.
- 2) You can observe that the e-way Bill Details is filled with the **e-Way Bill No.** and **e-Way Bill Date** as shown in Figure 1.30

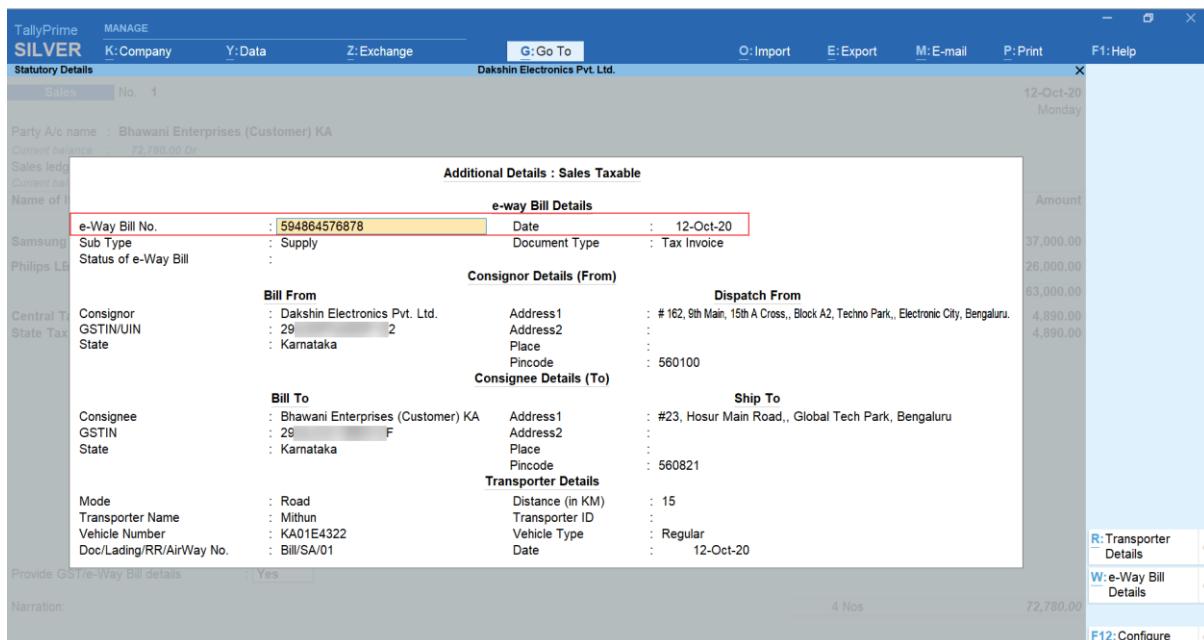


Figure 1.30 Sales Voucher Alteration -Statutory Details screen

Note: Do not make any changes to the Statutory Details screen and the Sales Voucher. Press **Ctrl+A** and **Accept** the screen and come to Day Book.

Step 3: Printing Tax Invoice with e-Way Bill details.

Since Dakshin Electronics Pvt. Ltd. are registered dealers, supplying taxable goods, to another registered dealer, they will have to issue a tax invoice to Bhawani Enterprises.

To print the Tax Invoice with e-Way bill number,

- 1) Click **G: Go To** > under **Common Reports** > **Daybook** > Enter on the **Sales Voucher** with **Voucher Number 1** dated **12-Oct-20**.
- 2) In the **Sales Voucher Alteration** screen, Click **P: Print** > Select **Current**(Alternatively, press **Ctrl+P**)
- 3) From the **Tax Invoice** Print screen, Click on **C: Configure** and enable the options as shown in Figure 1.31

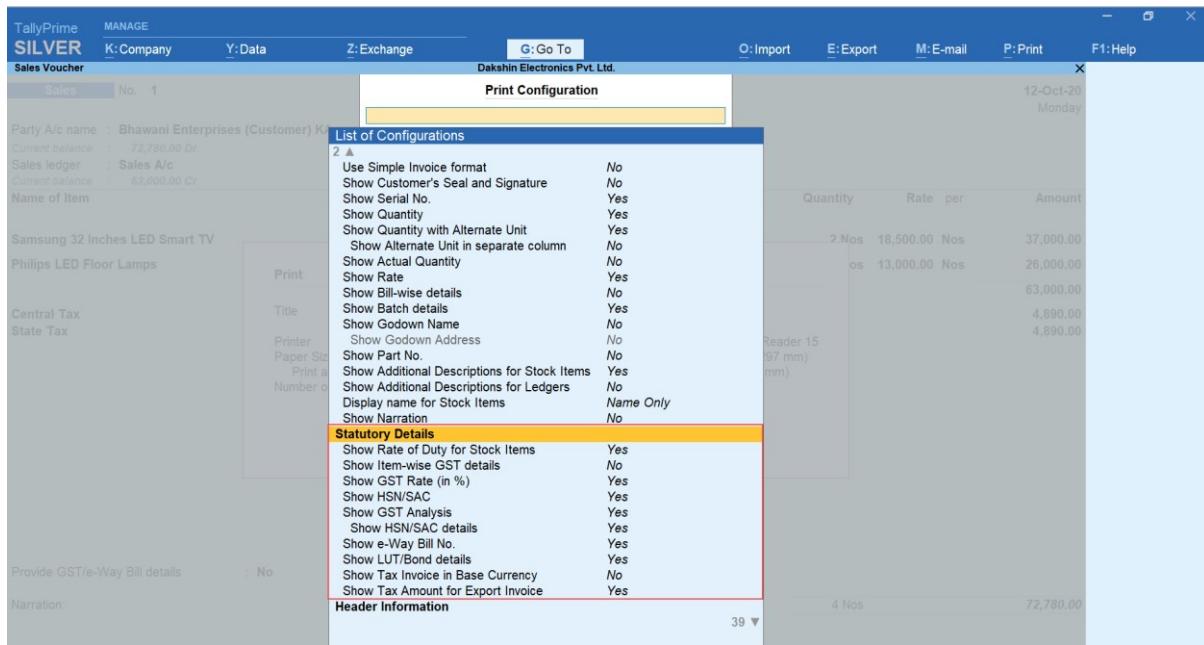


Figure 1.31 Sales Voucher Print Configuration screen

- 4) Accept the Print Configuration screen.
- 5) From the Tax Invoice Print screen, Click on I: Preview > Press F4 for Zoom.



The Tax Invoice print with e-Way Bill No. appears as shown in Figure 1.32

Tax Invoice							
Dakshin Electronics Pvt. Ltd. # 162, 9th Main, 15th A Cross, Block A2, Techno Park, Electronic City, Bengaluru. GSTIN/UIN: 29 [REDACTED] 2 State Name : Karnataka, Code : 29 E-Mail : dakshinelectronics@gmail.com Buyer (Bill to) Bhawani Enterprises #23, Hosur Main Road, Global Tech Park, Bengaluru GSTIN/UIN : 29 [REDACTED] F State Name : Karnataka, Code : 29 Contact : 9863898060		Invoice No.	e-Way Bill No.	Dated			
		1	594864576878	12-Oct-20			
		Delivery Note		Mode/Terms of Payment			
		Reference No. & Date.		Other References			
		Buyer's Order No.		Dated			
		Dispatch Doc No.		Delivery Note Date			
		Dispatched through		Destination			
		Terms of Delivery					
Sl No.	Description of Goods	HSN/SAC	GST Rate	Quantity	Rate	per	Amount
1	Samsung 32 Inches LED Smart TV Rate of Duty: 18%	85287219	18 %	2 Nos	18,500.00	Nos	37,000.00
2	Philips LED Floor Lamps Rate of Duty: 12%	9405	12 %	2 Nos	13,000.00	Nos	26,000.00
							63,000.00
							4,890.00
							4,890.00
	Total			4 Nos			₹ 72,780.00
Amount Chargeable (in words)				E. & O.E			
INR Seventy Two Thousand Seven Hundred Eighty Only							
HSN/SAC 85287219 9405		Taxable Value 37,000.00 26,000.00	Central Tax 9% 3,330.00		State Tax 9% 3,330.00		Total Tax Amount 6,660.00 3,120.00
Total 63,000.00			4,890.00		4,890.00		9,780.00
Tax Amount (in words) : INR Nine Thousand Seven Hundred Eighty Only							
Company's PAN : ASDFG3345Q		for Dakshin Electronics Pvt. Ltd.					
Declaration We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.		Authorised Signatory					
This is a Computer Generated Invoice							

Figure 1.32 Tax Invoice print with e-Way Bill number

Observation: In the Tax Invoice, the GSTIN/UIN number of the company, as well as party is captured along with State, State Code, e-Way Bill number and Date, Transaction Value and Central and State tax bifurcation.



Activity: Referring to Table 1.37, record the Intrastate Outward Supply transaction.

Date	Particulars		
16 th October 2020	<p>Voucher: Sales <i>As on 16th October 2020, Dakshin Electronics Pvt. Ltd. sold the following goods to a Consumer in Bengaluru, Karnataka. The amount was received through HDFC Bank Cheque vide 890132. The cheque was deposited to Kotak Bank Current A/c.</i></p> <p>Buyer (Bill to) – Jagath GST Registration type – Consumer Place of Supply – Karnataka</p>		
Name of Item	Quantity	Rate per ₹	Amount ₹
LG Washing Machine	1 Nos	15,500	15,500
Tips:			
<ul style="list-style-type: none"> Select Central Tax and State Tax duty Ledgers after selecting the Stock Items. In the Bank Allocations screen, enter the instrument(cheque) number as 890132, select the bank as HDFC Bank. 			
			

Table 1.37

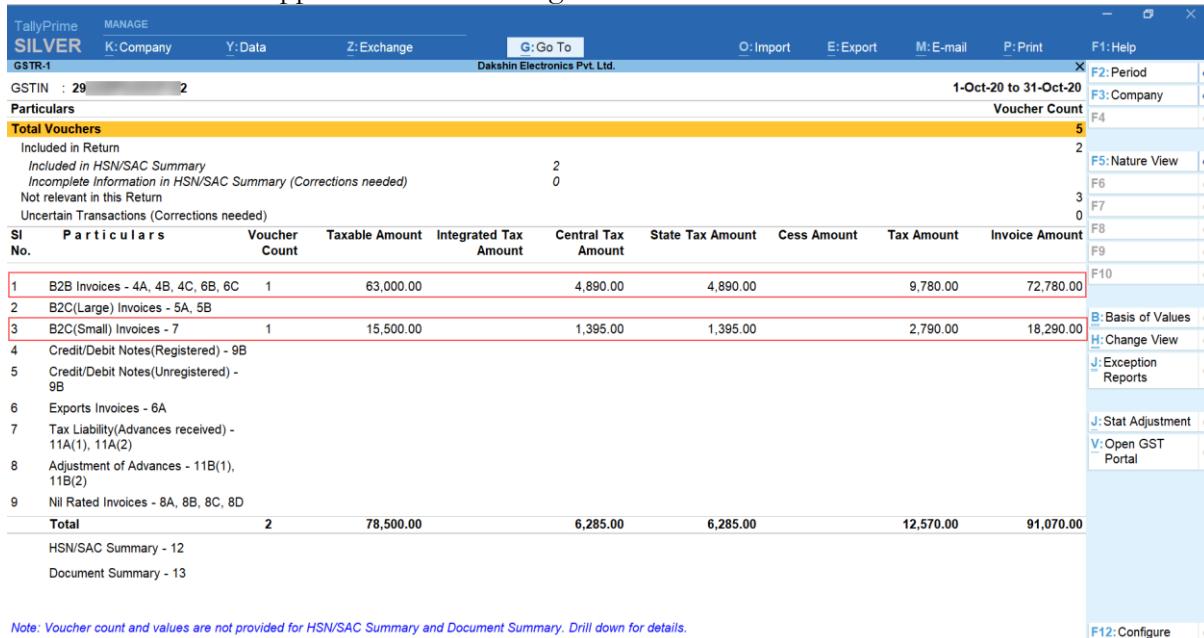
Since the recorded transactions are outward supplies, the tax implication of this transaction can be viewed in **GSTR-1 & GSTR-3B**.

To view **GSTR-1**,

- Click **G: Go To** > In the Search field, Type as **GSTR** > Enter on **GSTR-1**
- The details will capture in **B2B Invoices – 4A, 4B, 4C, 6B, 6C** and **B2C(Small) Invoices -7**
- Click **F12: Configure** > Set **Show Tax types in separate columns** to **Yes** > **Accept** the screen.
- GSTR-1** will display the **Integrated Tax, Central Tax and State Tax Amount**.



The **GSTR-1** screen appears as shown in Figure 1.33



The screenshot shows the TallyPrime GSTR-1 report interface. The top menu bar includes options like MANAGE, G: Go To, O: Import, E: Export, M: E-mail, P: Print, and F1: Help. The main report area displays a table of sales vouchers with columns for Particulars, Voucher Count, Taxable Amount, Integrated Tax Amount, Central Tax Amount, State Tax Amount, Cess Amount, Tax Amount, and Invoice Amount. The table includes rows for B2B Invoices (4A, 4B, 4C, 6B, 6C), B2C(Large) Invoices (5A, 5B), and B2C(Small) Invoices (7). The total for all vouchers is 2, with a total taxable amount of 78,500.00 and a total tax amount of 12,570.00. A note at the bottom states: "Note: Voucher count and values are not provided for HSN/SAC Summary and Document Summary. Drill down for details."

Figure 1.33 GSTR-1 Report

Observation: You can observe that the Central Tax and State Tax ledger amount in sales vouchers will appear as B2B Invoices-4A,4B,4C,6B,6C and B2C(Small) Invoices-7 respectively in GSTR-1.

Note:

- **B2B refers to Business to Business.** If the seller and the buyer are registered under Goods and Services Tax and have GSTIN, and the supply takes place between both registered dealers, is called B2B.
- **B2C refers to Business to Consumer.** If the seller is registered under Goods and Services Tax and has GSTIN, but the buyer is not registered and he is a consumer/ customer, and the supply takes place between both registered dealers and consumer, is called B2C.

To view **GSTR-3B**,

- 1) Click **G: Go To** > In the **Search** field, Type as **GSTR** > Enter on **GSTR-3B**
- 2) The details will get captured in **3.1 Outward supplies and inward supplies liable to reverse charge**.



The **GSTR-3B** screen appears as shown in Figure 1.34

TallyPrime		MANAGE		G: Go To		O: Import	E: Export	M: E-mail	P: Print	F1: Help
SILVER										
GSTR-3B	K: Company	Y: Data	Z: Exchange			Dakshin Electronics Pvt. Ltd.				
GSTIN : 29						1-Oct-20 to 31-Oct-20				
Particulars						Voucher Count				
Total Vouchers						5				
Included in Return						4				
Participating in return tables										
No direct implication in return tables						0				
Not relevant in this Return										
Uncertain Transactions (Corrections needed)										
Table Particulars	No.					Taxable Amount	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount Tax Amount
3.1 Outward supplies and inward supplies liable to reverse charge						78,500.00	6,285.00	6,285.00	6,285.00	12,570.00
3.2 Of the supplies shown in 3.1 (a) above, details of inter-state supplies made to unregistered persons, composition taxable persons and UIN holders										
4 Eligible ITC						39,450.00	39,450.00	39,450.00	39,450.00	78,900.00
5 Value of exempt, nil rated and non-GST inward supplies										
5.1 Interest and Late fee Payable										
Reverse Charge Liability and Input Credit to be booked										
Reverse Charge Inward Supplies										0.00
Import of Service										0.00
Input Credit to be Booked										
Advance Payments										
Amount Unadjusted Against Purchases										0.00
Purchase Against Advance from Previous Periods										
<i>Note: Amount is not shown for Input Credit to be Booked. Drill down for values.</i>										
F12: Configure										
Figure 1.34 GSTR-3B Report										

1.6.1.3 Intrastate Inward Supply of Services

You can record the inward supply of services using a purchase voucher. We know that taxability depends on the place of supply. Determining the place of supply is critical to identify the taxability.

A supply of services shall be an intrastate supply if the service provider and the service recipient are in the same State.

Illustration 4: Recording Purchase voucher for accounting intrastate inward supply of services with GST and checking GSTR-3B.

Date	Particulars
20 th October 2020	Voucher: Purchase As on 20 th October 2020, Dakshin Electronics Pvt. Ltd. received Print Media Services worth ₹ 90,000 from Tamara Agencies Bengaluru, Karnataka on credit with the Supplier Invoice No. TA/PUR/103.

Table 1.38

Step 1: Recording Intrastate Inward Supplies

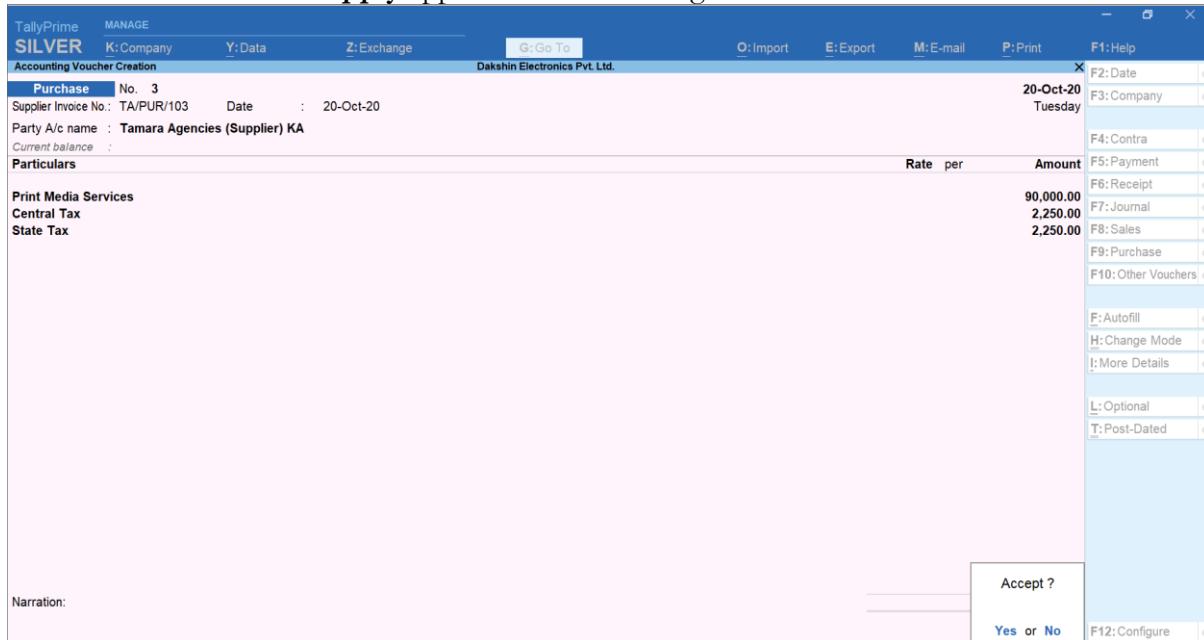
To record intrastate inward supply of services,

- From **Gateway of Tally > Vouchers > F9: Purchase**
- Click **H: Change Mode** (Alternatively, Press **Ctrl+H**) > Select **Accounting Invoice**.
- Click **F2: Date** and change the date to **20-Oct-20**.
- Enter the **Supplier Invoice No.** as **TA/PUR/103** and **Date** as **20-Oct-20**.
- Select the **Tamara Agencies (Supplier) KA** in the **Party A/c name** field. (Accept the **Receipt Details** and **Party Details** as it is)
- Select the **Print Media Services** ledger in the **Particulars** field.
- Enter **Amount** as ₹ 90,000 > Press **Enter**.
- Select the **Central Tax** ledger.
- Select the **State Tax** ledger.
- Click **I: More Details** to view the tax implication in this transaction.
- In the **More Details** screen, under **Additional Details > GST** > Select **GST-Tax Analysis**



- 12) The **GST-Tax Analysis** screen appears, Click **F5: Detailed**.
- 13) Press **Esc** to go back to the **Accounting Voucher Creation** screen.
- 14) In the **Bill-wise Details for** screen, select **New Ref** and **Accept**
- 15) Enter the **Narration** if required.

The **Intrastate Inward Supply** appears as shown in Figure 1.35



Purchase No. 3
Supplier Invoice No.: TA/PUR/103 Date : 20-Oct-20
Party A/c name : Tamara Agencies (Supplier) KA
Current balance :
Particulars
Print Media Services
Central Tax
State Tax

Rate	per	Amount
90,000.00		
2,250.00		
2,250.00		

Narration:

Accept ?
 or F12:Configure

Figure 1.35 Purchase Voucher -Intrastate Inward Supply

- 16) **Accept** the screen.

Observation: We can observe that for the Print Media Services ledger, State Tax and Central Tax have been calculated based on the Integrated Tax rate of 5% defined at the Ledger level.

Since the recorded transactions are inward supplies, the tax implication of this transaction can be viewed in **GSTR-3B**.

To view **GSTR-3B**,

- 1) Click **G: Go To** > In the **Search** field, Type as **GSTR** > Enter on **GSTR-3B**
- 2) The details will get captured in **4 Eligible ITC**.
- 3) Enter on **4 Eligible ITC** > Enter on **A (5) All Other ITC**.



The **GSTR-3B Voucher Register** appears as shown in Figure 1.36

GSTR-3B - Voucher Register											Dakshin Electronics Pvt. Ltd.			1-Oct-20 to 31-Oct-20			F1: Help		
Vouchers of : (5) All other ITC		Date Particulars		GSTIN/UIN	Vch Type	Vch No.	Invoice No.	Invoice Date	Taxable Amount	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount	Total Tax Amount	F2: Period				
															F3: Company				
Date	Particulars														F4				
5-Oct-20	Durga Enterprises (Supplier)	KA 29.	J Purchase	1 DEPUR/118	5-Oct-20	2,40,000.00			29,100.00	29,100.00		58,200.00			F5				
6-Oct-20	Poja Appliances (Supplier)	KA 29.	J Purchase	2 PA/PUR/22	8-Oct-20	1,35,000.00			10,350.00	10,350.00		20,700.00			F6				
20-Oct-20	Tamara Agencies (Supplier)	KA 29.	L Purchase	3 TA/PUR/103	20-Oct-20	25,000.00			2,250.00	2,250.00		4,500.00			F7				
Grand Total									4,00,000.00			41,700.00	41,700.00	83,400.00		F12:Configure			

Figure 1.36 GSTR-3B Report

1.6.1.4 Intrastate Outward Supply of Services

You can record the outward supply of services using a sales voucher.

A supply of services shall be an intrastate supply if the service provider and the service recipient are in the same State.

Illustration 5: Recording Sales voucher for accounting intrastate outward supply of services with GST and checking GSTR-3B & GSTR-1

Date	Particulars
24 th October 2020	<p>Voucher: Sales As on 24th October 2020, Dakshin Electronics Pvt. Ltd. provided Maintenance Services of ₹ 5,000 to Bhawani Enterprises, Karnataka with Sale Bill No. 3 against the supply of Samsung 32 Inches LED Smart TV dated 12-Oct-2020.</p>

Table 1.39

Step 1: Recording Intrastate Outward Supplies

To record intrastate outward supply of services,

- 1) From **Gateway of Tally > Vouchers > F8: Sales**
- 2) Click **H: Change Mode** (Alternatively, Press **Ctrl+H**) > Select **Accounting Invoice**.
- 3) Click **F2: Date** and change the date to **24-Oct-20**.
- 4) Select the **Bhawani Enterprises (Customer) KA** in the **Party A/c name** field. (Accept the **Dispatch Details** and **Party Details** as it is)
- 5) Select the **Maintenance Services** ledger in the **Particulars** field.
- 6) Enter **Amount** as ₹ 5,000 > Press **Enter**.
- 7) Select the **Central Tax** ledger.
- 8) Select the **State Tax** ledger.
- 9) Click **I: More Details** to view the tax implication in this transaction.
- 10) In the **More Details** screen, under **Additional Details > GST** > Select **GST-Tax Analysis**
- 11) The **GST-Tax Analysis** screen appears, Click **F5: Detailed**.



- 12) Press **Esc** to go back to the **Accounting Voucher Creation** screen.
- 13) In the **Bill-wise Details for** screen, select **New Ref** and **Accept**
- 14) Enter the **Narration** if required.

The **Intrastate Outward Supply** appears as shown in Figure 1.37

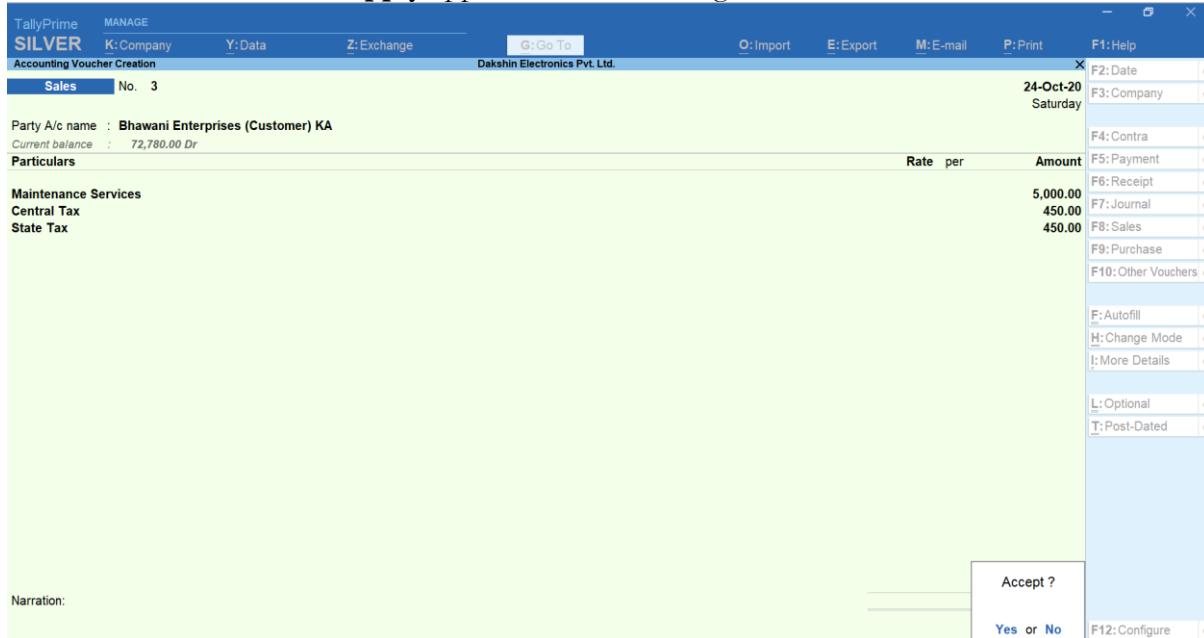


Figure 1.37 Sales Voucher -Intrastate Outward Supply

- 15) **Accept** the screen.

Observation: We can observe that for the Maintenance Services ledger, State Tax and Central Tax have been calculated based on the Integrated Tax rate of 18% defined at the Ledger level.

Since the recorded transactions are outward supplies, the tax implication of this transaction can be viewed in **GSTR-3B & GSTR-1**.

To view **GSTR-3B**,

- 1) Click **G: Go To** > In the **Search** field, Type as **GSTR** > Enter on **GSTR-3B**
- 2) The details will get captured in **3.1 Outward supplies and inward supplies liable to reverse charge**.

To view **GSTR-1**,

- 1) Click **G: Go To** > In the **Search** field, Type as **GSTR** > Enter on **GSTR-1**
- 2) The details will get captured in **B2B Invoices – 4A, 4B, 4C, 6B, 6C**.



Activity: Referring to Table 1.40, Record the Receipt and Payment Vouchers for accounting amount received from customers and the amount paid to the suppliers.

Date	Particulars
26 th October 2020	<p>Voucher: Receipt</p> <p>As on 26th October 2020, Dakshin Electronics Pvt. Ltd. received payment of ₹ 72,780 from Bhawani Enterprises (Customer) KA vide Canara Bank cheque number 550605 against the outward supply made on 12-Oct-2020 for Sale Bill No. 1. The cheque was deposited in the Kotak Bank Current A/c.</p>

TallyPrime MANAGE
SILVER K: Company Y: Data Z: Exchange G: Go To
 Accounting Voucher Creation Dakshin Electronics Pvt. Ltd.
 Receipt No. 2

Account : Kotak Bank Current A/c
 Current balance : 50,91,070.00 Dr
 Particulars

Bhawani Enterprises (Customer) KA
 Cur Bal: 5,900.00 Dr
 Agst Ref 1 72,780.00 Cr

Narration: Accept ? F12: Configure

F2: Date | F3: Company | F4: Contra | F5: Payment | F6: Receipt | F7: Journal | F8: Sales | F9: Purchase | F10: Other Vouchers | F11: Autofill | F12: Change Mode | F13: More Details | F14: Optional | F15: Post-Dated | F16: Stat Adjustment

28 th October 2020	<p>Voucher: Payment</p> <p>As on 28th October 2020, Dakshin Electronics Pvt. Ltd. made payment of ₹ 2,98,200 to Durga Enterprises (Supplier) KA vide Kotak Bank Current A/c cheque number 451105 against the inward supply made on 5-Oct-2020 for Supplier Invoice No DE/PUR/119.</p>
-------------------------------	---

TallyPrime MANAGE
SILVER K: Company Y: Data Z: Exchange G: Go To
 Accounting Voucher Creation Dakshin Electronics Pvt. Ltd.
 Payment No. 1

Account : Kotak Bank Current A/c
 Current balance : 47,92,870.00 Dr
 Particulars

Durga Enterprises (Supplier) KA
 Cur Bal: 0.00 Dr
 Agst Ref DE/PUR/119 2,98,200.00 Dr

Narration: Accept ? F12: Configure

F2: Date | F3: Company | F4: Contra | F5: Payment | F6: Receipt | F7: Journal | F8: Sales | F9: Purchase | F10: Other Vouchers | F11: Autofill | F12: Change Mode | F13: More Details | F14: Optional | F15: Post-Dated | F16: Stat Adjustment

Table 1.40



1.6.2 Accounting Interstate Supply of Goods & Services

Interstate supply is a transaction where the location of the supplier and the place of supply is different.

Similarly, in the case of services also a supply of services shall be an **Interstate** supply if the service provider and the service recipient are in a different State.

For Example - Dakshin Electronics Pvt. Ltd. is a company registered in Bengaluru, Karnataka. When JJ Traders Pvt. Ltd. purchases from a supplier whose company is registered in Mumbai, Maharashtra, the supply is **Interstate Inward Supply**.

In this section, we will see how to record Interstate transactions using TallyPrime.

1.6.2.1 Interstate Inward Supply of Goods

Illustration 6: Recording Purchase voucher for accounting interstate inward supply of goods with GST and checking GSTR-3B.

Date	Particulars			
2 nd November 2020	Voucher: Purchase As on 2 nd November 2020, Dakshin Electronics Pvt. Ltd. purchased the following goods from KSS Enterprises , Andhra Pradesh on credit with Supplier Invoice no. KSS/PUR/04.			
	Name of Item	Quantity	Rate per (₹)	Amount (₹)
Sony 32 Inches LED Smart TV	3 Nos	20,000	60,000	
Sony 43 Inches LED Smart TV	3 Nos	35,000		1,05,000

Table 1.41

Let us determine the taxability for this transaction:

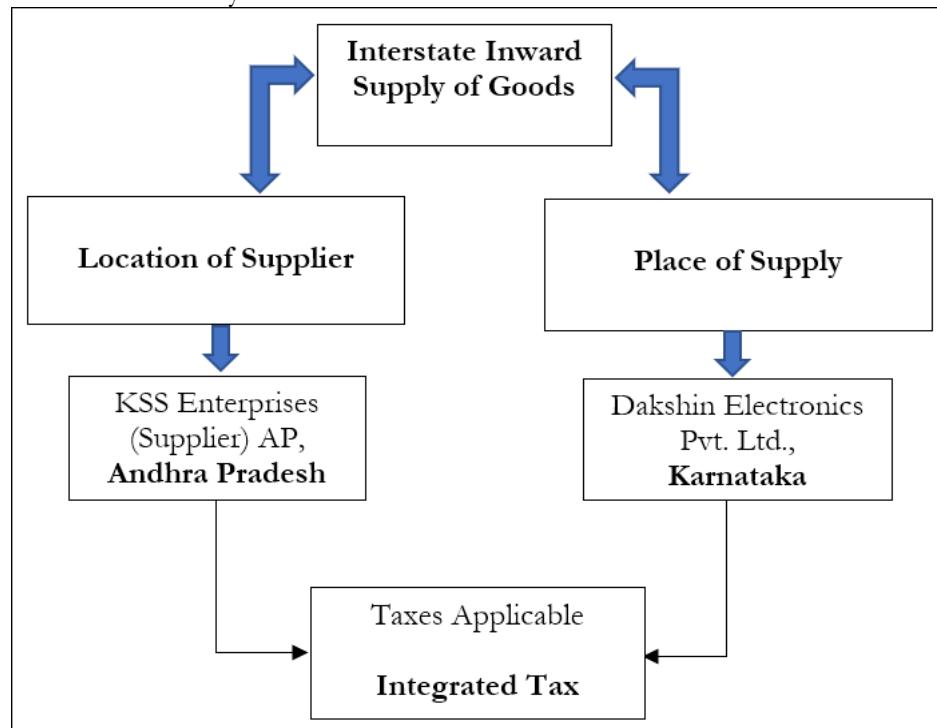


Chart 1.11 Determining the Taxability



Location of Supplier	KSS Enterprises (Supplier) AP, Andhra Pradesh
Place of Supply	Dakshin Electronics Pvt. Ltd., Karnataka.
Taxes Applicable	Integrated Tax

Table 1.42

Step 1: Recording Interstate Inward Supplies

To record interstate inward supply of goods,

- 1) From **Gateway of Tally > Vouchers > F9: Purchase**
- 2) Click **H: Change Mode** (Alternatively, Press **Ctrl+H**) > Select **Item Invoice**.
- 3) Click **F2: Date** and change the date to **2-Nov-20**.
- 4) Enter the **Supplier Invoice No.** as **KSS/PUR/04** and **Date** as **2-Nov-20**.
- 5) Select **KSS Enterprises (Supplier) AP** in the **Party A/c name** field. (Accept the **Receipt Details** and **Party Details** as it is)
- 6) Select the **Purchase A/c** ledger in the **Purchase ledger** field.
- 7) Under **Name of Item** field, select **Sony 32 Inches LED Smart TV** > Enter **Quantity** as **3 Nos** > Enter **Rate** as **₹ 20,000** > **Amount ₹ 60,000** will capture automatically.
- 8) Similarly, Select **Sony 43 Inches LED Smart TV** > Enter **Quantity** as **3 Nos** > Enter **Rate** as **₹ 35,000** > **Amount ₹ 105,000** will capture automatically.
- 9) Select the **Integrated Tax** ledger.
- 10) Set **Provide GST/e-Way Bill details** to **No**
- 11) Click **I: More Details** to view the tax implication in this transaction.
- 12) In the **More Details** screen, under **Additional Details > GST** > Select **GST-Tax Analysis**.
- 13) The **GST-Tax Analysis** screen appears, Click **F5: Detailed**.

The **GST-Tax Analysis** screen appears as shown in Figure 1.38

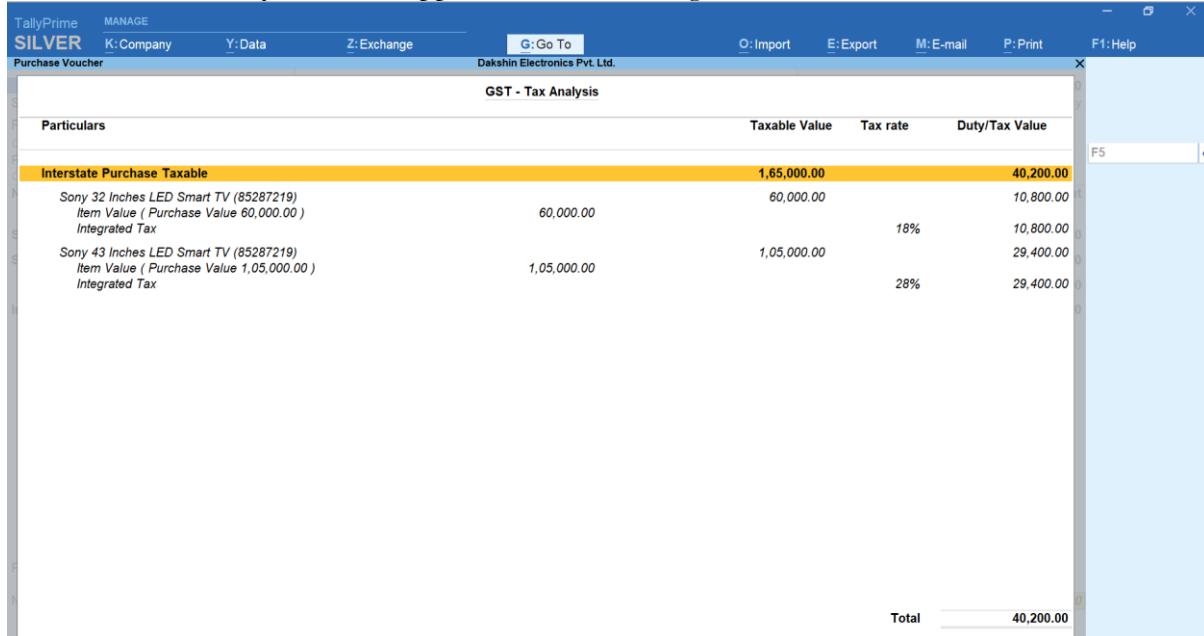


Figure 1.38 GST- Tax Analysis screen

Observation: We can see that for Sony 32 Inches LED Smart TV Stock Item, Integrated Tax have been calculated based on the Integrated Tax rate of 18% defined at the Company level.

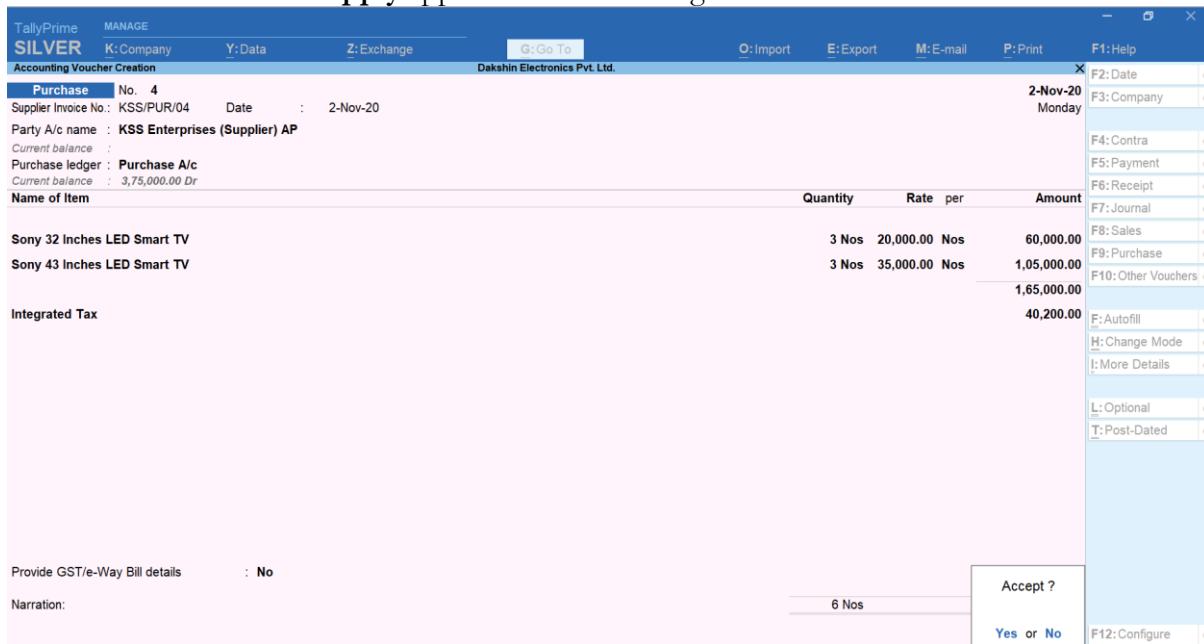
Similarly, for Sony 43 Inches LED Smart TV Stock Item, Integrated Tax have been calculated based on the Integrated Tax rate 28% defined in the Stock Item level.

- 14) Press **Esc** to go back to the **Accounting Voucher Creation** screen.



- 15) In the **Bill-wise Details for** screen, select **New Ref** and **Accept**
- 16) Enter the **Narration** if required.

The **Interstate Inward Supply** appears as shown in Figure 1.39



Purchase No. 4
Supplier Invoice No.: KSS/PUR/04 Date : 2-Nov-20
Party A/c name : KSS Enterprises (Supplier) AP
Current balance :
Purchase ledger : Purchase A/c
Current balance : 3,75,000.00 Dr

Name of Item	Quantity	Rate per	Amount
Sony 32 Inches LED Smart TV	3 Nos	20,000.00 Nos	60,000.00
Sony 43 Inches LED Smart TV	3 Nos	35,000.00 Nos	1,05,000.00
			1,65,000.00
			40,200.00

Integrated Tax

Provide GST/e-Way Bill details : No
Narration:

Accept ?
 F12:Configure

Figure 1.39 Purchase Voucher -Interstate Inward Supply

- 17) **Accept** the screen.

Observation: The Integrated Tax ledger is created under the Duties & Taxes group. The implication of the transaction will be in the Balance Sheet.

From **Gateway of Tally > Balance Sheet > Current Liabilities > Duties & Taxes**.

Since the recorded transactions are inward supplies, the tax implication of this transaction can be viewed in **GSTR-3B**.

To view **GSTR-3B**,

- 1) Click **G: Go To** > In the **Search** field, Type as **GSTR** > Enter on **GSTR-3B**
- 2) Click **F2: Period** > Enter **1-11-2020 to 30-11-2020**.
- 3) The details will get captured in **4 Eligible ITC**.



The **GSTR-3B** screen appears as shown in Figure 1.40

TallyPrime		MANAGE		G: Go To		O: Import	E: Export	M: E-mail	P: Print	F1: Help
SILVER	GSTR-3B	K: Company	Y: Data	Z: Exchange	Dakshin Electronics Pvt. Ltd.	1-Nov-20 to 30-Nov-20	Voucher Count			
	GSTIN : 29	2								
Particulars										
Total Vouchers										
Included in Return										
Participating in return tables	1									
No direct implication in return tables	0									
Not relevant in this Return										
Uncertain Transactions (Corrections needed)										
Table Particulars	No.					Taxable Amount	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount Tax Amount
3.1 Outward supplies and inward supplies liable to reverse charge										
3.2 Of the supplies shown in 3.1 (a) above, details of inter-state supplies made to unregistered persons, composition taxable persons and UIN holders										
4 Eligible ITC						40,200.00				40,200.00
5 Value of exempt, nil rated and non-GST inward supplies										
5.1 Interest and Late fee Payable										
Reverse Charge Liability and Input Credit to be booked										
Reverse Charge Inward Supplies										0.00
Import of Service										0.00
Input Credit to be Booked										
Advance Payments										
Amount Unadjusted Against Purchases										0.00
Purchase Against Advance from Previous Periods										
<i>Note: Amount is not shown for Input Credit to be Booked. Drill down for values.</i>										
Figure 1.40 GSTR-3B Report										

1.6.2.2 Interstate Outward Supply of Goods

In this section, we will learn to record interstate outward supplies when the place of supply and the location of the supplier are different.

Illustration 7: Recording Sales voucher for accounting interstate outward supply of goods with GST and checking GSTR-1 & GSTR-3B

Date	Particulars
8 th November 2020	Voucher: Sales As on 8 th November 2020, Dakshin Electronics Pvt. Ltd. sold the following goods to Mataji Electronics , Tamil Nadu on credit with Sale Bill No.4.
	Name of Item Quantity Rate per (₹) Amount (₹)
	LG Washing Machine 3 Nos 15,500 46,500
	Samsung 43 Inches LED Smart TV 2 Nos 32,000 64,000
	Sony 43 Inches LED Smart TV 2 Nos 37,500 75,000

Table 1.43



Let us determine the taxability for this transaction:

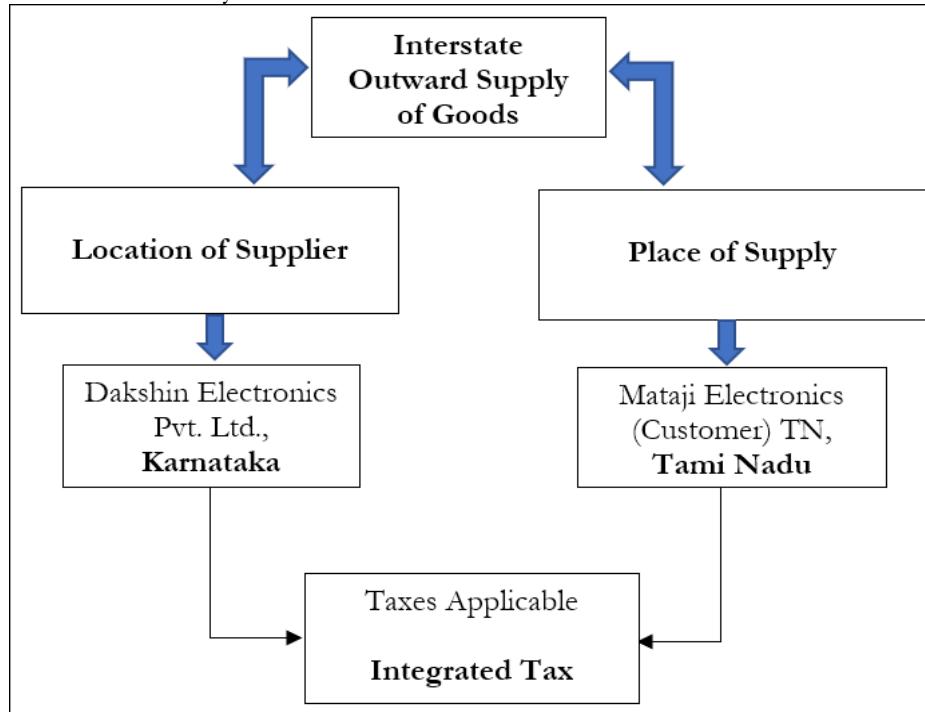


Chart 1.12 Determining the Taxability

Location of Supplier	Dakshin Electronics Pvt. Ltd., Karnataka
Place of Supply	Mataji Electronics (Customer) TN, Tami Nadu.
Taxes Applicable	Integrated Tax

Table 1.44

Step 1: Recording Interstate Outward Supplies

To record interstate outward supply of goods,

- 1) From **Gateway of Tally > Vouchers > F8: Sales**
- 2) Click **H: Change Mode** (Alternatively, Press **Ctrl+H**) > Select **Item Invoice**
- 3) Click **F2: Date** and change the date to **8-Nov-20**.
- 4) Select **Mataji Electronics (Customer) TN** in the **Party A/c name** field. (Accept the **Dispatch Details** and **Party Details** as it is)
- 5) Select the **Sales A/c** ledger in the **Sales ledger** field.
- 6) Under **Name of Item** field, select **LG Washing Machine** > Enter **Quantity** as **3 Nos**> Enter **Rate** as **₹ 15,500** > **Amount ₹ 46,500** will capture automatically.
- 7) Select **Samsung 43 Inches LED Smart TV** > Enter **Quantity** as **2 Nos**> Enter **Rate** as **₹ 32,000** > **Amount ₹ 64,000** will capture automatically.
- 8) Select **Sony 43 Inches LED Smart TV** > Enter **Quantity** as **2 Nos**> Enter **Rate** as **₹ 37,500** > **Amount ₹ 75,000** will capture automatically.
- 9) Select the **Integrated Tax** ledger.
- 10) Set **Provide GST/e-Way Bill details** to **Yes**
- 11) In the **Statutory Details** screen, enter the mandatory details required for generating the e-Way Bill as shown in Figure 1.41



The screenshot shows the 'Statutory Details' screen for a sales transaction. A red box highlights the 'Additional Details : Interstate Sales Taxable' section. This section contains fields for 'e-Way Bill Details', 'Consignor Details (From)', 'Dispatch From', 'Consignee Details (To)', 'Ship To', and 'Transporter Details'. The 'Bill From' section lists Dakshin Electronics Pvt. Ltd., 29, 2, Karnataka. The 'Bill To' section lists Mataji Electronics (Customer) TN, 33, 3, Tamil Nadu. The 'Ship To' section lists # 21, Mahatma Gandhi Road,, Chennai. The 'Transporter Details' section lists Mode: Road, Transporter Name: Mahesh, Vehicle Number: KA12E8724, Date: 8-Nov-20.

Figure 1.41 Statutory Details screen

- 12) Accept the Statutory Details screen.
- 13) Click **I: More Details** > Select **GST-Tax Analysis** > The **GST-Tax Analysis** screen appears, Click **F5: Detailed**.
- 14) Press **Esc** to go back to the **Accounting Voucher Creation** screen.
- 15) In the **Bill-wise Details for** screen, select **New Ref** and **Accept**
- 16) Enter the **Narration** if required.

The **Interstate Outward Supply** appears as shown in Figure 1.42

The screenshot shows the 'Sales Voucher - Interstate Outward Supply' screen. It displays a list of items sold to Mataji Electronics (Customer) TN. The items are LG Washing Machine, Samsung 43 Inches LED Smart TV, and Sony 43 Inches LED Smart TV. The total amount is 1,85,500.00. A red box highlights the 'Accept ?' button at the bottom right of the screen.

Figure 1.42 Sales Voucher -Interstate Outward Supply

- 17) Accept the screen.
- 18) TallyPrime will automatically ask for **Exporting Details for e-Way Bill**
- 19) Do not export the e-Way bill for this transaction. Press **Escape** to **Exit** from exporting e-Way bill.



Note: We will be exporting the invoices and generate e-Way Bills from the report in the upcoming section.

Step 2: Printing Tax Invoice without e-Way Bill details.

To print the Tax Invoice,

- 1) Click **G: Go To** > under **Common Reports** > **Daybook** > Enter on the **Sales Voucher** with **Voucher Number 4** dated **8-Nov-20**.
- 2) In the **Sales Voucher Alteration** screen, Click **P: Print** > Select **Current** > Click **I: Preview** > Press **F4** for **Zoom**.

Since the recorded transactions are outward supplies, the tax implication of this transaction can be viewed in **GSTR-1 & GSTR-3B**.

To view **GSTR-1**,

- 1) Click **G: Go To** > In the **Search** field, Type as **GSTR** > Enter on **GSTR-1**
- 2) Click **F2: Period** > Enter **1-11-2020** to **30-11-2020**.
- 3) The details will get captured in **B2B Invoices – 4A, 4B, 4C, 6B, 6C**.

To view **GSTR-3B**,

- 1) Click **G: Go To** > In the **Search** field, Type as **GSTR** > Enter on **GSTR-3B**
- 2) Click **F2: Period** > Enter **1-11-2020** to **30-11-2020**.
- 3) The details will get captured in **3.1 Outward supplies and inward supplies liable to reverse charge**.

1.6.2.3 Interstate Outward Supply of Services

Illustration 8: Recording Sales voucher for accounting interstate outward supply of services with GST and checking GSTR-3B & GSTR-1

Date	Particulars
15 th November 2020	Voucher: Sales As on 15 th November 2020, Dakshin Electronics Pvt. Ltd. provided Maintenance Services of ₹ 3,000 to Mataji Electronics , Tamil Nadu with Sale Bill No.5 against the supply of Samsung 43 Inches LED Smart TV and Sony 43 Inches LED Smart TV dated 8-Nov-20.

Table 1.45

Step 1: Recording Interstate Outward Supplies

To record interstate outward supply of services,

- 1) From **Gateway of Tally** > **Vouchers** > **F8: Sales**
- 2) Click **H: Change Mode** (Alternatively, Press **Ctrl+H**) > Select **Accounting Invoice**.
- 3) Click **F2: Date** and change the date to **15-Nov-20**.
- 4) Select the **Mataji Electronics (Customer)** TN in the **Party A/c name** field. (Accept the **Dispatch Details** and **Party Details** as it is)
- 5) Select the **Maintenance Services** ledger in the **Particulars** field.
- 6) Enter **Amount** as ₹ 3,000 > Press **Enter**.
- 7) Select the **Integrated Tax** ledger.
- 8) Click **I: More Details** > Select **GST-Tax Analysis** > The **GST-Tax Analysis** screen appears, Click **F5: Detailed**.
- 9) Press **Esc** to go back to the **Accounting Voucher Creation** screen.
- 10) In the **Bill-wise Details for** screen, select **New Ref** and **Accept**
- 11) Enter the **Narration** if required.



The **Interstate Outward Supply** appears as shown in Figure 1.43

Sales Voucher Creation

Party A/c name : Mataji Electronics (Customer) TN
Current balance : 2,32,790.00 Dr

Particulars	Rate per	Amount
Maintenance Services	3,000.00	540.00
Integrated Tax		

Narration:

Accept ?
Yes or No

Figure 1.43 Sales Voucher -Interstate Outward Supply

12) **Accept** the screen.

Observation: We can observe that for the Maintenance Services ledger, Integrated Tax has been calculated based on the Integrated Tax rate of 18% defined at the Ledger level.

Since the recorded transactions are outward supplies, the tax implication of this transaction can be viewed in **GSTR-3B & GSTR-1**.

To view **GSTR-3B**,

- 1) Click **G: Go To** > In the **Search** field, Type as **GSTR** > Enter on **GSTR-3B**
- 2) The details will get captured in **3.1 Outward supplies and inward supplies liable to reverse charge**.

To view **GSTR-1**,

- 1) Click **G: Go To** > In the **Search** field, Type as **GSTR** > Enter on **GSTR-1**
- 2) Click **F2: Period** > Enter **1-11-2020 to 30-11-2020**.
- 3) The details will get captured in **B2B Invoices – 4A, 4B, 4C, 6B, 6C**.



The **GSTR-1** screen appears as shown in Figure 1.44

TallyPrime		MANAGE		G: Go To		O: Import	E: Export	M: E-mail	P: Print	F1: Help
SILVER	GSTR-1	K: Company	Y: Data	Z: Exchange	Dakshin Electronics Pvt. Ltd.					
	GSTIN : 29					1-Nov-20 to 30-Nov-20				
	Particulars					Voucher Count				
	Total Vouchers					3				
	Included in Return					2				
	Included in HSN/SAC Summary					0				
	Incomplete Information in HSN/SAC Summary (Corrections needed)									
	Not relevant in this Return									
	Uncertain Transactions (Corrections needed)									
Sl No.	Particulars	Voucher Count	Taxable Amount	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount	Tax Amount	Invoice Amount	
1	B2B Invoices - 4A, 4B, 4C, 6B, 6C	2	1,88,500.00	47,830.00				47,830.00	2,36,330.00	
2	B2C(Large) Invoices - 5A, 5B									
3	B2C(Small) Invoices - 7									
4	Credit/Debit Notes(Registered) - 9B									
5	Credit/Debit Notes(Unregistered) - 9B									
6	Exports Invoices - 6A									
7	Tax Liability(Advances received) - 11A(1), 11A(2)									
8	Adjustment of Advances - 11B(1), 11B(2)									
9	Nil Rated Invoices - 8A, 8B, 8C, 8D									
	Total	2	1,88,500.00	47,830.00				47,830.00	2,36,330.00	
	HSN/SAC Summary - 12									
	Document Summary - 13									
<small>Note: Voucher count and values are not provided for HSN/SAC Summary and Document Summary. Drill down for details.</small>										
F12: Configure										

Figure 1.44 GSTR-1 Report

1.6.3 Accounting Purchase and Sales Returns of Goods with GST

Commonly, goods purchased are sometimes returned to the supplier due to various reasons. Similarly, goods sold may be returned by the customers. In this section, we will discuss in brief the provisions for handling tax liability under GST, and how the return of supplies is recorded in Tally.

Return of goods can be done till the filing of return of subsequent financial year for the previous year.

Example: Sale or Purchase made on 1-Apr-2020 return period, the debit note or credit note can be done before filing the return for September 2021 on or before 22-Oct-2022.

Purchase returns will be recorded in **Debit Note** and sales returns in **Credit Note**.

1.6.3.1 Purchase Returns of Goods

Illustration 9: Recording Debit Note voucher for accounting purchase returns of goods with GST and checking GSTR-3B.

Date	Particulars
15 th November 2020	Voucher: Debit Note As on 15 th November 2020, Dakshin Electronics Pvt. Ltd. returned the following stock items due to damaged stock to Pooja Appliances, Karnataka against Supplier Invoice No. PA/PUR/22 dated 8-Oct-20 .
	Name of Item Quantity Rate per (₹) Amount (₹)
	LG Washing Machine 1 Nos 15,000 15,000
	Philips LED Floor Lamps 1 Nos 12,000 12,000

Table 1.46

Step 1: Recording Purchase Return of Goods

To record intrastate purchase return of goods,

- 1) From **Gateway of Tally > Vouchers > Click F10: Other Vouchers > under Accounting Vouchers > Debit Note.**
- 2) Click **H: Change Mode** (Alternatively, Press **Ctrl+H**) > Select **Item Invoice**
- 3) Click **F2: Date** and change the date to **15-Nov-20**.
- 4) Click **F12: Configure** > Set **Provide Original Invoice details** to **Yes** > Accept the screen.
- 5) Select **Pooja Appliances (Supplier) KA** in the **Party A/c name** field.
- 6) In the **Party Details** screen, Enter the **Original Invoice No.** as **2** > Enter the **Date** as **8-Oct-20** as shown in Figure 1.45

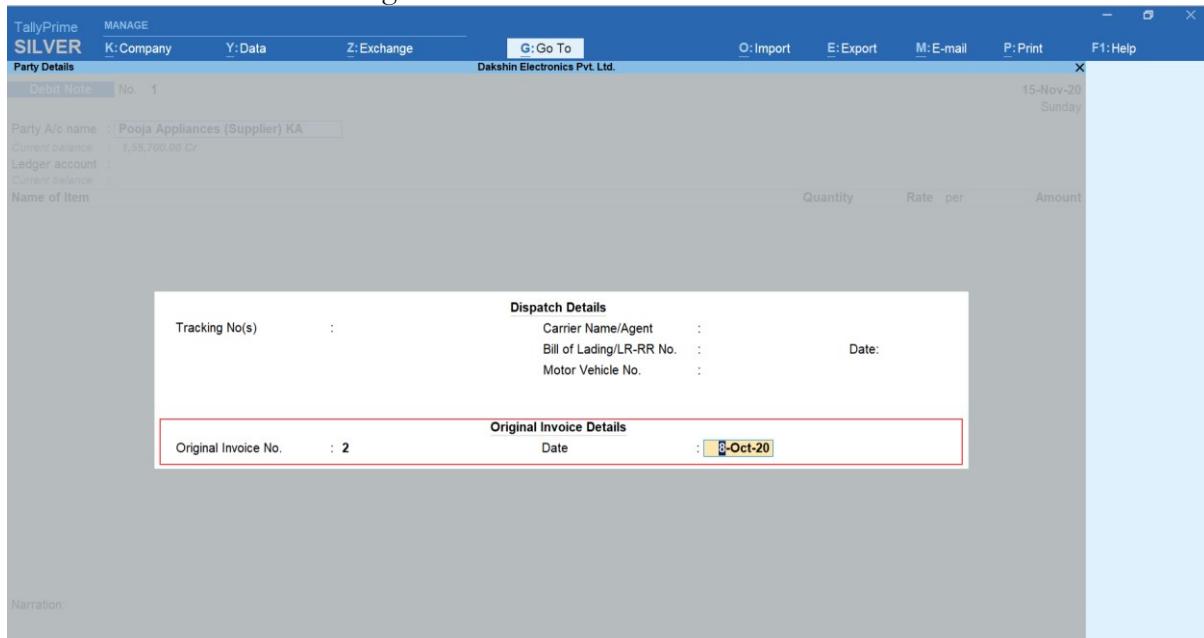


Figure 1.45 Debit Note Voucher -Party Details screen

- 7) Accept the **Party Details** screen

Note: Alternatively, you can also provide the Original Invoice Details from **I: More Details > Details of Voucher > under General > Original Invoice No. & Date.**

- 8) Select the **Purchase A/c** ledger in the **Ledger account** field.
- 9) Under **Name of Item** field, select **LG Washing Machine** > Enter **Quantity** as **1 Nos** > Enter **Rate** as **₹ 15,000** > **Amount ₹ 15,000** will capture automatically.
- 10) Select **Philips LED Floor Lamps** > Enter **Quantity** as **1 Nos** > Enter **Rate** as **₹ 12,000** > **Amount ₹ 12,000** will capture automatically.
- 11) Select the **Central Tax** ledger.
- 12) Select the **State Tax** ledger.
- 13) Set **Provide GST details** to **Yes**.
- 14) In the **Statutory Details** screen, Select **Reason for Issuing Note** as **01-Sales Return** > Enter **Supplier's Debit/Credit Note No.** as **1** > Enter **Date** as **15-Nov-20** as shown in Figure 1.46



SILVER MANAGE

K: Company Y: Data Z: Exchange G: Go To O: Import E: Export M: E-mail P: Print F1: Help

Dakshin Electronics Pvt. Ltd.

Debit Note No. 1 15-Nov-20 Sunday

Party A/c name : Pooja Appliances (Supplier) KA

Current balance : 1,55,700.00 Cr

Ledger account : Purchase A/c

Current balance : 5,40,000.00 Dr

Name of Item

	Quantity	Rate per	Amount
LG Washing Machine	1 Nos	15,000.00 Nos	15,000.00
Philips LED Floor Lamps	1 Nos	12,000.00 Nos	12,000.00
			27,000.00
Central Tax			2,070.00
State Tax			2,070.00
Additional Details : Purchase Taxable			
Reason for Issuing Note	:	01-Sales Return	
Supplier's Debit/Credit Note No.	:	1	Date : 15-Nov-20

Provide GST details : Yes

Narration: 2 Nos 31,140.00

Figure 1.46 Debit Note Voucher -Statutory Details screen

- 15) Accept the **Statutory Details** screen
- 16) In the **Bill-wise Details for** screen, select **Against Ref > Select the pending bill PA/PUR/22 dated 8-Oct-20 amounted 1,55,700 >Accept** the screen.
- 17) Enter the **Narration** if required.

The **Debit Note Voucher** appears as shown in Figure 1.47

SILVER MANAGE

K: Company Y: Data Z: Exchange G: Go To O: Import E: Export M: E-mail P: Print F1: Help

Dakshin Electronics Pvt. Ltd.

Debit Note No. 1 15-Nov-20 Sunday

Accounting Voucher Creation

Debit Note No. 1

Party A/c name : Pooja Appliances (Supplier) KA

Current balance : 1,55,700.00 Cr

Ledger account : Purchase A/c

Current balance : 5,40,000.00 Dr

Name of Item

	Quantity	Rate per	Amount
LG Washing Machine	1 Nos	15,000.00 Nos	15,000.00
Philips LED Floor Lamps	1 Nos	12,000.00 Nos	12,000.00
			27,000.00
Central Tax			2,070.00
State Tax			2,070.00

Provide GST details : Yes

Narration: 2 Nos

Accept ? Yes or No F12:Configure

Figure 1.47 Debit Note Voucher -Purchase Return with GST

- 18) **Accept** the screen.



Since the recorded transaction is a purchase return, the tax implication of this transaction can be viewed in **GSTR-3B**.

To view **GSTR-3B**,

- 1) Click **G: Go To** > In the **Search** field, Type as **GSTR** > Enter on **GSTR-3B**
- 2) Click **F2: Period** > Enter **1-11-2020 to 30-11-2020**.
- 3) Enter on **4 Eligible ITC** > Enter on **A (5) All Other ITC**.

The **GSTR-3B Voucher Register** appears as shown in Figure 1.48

GSTR-3B - Voucher Register											Dakshin Electronics Pvt. Ltd.		1-Nov-20 to 30-Nov-20	
Date Particulars	GSTIN/UIN	Vch Type	Vch No.	Invoice No.	Invoice Date	Taxable Amount	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount	Total Tax Amount			
2-Nov-20 KSS Enterprises (Supplier) AP 37/ 15-Nov-20 Pooja Appliances (Supplier) KA 29/	N Purchase J Debit Note	4 KSS/PUR/04	2-Nov-20	1,65,000.00		40,200.00			40,200.00			F5		
			1	2	8-Oct-20	(-)27,000.00		(-)2,070.00	(-)2,070.00	(-)4,140.00		F6		
Grand Total						1,38,000.00	40,200.00	(-)2,070.00	(-)2,070.00	36,060.00		F12:Configure		

Figure 1.48 GSTR-3B Voucher Register screen

1.6.3.2 Sales Returns of Goods

Illustration 10: Recording Credit Note voucher for sales return of goods with GST and checking GSTR-1.

Date	Particulars										
18 th November 2020	Voucher: Credit Note As on 18 th November 2020, Mataji Electronics , Tamil Nadu returned the following stock items due to damaged stock against Sale Bill No. 4 dated 8-Nov-20.										
	<table border="1"> <thead> <tr> <th>Name of Item</th> <th>Quantity</th> <th>Rate per (₹)</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>LG Washing Machine</td> <td>1 Nos</td> <td>15,500</td> <td>15,500</td> </tr> </tbody> </table>			Name of Item	Quantity	Rate per (₹)	Amount (₹)	LG Washing Machine	1 Nos	15,500	15,500
Name of Item	Quantity	Rate per (₹)	Amount (₹)								
LG Washing Machine	1 Nos	15,500	15,500								
Date	Particulars	Quantity	Rate per (₹)								

Table 1.47

Step 1: Recording Sales Return of Goods

To record interstate sales return of goods,

- 1) From **Gateway of Tally** > **Vouchers** > Click **F10: Other Vouchers** > under **Accounting Vouchers** > **Credit Note**.
- 2) Click **H: Change Mode** (Alternatively, Press **Ctrl+H**) > Select **Item Invoice**
- 3) Click **F2: Date** and change the date to **18-Nov-20**.
- 4) Select **Mataji Electronics (Customer) TN** in the **Party A/c name** field.
- 5) In the **Party Details** screen, Enter the **Original Invoice No.** as **4** > Enter the **Date** as **8-Nov-20** > **Accept** the screen.



Note: Alternatively, you can also provide the Original Invoice Details from **I: More Details > Details of Voucher > under General > Original Invoice No. & Date.**

- 6) Select the **Sales A/c** ledger in the **Ledger account** field.
- 7) Under **Name of Item** field, select **LG Washing Machine** > Enter **Quantity** as 1 Nos > Enter **Rate** as ₹ 15,500 > **Amount ₹ 15,500** will capture automatically.
- 8) Select the **Integrated Tax** ledger.
- 9) Set **Provide GST details** to **Yes**
- 10) In the **Statutory Details** screen, Select **Reason for Issuing Note** as **01-Sales Return** > Enter **Buyer's Debit Note No.** as **1** > Enter **Date** as **18-Nov-20** > Accept the **Statutory Details** screen.
- 11) In the **Bill-wise Details for** screen, select **Against Ref** > Select the pending bill **4** dated **8-Nov-20** amounted **2,32,790** > **Accept** the screen.
- 12) Enter the **Narration**.

The **Credit Note Voucher** appears as shown in Figure 1.49

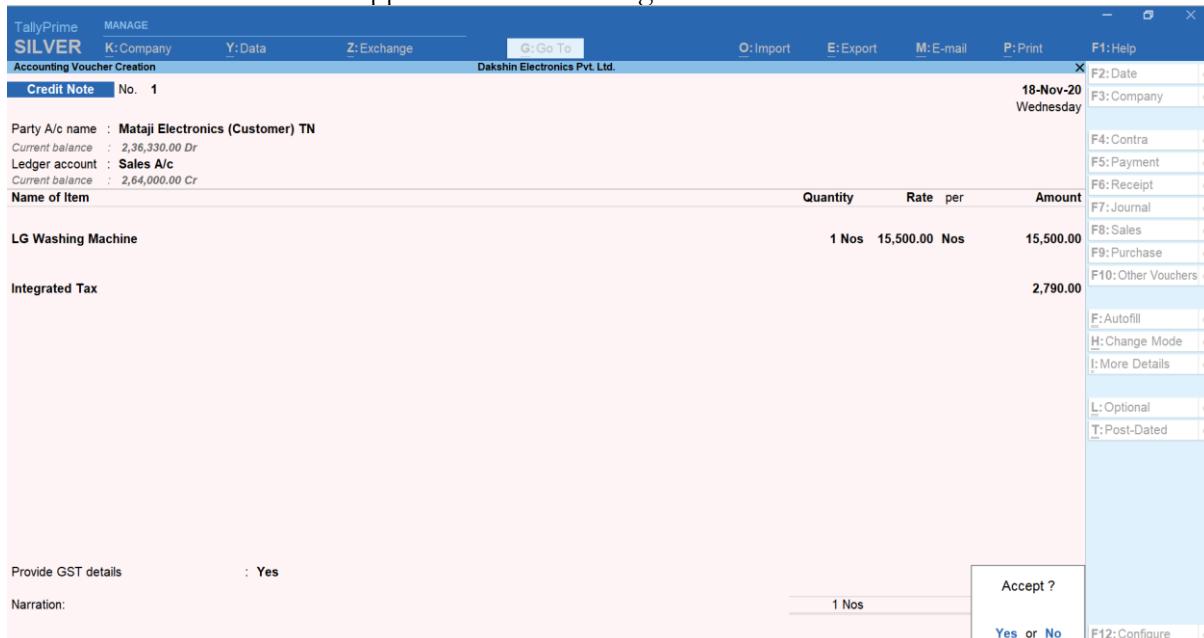


Figure 1.49 Credit Note Voucher -Sales Return with GST

- 13) **Accept** the screen.

Since the recorded transaction is a sales returns, the tax implication of this transaction can be viewed in **GSTR-1**.

To view **GSTR-1**,

- 1) Click **G: Go To** > In the **Search** field, Type as **GSTR** > Enter on **GSTR-1**
- 2) Click **F2: Period** > Enter **1-11-2020 to 30-11-2020**.
- 3) Enter on **4 Credit/Debit Notes(Registered) -9B**



The **GSTR-1 Voucher Register** appears as shown in Figure 1.50

GSTR-1 - Voucher Register											Dakshin Electronics Pvt. Ltd.		1-Nov-20 to 30-Nov-20	
Date Particulars	GSTIN/UIN	Vch Type	Vch No.	Taxable Amount	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount	Total Tax Amount	Invoice Amount				
18-Nov-20 Mataji Electronics (Customer) TN 33.	3 Credit Note		1	(-)15,500.00	(-)2,790.00				(-)2,790.00	(-)18,290.00	F5			
											F6			
											F7			
											F8			
											F9			
											F10			
											B: Basis of Values			
											H: Change View			
											J: Exception Reports			
Grand Total				(-)15,500.00	(-)2,790.00				(-)2,790.00	(-)18,290.00	F12:Configure			

Figure 1.50 GSTR-1 Voucher Register screen

1.6.4 Supplies Inclusive of Tax

Illustration 11: Recording Sales Voucher for accounting intrastate outward supply of goods with inclusive of GST and checking GSTR-1.

Date	Particulars
24 th November 2020	Voucher: Sales As on 24 th November 2020, Dakshin Electronics Pvt. Ltd. sold the following goods to Rakesh Enterprises , Karnataka on credit with Sale Bill No. 6. The supply was made inclusive of GST.
Name of Item	Quantity
Samsung 43 Inches LED Smart TV	1 Nos
Sony 32 Inches LED Smart TV	3 Nos

Table 1.48

Step 1: Creation of Accounting Masters

Party Ledger

- From **Gateway of Tally > Create > under Accounting Masters > Ledger**

Rakesh Enterprises (Customer) KA	
Against the field	Action to be performed
Name	Enter as Rakesh Enterprises (Customer) KA
Under	Select as Sundry Debtors
Maintain balances bill-by-bill	Set to Yes
Default credit period	Keep it Blank, Press Enter
Check for credit days during voucher entry	Set to No
Mailing Details	
Name	Enter as Rakesh Enterprises
Address	#113, 10 th Main, 2 nd Cross, JP Nagar, Bengaluru.



State	Select as Karnataka
Country	By default its India
Pincode	Enter as 560108
Mobile no.	Enter as 8881672330
Tax Registration Details	
PAN/IT No.	Keep it Blank, Press Enter
Registration type	Select as Regular
GSTIN/UIN	Enter Valid GSTIN starting with 29
Set/alter GST details	Set as No

Table 1.49

Step 2: Recording Intrastate Outward Supplies

To record intrastate outward supply of goods,

- 1) From **Gateway of Tally > Vouchers > F8: Sales**
- 2) Click **H: Change Mode** (Alternatively, Press **Ctrl+H**) > Select **Item Invoice**.
- 3) Click **F2: Date** and change the date to **24-Nov-20**.
- 4) Click **F12: Configure** > under **Tax Details** > Set **Provide Rate Inclusive of Tax for Stock Items** as **Yes** as shown in Figure 1.51

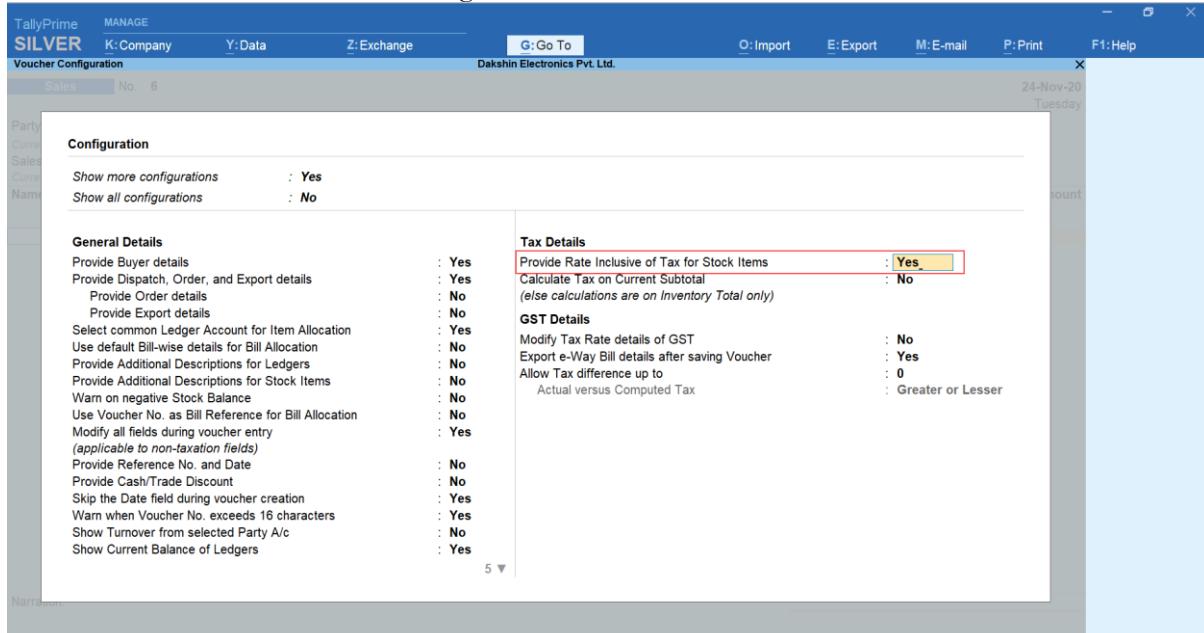


Figure 1.51 Voucher Configuration screen

- 5) Accept the **Voucher Configuration** screen
- 6) Select **Rakesh Enterprises (Customer) KA** in the **Party A/c name** field. (Accept the **Dispatch Details** and **Party Details** as it is)
- 7) Select the **Sales A/c** ledger in the **Sales ledger** field.
- 8) Under **Name of Item** field, select **Samsung 43 Inches LED Smart TV** > Enter **Quantity** as **1 Nos** > Enter **Rate (Incl. of Tax)** as **₹ 41,600** (**Rate ₹ 32,500** captures automatically)
- 9) Similarly, Select **Sony 32 Inches LED Smart TV** > Enter **Quantity** as **3 Nos** > Enter **Rate (Incl. of Tax)** as **₹ 24,780** (**Rate ₹ 21,000** captures automatically)
- 10) Select the **Central Tax** ledger.
- 11) Select the **State Tax** ledger.
- 12) Set **Provide GST/e-Way Bill details** to **Yes** > Enter **Transporter Details** as below:
 - Mode – **Road**



- Distance (in KM) – **20**
- Transporter Name – **Pradeep**
- Vehicle Number – **KA05M9330**
- Vehicle Type – **Regular**
- Doc/Lading/RR/AirWay No. - **Bill/SA/06**
- Date - **24-Nov-20**
- Press **Enter**

13) Click **I: More Details** > Select **GST-Tax Analysis** to view the tax implication in this transaction. Click **F5: Detailed**.

The **GST-Tax Analysis** screen appears as shown in Figure 1.52

GST - Tax Analysis			
Particulars	Taxable Value	Tax rate	Duty/Tax Value
Sales Taxable			
Samsung 43 Inches LED Smart TV (85287219)	95,500.00		20,440.00
Item Value (Sales Value 32,500.00)	32,500.00		9,100.00
Central Tax		14%	4,550.00
State Tax		14%	4,550.00
Sony 32 Inches LED Smart TV (85287219)	63,000.00		11,340.00
Item Value (Sales Value 63,000.00)	63,000.00		11,340.00
Central Tax		9%	5,670.00
State Tax		9%	5,670.00
		Total	20,440.00

Figure 1.52 GST-Tax Analysis screen

Observation: We can see that for **Samsung 43 Inches LED Smart TV** Stock Item, State Tax and Central Tax have been calculated based on the Inclusive of Tax rate 28%.

Inclusive of Tax Percentage Calculation	Inclusive of Tax Value Calculation
Assessable Value % - 100 X 100/128 = 78.125 %	Assessable Value- 41,600 X 78.125/100 = 32,500
Tax Value % - 100 X 28/128 = 21.875 %	Tax Value- 41,600 X 21.875/100 = 9,100
Total Value % - 100 % (78.125+21.875)	Total Value- 41,600 (32,500+9,100)

Table 1.50

Similarly, for **Sony 32 Inches LED Smart TV** Stock Item, State Tax and Central Tax have been calculated based on the Inclusive of Tax rate 18%.

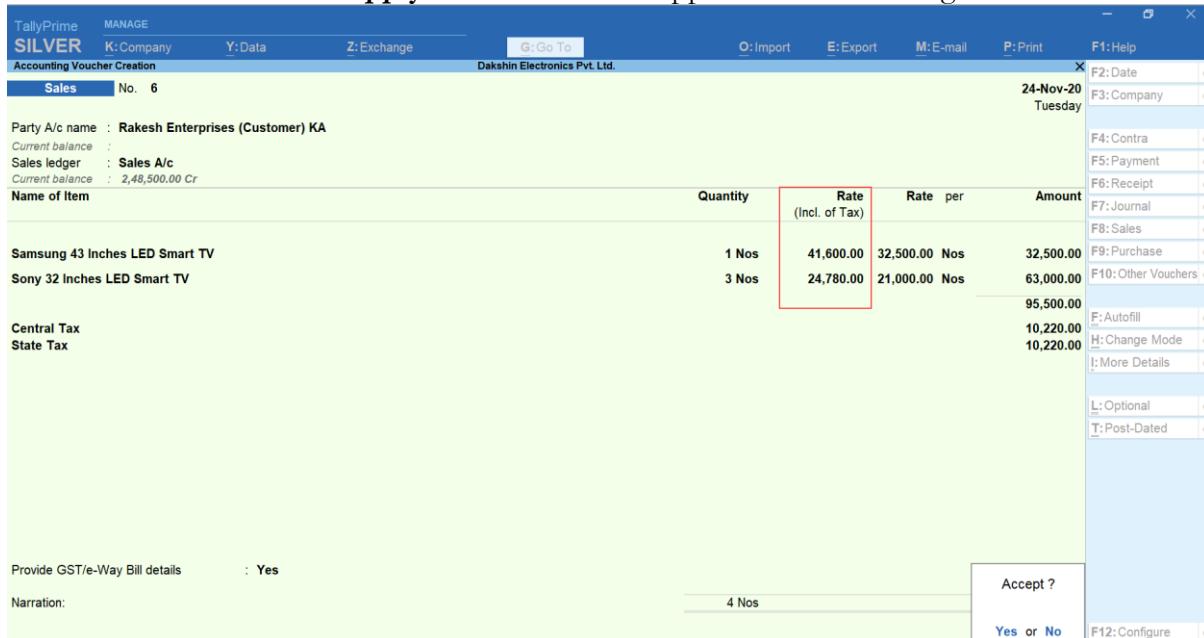
Inclusive of Tax Percentage Calculation	Inclusive of Tax Value Calculation
Assessable Value % - 100 X 100/118 = 84.746 %	Assessable Value- 24,780 X 84.746/100 = 21,000
Tax Value % - 100 X 18/118 = 15.254 %	Tax Value- 24,780 X 15.254 /100 = 3,780
Total Value % - 100 % (84.746 +15.254)	Total Value- 24,780 (21,000+3,780)

Table 1.51



- 14) Press **Esc** to go back to the **Accounting Voucher Creation** screen.
- 15) In the **Bill-wise Details for** screen, select **New Ref** and **Accept**
- 16) Enter the **Narration** if required.

The **Intrastate Outward Supply Inclusive of Tax** appears as shown in Figure 1.53



The screenshot shows the TallyPrime interface for creating an accounting voucher. The main window title is "Accounting Voucher Creation". The top menu bar includes "MANAGE", "K: Company", "Y: Data", "Z: Exchange", "G: Go To", "Dakshin Electronics Pvt. Ltd.", "O: Import", "E: Export", "M: E-mail", "P: Print", and "F1: Help". A context menu is open on the right side, listing various functions from F2 to F12. The transaction details are as follows:

Name of Item	Quantity	Rate (Incl. of Tax)	Rate per	Amount
Samsung 43 Inches LED Smart TV	1 Nos	41,600.00	32,500.00 Nos	32,500.00
Sony 32 Inches LED Smart TV	3 Nos	24,780.00	21,000.00 Nos	63,000.00
Total Amount				95,500.00
				10,220.00
				10,220.00

Below the table, there are fields for "Provide GST/e-Way Bill details" (Yes), "Narration", and a "Accept ?" button with "Yes or No" options. The date is listed as 24-Nov-20 Tuesday.

Figure 1.53 Sales Voucher -Intrastate Outward Supply Inclusive of Tax

- 17) **Accept** the screen.
- 18) TallyPrime will automatically ask for **Exporting Details for e-Way Bill**.
- 19) Do not export the e-Way bill for this transaction. Press **Escape** to **exit** from exporting e-Way bill.

Note: We will be exporting the invoices and generate e-Way Bills from the report in the upcoming section.

Activity: After recording the transaction for inclusive of tax, Click **F12: Configure** > under **Tax Details** > Set **Provide Rate Inclusive of Tax for Stock Items** as **No**

Activity: Referring to Table 1.52, record the transactions in the books of Dakshin Electronics Pvt. Ltd. for December 2020.

Date	Particulars																
5 th December 2020	<p>Voucher: Purchase <i>As on 5th December 2020, Dakshin Electronics Pvt. Ltd. purchased the following goods from Pooja Appliances, Karnataka on credit with Supplier Invoice No. PA/PUR/55.</i></p> <table border="1"> <thead> <tr> <th>Name of Item</th> <th>Quantity</th> <th>Rate per (₹)</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Nokia C3</td> <td>2 Nos</td> <td>8,000</td> <td>16,000</td> </tr> <tr> <td>Samsung J7</td> <td>2 Nos</td> <td>10,500</td> <td>21,000</td> </tr> </tbody> </table> <p>Tips: Central and State Taxes are applicable on this invoice.</p>	Name of Item	Quantity	Rate per (₹)	Amount (₹)	Nokia C3	2 Nos	8,000	16,000	Samsung J7	2 Nos	10,500	21,000				
Name of Item	Quantity	Rate per (₹)	Amount (₹)														
Nokia C3	2 Nos	8,000	16,000														
Samsung J7	2 Nos	10,500	21,000														
10 th December 2020	<p>Voucher: Sales <i>As on 10th December 2020, Dakshin Electronics Pvt. Ltd. sold the following goods to Bhawani Enterprises, Karnataka on credit with Sale Bill No.7.</i></p> <table border="1"> <thead> <tr> <th>Name of Item</th> <th>Quantity</th> <th>Rate per (₹)</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Samsung 32 Inches LED Smart TV</td> <td>2 Nos</td> <td>19,000</td> <td>38,000</td> </tr> <tr> <td>Philips LED Floor Lamps</td> <td>1 Nos</td> <td>13,000</td> <td>13,000</td> </tr> <tr> <td>Nokia C3</td> <td>2 Nos</td> <td>8,500</td> <td>17,000</td> </tr> </tbody> </table>	Name of Item	Quantity	Rate per (₹)	Amount (₹)	Samsung 32 Inches LED Smart TV	2 Nos	19,000	38,000	Philips LED Floor Lamps	1 Nos	13,000	13,000	Nokia C3	2 Nos	8,500	17,000
Name of Item	Quantity	Rate per (₹)	Amount (₹)														
Samsung 32 Inches LED Smart TV	2 Nos	19,000	38,000														
Philips LED Floor Lamps	1 Nos	13,000	13,000														
Nokia C3	2 Nos	8,500	17,000														



<i>LG Washing Machine</i>	1 Nos	16,000	16,000
<i>Samsung 43 Inches LED Smart TV</i>	2 Nos	33,500	67,000

Tips: Central and State Taxes are applicable on this invoice.

Transporter Details for e-Way Bill

Mode – **Road**

Distance (in KM) – **15**

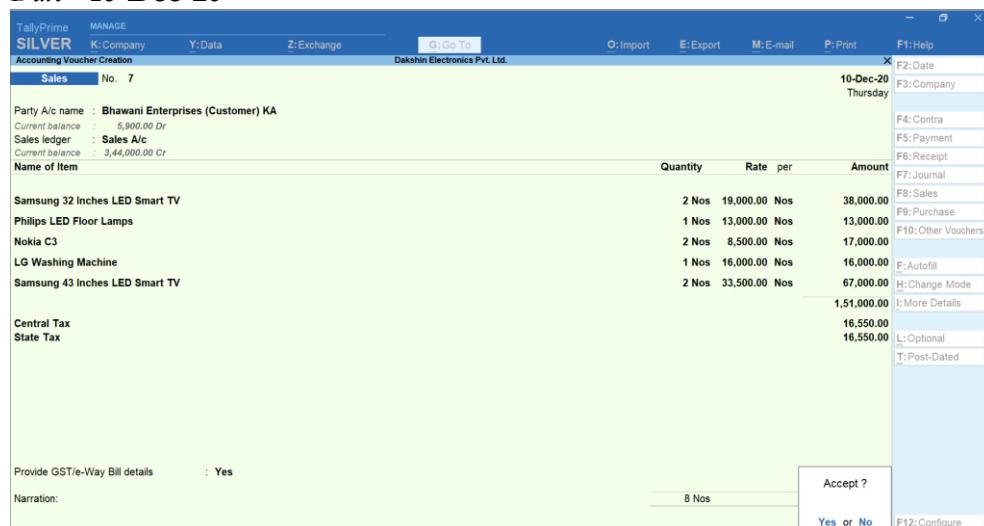
Transporter Name – **Pradeep**

Vehicle Number – **KA05S9330**

Vehicle Type – **Regular**

Doc/Lading/RR/AirWay No. - **Bill/SA/07**

Date - **10-Dec-20**



Name of Item	Quantity	Rate per	Amount
Samsung 32 Inches LED Smart TV	2 Nos	19,000.00 Nos	38,000.00
Philips LED Floor Lamps	1 Nos	13,000.00 Nos	13,000.00
Nokia C3	2 Nos	8,500.00 Nos	17,000.00
LG Washing Machine	1 Nos	16,000.00 Nos	16,000.00
Samsung 43 Inches LED Smart TV	2 Nos	33,500.00 Nos	67,000.00
Central Tax			1,51,000.00
State Tax			16,550.00
			16,550.00

Accept ?

Yes or No

Note: After saving the transaction, do not export the e-Way bill. Press **Escape** to exit from exporting e-Way bill.

16th December
2020

Voucher: Sales

As on 16th December 2020, Dakshin Electronics Pvt. Ltd. sold the following goods to **Rakesh Enterprises, Karnataka** on credit with Sale Bill No.8.

Name of Item	Quantity	Rate per (₹)	Amount (₹)
Sony 43 Inches LED Smart TV	1 Nos	38,000	38,000
Samsung J7	2 Nos	10,800	21,600
Samsung 32 Inches LED Smart TV	1 Nos	19,000	19,000
Philips LED Floor Lamps	1 Nos	13,000	13,000

Tips: Central and State Taxes are applicable on this invoice.

Transporter Details for e-Way Bill

Mode – **Road**

Distance (in KM) – **20**

Transporter Name – **Pradeep**

Vehicle Number – **KA05S9330**

Vehicle Type – **Regular**

Doc/Lading/RR/AirWay No. - **Bill/SA/08**

Date - **16-Dec-20**



SILVER MANAGE G: Go To D: Import E: Export M: E-mail P: Print F1: Help

K: Company Y: Data Z: Exchange Dakshin Electronics Pvt. Ltd.

16-Dec-20 (Wednesday)

Sales No. 8

Party A/c name : Rakesh Enterprises (Customer) KA
Current balance : 1,15,940.00 Dr
Sales ledger : Sales A/c
Current balance : 4,95,000.00 Cr

Name of Item

	Quantity	Rate per	Amount
Sony 43 Inches LED Smart TV	1 Nos	38,000.00 Nos	38,000.00
Samsung J7	2 Nos	10,800.00 Nos	21,600.00
Samsung 32 Inches LED Smart TV	1 Nos	19,000.00 Nos	19,000.00
Philips LED Floor Lamps	1 Nos	13,000.00 Nos	13,000.00
			91,600.00
			9,754.00
			9,754.00

Central Tax
State Tax

Provide GST/e-Way Bill details : Yes

Narration: 5 Nos

Accept ? Yes or No F12: Configure

Note: After saving the transaction, do not export the e-Way bill. Press **Escape** to exit from exporting e-Way bill.

After recording the above transactions, click **G: Go To > under Common Reports > Select Day Book > press Alt+F2** and set the period as **1-10-20 to 16-12-20**. Match the screen.

Date		Particulars	Vch Type	Vch No.	Debit Amount Inwards Qty	Credit Amount Outwards Qty	F4: Voucher Type
1-Oct-20	Owner's Capital Account	Receipt	1		50,00,000.00		F5
5-Oct-20	Durga Enterprises (Supplier) KA	Purchase	1		2,98,200.00		F6
8-Oct-20	Pooja Appliances (Supplier) KA	Purchase	2			1,55,700.00	F7: Show Profit
12-Oct-20	Bhawani Enterprises (Customer) KA	Sales	1		72,780.00		F8: Columnar
16-Oct-20	Kotak Bank Current A/c	Sales	2		18,290.00		F9
20-Oct-20	Tamara Agencies (Supplier) KA	Purchase	3			94,500.00	F10
24-Oct-20	Bhawani Enterprises (Customer) KA	Sales	3		5,900.00		B: Basis of Values
26-Oct-20	Bhawani Enterprises (Customer) KA	Receipt	2			72,780.00	H: Change View
28-Oct-20	Durga Enterprises (Supplier) KA	Payment	1		2,98,200.00		J: Exception Reports
2-Nov-20	KSS Enterprises (Supplier) AP	Purchase	4			2,05,200.00	
8-Nov-20	Mataji Electronics (Customer) TN	Sales	4		2,32,790.00		
15-Nov-20	Pooja Appliances (Supplier) KA	Debit Note	1		31,140.00		
15-Nov-20	Mataji Electronics (Customer) TN	Sales	5		3,540.00		
18-Nov-20	Mataji Electronics (Customer) TN	Credit Note	1			18,290.00	
24-Nov-20	Rakesh Enterprises (Customer) KA	Sales	6		1,15,940.00		
5-Dec-20	Pooja Appliances (Supplier) KA	Purchase	5			43,660.00	
10-Dec-20	Bhawani Enterprises (Customer) KA	Sales	7		1,84,100.00		
16-Dec-20	Rakesh Enterprises (Customer) KA	Sales	8		1,11,108.00		

Table 1.52

1.7 E-Way Bill Report in Tally

The e-Way Bill Report in TallyPrime displays the invoices that have e-Way Bill number and date. To generate the **E-Way Bill** report, follow the steps given below:

- From **Gateway of Tally > Display More Reports > GST Reports > e-Way Bill**.

1.7.1 Export for e-Way Bill Report

In this report, you can do the following activities:

- Resolve the exceptions by entering the mandatory details that were not provided during the voucher entry such as HSN Code and mandatory information required for e-Way Bill generation.
- Check the invoice status to export or update e-Way Bill Number and Date.
- View the invoices ready for export and exported invoices.



- Create JSON or export data to the JSON preparation tool.
- We can generate an e-Way Bill for single or multiple invoices together based on the business needs.

To view the **Export for e-Way Bill report**,

- 1) From **Gateway of Tally > Display More Reports > GST Reports > e-Way Bill > Export for e-Way Bill**
- 2) Click **F2: Period** > Enter as **1-10-2020 31-12-2020**.

The **Export e-Way Bill Status-wise View** appears as shown in Figure 1.54

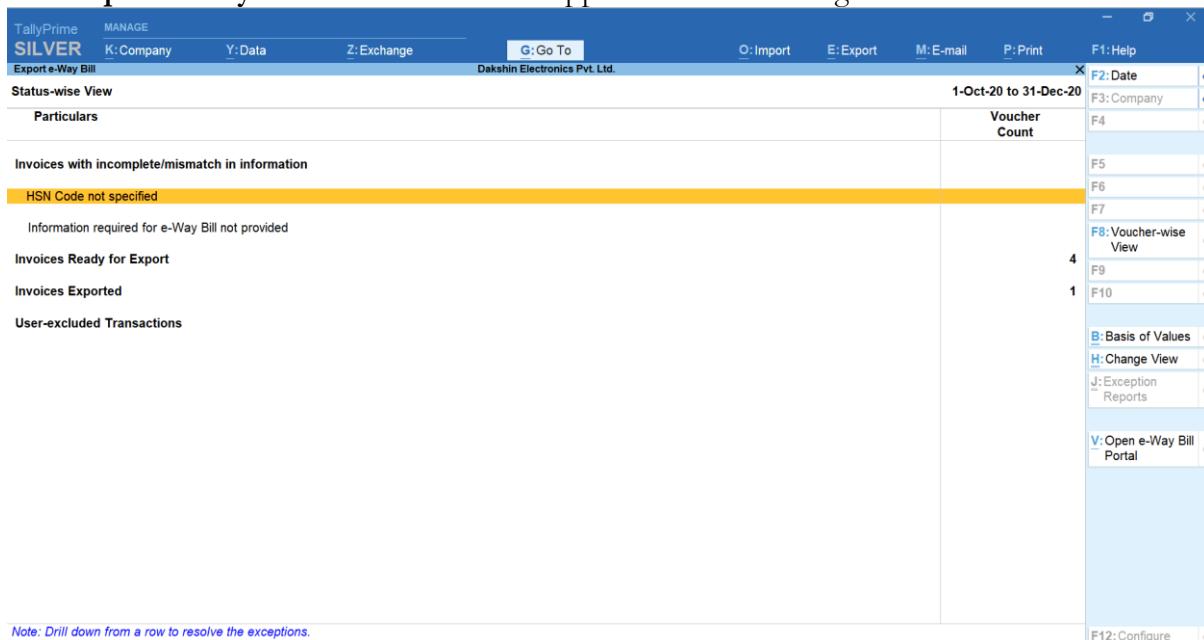


Figure 1.54 Export e-Way Bill Status-wise View

From the Export e-Way Bill Status-wise View, we can find out how many invoices are ready for export, invoices which are already exported, excluded transactions and invoices with e-Way bill details not provided.

1.7.2 Exporting Bulk or Consolidated e-Way Bill invoices

Bulk e-Way Bill or Consolidation of e-Way Bill comprises multiple e-Way Bills for multiple consignments which are being carried out in one goods vehicle.

When there is more than one e-Way bill, the user can consolidate those e-Way bills and generate a single e-way bill so that, single e-way bill document can be carried during the movement of goods.

Step 1: Exporting Bulk Invoices from Tally

To Export Bulk Invoices from Tally,

- 1) From **Gateway of Tally > Display More Reports > GST Reports > e-Way Bill > Export for e-Way Bill**
- 2) Click **F2: Period** > Enter as **1-10-2020 31-12-2020**.
- 3) Enter on **Invoices Ready for Export** with **Voucher Count 4**
- 4) The **e-Way Bill Voucher Register** screen appears.
- 5) Select the **Voucher Number 4, 6, 7 and 8** by pressing **Space Bar** as shown in Figure 1.55

Figure 1.55 e-Way Bill Voucher Register screen

- 6) Click **E: Export** > Select e-Way Bill.
 - 7) In the **Exporting details for e-Way Bill** screen, Enter the details as shown in Figure 1.56

Date	Particulars	GSTIN	Vch Type	Vch No.	Invoice Amount
8-Nov-20	Mataj Electronics (Customer TN 33)	3	Sales	4	2,32,790.00
24-Nov-20	Paksh Enterprises (Customer KA 29)	1	Sales	6	1,15,940.00
10-Dec-20	Bhanu Enterprises (Customer KA 29)	2	Sales	7	1,84,100.00
11-Dec-20	Shree Chaitanya (Customer KA 29)	1	Credit	8	1,11,108.00

Export

File Format	: JSON (Data Interchange)
Export to	: Local drive
Folder path	: D:\TallyPrime
File Name	: Ewaybill_29_20201122_311220_161709.json

[C: Configure](#)
[E: Send](#)

Figure 1.56 Exporting Bulk Invoices for e-Way Bill

- 8) Click **E: Send** to create a JSON file.
 - 9) Once after JSON file is created we can upload the JSON file to the e-Way Bill portal to generate the e-Way Bill for the invoice.

Step 2: Upload the JSON file in e-Way Bill portal

To upload the JSON to the portal follow the below steps:

- 1) Login to <https://ewaybill.nic.in/> >click **Login**.
 - 2) **E-WAY BILL SYSTEM LOGIN** screen appears. Enter the credentials and login.
 - 3) To generate the e-Way Bill, Click on **e-Way bill > Generate Bulk**
 - 4) Click on **Browse** > select the **JSON** file available inside Tally folder > Click on **Upload**.



- 5) After uploading the JSON, the **Success** message is displayed.
- 6) Click on **Generate** to get the e-Way Bill number.

1.7.3 Update e-Way Bill Information

After receiving the e-Way Bill for the transactions exported from the **Invoices Ready for Export** screen, we can update the e-Way Bill information.

To update the e-Way bill details,

- 1) From **Gateway of Tally > Display More Reports > GST Reports > e-Way Bill > Update e-Way Bill Information**
- 2) In the **Update e-Way Details** screen, Select **All Items** in the **Party** field. > Enter as **1-Oct-20** in **From** field > Enter as **31-Dec-20** in **To** field.
- 3) The **Update e-Way Bill Information** screen appears.
- 4) Enter the e-Way bill number and Date as shown in Figure 1.57

Date	Particulars	GSTIN	Vch Type	Vch No.	Taxable Amount	Total Tax Amount	Total Invoice Value	e-Way Bill No.	e-Way Bill Date
8-Nov-20	Mataji Electronics (Customer) TN	33	3 Sales	4	1,85,500.00	47,290.00	2,32,790.00	312423435345	16-Dec-20
24-Nov-20	Rakesh Enterprises (Customer) KA	29	1 Sales	6	95,500.00	20,440.00	1,15,940.00	455465656565	16-Dec-20
10-Dec-20	Bhawani Enterprises (Customer) KA	29	F Sales	7	1,51,000.00	33,100.00	1,84,100.00	345565656565	16-Dec-20
16-Dec-20	Rakesh Enterprises (Customer) KA	29	1 Sales	8	91,600.00	19,508.00	1,11,108.00	456211354565	16-Dec-20

Figure 1.57 Update e-Way Bill Information screen

- 5) Accept the screen.

Note: You can also update the e-Way Bill details, From **e-Way Bill > Enter on Export for e-Way Bill > Click W: Update Details.**

1.8 Input Tax Credit Set Off against Liability

On every transaction within a state, a component of Central Tax and State Tax will be applicable. Integrated Tax will be applicable on interstate transactions. A registered dealer's liability to pay can be set off against the input tax credit that he/she is entitled to avail. Let us understand how to set off the input credit against each of these components in the order as prescribed by the GST Law.

Input Tax Credit	Set off Against Liability
Integrated Tax	Integrated Tax, Central Tax or State Tax
Central Tax	Integrated Tax and Central Tax (in that order)
State Tax/UT Tax	Integrated Tax and State/UT Tax (in that order)

Table 1.53

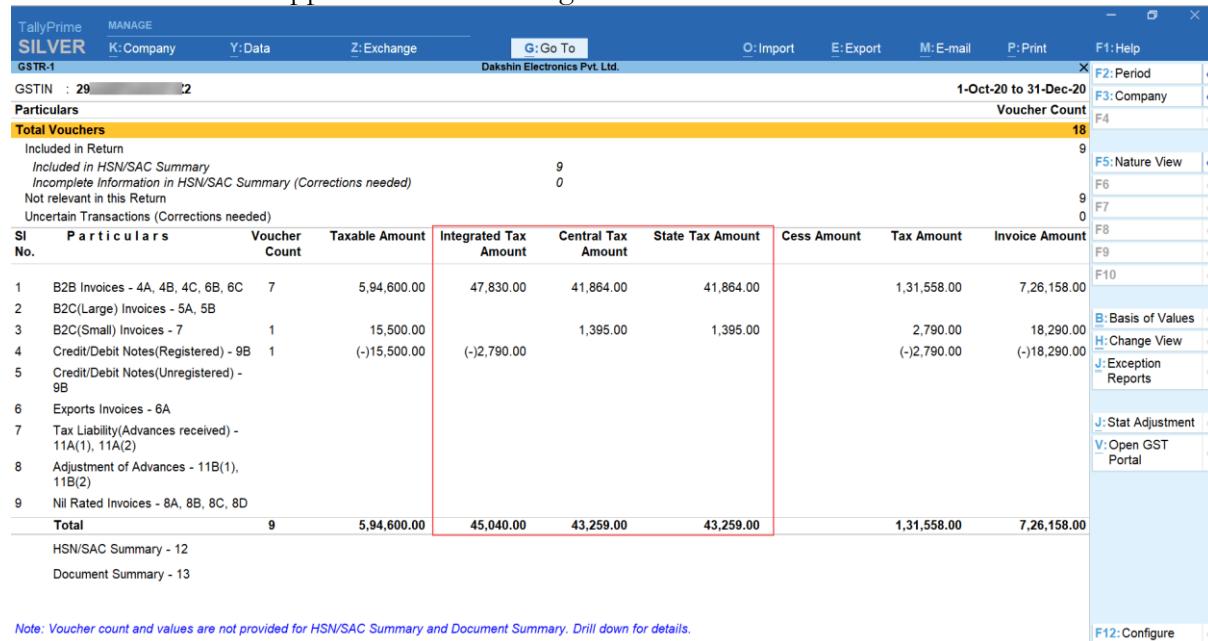


If the input credit tax amount is less than the liability then we need to pay tax to the government and if the input credit tax amount is more than a liability, then the credit will get carry forward to the next period.

To check the **Total Liability Amount**,

- 1) From **Gateway of Tally > Display More Reports > GST Reports >GSTR-1**
- 2) Click **F2: Period** > Enter as **1-10-2020 31-12-2020**.
- 3) Click **F12: Configure**> Set **Show Tax types in separate columns** to **Yes** > **Accept** the screen.
- 4) **GSTR-1** will display the **Integrated Tax, Central Tax and State Tax Amount**.

The **GSTR-1** Return appears as shown in Figure 1.58



The screenshot shows the TallyPrime software interface for generating a GSTR-1 return. The window title is "TallyPrime SILVER". The menu bar includes "MANAGE", "GSTR-1", "K: Company", "Y: Data", "Z: Exchange", "G: Go To" (set to "Dakshin Electronics Pvt. Ltd."), "O: Import", "E: Export", "M: E-mail", "P: Print", and "F1: Help". The "F12: Configure" button is highlighted. The search field shows "1-Oct-20 to 31-Dec-20" and "Voucher Count". The main area displays a table of invoices with the following data:

Sl No.	Particulars	Voucher Count	Taxable Amount	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount	Tax Amount	Invoice Amount
1	B2B Invoices - 4A, 4B, 4C, 6B, 6C	7	5,94,600.00	47,830.00	41,864.00	41,864.00		1,31,558.00	7,26,158.00
2	B2C(Large) Invoices - 5A, 5B								
3	B2C(Small) Invoices - 7	1	15,500.00		1,395.00	1,395.00		2,790.00	18,290.00
4	Credit/Debit Notes(Registered) - 9B	1	(-)15,500.00	(-)2,790.00				(-)2,790.00	(-)18,290.00
5	Credit/Debit Notes(Unregistered) - 9B								
6	Exports Invoices - 6A								
7	Tax Liability(Advances received) - 11A(1), 11A(2)								
8	Adjustment of Advances - 11B(1), 11B(2)								
9	Nil Rated Invoices - 8A, 8B, 8C, 8D								
Total		9	5,94,600.00	45,040.00	43,259.00	43,259.00		1,31,558.00	7,26,158.00

Notes at the bottom: "Note: Voucher count and values are not provided for HSN/SAC Summary and Document Summary. Drill down for details." and "F12: Configure".

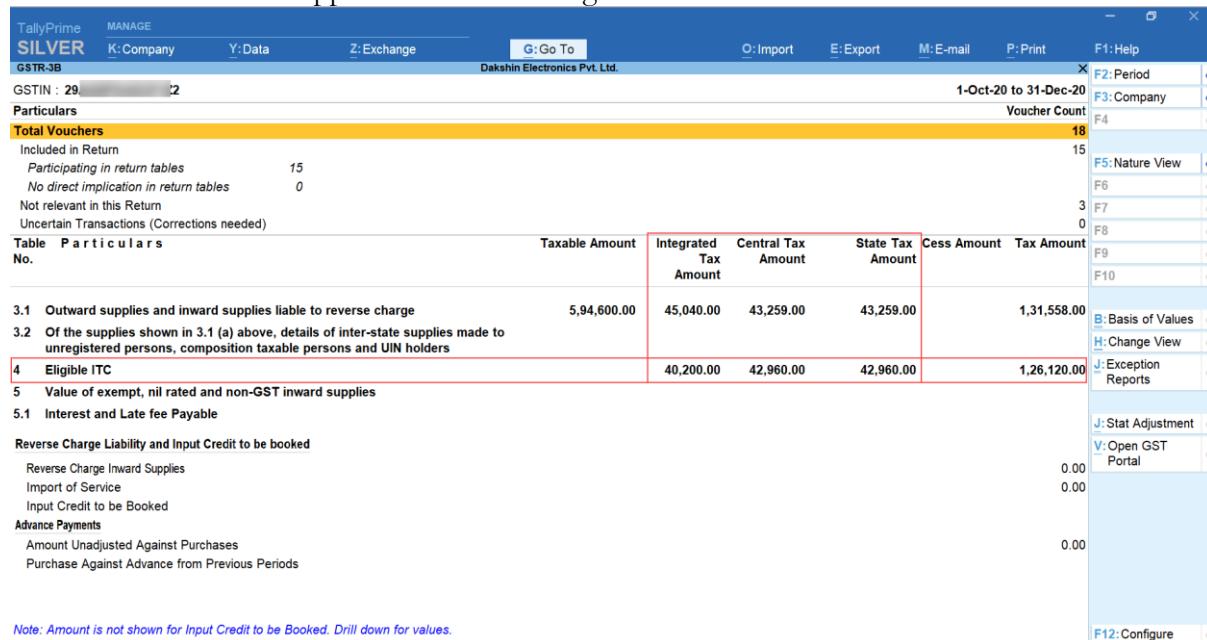
Figure 1.58 GSTR-1 Return

To check the **Total Input Tax Credit Amount**,

- 1) From **Gateway of Tally > Display More Reports > GST Reports >GSTR-1**
Alternatively, from **GSTR-1 > Click G: Go To > In the Search field, Type as GSTR > Enter on GSTR-3B**
- 2) Click **F12: Configure**> Set **Show Tax types in separate columns** to **Yes**> **Accept** the screen.
- 3) Click **F2: Period** > Enter as **1-10-2020 31-12-2020**.
- 4) **GSTR-3B** will display the **Integrated Tax, Central Tax and State Tax Amount**.



The **GSTR-3B** Return appears as shown in Figure 1.59



The screenshot shows the TallyPrime software interface for a GSTR-3B return. The main window displays the following details:

- Header:** TallyPrime SILVER, MANAGE, GSTR-3B, GSTIN : 29..., Date Range: 1-Oct-20 to 31-Dec-20, Voucher Count: 18.
- Particulars:** Total Vouchers: 18, 15, 3, 0.
- Table:** Particulars No. showing Taxable Amount, Integrated Tax Amount, Central Tax Amount, State Tax Amount, Cess Amount, and Tax Amount.
- Rows:**
 - 3.1 Outward supplies and inward supplies liable to reverse charge: Taxable Amount 5,94,600.00, Integrated Tax 45,040.00, Central Tax 43,259.00, State Tax 43,259.00, Cess Amount 1,31,558.00.
 - 3.2 Of the supplies shown in 3.1 (a) above, details of inter-state supplies made to unregistered persons, composition taxable persons and UIN holders: Taxable Amount 40,200.00, Integrated Tax 42,960.00, Central Tax 42,960.00, State Tax 42,960.00, Cess Amount 1,26,120.00.
 - 4 Eligible ITC: Taxable Amount 40,200.00, Integrated Tax 42,960.00, Central Tax 42,960.00, State Tax 42,960.00, Cess Amount 1,26,120.00.
 - 5 Value of exempt, nil rated and non-GST inward supplies: Taxable Amount 0.00, Integrated Tax 0.00, Central Tax 0.00, State Tax 0.00, Cess Amount 0.00.
 - 5.1 Interest and Late fee Payable: Taxable Amount 0.00, Integrated Tax 0.00, Central Tax 0.00, State Tax 0.00, Cess Amount 0.00.
- Reverse Charge Liability and Input Credit to be booked:**
 - Reverse Charge Inward Supplies: Taxable Amount 0.00, Integrated Tax 0.00, Central Tax 0.00, State Tax 0.00, Cess Amount 0.00.
 - Import of Service: Taxable Amount 0.00, Integrated Tax 0.00, Central Tax 0.00, State Tax 0.00, Cess Amount 0.00.
 - Input Credit to be Booked: Taxable Amount 0.00, Integrated Tax 0.00, Central Tax 0.00, State Tax 0.00, Cess Amount 0.00.
- Advance Payments:**
 - Amount Unadjusted Against Purchases: Taxable Amount 0.00, Integrated Tax 0.00, Central Tax 0.00, State Tax 0.00, Cess Amount 0.00.
 - Purchase Against Advance from Previous Periods: Taxable Amount 0.00, Integrated Tax 0.00, Central Tax 0.00, State Tax 0.00, Cess Amount 0.00.

Note: Amount is not shown for Input Credit to be Booked. Drill down for values.

Figure 1.59 GSTR-3B Return

Illustration 12: Recording Journal Voucher for adjusting Input Tax Credit against Tax Liability

Date	Particulars		
31 st December 2020	Adjust the following Input Credit against the available Tax Liability.		
	Input Tax Credit (GSTR-3B)	Tax Liability Amount (GSTR-1)	Balance Payable
	Integrated Tax – 40,200	Integrated Tax – 45,040	Integrated Tax – 4,840
	Central Tax – 42,960	Central Tax – 43,259	Central Tax – 299
	State Tax – 42,960	State Tax – 43,259	State Tax – 299

Table 1.54

To record the above transactions in the books of accounts, first ensure that all exceptions are resolved in GSTR-1 return in TallyPrime.

Before recording input credit adjustment entry, payment of tax entry or exporting the return, one must resolve all exceptions falling under the head **Uncertain Transactions (Corrections needed)** field in GSTR-1.

Step 1: Resolving the Exceptions

For this company, there are no transactions which are falling under the head **Uncertain Transactions (Corrections needed)** field in GSTR-1. Hence this step can be skipped.

In the case of Dakshin Electronics Pvt. Ltd., for October to December 2020, the Tax Liability Amount is more than the Input Tax Credit Amount for Integrated Tax, Central Tax and State Tax. Hence, we can use the formula as shown in Table 1.55



Tax Adjustment Calculation (Output Tax – Input Tax)			
Particulars	Output Tax	Input Tax	Tax Payable
Integrated Tax	45,040	40,200	<u>4,840</u>
Central Tax	43,259	42,960	<u>299</u>
State Tax	43,259	42,960	<u>299</u>

Table 1.55

Step 2: Adjusting Integrated Tax Input Credit against Integrated Tax Liability

- 1) Click **G: Go To > Create Voucher > F7: Journal.**
- 2) Click **F2: Date** and change the date to **31-Dec-20**
- 3) Click **J: Stat Adjustment**
- 4) Enter the details in **Stat Adjustment Details** screen as shown in Figure 1.60

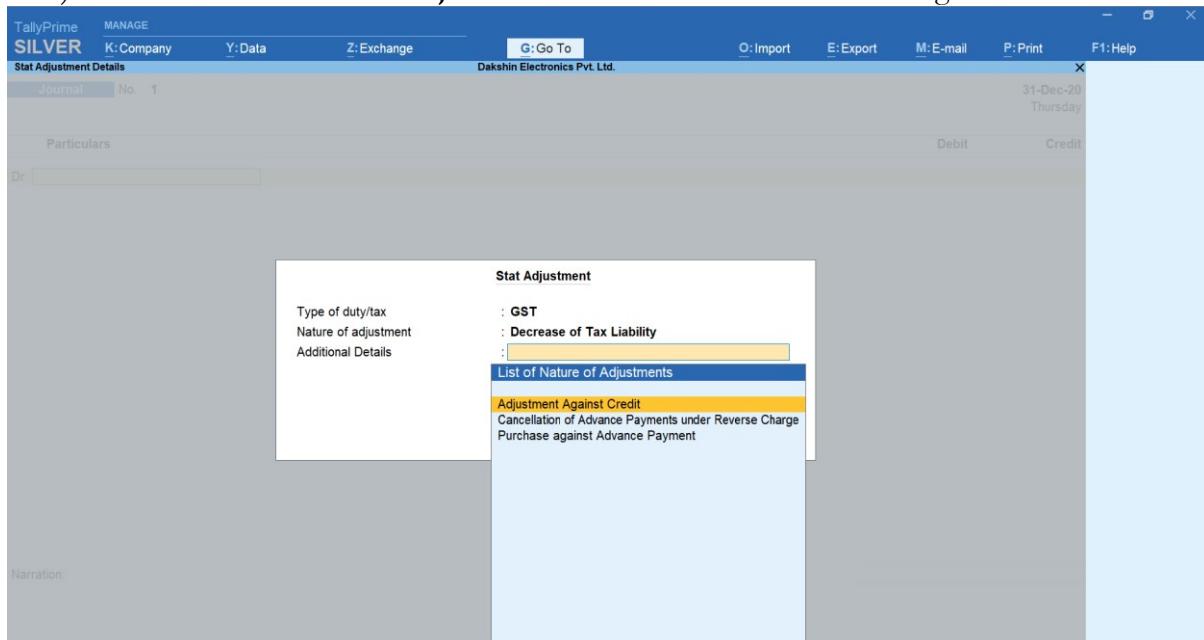


Figure 1.60 Stat Adjustment Details

- **Type of duty/tax:** Select as **GST**.
 - **Nature of adjustment:** Select as **Decrease of Tax Liability**.
 - **Additional Details:** Select as **Adjustment Against Credit**.
 - Press **Enter**
- 5) In the **Journal Voucher** creation screen, **Debit** the **Integrated Tax** ledger (Do not enter the **Rate** and **Taxable Value** in **GST Details** screen)
 - 6) Enter the amount to the extent of ITC available ₹ **40,200**.
 - 7) **Credit** the **Integrated Tax** ledger (Do not enter the **Rate** and **Taxable Value** in **GST Details** screen)
 - 8) Enter the amount to the extent of ITC available ₹ **40,200**.



The **Journal Voucher** for adjusting **Integrated Tax ITC** appears as shown in Figure 1.61

Particulars	Debit	Credit
Dr Integrated Tax Cur Bal: 4,840.00 Cr	40,200.00	
Cr Integrated Tax Cur Bal: 4,840.00 Cr		40,200.00

Narration:
ITC Adjustment for Integrated Tax

40,200.00 Accept ?
Yes or No F12:Configure

Figure 1.61 Journal Voucher – ITC Adjustment

Observation: In Figure 1.61, we can observe that the balance amount of **Integrated Tax** is appearing as 4,840 which is Balance Tax Payable.

9) **Accept** the screen

Activity: Referring to Table 1.55, Adjust **Central Tax** and **State Tax** Input Tax Credit against the Tax Liability in separate journal vouchers as of 31st December 2020.

After recording the Journal Vouchers for Adjusting Input Tax Credit with the Tax Liability,

- 1) Click **G: Go To > In the Search field, Type as Journal > Enter on List of Journal Vouchers.**

The **List of Journal Vouchers** screen appears as shown in Figure 1.62

Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount
31-Dec-20	Integrated Tax	Journal	1	40,200.00	
31-Dec-20	Central Tax	Journal	2	42,960.00	
31-Dec-20	State Tax	Journal	3	42,960.00	

Total: 1,26,120.00 F12:Configure

Figure 1.62 List of Journal Vouchers screen

1.9 GST Tax Payment

The liability of tax, input tax credit and deposits of every registered taxable person is maintained and administered on a common portal under the following accounts:

- **Electronic Tax Liability Register:** All the amount payable by a taxable person will be debited (added) to an electronic tax liability register. The electronic tax liability registered will be credited to the extent of the payment made by utilizing the input tax credit or by depositing the amount to the said register to be e-filed. The details of each form are listed below along with details of applicability and periodicity.
- **Electronic Credit Ledger:** The electronic credit ledger will be maintained for each registered taxable person on the common portal and every claim of input tax credit under it shall be credited to the said ledger. The ledger will be debited to the extent of utilization of input tax credit to discharge the tax liability and refund claim.
- **Electronic Cash Ledger:** The electronic cash ledger will be maintained for each registered taxable person on the common portal for crediting the amount deposited. This account will be debited to the extent of payment made towards tax, interest, penalty, fee or any other amount.

1.9.1 Timeline for payment of GST tax

Following is the timeline for payment of tax under the GST tax regime:

Type of Dealer	Due Date
Regular Monthly Return Filers	<ul style="list-style-type: none"> • 20th of the subsequent month.

Table 1.56

1.9.2 Modes of Payment

We can make a payment of tax and other dues in online mode or offline mode and the details are explained below:

Online Mode:

- Internet banking through authorized banks
- Credit card or Debit card after registering the same in the common portal through the authorized bank
- National Electronic Fund Transfer (NEFT) from any bank
- Real Time Gross Settlement (RTGS) from any bank

Offline Mode:

Offline payment can be done through:

- Cash
- Cheque
- Demand draft by depositing through Over the Counter Payment (OTC) from authorized banks.

Offline payment can be done only if the payment is up to ₹10,000 per challan per tax period. Once after adjusting the Input credit within this section, we will learn how to account the GST tax payment entry in Tally.

In Tally, once after adjusting the available input credit, we can account the payment of GST tax.



Illustration 13: Recording Payment Voucher using Autofill to make the GST payment to the department.

Date	Particulars	
31 st December 2020	Dakshin Electronics Pvt. Ltd. made payment of the following taxes to the department. The payment was made through Kotak Bank Current A/c vide cheque 525005 .	
Type of Tax	Tax Amount (₹)	
Integrated Tax	4,840	
Central Tax	299	
State Tax	299	
Total Tax Payable	5,438	

Table 1.57

Step 1: Recording of Payment Voucher using Autofill.

- 1) From **Gateway of Tally > Vouchers > F5: Payment**
- 2) Click **F2: Date** and change the date to **31-Dec-20**.
- 3) Click **F: Autofill** to get the **Autofill** screen.
- 4) Enter the following details:
 - **Type of transaction** – Select as **Stat Payment**
 - **Tax Type** – Select as **GST**.
 - **Payment Type** – Select as **Regular**
 - **Period from** – Enter as **1-Oct-20** to **31-Dec-20**

The **Autofill** screen appears as shown in Figure 1.63

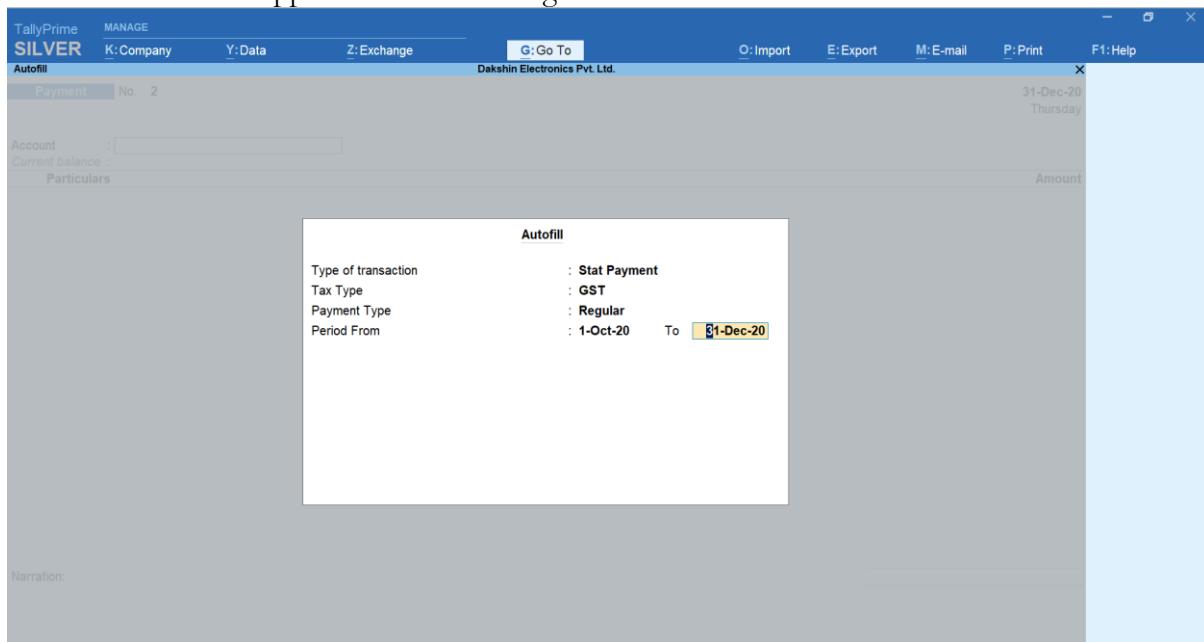


Figure 1.63 Autofill screen

- 5) Accept the **Autofill** screen > **Payment Voucher Creation** screen appears.
- 6) In the **Account** field, select **Kotak Bank Current A/c**
- 7) Under **Particulars** field, select **Integrated Tax** ledger and enter the amount ₹ 4,840.
- 8) Select **Central Tax** ledger and enter the amount ₹ 299.
- 9) Select **State Tax** ledger and enter the amount ₹ 299.
- 10) Set **Provide GST Details** to **Yes**



11) Enter the **Bank Details** as shown in Figure 1.64

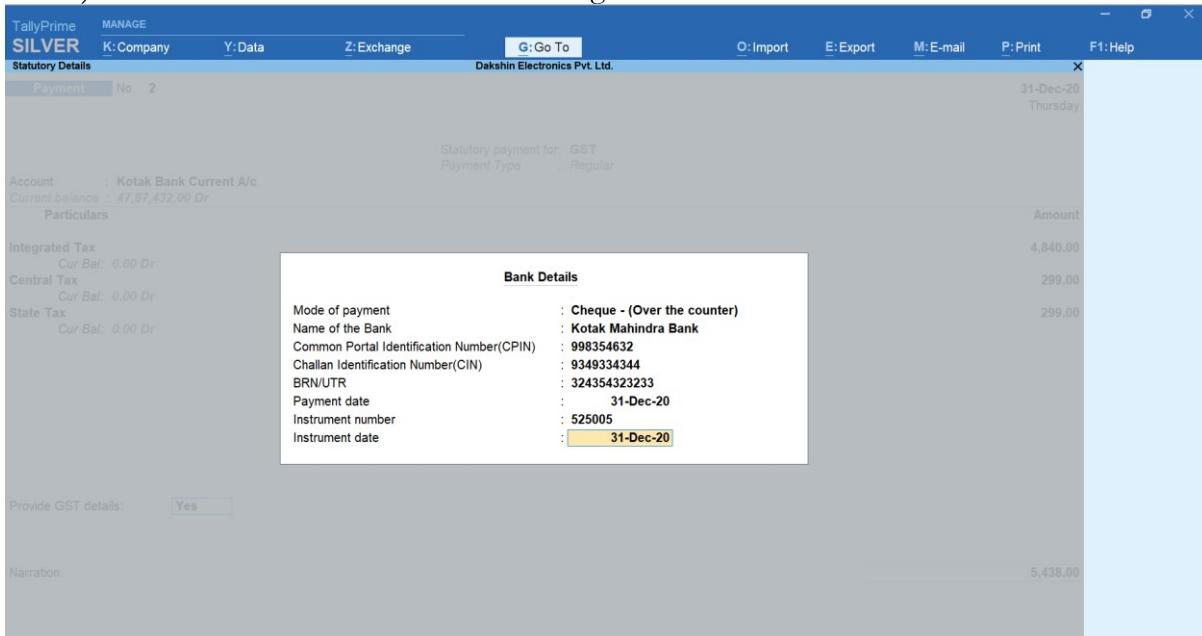


Figure 1.64 Bank Details screen

12) Accept the **Bank Details** screen.

13) In the **Bank Allocation** screen, enter **Inst. No** as **525005** and **Accept** the screen.

The **Payment Voucher** appears as shown in Figure 1.65

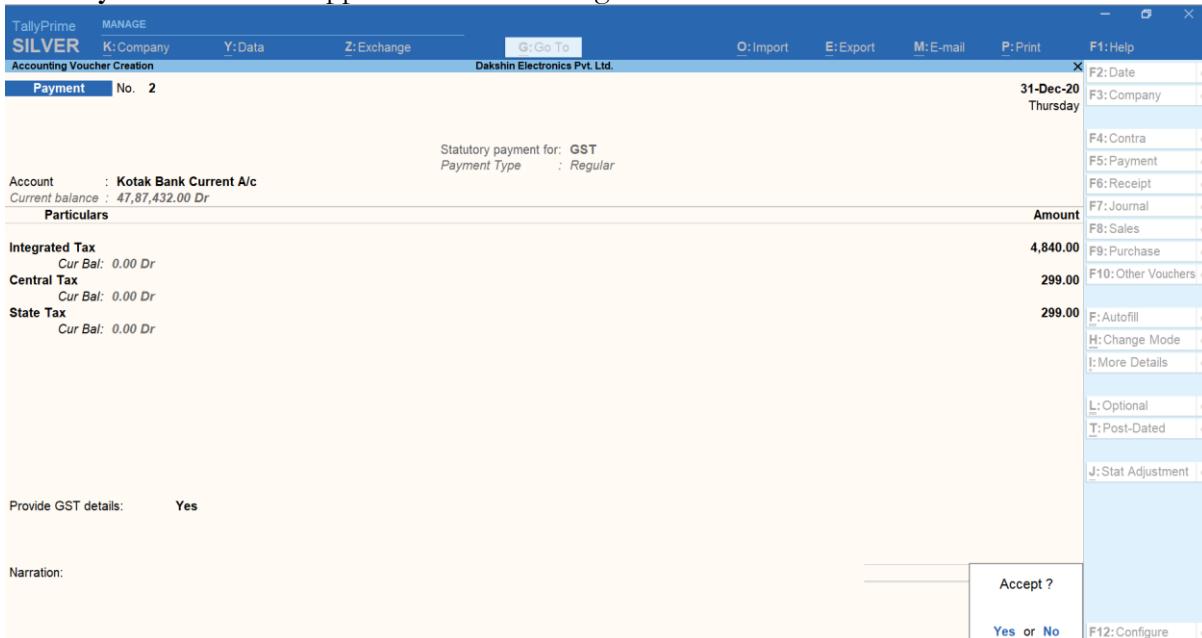


Figure 1.65 Payment Voucher -GST Statutory Payment

14) **Accept** the screen.

After recording the GST Payment voucher selecting, Integrated Tax, Central and State Tax, the Duties & Taxes amount in Trial Balance and Balance Sheet will be NIL.

To check the same,

- 1) Click **G: Go To** > In the Search field, Type as **Trial** > Enter on **Trial Balance**
- 2) Enter on **Current Liabilities** > **Duties & Taxes**.



1.9.3 Challan Reconciliation

In the challan reconciliation report, we can define the payment details. In case if any details are left while recording the payment voucher, the same can be entered on this screen.

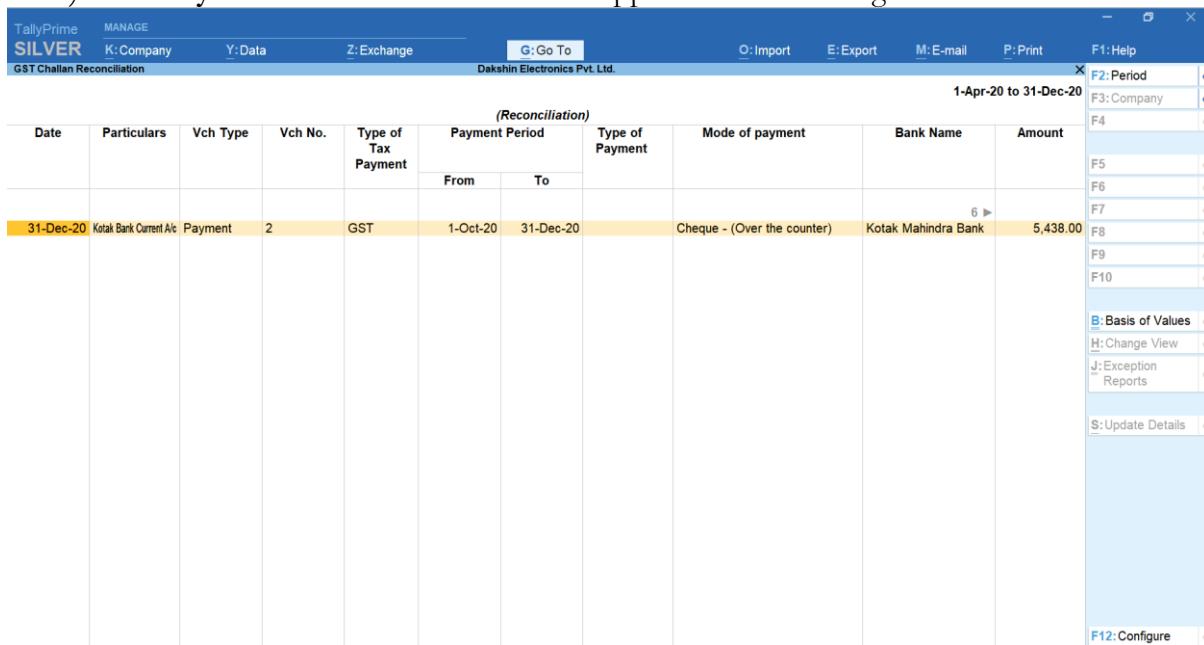
To reconcile the challan, follow the steps given below:

- 1) From **Gateway of Tally > Display More Reports > GST Reports > Select Challan Reconciliation**

Note: If the payment details have already entered while recording the payment voucher, then the **GST Challan Reconciliation** screen will not show the Payment Voucher.

To Update/Modify the details, follow the steps given below:

- 1) From the **GST Challan Reconciliation** screen, Click **B: Basis of Values** > Set **Include transactions having Challan details** to Yes and Press **Ctrl+A** to accept the **List of Configuration screen**.
- 2) The **Payment Voucher** and details will appear as shown in Figure 1.66



Date	Particulars	Vch Type	Vch No.	Type of Tax Payment	Payment Period		Type of Payment	Mode of payment	Bank Name	Amount
					From	To				
31-Dec-20	Kotak Bank Current A/c	Payment	2	GST	1-Oct-20	31-Dec-20	Cheque - (Over the counter)	Kotak Mahindra Bank	6 ►	5,438.00

Figure 1.66 GST Challan Reconciliation screen

- 3) Press **Space Bar** to Select the voucher > Click **S: Update Details** to update the Payment Details.

Note: The payment details entered for this payment are valid and does not require updating any details.



1.10 Generating GST Returns for Regular Dealer in Tally

In this section, we will learn to generate, and file GST returns like GSTR-1 and GSTR-3B details from TallyPrime. By now we are aware that GSTR-1 contains the details of outward supplies and GSTR-3B an interim return to be filed monthly. Now let us explore the other information available in these reports.

Internet connectivity is required for uploading the JSON file, downloading the offline tool, and filing returns. Also, Microsoft office is required for exporting data to the offline tool and it is recommended to use MS Excel 2007 or later versions.

1.10.1 GSTR-1

GSTR-1 is the monthly/Quarterly return that includes the details of all outward supplies and it must be filed by the taxable person registered under GST. A registered taxable person must file GSTR-1 returns.

In Tally, we can check the details of all outward supplies along with the capability to resolve the exception before exporting the GSTR-1 return. The report also enables you to update the status of each transaction in the return based on the acceptance and reconciliation status of the transaction on the GSTN portal using the **Status Reconciliation** option.

By default, the GSTR-1 report will display in the table format. In this **Return Format**, we will get the details of B2B, B2C, Credit/Debit Notes (Registered) -9B, nil rated invoices, advances received with tax adjustments. This report is structured in line with the GSTR-1 format given by the department.

To generate the **GSTR-1** report, follow the steps given below:

- 1) From **Gateway of Tally > Display More Reports > GST Reports > GSTR-1**
- 2) Click **F2: Period** > Enter **1-10-2020 to 31-12-2020**.

The **GSTR-1** screen appears as shown in Figure 1.67

Note: Voucher count and values are not provided for HSN/SAC Summary and Document Summary. Drill down for details.

Figure 1.67 GSTR-1 Report

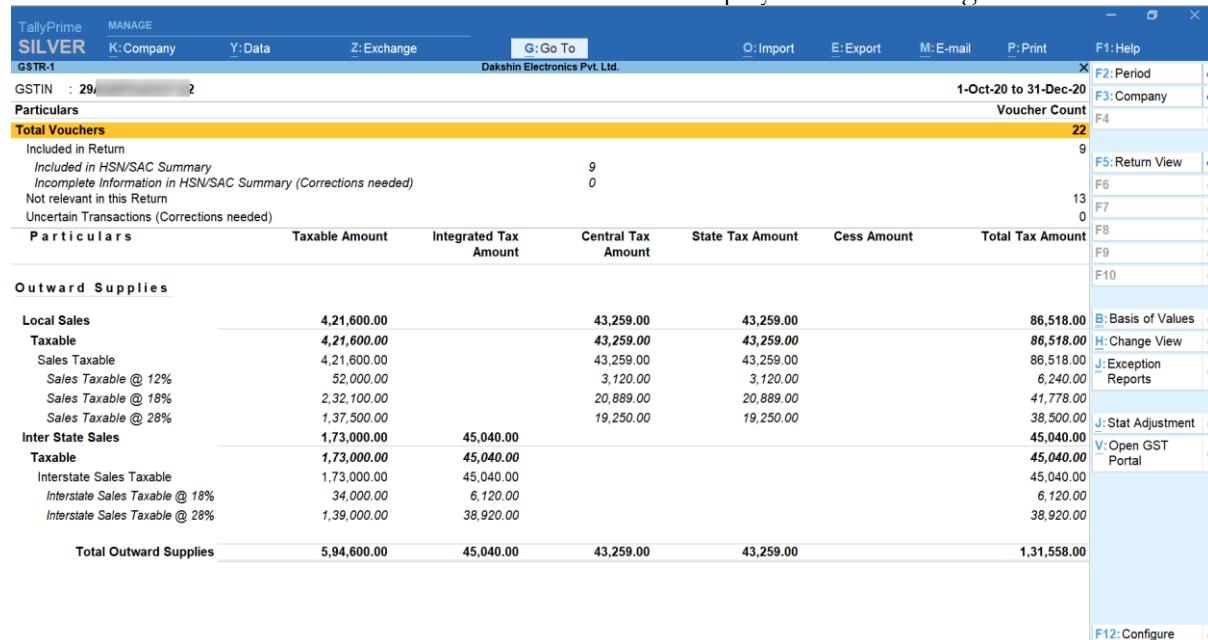
Return Summary: It will display the **Total Vouchers** for the period, vouchers **Included in Return**, vouchers **Not relevant in this Return** and **Uncertain Transactions (Corrections needed)**

Particulars: It will display the **Voucher Count**, details of the **Taxable Amount**, **Tax Amount** and **Invoice Amount** from the outward supplies considered in the returns. We can drill down from any part to display detailed information at the subsequent levels.

In TallyPrime, from GSTR-1 report we can perform the following activities:

- **F5: Nature View** - GSTR-1 summary will display the **Local Sales** and **Inter State Sales** transactions grouped on GST and non-GST outward supplies.

The **Nature View** of GSTR-1 in **Detailed Mode** will display as shown in Figure 1.68



Particulars		Taxable Amount	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount	Total Tax Amount	
Outward Supplies								
Local Sales		4,21,600.00		43,259.00	43,259.00		86,518.00	B: Basis of Values
Taxable		4,21,600.00		43,259.00	43,259.00		86,518.00	H: Change View
Sales Taxable		4,21,600.00		43,259.00	43,259.00		86,518.00	J: Exception Reports
Sales Taxable @ 12%		52,000.00		3,120.00	3,120.00		6,240.00	
Sales Taxable @ 18%		2,32,100.00		20,889.00	20,889.00		41,778.00	
Sales Taxable @ 28%		1,37,500.00		19,250.00	19,250.00		38,500.00	
Inter State Sales		1,73,000.00	45,040.00				45,040.00	J: Stat Adjustment
Taxable		1,73,000.00	45,040.00				45,040.00	V: Open GST Portal
Interstate Sales Taxable		1,73,000.00	45,040.00				45,040.00	
Interstate Sales Taxable @ 18%		34,000.00	6,120.00				6,120.00	
Interstate Sales Taxable @ 28%		1,39,000.00	38,920.00				38,920.00	
Total Outward Supplies		5,94,600.00	45,040.00	43,259.00	43,259.00		1,31,558.00	

Figure 1.68 Nature View of GSTR-1

- **H: Change View** – From this Menu, we can generate **Status Reconciliation** report to mark the status of each transaction based on the online status. This will allow you to track the status of all the transactions uploaded in the GST portal without having to login into the portal. Click **H: Change View** > under **Related Reports** > select **Status Reconciliation**.



The **Status Reconciliation** of GSTR-1 will display as shown in Figure 1.69

Sl. No.	Particulars	Voucher Count	To Be Uploaded	Uploaded	Activity Status			Reconciliation Not Reconciled	Status Reconciled
					Rejected By GST	Accepted	Rejected		
1	B2B Invoices - 4A, 4B, 4C, 6B, 6C	7	7					7	
2	B2C(Large) Invoices - 5A, 5B								
3	B2C(Small) Invoices - 7	1	1					1	
4	Credit/Debit Notes(Registered) - 9B	1	1					1	
5	Credit/Debit Notes(Unregistered) - 9B								
6	Exports Invoices - 6A								
7	Tax Liability(Advances received) - 11A(1), 11A(2)								
8	Adjustment of Advances - 11B(1), 11B(2)								
9	Nil Rated Invoices - 8A, 8B, 8C, 8D								

Figure 1.69 Status Reconciliation of GSTR-1

- **J: Exception Reports** – It is possible that sometime we may have accepted all vouchers ‘as is’ by mistake, now if we want to get all transactions recorded with ‘Wrong calculation’, The **J: Exception Reports** option from the **GSTR-1** screen, we will get an option to **Vouchers Accepted as Valid**.

The **GSTR-1 Vouchers Accepted as Valid** screen will appear as shown in Figure 1.70

Particulars	Vouchers accepted with original values	Voucher Count	F2:Period	F3:Company	F4	F1:Help		
						F5	F6	F7
	Vouchers accepted without party GSTIN/UIN validation	0	0	0	0	0	0	0

Figure 1.70 GSTR-1 Vouchers Accepted as Valid screen

This option will help us to get all transactions filtered. Transactions recorded with the wrong calculation can be resolved by using the **B: Basis of Values** option from **GSTR-1 Vouchers Accepted as Valid** screen and enter the reason for the wrong calculation in vouchers.

Note: There are no such transactions with wrong calculation, hence the **GSTR-1 Vouchers Accepted as Valid** report shows zero voucher count.



- **J: Stat Adjustment** – Using **Stat Adjustment** from GSTR-1, we can record the stat adjustment entry in the journal voucher selecting different Nature of Adjustment.
- **V: Open GST Portal** – To directly open GST portal from GSTR-1 and to login to **Returns Dashboard**.

1.10.2 GSTR-3B

Form GSTR-3B is an interim return. The GST dealers with regular registration should use GSTR-3B to file as monthly returns. Dealers who are covered in the QRMP scheme will file the return on a quarterly basis. From TallyPrime, you can generate GSTR-3B, export the data in the JSON format, and upload it to the portal to file the returns.

In Tally, you can view GSTR-3B in the report format with tax computation details. This report can be changed to the return format view (specified/prescribed by the department) with the click of a button.

To generate the **GSTR-3B** report, follow the steps given below:

- 1) From **Gateway of Tally > Display More Reports > GST Reports > GSTR-3B**
- 2) Click **F2: Period** > Enter **1-Dec-20 to 31-Dec-20**.
- 3) Click **F12: Configure** > Set **Show Tax types in separate columns** to **Yes** > **Accept** the screen.

The **GSTR-3B** screen appears as shown in Figure 1.71

Table Particulars No.	Taxable Amount	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount	Tax Amount
3.1 Outward supplies and inward supplies liable to reverse charge	2,42,600.00	26,304.00	26,304.00		52,608.00	
3.2 Of the supplies shown in 3.1 (a) above, details of inter-state supplies made to unregistered persons, composition taxable persons and UIN holders						
4 Eligible ITC		3,330.00	3,330.00		6,660.00	
5 Value of exempt, nil rated and non-GST inward supplies						
5.1 Interest and Late fee Payable						
Reverse Charge Liability and Input Credit to be booked						
Reverse Charge Inward Supplies					0.00	
Import of Service					0.00	
Input Credit to be Booked					0.00	
Advance Payments						
Amount Unadjusted Against Purchases						
Purchase Against Advance from Previous Periods						

Note: Amount is not shown for Input Credit to be Booked. Drill down for values.

Figure 1.71 GSTR-3B Return

- 4) Click **F5: Detailed** to display **GSTR-3B** in detailed mode.

Return Summary: It will display the **Total Vouchers** for the period, vouchers **Included in Return**, vouchers **Not relevant in this Return** and **Uncertain Transactions (Corrections needed)** to display the outward supplies and inward supplies grouped with local and interstate transactions.

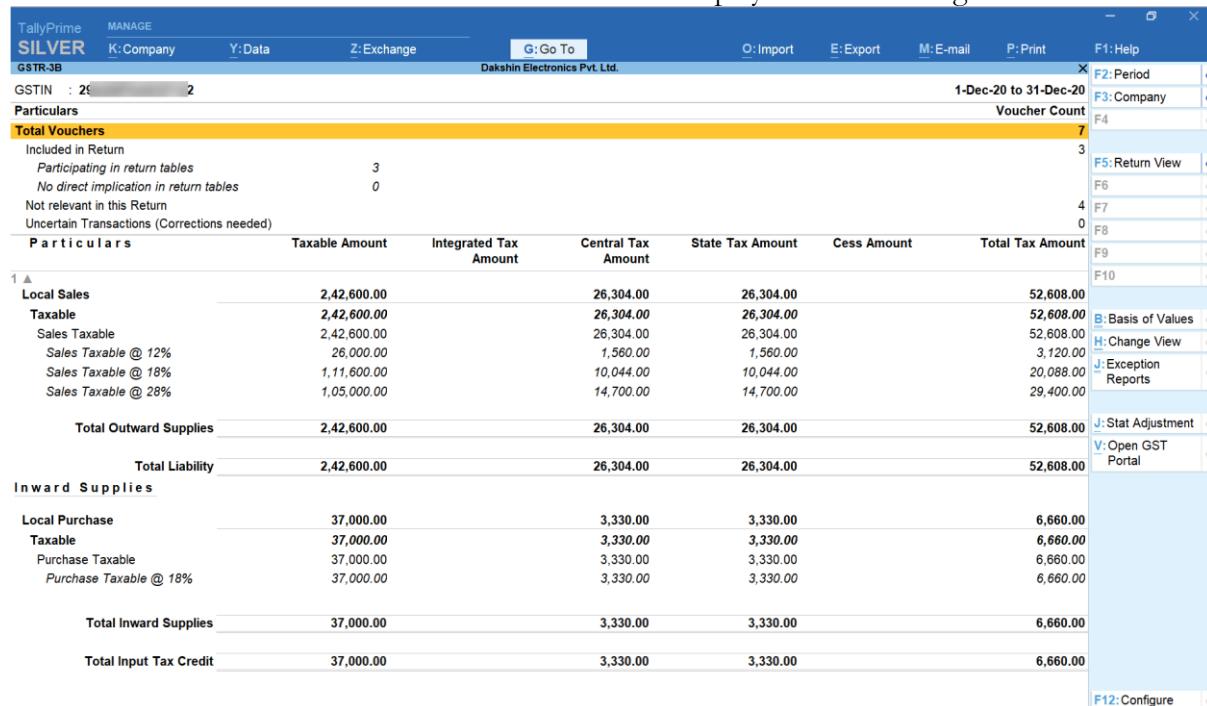


Particulars: It will display the **Voucher Count**, details of the **Taxable Amount**, **Tax Amount** and **Invoice Amount** from the outward and inward supplies considered in the returns. We can drill down from any part to display detailed information at the subsequent levels.

In TallyPrime, from GSTR-3B report we can perform the following activities:

- **F5: Nature View** - GSTR-3B summary will display the **Local Sales** and **Inter State Sales** transactions grouped on GST and non-GST inward and outward supplies.

The **Nature View** of GSTR-3B in detailed mode will display as shown in Figure 1.72



Particulars		Taxable Amount	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount	Total Tax Amount
1 Local Sales		2,42,600.00	26,304.00	26,304.00			52,608.00
Taxable		2,42,600.00	26,304.00	26,304.00			52,608.00
Sales Taxable		2,42,600.00	26,304.00	26,304.00			52,608.00
Sales Taxable @ 12%		26,000.00	1,560.00	1,560.00			3,120.00
Sales Taxable @ 18%		1,11,600.00	10,044.00	10,044.00			20,088.00
Sales Taxable @ 28%		1,05,000.00	14,700.00	14,700.00			29,400.00
Total Outward Supplies		2,42,600.00	26,304.00	26,304.00			52,608.00
Total Liability		2,42,600.00	26,304.00	26,304.00			52,608.00
Inward Supplies							
Local Purchase		37,000.00	3,330.00	3,330.00			6,660.00
Taxable		37,000.00	3,330.00	3,330.00			6,660.00
Purchase Taxable		37,000.00	3,330.00	3,330.00			6,660.00
Purchase Taxable @ 18%		37,000.00	3,330.00	3,330.00			6,660.00
Total Inward Supplies		37,000.00	3,330.00	3,330.00			6,660.00
Total Input Tax Credit		37,000.00	3,330.00	3,330.00			6,660.00

Figure 1.72 Nature View of GSTR-3B

- **H: Change View** – From this Menu, we can change the view of the GSTR-3B return in Nature-wise or Return Format.
- **J: Exception Reports** – It is possible that sometime we may have accepted all vouchers ‘as is’ by mistake, now if we want to get all transactions recorded with ‘**Wrong calculation**’, The **J: Exception Reports** option from the GSTR-3B screen, we will get an option to **Vouchers Accepted as Valid**.

Note: There are no such transactions with wrong calculation, hence the **GSTR-3B Vouchers Accepted as Valid** report shows zero voucher count.

- **J: Stat Adjustment** – Using **Stat Adjustment** from GSTR-3B, we can record the stat adjustment entry in the journal voucher selecting different Nature of Adjustment.
- **V: Open GST Portal** – To directly open GST portal from GSTR-3B and to login to Returns Dashboard.



1.10.3 GSTR-9 – GST Annual Computation

In TallyPrime, we can use the transactional data to file GST Annual Return Form GSTR-9.

The information from return forms GSTR-1, GSTR-2, GSTR-3B and other registers provided in Tally will help us to compute the values for GSTR-9.

The GST Annual Computation is the detailed report which has GST transactional information as per the books. Using this information we can identify discrepancies, if any, and fill GSTR-9 accurately.

There are different sections in GSTR-9 and the information recorded in them is described as below:

Part I - Basic Details will include the information concerning **Financial Year, GSTIN, Legal Name and Trade Name**.

Part II - Details of Outward and Inward supplies declared during the financial year

Part III - Details of ITC as declared in returns filed during the financial year

Part IV - Details of tax paid as declared in returns filed during the financial year

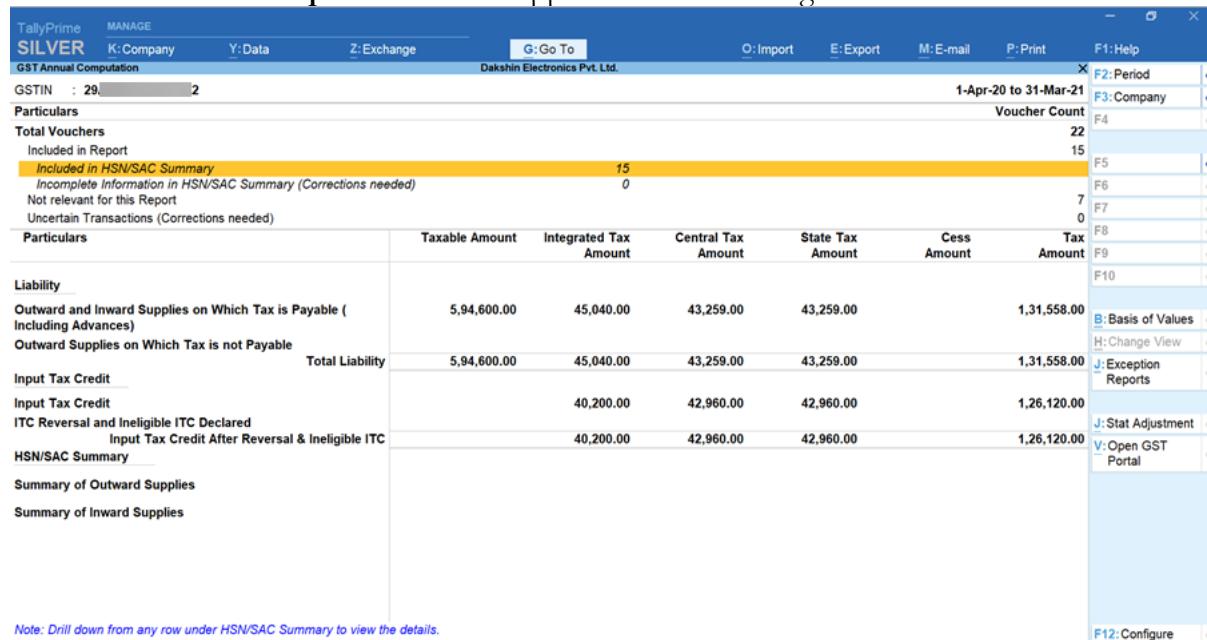
Part V - Particulars of the transactions for the previous FY declared in returns of April to March of current FY or up to date of filing of annual return for previous FY whichever is earlier

Part VI - Other Information

To generate the **GST Annual Computation** report, follow the steps given below:

- 1) From **Gateway of Tally > Display More Reports > GST Reports > GST Annual Computation**.
- 2) Click **F12: Configure** > Set **Show Tax types in separate columns** to **Yes** > **Accept** the screen.

The **GST Annual Computation** screen appears as shown in Figure 1.73



GST Annual Computation						
GSTIN : 29.....2		Dakshin Electronics Pvt. Ltd.				
		1-Apr-20 to 31-Mar-21				
Particulars		Voucher Count				
Total Vouchers		22				
Included in Report		15				
Included in HSN/SAC Summary		15				
Incomplete Information in HSN/SAC Summary (Corrections needed)		0				
Not relevant for this Report		7				
Uncertain Transactions (Corrections needed)		0				
Particulars		Taxable Amount	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount
Liability						Tax Amount
Outward and Inward Supplies on Which Tax is Payable (Including Advances)		5,94,600.00	45,040.00	43,259.00	43,259.00	1,31,558.00
Outward Supplies on Which Tax is not Payable		Total Liability	5,94,600.00	45,040.00	43,259.00	1,31,558.00
Input Tax Credit						
Input Tax Credit			40,200.00	42,960.00	42,960.00	1,26,120.00
ITC Reversal and Ineligible ITC Declared			Input Tax Credit After Reversal & Ineligible ITC	40,200.00	42,960.00	1,26,120.00
HSN/SAC Summary						
Summary of Outward Supplies						
Summary of Inward Supplies						

Figure 1.73 GST Annual Computation screen

- 3) Click **F5: Detailed** to display **GST Annual Computation** in detailed mode.

Return Summary: It will display the **Total Vouchers** for the period, vouchers **Included in Report**, vouchers **Not relevant in this Return** and **Uncertain Transactions (Corrections needed)** to display the outward supplies and inward supplies grouped with local and interstate transactions.

Particulars: It will display the details of the **Taxable Amount**, **Tax Amount** and **Invoice Amount** from the outward supplies (**Liability**) and Inward supplies (**Input Tax Credit**) considered in the returns. We can drill down from any part to display detailed information at the subsequent levels.

In TallyPrime, from GSTR-9 report we can perform the following activities:

- **J: Exception Reports** – It is possible that sometime we may have accepted all vouchers ‘as is’ by mistake, now if we want to get all transactions recorded with ‘**Wrong calculation**’, The **J: Exception Reports** option from the GSTR-3B screen, we will get an option to **Vouchers Accepted as Valid**.

Note: There are no such transactions with wrong calculation, hence the **GST Annual Computation Voucher Register** report shows zero voucher count.

- **J: Stat Adjustment** – Using **Stat Adjustment** from **GST Annual Computation**, we can record the stat adjustment entry in the journal voucher selecting different Nature of Adjustment.
- **V: Open GST Portal** – To directly open GST portal from **GST Annual Computation** and to login to **Returns Dashboard**.

1.11 Filing GST Returns in Tally

In this section, we will learn to file GST returns like GSTR-1, GSTR-3B and GSTR-9 details from TallyPrime.

Internet connectivity is required for uploading the JSON file, downloading the offline tool, and filing returns. Also, Microsoft office is required for exporting data to the offline tool and it is recommended to use MS Excel 2007 or later versions.

1.11.1 Filing GSTR-1 Returns

GSTR-1 must be filed by a taxable person registered under GST. GSTR-1 returns must be filed based on the turnover.

GSTR-1 includes the details of all outward supplies of B2B invoices, B2C invoices, adjustments to sales made in debit/credit notes, exports, nil rated invoices, advances received with tax adjustments. With Tally, you can file GSTR-1 in three easy ways:

- By generating JSON from Tally.
- By using the GSTR-1 Excel Offline Utility Tool
- By filing returns online on the GST portal using Tally data as a reference

In this section, we will learn to export GSTR-1 in JSON format and upload the same in the GST portal.



1.11.1.1 Generating the JSON file from Tally and uploading the same in the GST portal

To generate GSTR-1 returns in the JSON format, follow the steps given below,

- 1) From **Gateway of Tally > Display More Reports > GST Reports > GSTR-1 > Click F2: Period > Enter 1-10-2020 to 31-12-2020.**
- 2) Click **E: Export > Select E-Return**
- 3) In the **GSTR-1 Export** screen, select the details as shown in Figure 1.74

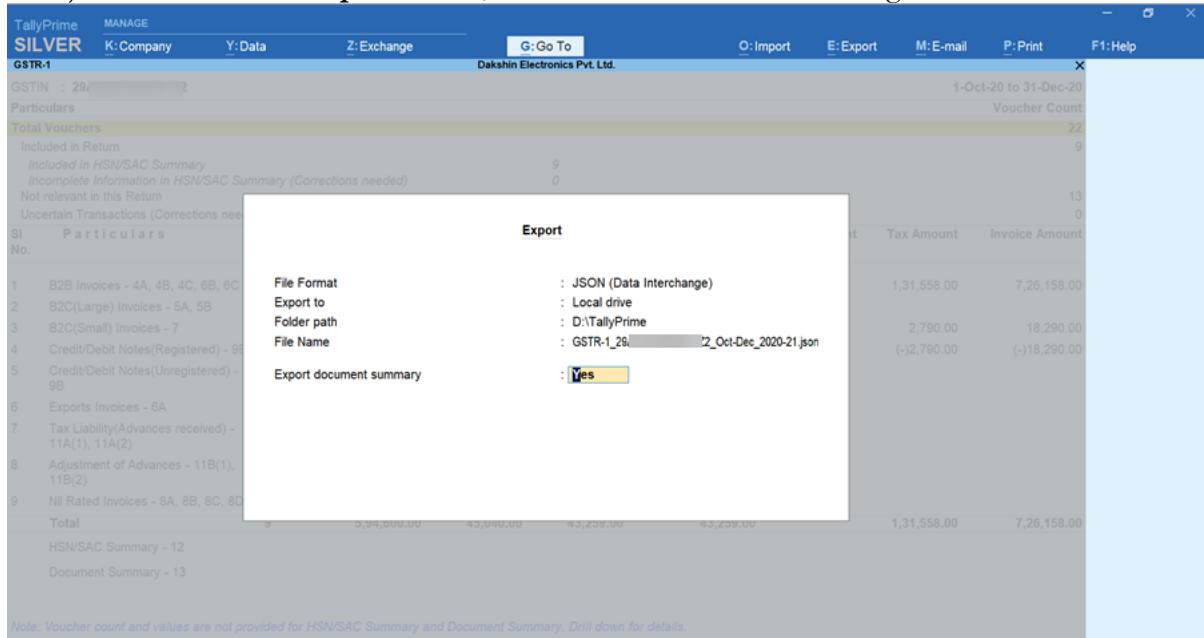


Figure 1.74 GSTR-1 Export screen

- 4) Press **Enter** > Click **E: Send** to create a **JSON file** in the Folder path.
- 5) The JSON file will be created in the name of **GSTR-1_29*****Z2_Oct-Dec_2020-21.json**
- 6) Now, we can upload the same JSON file to the GST portal.

To File GSTR-1 returns,

- 1) Log in to the **GST portal i.e. https://www.gst.gov.in/**
- 2) Click **Services > Returns > Returns Dashboard**
- 3) Select the **Return Filing Period**, and click **SEARCH**
- 4) Select **Yes** or **No** based on your turnover to file **Monthly** or **Quarterly**
- 5) Click **SUBMIT > Click GSTR-1 > PREPARE OFFLINE**
- 6) Click **Choose File** to import the JSON file generated from Tally.
- 7) Follow the instruction as per portal messages
- 8) Click **BACK TO FILE RETURNS > GSTR 1> Click PREPARE ONLINE**. The values get posted in the relevant tables of GSTR-1
- 9) Click the **declaration** checkbox and click **SAVE GSTR 1**
- 10) **Verify** the uploaded details.
- 11) Click **PROCEED TO FILE**, select the authorized signatory and **SUBMIT** with **EVC** or **DSC**.



1.11.2 Filing GSTR-3B Returns

In Tally, we can now directly export the GSTR-3B form in JSON format and upload it to the GST portal. We can even export the GSTR-3B in MS Excel offline utility tool provided by the department.

With Tally, you can file GSTR-3B in three easy ways:

- By generating JSON from Tally.
- By using the GSTR-3B Excel Offline Utility Tool
- By filing returns online on the GST portal using Tally data as a reference

In this section, we will learn to export GSTR-3B in JSON format and upload the same in the GST portal.

1.11.2.1 Generating the JSON file from Tally and uploading the same in the GST portal

To generate GSTR-3B returns in the JSON format, follow the steps given below,

- 1) From **Gateway of Tally > Display More Reports > GST Reports > GSTR-3B** > Click **F2: Period** > Enter **1-12-2020 to 31-12-2020**.
- 2) Click **E: Export** > Select **E-Return**
- 3) Select the **File Format** as **JSON (Data Interchange)** > **Accept** the screen
- 4) Click **E: Send** to create a **JSON file** in the Folder path.
- 5) The JSON file will be created in the name of **GSTR-3B_29*****Z2_December_2020-21.json**
- 6) Now, we can upload the same JSON file to the GST portal.

To File GSTR-3B returns,

- 1) Log in to the **GST portal i.e. <https://www.gst.gov.in/>** > Click **Services > Returns > Returns Dashboard**.
- 2) Select the **Return Filing Period** and click **SEARCH** > Click **GSTR-3B > PREPARE OFFLINE** > Click **Choose File** to import the JSON file generated from Tally.
- 3) Once the JSON file is uploaded successfully.
- 4) Follow the instruction as per portal messages
- 5) Click **BACK TO FILE RETURNS > Monthly Return GSTR3B** > Click **PREPARE ONLINE**. The values get posted in the relevant tables of GSTR-3B
- 6) Click the **declaration** checkbox and click **SAVE GSTR3B**
- 7) Click **PREVIEW DRAFT GSTR-3B** to preview or download the form, check the details, and correct it if required.
- 8) Click **PROCEED TO PAYMENT** to view the available input tax credit. You can modify the values if required.
- 9) Click **PROCEED TO FILE**, select the authorized signatory and **SUBMIT** with **EVC** or **DSC**.

1.11.3 Filing GSTR-9 Returns - GST Annual Computation

We can use the transactional data from TallyPrime to file GSTR-9. To start with keep all the information on hand before initiating the filing process. We must get these details from GSTR-1 and GSTR-3B.

To get the GSTR-1 details,

- 1) From **Gateway of Tally > Display More Reports > GST Reports > GSTR-1** > Click F2: Period > Enter 1-10-2020 to 31-12-2020.

To get the GSTR-3B details,

- 1) From **Gateway of Tally > Display More Reports > GST Reports > GSTR-3B** > Click F2: Period > Enter 1-10-2020 to 31-12-2020.

To get the GSTR-9 details,

- 1) From **Gateway of Tally > Display More Reports > GST Reports > GST Annual Computation**

To File GSTR-9 Returns,

- 1) Log in to the **GST portal i.e. <https://www.gst.gov.in/>** > Click **Services > Returns > Returns Dashboard**.
- 2) Click **Annual Returns**.
- 3) Follow the instruction as per portal messages
- 4) Different sections in GSTR-9 like **Part I, Part II, Part III, Part IV, Part V** and **Part VI** will appear.
- 5) We must enter the values in the related tables of GSTR-9 referring to the **GST Annual Computation** data in TallyPrime.
- 6) Then, initiate the filing process.

1.12 Generating e-Invoice in TallyPrime

For businesses to have a smooth transition to the e-invoicing system, the business management software must be integrated with the IRP portal. As you may be aware, Tally is a recognized GSP (GST Suvidha Provider) and thus, TallyPrime uses the GSP route to communicate directly with the IRP.

Generating e-invoice with TallyPrime is extremely simple. With a one-time setup, you can start generating and printing e-invoices within seconds with the flexibility to generate reports your way, in just 3 steps: Enable, record and print.

You can send your invoices through TallyPrime directly to the IRP. Once they are authenticated by the IRP, TallyPrime will receive the IRN directly from the IRP and convert it into a QR code along with other invoice info and update your invoices accordingly. You can then simply print the QR code on your invoice.

TallyPrime will also help generate an e-way bill number for applicable transactions and record it in your invoice by receiving the info directly from the IRP.

For example, if you use TallyPrime, then you only have to record your sales transactions as usual, and your e-invoice requirement will be covered in the same flow. Important details, such as IRN, Ack No., QR code, and e-Way Bill no., will be updated in the vouchers automatically, and you can proceed to print them. Moreover, TallyPrime will ensure that both your business accounts and compliance requirements are suitably addressed.



All the requests for online e-invoicing will pass through Tally GSP (TIPL), which has been awarded ISO 27001:2013 certificate for its stringent security policies. The best part is that you will not need any additional software or plugins to enjoy the benefits of e-invoicing in TallyPrime.

Business Scenario

Dakshin Electronics Pvt. Ltd. introduced GST e-Invoicing in the business applicable from 1st Jan 2021 and mandated to issue e-Invoices to all the B2B supply transactions. . In this section, we will see how to record GST transactions and generate e-Invoice using TallyPrime.

1.12.1 Recording Outward Supply and Generating e-Invoice without e-Way Bill

Illustration 14: Recording Sales voucher for accounting intrastate outward supply of goods with GST and generating e-Invoice in TallyPrime.

Step 1: Activation of e-Invoicing feature

GST e-Invoicing feature is already activated for the company. To check the same,

- 1) From **Gateway of Tally > press K: Company > select Features (F11)**
- 2) Click **I: More Details > Enter on GST Details**

The **GST Details** screen appears as shown in Figure 1.75

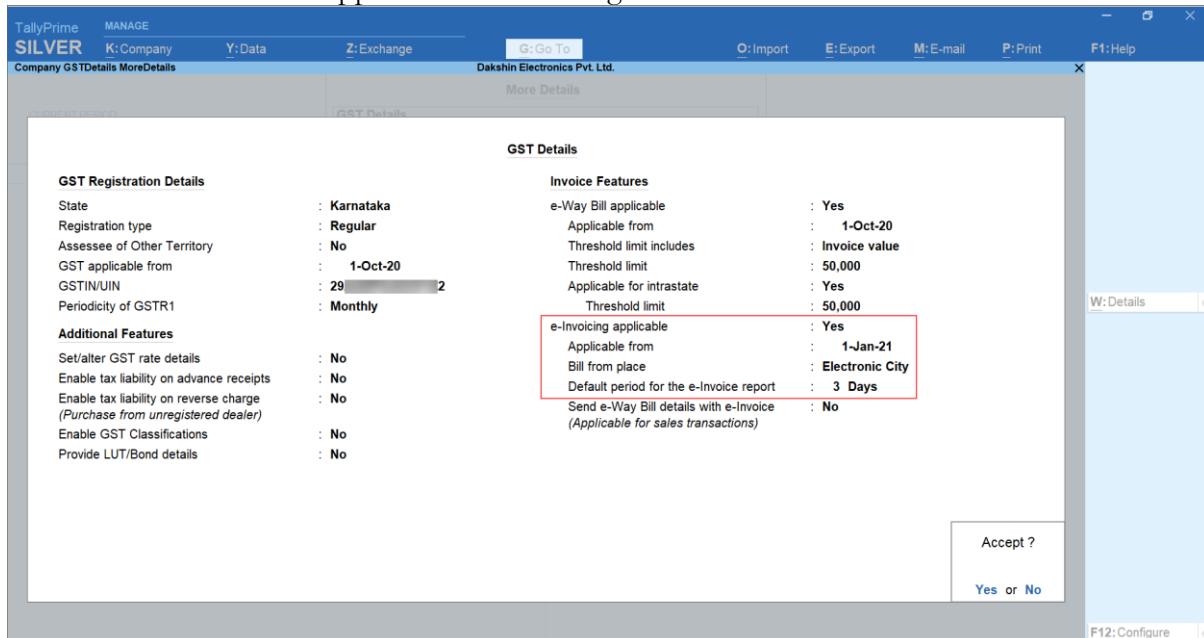


Figure 1.75 GST Details screen

- 3) Accept the **Company GST Details** screen > Accept the **Company Features Alteration** screen.



Step 2: Recording Intrastate Inward Supplies

Activity: Referring to Table 1.58, record the Intrastate Inward Supply transaction.

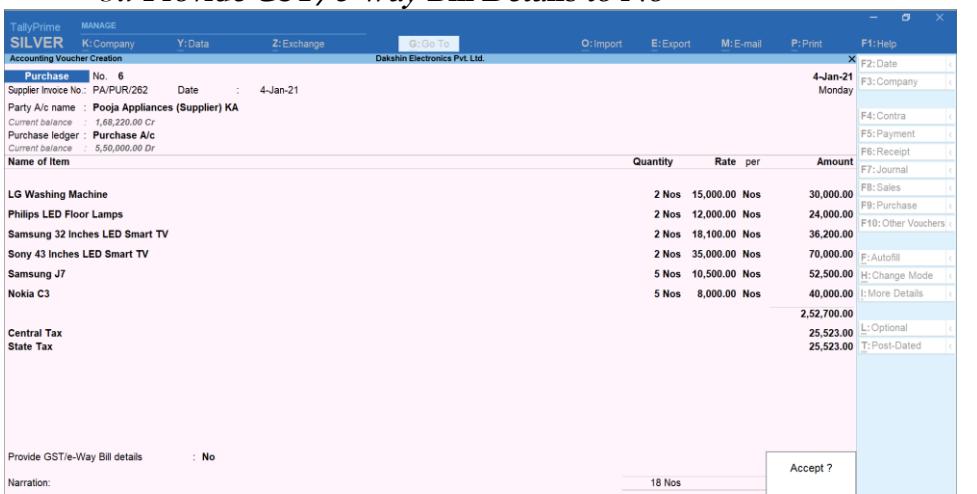
Date	Particulars			
04 th January 2021	Voucher: Purchase <i>As on 04th January 2021, Dakshin Electronics Pvt. Ltd. purchased the following goods from Pooja Appliances, Karnataka on credit with the Supplier Invoice No. PA/PUR/262.</i>			
Name of Item	Quantity	Rate per (₹)	Amount (₹)	
LG Washing Machine	2 Nos	15,000	30,000	
Philips LED Floor Lamps	2 Nos	12,000	24,000	
Samsung 32 Inches LED Smart TV	2 Nos	18,100	36,200	
Sony 43 Inches LED Smart TV	2 Nos	35,000	70,000	
Samsung J7	5 Nos	10,500	52,500	
Nokia C3	5 Nos	8,000	40,000	
Tips:				
<ul style="list-style-type: none"> Select Central Tax and State Tax duty Ledgers after selecting the Stock Items. Set Provide GST/e-Way Bill Details to No 				
				

Table 1.58

Step 3: Recording Intrastate Outward Supplies

Date	Particulars			
05 th January 2021	Voucher: Sales <i>As on 05th January 2021, Dakshin Electronics Pvt. Ltd. sold the following goods to Bhawani Enterprises, Karnataka on credit with Sale Bill No.9</i>			
Name of Item	Quantity	Rate per (₹)	Amount (₹)	
Samsung 32 Inches LED Smart TV	1 Nos	19,000	19,000	
Nokia C3	2 Nos	8,500	17,000	

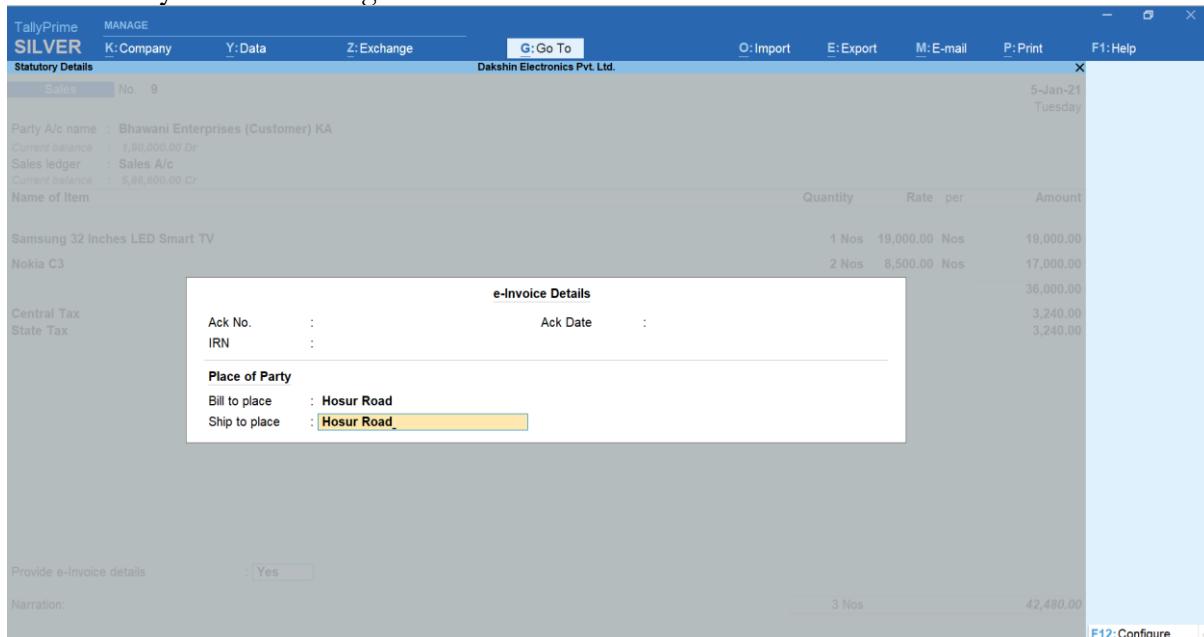
Table 1.59

To record intrastate outward supply of goods,

- From **Gateway of Tally > Vouchers > F8: Sales**
- Click **H: Change Mode** (Alternatively, Press **Ctrl+H**) > Select **Item Invoice**.
- Click **F2: Date** and change the date to **5-Jan-21**.



- 4) Select **Bhawani Enterprises (Customer) KA** in the **Party A/c name** field (Accept the **Dispatch Details** and **Party Details** as it is)
- 5) Select the **Sales A/c** ledger in the **Sales ledger** field.
- 6) Under **Name of Item** field, select **Samsung 32 Inches LED Smart TV >**
Enter **Quantity** as 1 Nos > Enter **Rate** as **₹ 19,000** > **Amount ₹ 19,000** will capture automatically.
- 7) Select **Nokia C3 >** Enter **Quantity** as 2 Nos > Enter **Rate** as **₹ 8,500 > Amount ₹ 17,000** will capture automatically.
- 8) Select the **Central Tax** ledger.
- 9) Select the **State Tax** ledger.
- 10) Click **I: More Details > Select GST-Tax Analysis** to view the tax implication in this transaction.
- 11) Press **Esc** to go back to the **Accounting Voucher Creation** screen.
- 12) Set **Provide e-Invoice details** to **Yes**.
- 13) The **Statutory Details** screen appears to enter the **e-Invoice details**. Enter the **Place of Party** as shown in Figure 1.76



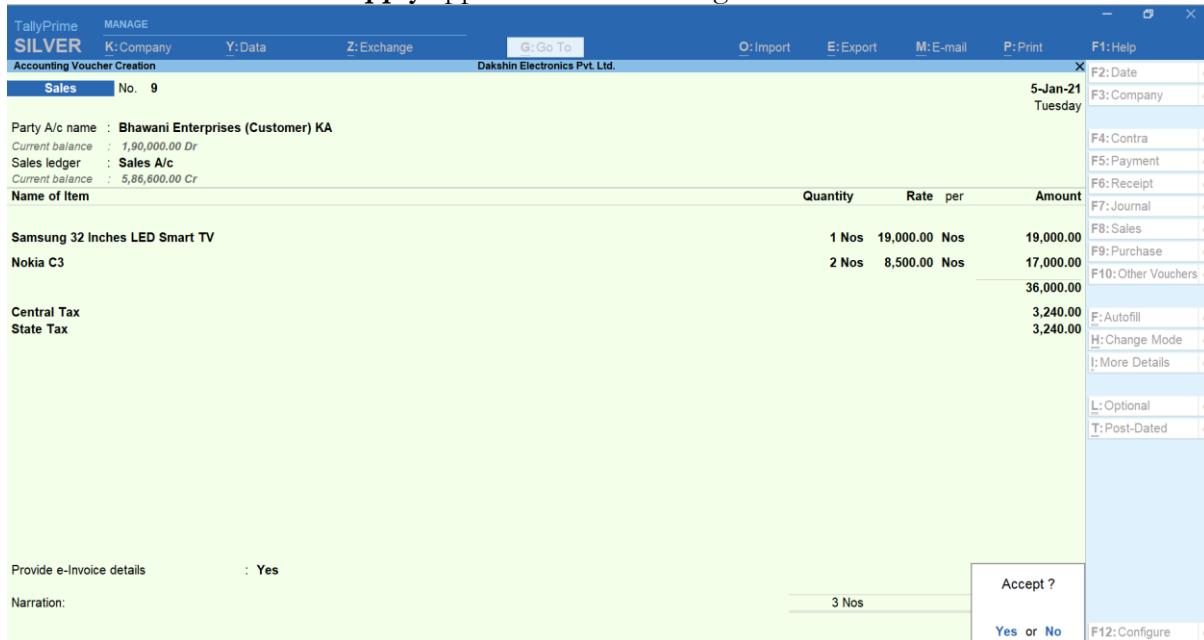
The screenshot shows the TallyPrime Statutory Details screen. At the top, there are tabs for Sales (selected), Company (K), Data (Y), Exchange (Z), Go To (G), Import (O), Export (E), E-mail (M), Print (P), and Help (F1). The date is 5-Jan-21, Tuesday. The company is Dakshin Electronics Pvt. Ltd. In the Sales section, it shows a current balance of 1,90,000.00 Dr and a sales ledger of Sales A/c with a current balance of 5,86,600.00 Cr. Below this, there's a table for items: Samsung 32 Inches LED Smart TV (1 Nos at 19,000.00 per, amount 19,000.00) and Nokia C3 (2 Nos at 8,500.00 per, amount 17,000.00). The total amount is 36,000.00. The e-Invoice Details section contains fields for Ack No., Ack Date, and IRN. The Place of Party section shows Bill to place as Hosur Road and Ship to place as Hosur Road. The Provide e-Invoice details checkbox is checked (Yes). The narration field is empty. The bottom right corner has a F12:Configure button.

Figure 1.76 Statutory Details screen -e-Invoice Details

- 14) Press **Enter** > The Sales Voucher Creation screen appears.
- 15) In the **Bill-wise Details for** screen, select **New Ref** and **Accept**
- 16) Enter the **Narration** if required.



The **Intrastate Outward Supply** appears as shown in Figure 1.77



Name of Item	Quantity	Rate per	Amount
Samsung 32 Inches LED Smart TV	1 Nos	19,000.00 Nos	19,000.00
Nokia C3	2 Nos	8,500.00 Nos	17,000.00
			36,000.00
Central Tax			3,240.00
State Tax			3,240.00
			36,000.00

Provide e-Invoice details : Yes

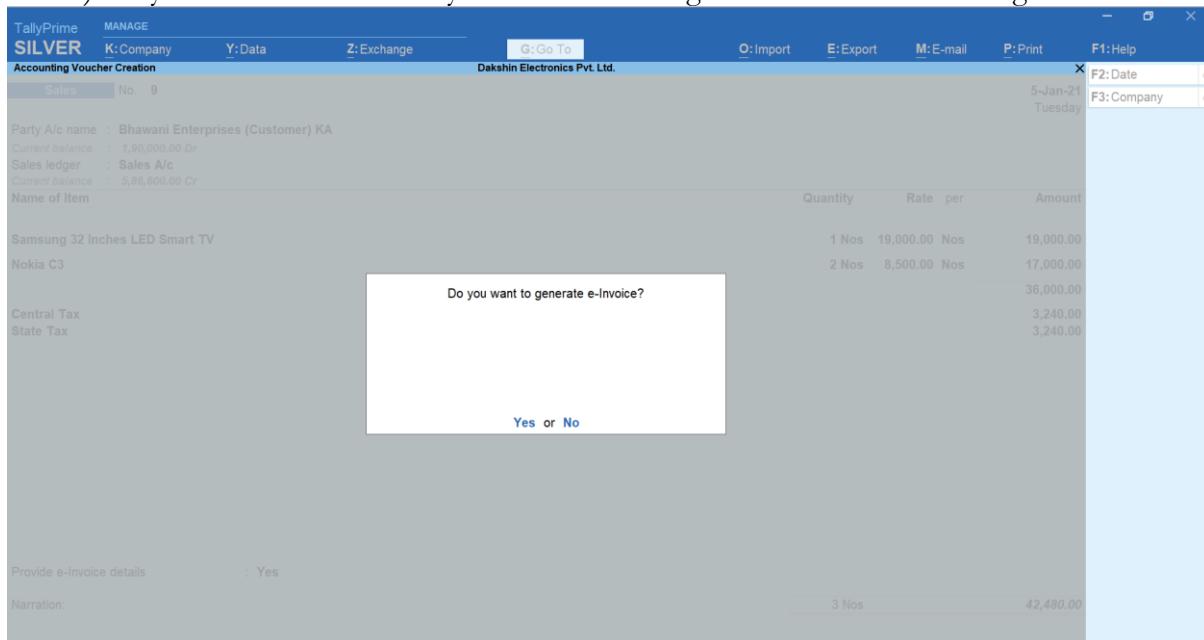
Narration: 3 Nos

Accept ?
Yes or No F12:Configure

Figure 1.77 Sales Voucher - Intrastate Outward Supply

17) Accept the screen.

18) TallyPrime will automatically ask for Generating e-Invoice as shown in Figure 1.78



Do you want to generate e-Invoice?

Yes or No

Figure 1.78 Generate e-Invoice screen

19) Click on **Yes** > e-Invoice Login screen appears as shown in Figure 1.79

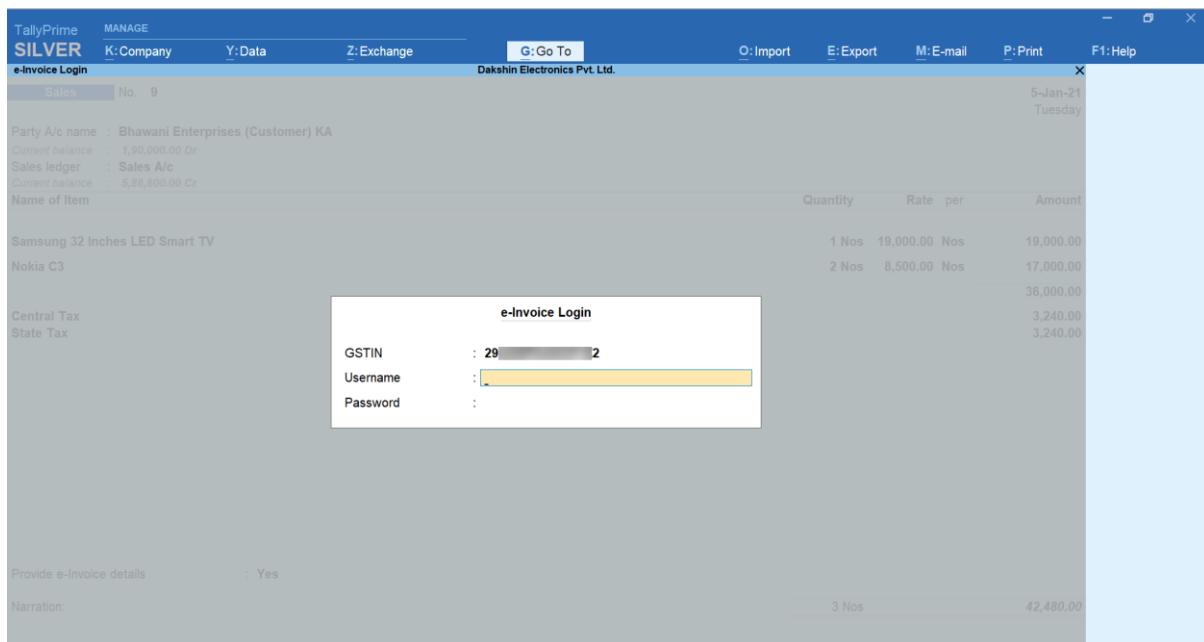


Figure 1.79 e-Invoice Login screen

20) Enter the valid **Username** and **Password** > Press **Enter**.

Note: If the **Username** and **Password** entered in the e-Invoice Login screen is wrong, then on accepting the e-Invoice Login screen, you will get an error as – **Incorrect user id/User does not exists**

21) The Status of Upload screen appears with a message – **Exchanging data with e-invoicing system** as shown in Figure 1.80

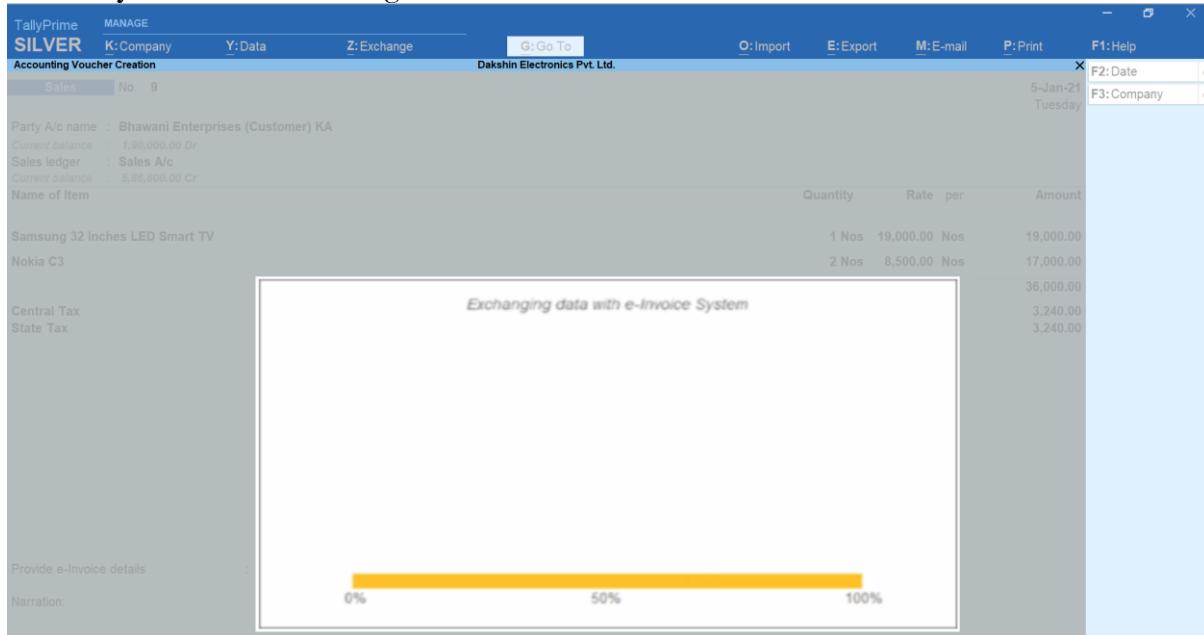


Figure 1.80 Exchanging data with e-invoicing system

22) Once the invoice is uploaded to IRP (Invoice Registration Portal), the IRN (Invoice Registration Number) details will be updated in the voucher and with a success message as shown in Figure 1.81

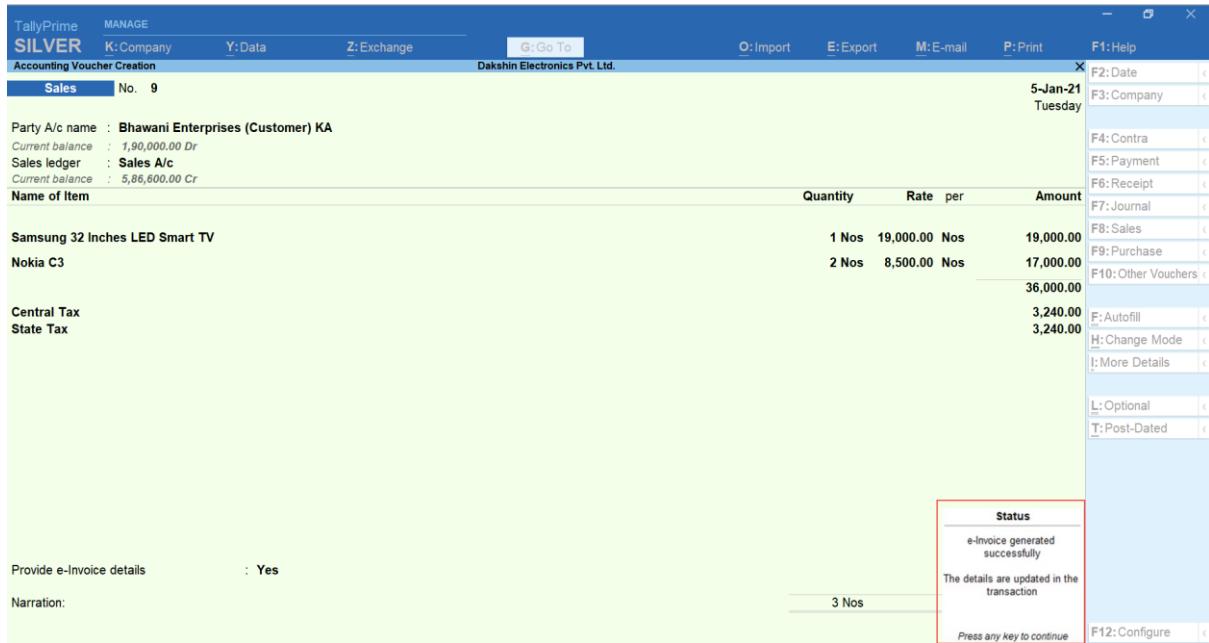


Figure 1.81 e-Invoice Generation Success Message

23) Press **Enter** to continue

Step 4: Printing Tax Invoice with e-Invoice details.

Since Dakshin Electronics Pvt. Ltd. supplying taxable goods, to another registered dealer, they have generated the e-invoice and issued it to Bhawani Enterprises.

To print the Tax Invoice with e-Invoice details,

- 1) Click **G: Go To** > under **Common Reports** > **Daybook** > Enter on the **Sales Voucher** with **Voucher Number 9** dated **5-Jan-21**.
- 2) In the **Sales Voucher Alteration** screen, Click **P: Print** > Select **Current**(Alternatively, press **Ctrl+P**)
- 3) From the **Tax Invoice** Print screen, Click on **I: Preview** > Press **F4** for **Zoom**.



The Tax Invoice print with e-Invoice details appears as shown in Figure 1.82

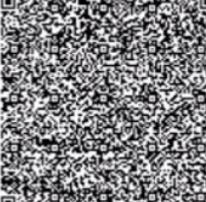
Tax Invoice							
IRN : 08d65ed10478401972d883484f9fc4d9ceef9c864600c- bae9a0ce8d43 if Ack. No. : 5740629684 Ack Date : 5-Jan-21				e-Invoice 			
Dakshin Electronics Pvt. Ltd. # 162, 9th Main, 15th A Cross, Block A2, Techno Park, Electronic City, Bengaluru. GSTIN/UIN: 29 2 State Name : Karnataka, Code : 29 E-Mail : dakshinelectronics@gmail.com Buyer (Bill to) Bhawani Enterprises #23, Hosur Main Road, Global Tech Park, Bengaluru GSTIN/UIN : 29 L State Name : Karnataka, Code : 29 Contact : 9863898060				Invoice No.	Dated		
				9	5-Jan-21		
				Delivery Note		Mode/Terms of Payment	
				Reference No. & Date.		Other References	
				Buyer's Order No.		Dated	
				Dispatch Doc No.		Delivery Note Date	
				Dispatched through		Destination	
Terms of Delivery							
Sl No.	Description of Goods	HSN/SAC	GST Rate	Quantity	Rate per	Amount	
1	Samsung 32 Inches LED Smart TV Rate of Duty: 18%	85287219	18 %	1 Nos	19,000.00 Nos	19,000.00	
2	Nokia C3 Rate of Duty: 18%	85287219	18 %	2 Nos	8,500.00 Nos	17,000.00	
						36,000.00	
						3,240.00	
						3,240.00	
		Total		3 Nos		₹ 42,480.00	
Amount Chargeable (in words) E. & O.E							
INR Forty Two Thousand Four Hundred Eighty Only							
HSN/SAC	Taxable Value	Central Tax		State Tax		Total Tax Amount	
		Rate	Amount	Rate	Amount		
85287219	36,000.00	9%	3,240.00	9%	3,240.00	6,480.00	
	Total	36,000.00		3,240.00		6,480.00	
Tax Amount (in words) : INR Six Thousand Four Hundred Eighty Only							
Company's PAN : ASDFG3345Q							
Declaration We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.							
for Dakshin Electronics Pvt. Ltd.							
Authorised Signatory							
This is a Computer Generated Invoice							

Figure 1.82 Tax Invoice print with e-Invoice details



Observation: You can observe that the **IRN**, **Acknowledgement number** and **date**, **QR code** is capturing automatically in the Tax Invoice. In TallyPrime, without following multiple steps to generate an e-Invoice, a one-step solution is provided to generate the e-Invoice.

The same details will also capture in the Sales Voucher. Go to the sales voucher alteration screen > set **Provide e-Invoice details** to **Yes** > You will get the e-Invoice details filled with IRN, Acknowledgement number and date.

Activity: Referring to Table 1.60, record the Intrastate Outward Supply transaction.

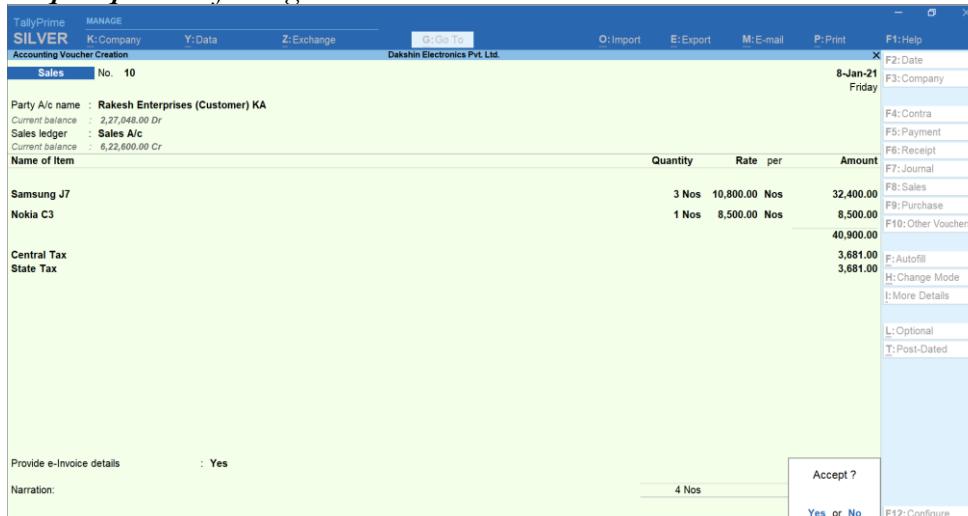
Date	Particulars			
08 th January 2021	Voucher: Sales <i>As on 08th January 2021, Dakshin Electronics Pvt. Ltd. sold the following goods to Rakesh Enterprises, Bengaluru, Karnataka on Credit with Sale Bill No.10.</i>			
	Name of Item Quantity Rate per (₹) Amount (₹)			
	Samsung J7	3 Nos	10,800	32,400
	Nokia C3	1 Nos	8,500	8,500
	Tips: Central and State Taxes are applicable on this invoice.			
	e-Invoice Details Bill to place – JP Nagar Ship to place – JP Nagar			
				
	Note: After saving the transaction, do not generate an e-Invoice. Press Escape to exit from generating the e-invoice.			

Table 1.60

Since the recorded transactions are outward supplies, the tax implication of this transaction can be viewed in **GSTR-1 & GSTR-3B**.

To view **GSTR-1**,

- 1) Press **Alt+G** for **Go To** > In the **Search** field, Type as **GSTR** > Enter on **GSTR-1**
- 2) Click **F2: Period** > Change Period as **1-1-2021** to **31-1-2021**
- 3) The details will capture in **B2B Invoices – 4A, 4B, 4C, 6B, 6C**



The **GSTR-1** screen appears as shown in Figure 1.83

TallyPrime		MANAGE		G: Go To		O: Import	E: Export	M: E-mail	P: Print	F1: Help
SILVER	GSTR-1	K: Company	Y: Data	Z: Exchange	Dakshin Electronics Pvt. Ltd.	1-Jan-21 to 31-Jan-21	Voucher Count	3		F2: Period
	GSTIN : 29									F3: Company
	Particulars									F4
	Total Vouchers									F5: Nature View
	Included in Return									F6
	Included in HSN/SAC Summary									F7
	Incomplete Information in HSN/SAC Summary (Corrections needed)									F8
	Not relevant in this Return									F9
	Uncertain Transactions (Corrections needed)									F10
	SI No.	Particulars	Voucher Count	Taxable Amount	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount	Tax Amount	Invoice Amount
1	B2B Invoices - 4A, 4B, 4C, 6B, 6C	2	76,900.00	6,921.00	6,921.00				13,842.00	90,742.00
2	B2C(Large) Invoices - 5A, 5B									
3	B2C(Small) Invoices - 7									
4	Credit/Debit Notes(Registered) - 9B									
5	Credit/Debit Notes(Unregistered) - 9B									
6	Exports Invoices - 6A									
7	Tax Liability(Advances received) - 11A(1), 11A(2)									
8	Adjustment of Advances - 11B(1), 11B(2)									
9	Nil Rated Invoices - 8A, 8B, 8C, 8D									
	Total	2	76,900.00	6,921.00	6,921.00				13,842.00	90,742.00
	HSN/SAC Summary - 12									
	Document Summary - 13									

Note: Voucher count and values are not provided for HSN/SAC Summary and Document Summary. Drill down for details.

Figure 1.83 GSTR-1 Report

To view **GSTR-3B**,

- 1) Click **G: Go To** > In the **Search** field, Type as **GSTR** > Enter on **GSTR-3B**
- 2) Click **F2: Period** > Change Period as **1-1-2021** to **31-1-2021**
- 3) The details will get captured in **3.1 Outward supplies and inward supplies liable to reverse charge**.

1.12.2 Recording Outward Supply and Generating e-Invoice with e-Way Bill

Illustration 15: Recording Sales voucher for accounting interstate outward supply of goods with GST and generating e-Invoice with e-Way Bill in TallyPrime.

Date	Particulars												
10 th January 2021	Voucher: Sales As on 10 th January 2021, Dakshin Electronics Pvt. Ltd. sold the following goods to Mataji Electronics , Chennai, Tamil Nadu on credit with Sale Bill No.11												
	Name of Item												
	<table> <thead> <tr> <th>Quantity</th> <th>Rate per ₹</th> <th>Amount ₹</th> </tr> </thead> <tbody> <tr> <td>1 Nos</td> <td>16,000</td> <td>16,000</td> </tr> <tr> <td>1 Nos</td> <td>13,000</td> <td>13,000</td> </tr> <tr> <td>1 Nos</td> <td>38,000</td> <td>38,000</td> </tr> </tbody> </table>	Quantity	Rate per ₹	Amount ₹	1 Nos	16,000	16,000	1 Nos	13,000	13,000	1 Nos	38,000	38,000
Quantity	Rate per ₹	Amount ₹											
1 Nos	16,000	16,000											
1 Nos	13,000	13,000											
1 Nos	38,000	38,000											
	LG Washing Machine												
	Philips LED Floor Lamps												
	Sony 43 Inches LED Smart TV												

Table 1.61

Step 1: Activation of Invoice Features to Send e-Way details with e-Invoice.

GST e-Invoicing feature is already activated for the company. But, the option to activate the feature in TallyPrime to send e-Way details with e-Invoice, follow the procedure as below:

- 1) From **Gateway of Tally** > press **K: Company** > select **Features (F11)**
- 2) Click **I: More Details** > Enter on **GST Details**
- 3) Set **Send e-Way details with e-Invoice (Applicable for sales transactions)** to **Yes**



The **GST Details** screen appears as shown in Figure 1.84

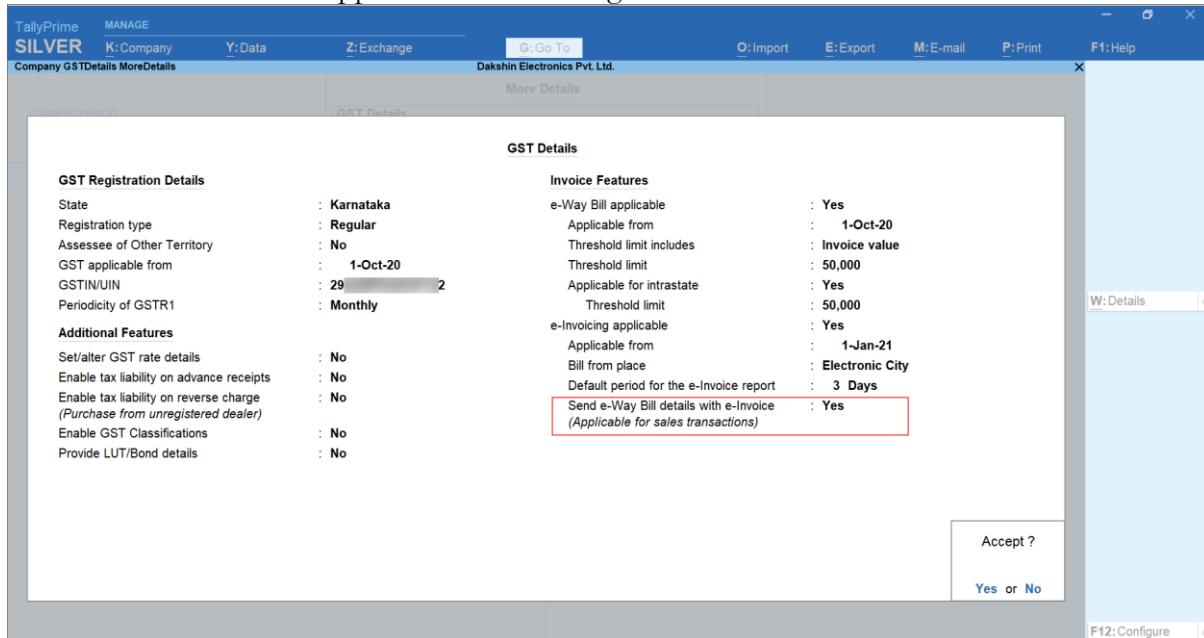


Figure 1.84 GST Details screen

- 4) Accept the **Company GST Details** screen > Accept the **Company Features Alteration** screen.

Step 2: Recording Interstate Outward Supplies

To record interstate outward supply of goods,

- 1) From **Gateway of Tally** > **Vouchers** > **F8: Sales**
- 2) Click **H: Change Mode** (Alternatively, Press **Ctrl+H**) > Select **Item Invoice**.
- 3) Click **F2: Date** and change the date to **10-Jan-21**.
- 4) Select **Mataji Electronics (Customer)** TN in the **Party A/c name** field (Accept the **Dispatch Details** and **Party Details** as it is)
- 5) Select the **Sales A/c** ledger in the **Sales ledger** field.
- 6) Under **Name of Item** field, select **LG Washing Machine** > Enter **Quantity** as **1 Nos** > Enter **Rate** as **₹ 16,000** > **Amount ₹ 16,000** will capture automatically.
- 7) Select **Philips LED Floor Lamps** > Enter **Quantity** as **1 Nos** > Enter **Rate** as **₹ 13,000** > **Amount ₹ 13,000** will capture automatically.
- 8) Select **Sony 43 Inches LED Smart TV** > Enter **Quantity** as **1 Nos** > Enter **Rate** as **₹ 38,000** > **Amount ₹ 38,000** will capture automatically.
- 9) Select the **Integrated Tax** ledger.
- 10) Click **I: More Details** > Select **GST-Tax Analysis** to view the tax implication in this transaction
- 11) Press **Esc** to go back to the **Accounting Voucher Creation** screen.
- 12) Set **Provide GST/e-Way Bill/e-Invoice details** to **Yes**.
- 13) In the **Statutory Details** screen, enter the mandatory details required for generating the e-Way Bill as shown in Figure 1.85



Sales No. 11 10-Jan-21 Sunday

Party A/c name : Mataji Electronics (Customer) TN Current balance : 2,18,040.00 Dr Sales ledger : Sales A/c Current balance : 6,63,500.00 Cr Name of Item :

Statutory Details		Additional Details : Interstate Sales Taxable		Amount
e-Way Bill No.	:	Date	:	16,000.00
Sub Type	: Supply	Document Type	: Tax Invoice	13,000.00
Bill From	Consignor Details (From)			38,000.00
Consignor GSTIN/UIN	Dakshin Electronics Pvt. Ltd.	Address1	:	67,000.00
State	29. 2	Address2	:	15,080.00
Place	Karnataka	Pincode	: 560100	
Consignee	Bill To	Consignee Details (To)	Ship To	
GSTIN	Mataji Electronics (Customer) TN	Address1	# 21, Mahatma Gandhi Road,, Chennai	
State	33. 3	Address2	:	
Mode	Tamil Nadu	Place	:	
Transporter Name	Road	Pincode	: 600003	
Vehicle Number	Prashanth	Distance (in KM)	: 310	
Doc/Lading/RR/AirWay No.	KA01R3456	Transporter ID	:	
	Bill/SA/11	Vehicle Type	: Regular	
		Date	: 10-Jan-21	

Provide GST/e-Way Bill/e-Invoice details : Yes

Narration: 3 Nos 82,080.00

F12: Configure

Figure 1.85 Statutory Details screen

- 14) Accept the **Statutory Details** screen.
- 15) The **Statutory Details** screen appears to enter the **e-Invoice details**. Enter the **Place of Party** as shown in Figure 1.86

Sales No. 11 10-Jan-21 Sunday

Party A/c name : Mataji Electronics (Customer) TN Current balance : 2,18,040.00 Dr Sales ledger : Sales A/c Current balance : 6,63,500.00 Cr Name of Item :

Quantity	Rate per	Amount
1 Nos	16,000.00 Nos	16,000.00
1 Nos	13,000.00 Nos	13,000.00
	38,000.00	38,000.00
	67,000.00	67,000.00
	15,080.00	15,080.00

Provide GST/e-Way Bill/e-Invoice details : Yes

Narration: 3 Nos 82,080.00

F12: Configure

e-Invoice Details

Ack No.	Ack Date
IRN	:

Place of Party

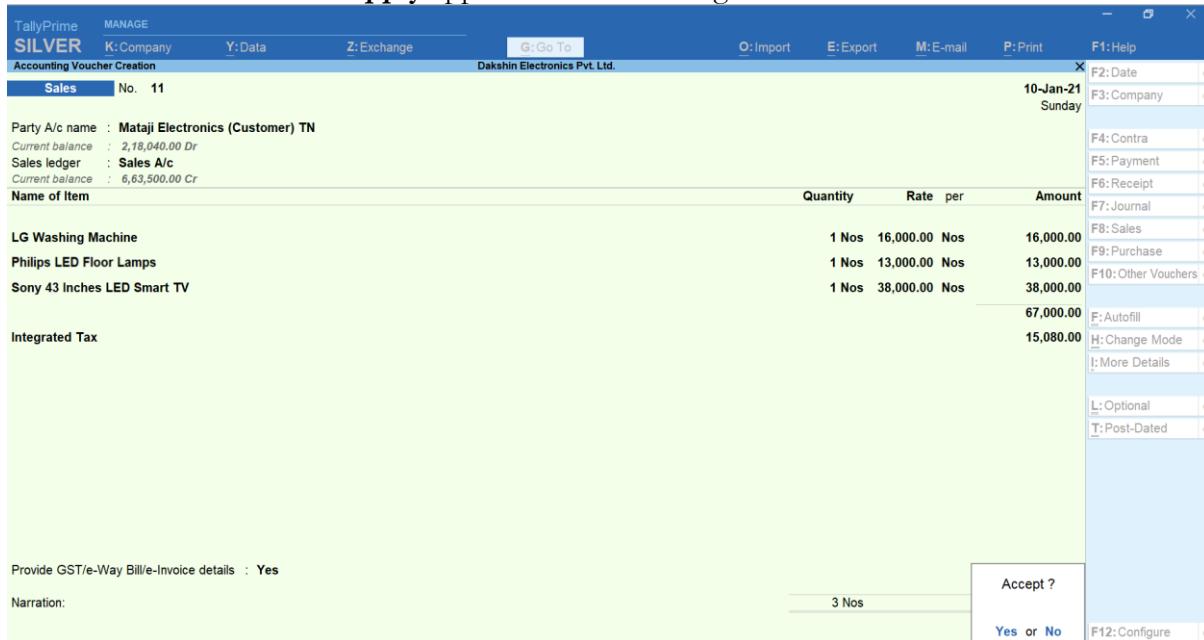
Bill to place	Chennai
Ship to place	Chennai

Figure 1.86 Statutory Details screen -e-Invoice Details

- 16) Press **Enter** > The Sales Voucher Creation screen appears.
- 17) In the **Bill-wise Details for** screen, select **New Ref** and **Accept**
- 18) Enter the **Narration** if required.



The **Intrastate Outward Supply** appears as shown in Figure 1.87



Name of Item	Quantity	Rate per	Amount
LG Washing Machine	1 Nos	16,000.00 Nos	16,000.00
Philips LED Floor Lamps	1 Nos	13,000.00 Nos	13,000.00
Sony 43 Inches LED Smart TV	1 Nos	38,000.00 Nos	38,000.00
			67,000.00
			15,080.00

Provide GST/e-Way Bill/e-Invoice details : Yes

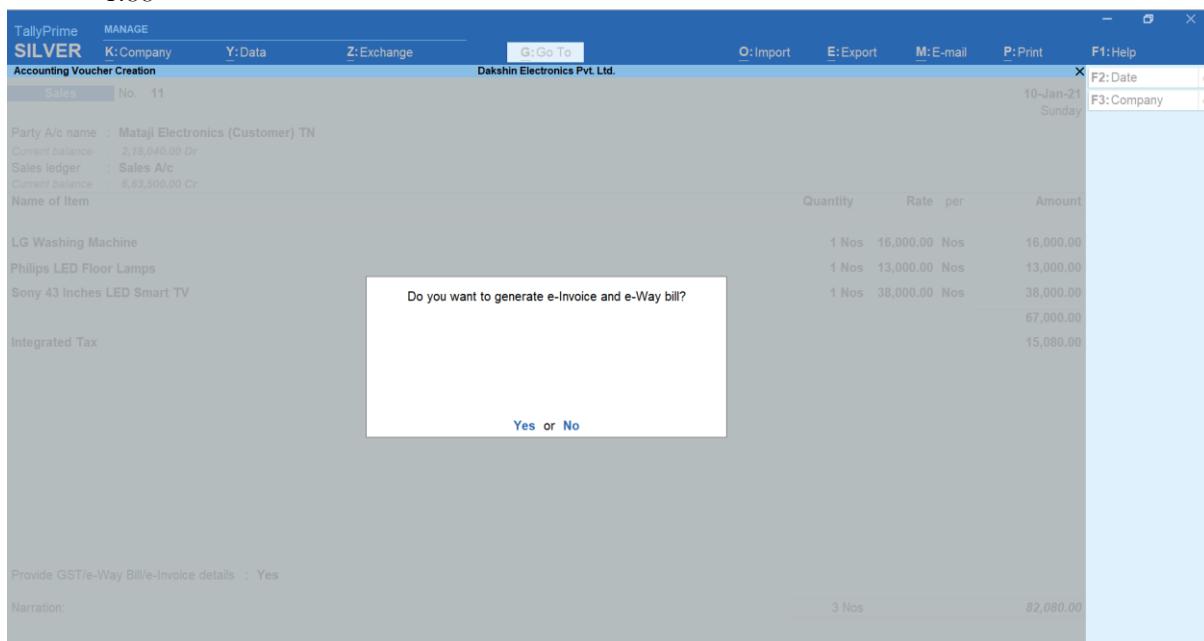
Narration: _____

Accept ?
Yes or No

Figure 1.87 Sales Voucher - Interstate Outward Supply

19) **Accept** the screen.

20) TallyPrime will automatically ask for Generating e-Invoice and e-Way bill as shown in Figure 1.88



Name of Item	Quantity	Rate per	Amount
LG Washing Machine	1 Nos	16,000.00 Nos	16,000.00
Philips LED Floor Lamps	1 Nos	13,000.00 Nos	13,000.00
Sony 43 Inches LED Smart TV	1 Nos	38,000.00 Nos	38,000.00
			67,000.00
			15,080.00
			82,080.00

Provide GST/e-Way Bill/e-Invoice details : Yes

Narration: _____

Do you want to generate e-Invoice and e-Way bill?
Yes or No

Figure 1.88 Generate e-Invoice and e-Way bill screen

21) Click on **Yes** > **e-Invoice Login** screen appears.

22) Enter the valid **Username** and **Password** > Press **Enter**.

23) The Status of Upload screen appears with a message – **Exchanging data with e-invoicing system**

24) Once the invoice is uploaded to IRP (Invoice Registration Portal), the IRN (Invoice Registration Number) details along with the e-Way Bill number and Date will be updated in the voucher, and the with a success message **e-Invoice generated successfully**.

25) Press **Enter** to continue

Note: If we do not want to generate an e-Invoice and wants to export only e-Way Bill details, then from the e-Invoice Login screen, press **Escape**. The **Exporting Details for e-Way Bill** screen appears where you can send the invoice in JSON format > Upload in e-Way Bill portal > Get the e-Way Bill for the invoice and update the same in the sales voucher.

Step 3: Printing Tax Invoice with e-Invoice and e-Way bill details.

Since Dakshin Electronics Pvt. Ltd. supplying taxable goods, to another registered dealer, they have generated the e-invoice with e-Way Bill and issued it to Mataji Electronics, Tamil Nadu.

To print the Tax Invoice with e-Invoice details,

- 1) Click **G: Go To** > under **Common Reports** > **Daybook** > Enter on the **Sales Voucher** with **Voucher Number 11** dated **10-Jan-21**.
- 2) In the **Sales Voucher Alteration** screen, Click **P: Print** > Select **Current**(Alternatively, press **Ctrl+P**)
- 3) From the **Tax Invoice** Print screen, Click on **I: Preview** > Press **F4** for **Zoom**.



The **Tax Invoice** print with **e-Invoice** details appears as shown in Figure 1.89

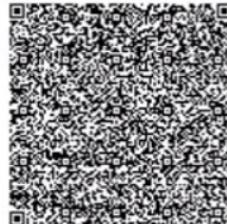
Tax Invoice								
IRN : unifu8457487574fun58u58nu48cvu85nc485u8c4uc58vun8u4385uv8cu48u8y Ack No. : 345758476857345 Ack Date : 10-Jan-21				e-Invoice 				
Dakshin Electronics Pvt. Ltd. # 162, 9th Main, 15th A Cross, Block A2, Techno Park, Electronic City, Bengaluru. GSTIN/UIN: 29 2 State Name : Karnataka, Code : 29 E-Mail : dakshinelectronics@gmail.com Buyer (Bill to) Mataji Electronics # 21, Mahatma Gandhi Road, Chennai GSTIN/UIN : 33/ 3 State Name : Tamil Nadu, Code : 33 Contact : 9977898060				Invoice No.	e-Way Bill No.	Dated		
				11	234585748744	10-Jan-21		
				Delivery Note			Mode/Terms of Payment	
				Reference No. & Date.			Other References	
				Buyer's Order No.			Dated	
				Dispatch Doc No.			Delivery Note Date	
				Dispatched through			Destination	
Terms of Delivery								
Sl No.	Description of Goods	HSN/SAC	GST Rate	Quantity	Rate per	Amount		
1	LG Washing Machine Rate of Duty: 18%	84501100	18 %	1 Nos	16,000.00 Nos	16,000.00		
2	Philips LED Floor Lamps Rate of Duty: 12%	9405	12 %	1 Nos	13,000.00 Nos	13,000.00		
3	Sony 43 Inches LED Smart TV Rate of Duty: 28%	85287219	28 %	1 Nos	38,000.00 Nos	38,000.00		
						67,000.00		
						15,080.00		
	Total			3 Nos		₹ 82,080.00		
Amount Chargeable (in words) <i>E. & O.E</i>								
INR Eighty Two Thousand Eighty Only								
HSN/SAC				Taxable Value	Integrated Tax		Total Tax Amount	
					Rate	Amount		
84501100				16,000.00	18%	2,880.00	2,880.00	
9405				13,000.00	12%	1,560.00	1,560.00	
85287219				38,000.00	28%	10,640.00	10,640.00	
				Total	67,000.00	15,080.00	15,080.00	
Tax Amount (in words) : INR Fifteen Thousand Eighty Only								
Company's PAN : ASDFG3345Q								
<u>Declaration</u> We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.								
for Dakshin Electronics Pvt. Ltd.								
Authorised Signatory								
This is a Computer Generated Invoice								

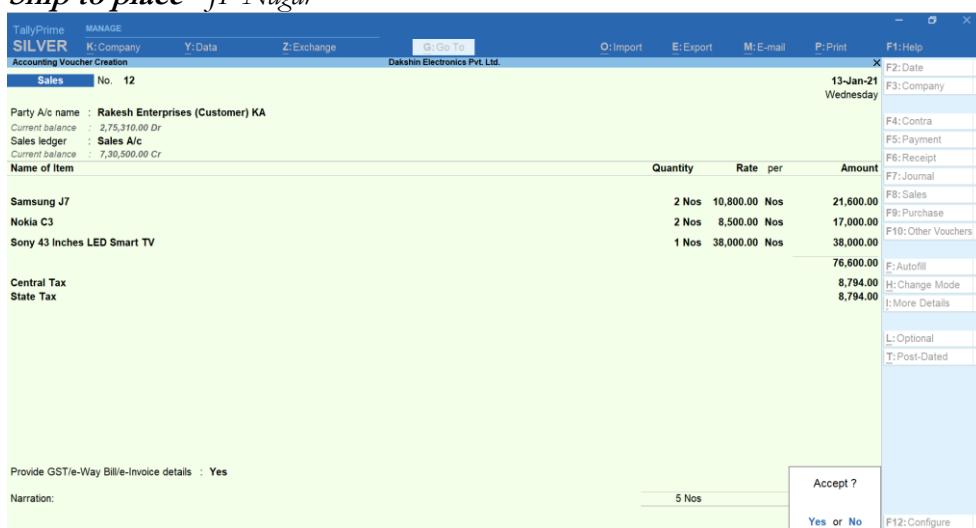
Figure 1.89 Tax Invoice print with e-Invoice and e-Way Bill details



Observation: You can observe that the IRN, Acknowledgement number and date, QR code is capturing automatically along with the e-Way Bill number in the Tax Invoice. In TallyPrime, without following multiple steps to generate e-Invoice and e-Way Bill, a one-step solution is provided to generate the e-Invoice with e-Way Bill.

The same details will also capture in the Sales Voucher. Go to the sales voucher alteration screen > set **Provide GST/e-Way Bill/e-Invoice details** to **Yes** > You will get the e-Way Bill Details filled with e-Way Bill number and Date > Accept > Immediately, you will get e-Invoice details filled with IRN, Acknowledgement number and date.

Activity: Referring to Table 1.62, record the Intrastate Outward Supply transactions.

Date	Particulars																
13 th January 2021	<p>Voucher: Sales <i>As on 13th January 2021, Dakshin Electronics Pvt. Ltd. sold the following goods to Rakesh Enterprises, Bengaluru, Karnataka on Credit with Sale Bill No.12.</i></p> <table border="1"> <thead> <tr> <th>Name of Item</th><th>Quantity</th><th>Rate per (₹)</th><th>Amount (₹)</th></tr> </thead> <tbody> <tr> <td>Samsung J7</td><td>2 Nos</td><td>10,800</td><td>21,600</td></tr> <tr> <td>Nokia C3</td><td>2 Nos</td><td>8,500</td><td>17,000</td></tr> <tr> <td>Sony 43 Inches LED Smart TV</td><td>1 Nos</td><td>38,000</td><td>38,000</td></tr> </tbody> </table> <p>e-Way Bill Details Mode – Road Distance (in KM) – 24 Transporter Name – Ali Vehicle Number – KA04M3320 Vehicle Type – Regular Doc/Lading/RR/AirWay No. - Bill/SA/12 Date - 13-Jan-20</p> <p>e-Invoice Details Bill to place – JP Nagar Ship to place - JP Nagar</p>  <p>Note: After saving the transaction, set the option Do you want to generate e-Invoice and e-Way bill to No. Do not export the e-Way bill. Press Escape to exit from exporting e-Way bill.</p>	Name of Item	Quantity	Rate per (₹)	Amount (₹)	Samsung J7	2 Nos	10,800	21,600	Nokia C3	2 Nos	8,500	17,000	Sony 43 Inches LED Smart TV	1 Nos	38,000	38,000
Name of Item	Quantity	Rate per (₹)	Amount (₹)														
Samsung J7	2 Nos	10,800	21,600														
Nokia C3	2 Nos	8,500	17,000														
Sony 43 Inches LED Smart TV	1 Nos	38,000	38,000														



15th January
2021

Voucher: Sales

As on 15th January 2021, Dakshin Electronics Pvt. Ltd. sold the following goods to **Bhawani Enterprises**, Bengaluru, Karnataka on Credit with Sale Bill No.13.

Name of Item	Quantity	Rate per ₹	Amount ₹
LG Washing Machine	1 Nos	16,000	16,000
Philips LED Floor Lamps	1 Nos	13,000	13,000
Samsung 32 Inches LED Smart TV	1 Nos	19,000	19,000

e-Way Bill Details**Mode – Road****Distance (in KM) – 15****Transporter Name – Joseph****Vehicle Number – KA03M1390****Vehicle Type – Regular****Doc/Lading/RR/AirWay No. - Bill/SA/13****Date - 15-Jan-21****e-Invoice Details****Bill to place – Hosur Road****Ship to place - Hosur Road**

The screenshot shows the TallyPrime software interface for creating a sales voucher. The main window displays the following details:

- Party A/c name :** Bhawani Enterprises (Customer) KA
- Current balance :** 2,32,480.00 Dr
- Sales ledger :** Sales A/c
- Current balance :** 8,07,100.00 Cr
- Name of Item**
- Quantity**
- Rate per**
- Amount**

LG Washing Machine	1 Nos	16,000.00	16,000.00
Philips LED Floor Lamps	1 Nos	13,000.00	13,000.00
Samsung 32 Inches LED Smart TV	1 Nos	19,000.00	19,000.00
Total:			48,000.00

Below the table, there are tax details:

- Central Tax**
- State Tax**

At the bottom of the screen, there are buttons for **Accept ?** and **Yes or No**.

Note: After saving the transaction, set the option **Do you want to generate e-Invoice and e-Way bill to No**

Do not export the e-Way bill. Press **Escape** to exit from exporting e-Way bill.

Table 1.62

Since the recorded transactions are outward supplies, the tax implication of this transaction can be viewed in **GSTR-1 & GSTR-3B**.

To view **GSTR-1**,

- 1) Click **G: Go To** > In the **Search** field, Type as **GSTR** > Enter on **GSTR-1**
- 2) Click **F2: Period** > Change Period as **1-1-2021** to **31-1-2021**
- 3) The details will capture in **B2B Invoices – 4A, 4B, 4C, 6B, 6C**

To view **GSTR-3B**,

- 1) Click **G: Go To** > In the **Search** field, Type as **GSTR** > Enter on **GSTR-3B**
- 2) Click **F2: Period** > Change Period as **1-1-2021** to **31-1-2021**
- 3) The details will get captured in **3.1 Outward supplies and inward supplies liable to reverse charge**



The **GSTR-3B** screen appears as shown in Figure 1.90

TallyPrime		MANAGE		G: Go To		O: Import	E: Export	M: E-mail	P: Print	F1: Help
SILVER	SILVER	K: Company	Y: Data	Z: Exchange	Dakshin Electronics Pvt. Ltd.	1-Jan-21 to 31-Jan-21	Voucher Count	6		
GSTIN : 29	2									
Particulars										
Total Vouchers										
Included in Return										
Participating in return tables	6									
No direct implication in return tables	0									
Not relevant in this Return								0		
Uncertain Transactions (Corrections needed)								0		
Table Particulars	No.					Taxable Amount	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount Tax Amount
3.1 Outward supplies and inward supplies liable to reverse charge		2,68,500.00	15,080.00	19,645.00	19,645.00					54,370.00
3.2 Of the supplies shown in 3.1 (a) above, details of inter-state supplies made to unregistered persons, composition taxable persons and UIN holders										
4 Eligible ITC				25,523.00	25,523.00					51,046.00
5 Value of exempt, nil rated and non-GST inward supplies										
5.1 Interest and Late fee Payable										
Reverse Charge Liability and Input Credit to be booked										
Reverse Charge Inward Supplies									0.00	
Import of Service									0.00	
Input Credit to be Booked										
Advance Payments										
Amount Unadjusted Against Purchases										
Purchase Against Advance from Previous Periods										
<i>Note: Amount is not shown for Input Credit to be Booked. Drill down for values.</i>										
F12: Configure										

Figure 1.90 GSTR-3B Report

1.12.3 E-Invoice Report

TallyPrime provides the flexibility to generate a single e-invoice and also in bulk for multiple invoices. If you do not want to generate the e-invoice while recording the transaction, then you can select one or more transactions from the e-Invoice report and generate the respective IRN, at your convenience.

1.12.3.1 Export Bulk Invoices using Online Method.

To generate bulk for multiple invoices,

- 1) From **Gateway of Tally** > click **Z: Exchange** > under **E-Invoice** > select **Send for e-Invoicing**.
- 2) Send for e-Invoicing screen appears with all the vouchers pending for generation as shown in Figure 1.91

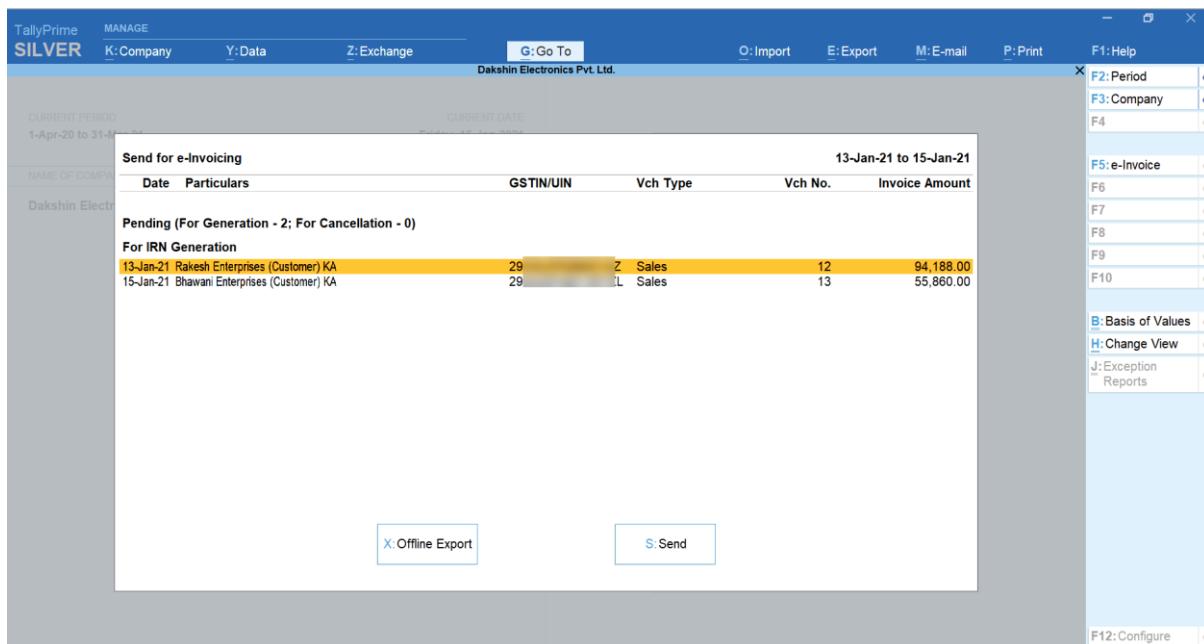


Figure 1.91 Send for e-Invoicing screen

- 3) We can select the required transactions by pressing **Space Bar** and click **S: Send**
- 4) The confirmation screen will appear as shown in Figure 1.92

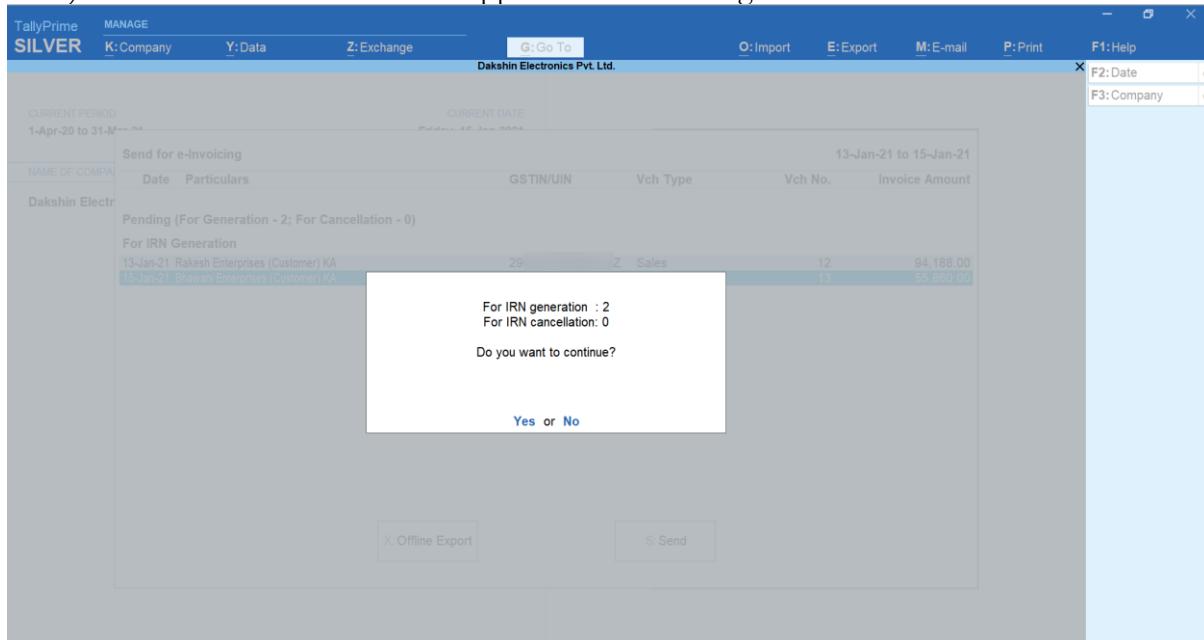


Figure 1.92 Send for e-Invoicing Confirmation Message

- 5) Click **Yes** > **e-Invoice Login** screen appears.
- 6) Enter the valid **Username** and **Password** > Press **Enter**.
- 7) The Status of Upload screen appears with a message – **Exchanging data with e-invoicing system.**
- 8) Once the invoice is uploaded to IRP (Invoice Registration Portal), the IRN (Invoice Registration Number) details will be updated in the voucher, and with a success message **e-Invoice generated successfully.**
- 9) Press **Enter** to continue



1.12.3.2 Export Bulk Invoices using Offline Method.

When there is no internet in the system to generate the e-Invoice from TallyPrime, We can export the invoices using an offline method in JSON format and upload the same JSON file in the IRP. To do so,

- 1) From **Gateway of Tally** > click **Z: Exchange** > under **E-Invoice** > select **Send for e-Invoicing** > Send for e-Invoicing screen appears with all the vouchers pending for generation.
- 2) Select the required transactions by pressing **Space Bar** and click **X: Offline Export** > The confirmation screen will appear > Click **Yes**.
- 3) The **Export** screen appears as shown in Figure 1.93

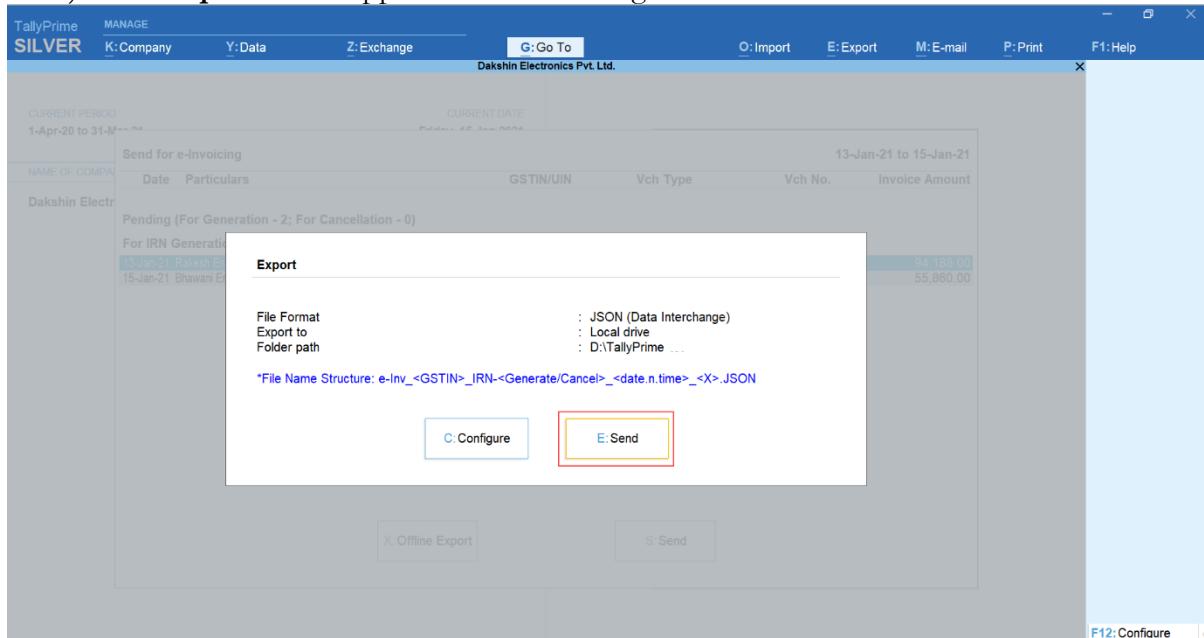


Figure 1.93 e-Invoice Offline Export screen

- 4) Select the **File Format** as JSON (Data Interchange) Click **E: Send** to create a **JSON file** in the Folder path.
- 5) The JSON file will be created in the name of **e-Inv_29*****1Z2_IRN-Generate_Jan15_2021_19.31.27.json**
- 6) Now, we can upload the same JSON file to the IRP portal > Login to <https://einvoicel.gst.gov.in/> > **Login** with valid **Username** and **Password** > **IRP Dashboard** gets opened.
- 7) Click **e-Invoice** > **Bulk Upload** > Browse the JSON file and click **Upload**
- 8) You can view the details of the uploaded invoice, along with the Ack No., Ack Date, and IRN.
- 9) Click on **Download Excel**. An MS Excel file will open, where you can see the IRN information for the vouchers.

1.12.3.3 Update Details in TallyPrime and Print QR Code

In TallyPrime, the e-Invoice details, such as IRN, Ack No., and Ack Date, have to be updated in the respective voucher in the e-Invoice report.

- 1) From **Gateway of Tally** > click **Z: Exchange** > under **E-Invoice** > select **Send for e-Invoicing** > **Send for e-Invoicing** screen appears with 0 vouchers **For Generation**.
- 2) Click **F5: e-Invoice** > Enter on **For IRN Generation** with **Voucher Count 2** appears > Press **Enter** to get the **e-Invoice Voucher Register** screen as shown in Figure 1.94

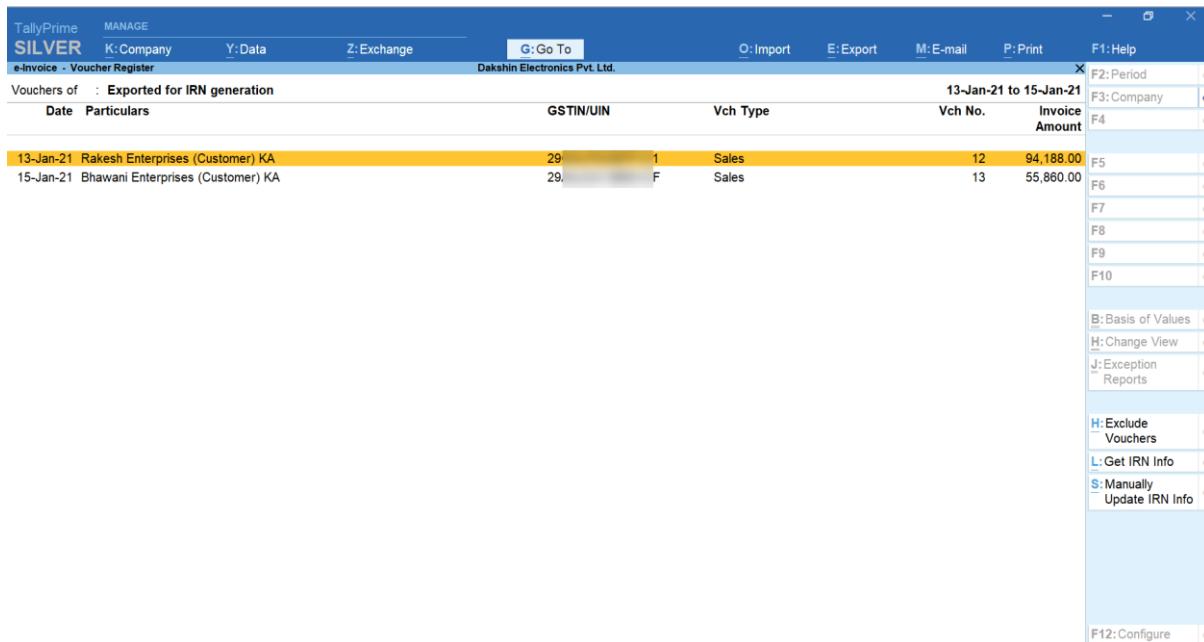


Figure 1.94 e-Invoice Voucher Register screen

- 3) Select the invoice by pressing Space Bar > Click **S: Manually Update IRN Info** > Update IRN Info screen appears > Enter the details as shown in Figure 1.95

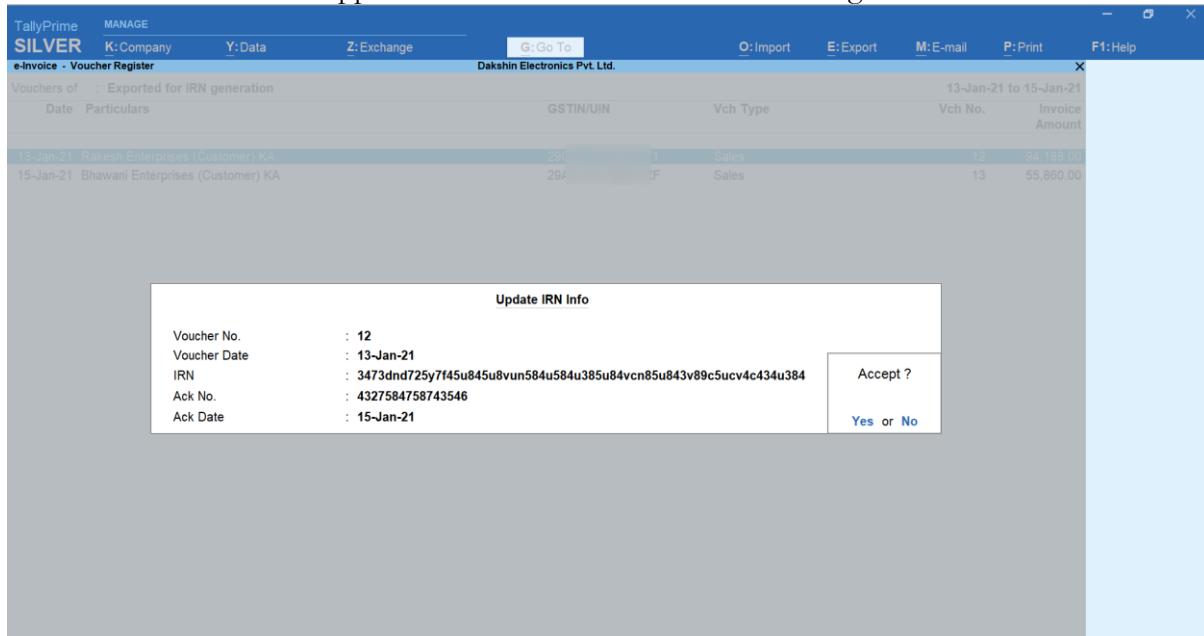


Figure 1.95 Update IRN Info screen

Activity: Update IRN, Ack No. and Ack Date for Sales Invoice number 12 dated 13-Jan-21 referring to Table 1.63

IRN	3473dnd725y7f45u845u8vun584u584u385u84vcn85u843v89c5ucv4c434u384
Ack No.	4327584758743546
Ack Date	15-Jan-21

Table 1.63

Note: This information will be available in the Excel file downloaded from the IRP portal. You can copy this information from the MS Excel sheet and paste it into the relevant fields.

- 4) Accept the screen.



- 5) Similarly, update IRN, Ack No. and Ack Date for Sales Invoice number 13 dated 15-Jan-21 amounted to ₹ 55,860 referring to Table 1.64

IRN	234847834vn823ud84u2384um28um4m823u482u8ux27y478uc78u2783yc4x342
Ack No.	3245235345346345
Ack Date	15-Jan-21
Accept the screen	

Table 1.64

The IRN info will be updated in the voucher. However, in this method, the QR Code will not be printed in the voucher. If you want the QR Code to be printed, then select the voucher and press Alt+L (Get IRN Info). This can be done only when you have an active internet connection.

- 1) From **Gateway of Tally** > click **Z: Exchange** > under **E-Invoice** > select **Send for e-Invoicing** > **Send for e-Invoicing** screen appears with 0 vouchers **For Generation**.
- 2) Click **F5: e-Invoice** > **IRN Generated** > **IRN updated without QB Code with Voucher Count 2** appears > Press **Enter** to get the **e-Invoice Voucher Register** screen
- 3) Select the invoice by pressing Space Bar > click **L: Get IRN Info** > Press **Enter** to continue
- 4) Click **Yes** > **e-Invoice Login** screen appears.
- 5) Enter the valid **Username** and **Password** > Press **Enter**.
- 6) You can view the status of the upload in the **Exchange Summary** > The details will be downloaded and the QRCode will be updated in the voucher.
- 7) Now you can print the e-Invoice details such as IRN, Ack. No., and Ack. Date, along with the QR Code.

Activity: Record the following transactions in the books of Dakshin Electronics Pvt. Ltd. for January 2021.

Date	Particulars
15 th January 2021	<p>Voucher: Receipt <i>Dakshin Electronics Pvt. Ltd. received the payment from Bhawani Enterprises vide Sale Bill no. 3, 7, 9 and 13 amounted to ₹ 5,900, ₹ 1,84,100, ₹ 42,480 and ₹ 55,860 respectively.</i> <i>The payment is received via cheque 890862 of State Bank of India, which is deposited to Kotak Bank Current A/c.</i></p>
	<p>Tips:</p> <ul style="list-style-type: none"> • Record the Receipt voucher in Single Entry mode. • Press F12: Configure in receipt voucher creation screen > Set Preallocate bills for Payment/Receipt/Journal Vouchers to Yes • In the Bill-wise Details screen, select the Type of Ref as Agst Ref from the List of Method of Adjustment > Select the Pending bills 3, 7, 9 and 13. • Enter the Cheque Number (Inst. no) as 890862 and Select the State Bank of India in the Bank Allocations screen.



	<p>TallyPrime MANAGE SILVER K:Company Y:Data Z:Exchange Q:Go To Dakshin Electronics Pvt. Ltd.</p> <p>Account : Kotak Bank Current A/c Current balance : 50,75,772.00 Dr</p> <p>Particulars</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Bhawani Enterprises (Customer) KA</td><td style="text-align: right;">Amount</td></tr> <tr><td>Cur Bal: 0.00 Cr</td><td style="text-align: right;">2,88,340.00</td></tr> <tr><td>Agst Ref 3 5,900.00 Cr</td><td></td></tr> <tr><td>Agst Ref 7 1,84,100.00 Cr</td><td></td></tr> <tr><td>Agst Ref 9 42,480.00 Cr</td><td></td></tr> <tr><td>Agst Ref 13 55,860.00 Cr</td><td></td></tr> </table> <p>Narration:</p> <div style="border: 1px solid #ccc; padding: 5px; width: fit-content; margin-left: auto; margin-right: 0;"> <input type="checkbox"/> Accept ? <input type="button" value="Yes or No"/> </div> <div style="position: absolute; top: 0; right: 0; background-color: #f0f0f0; padding: 5px; border: 1px solid #ccc; width: 150px; height: 150px; z-index: 100;"> F1:Help F2:Date F3:Company F4:Contra F5:Payment F6:Receipt F7:Journal F8:Sales F9:Purchase F10:Other Vouchers F11:Optional F12:Post-Dated F13:Stat Adjustment F14:Autofill H:Change Mode I:More Details L:Optional T:Post-Dated J:Stat Adjustment P12:Configure </div>	Bhawani Enterprises (Customer) KA	Amount	Cur Bal: 0.00 Cr	2,88,340.00	Agst Ref 3 5,900.00 Cr		Agst Ref 7 1,84,100.00 Cr		Agst Ref 9 42,480.00 Cr		Agst Ref 13 55,860.00 Cr	
Bhawani Enterprises (Customer) KA	Amount												
Cur Bal: 0.00 Cr	2,88,340.00												
Agst Ref 3 5,900.00 Cr													
Agst Ref 7 1,84,100.00 Cr													
Agst Ref 9 42,480.00 Cr													
Agst Ref 13 55,860.00 Cr													

15th January
2021

Voucher: Receipt

Dakshin Electronics Pvt. Ltd. received the payment from **Mataji Electronics** vide Sale Bill no. 4, 5, and 11 amounted to ₹ 2,14,500, ₹ 3,540, and ₹ 82,080 respectively.

The payment is received via cheque **510820** of Canara Bank which is deposited to **Kotak Bank Current A/c**.

Tips:

- Record the Receipt voucher in **Single Entry** mode.
- In the **Bill-wise Details** screen, select the **Type of Ref** as **Agst Ref** from the List of Method of Adjustment > Select the Pending bills **4, 5, and 11**.
- Enter the Cheque Number (Inst. no) as **510820** and Select the Canara Bank in the **Bank Allocations** screen.

	<p>TallyPrime MANAGE SILVER K:Company Y:Data Z:Exchange Q:Go To Dakshin Electronics Pvt. Ltd.</p> <p>Account : Kotak Bank Current A/c Current balance : 53,75,892.00 Dr</p> <p>Particulars</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Mataji Electronics (Customer) TN</td><td style="text-align: right;">Amount</td></tr> <tr><td>Cur Bal: 0.00 Cr</td><td style="text-align: right;">3,00,120.00</td></tr> <tr><td>Agst Ref 4 2,14,500.00 Cr</td><td></td></tr> <tr><td>Agst Ref 5 3,540.00 Cr</td><td></td></tr> <tr><td>Agst Ref 11 82,080.00 Cr</td><td></td></tr> </table> <p>Narration:</p> <div style="border: 1px solid #ccc; padding: 5px; width: fit-content; margin-left: auto; margin-right: 0;"> <input type="checkbox"/> Accept ? <input type="button" value="Yes or No"/> </div> <div style="position: absolute; top: 0; right: 0; background-color: #f0f0f0; padding: 5px; border: 1px solid #ccc; width: 150px; height: 150px; z-index: 100;"> F1:Help F2:Date F3:Company F4:Contra F5:Payment F6:Receipt F7:Journal F8:Sales F9:Purchase F10:Other Vouchers F11:Optional F12:Post-Dated F13:Stat Adjustment F14:Autofill H:Change Mode I:More Details L:Optional T:Post-Dated J:Stat Adjustment P12:Configure </div>	Mataji Electronics (Customer) TN	Amount	Cur Bal: 0.00 Cr	3,00,120.00	Agst Ref 4 2,14,500.00 Cr		Agst Ref 5 3,540.00 Cr		Agst Ref 11 82,080.00 Cr	
Mataji Electronics (Customer) TN	Amount										
Cur Bal: 0.00 Cr	3,00,120.00										
Agst Ref 4 2,14,500.00 Cr											
Agst Ref 5 3,540.00 Cr											
Agst Ref 11 82,080.00 Cr											

15th January
2021

Voucher: Receipt

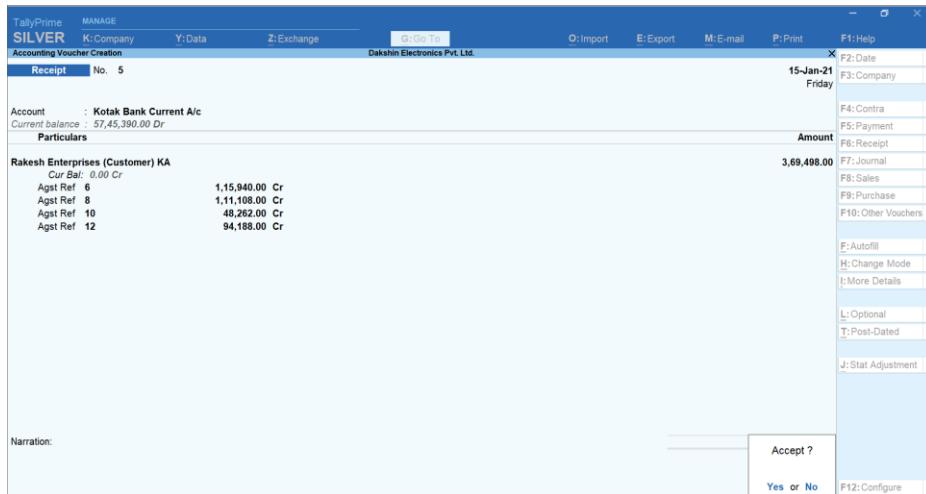
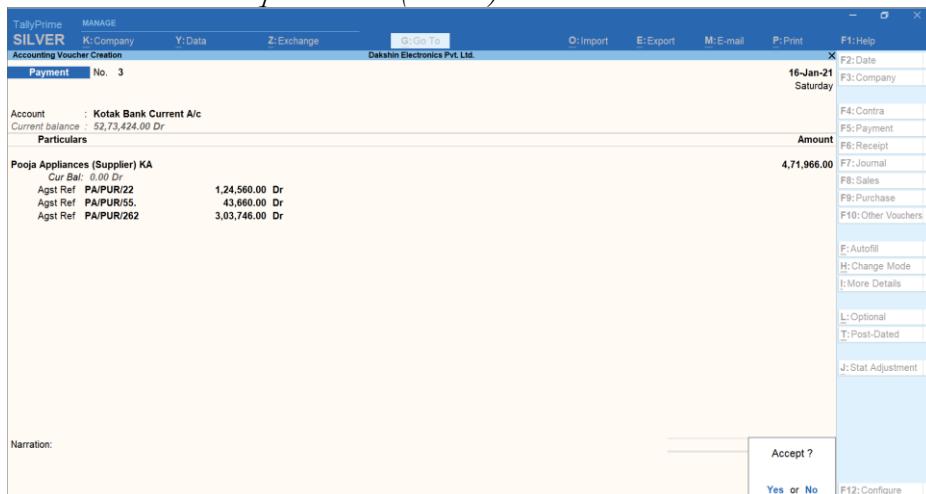
Dakshin Electronics Pvt. Ltd. received the payment from **Rakesh Enterprises** vide Sale Bill no. 6, 8, 10 and 12 amounted to ₹ 1,15,940, ₹ 1,11,180, ₹ 48,262 and ₹ 94,188 respectively.

The payment is received via cheque **510902** of Canara Bank which is deposited to **Kotak Bank Current A/c**.

Tips:

- Record the Receipt voucher in **Single Entry** mode.
- In the **Bill-wise Details** screen, select the **Type of Ref** as **Agst Ref** from the List of Method of Adjustment > Select the Pending bills **6, 8, 10 and 12**.



	<ul style="list-style-type: none"> Enter the Cheque Number (Inst. no) as 510902 and Select the Canara Bank in the Bank Allocations screen. 
16 th January 2021	<p>Voucher: Payment</p> <p>Dakshin Electronics Pvt. Ltd. made the payment to Pooja Appliances vide Reference no. PA/PUR/22, PA/PUR/55. and PA/PUR/262 amounted to ₹ 1,24,560, ₹ 43,660, and ₹ 3,03,746 respectively.</p> <p>The payment was made via cheque 525120 of Kotak Bank Current A/c.</p> <p>Tips:</p> <ul style="list-style-type: none"> Record the Payment voucher in Single Entry mode. In the Bill-wise Details screen, select the Type of Ref as Agst Ref from the List of Method of Adjustment > Select the Pending bills PA/PUR/22, PA/PUR/55. and PA/PUR/262 Enter the Cheque Number (Inst. no) as 525120. 
16 th January 2021	<p>Voucher: Payment</p> <p>Dakshin Electronics Pvt. Ltd. made the payment to Tamara Agencies vide Reference no. TA/PUR/103 amounted to ₹94,500.</p> <p>The payment was made via cheque 525121 of Kotak Bank Current A/c.</p> <p>Tips:</p> <ul style="list-style-type: none"> Record the Payment voucher in Single Entry mode. In the Bill-wise Details screen, select the Type of Ref as Agst Ref from the List of Method of Adjustment > Select the Pending bill TA/PUR/103 Enter the Cheque Number (Inst. no) as 525121.



<i>16th January 2021</i>	<p>Voucher: Payment</p> <p>Dakshin Electronics Pvt. Ltd. made the payment to KSS Enterprises vide Reference no. KSS/PUR/04 amounted to ₹ 2,05200.</p> <p>The payment was made via cheque 525122 of Kotak Bank Current A/c.</p> <p>Tips:</p> <ul style="list-style-type: none"> Record the Payment voucher in Single Entry mode. In the Bill-wise Details screen, select the Type of Ref as Agst Ref from the List of Method of Adjustment > Select the Pending bill KSS/PUR/04 Enter the Cheque Number (Inst. no) as 525122.
<i>16th January 2021</i>	<p>Voucher: Sales</p> <p>Dakshin Electronics Pvt. Ltd. billed Annual Maintenance Charges (AMC) to Bhawani Enterprises amounted to ₹ 75,000 received via cheque 510509 of Canara Bank which is deposited to Kotak Bank Current A/c.</p> <p>Tips:</p> <ul style="list-style-type: none"> Create AMC Charges ledger under Direct Incomes <ul style="list-style-type: none"> Set Is GST applicable as Applicable Description – Enter as Maintenance, repair and installation (except construction) services HSN/SAC- Enter as 9987 Taxability- Select as Taxable Integrated Tax – Enter as 18% Record the Sales voucher in Accounting Invoice mode. Select Central Tax and State Tax

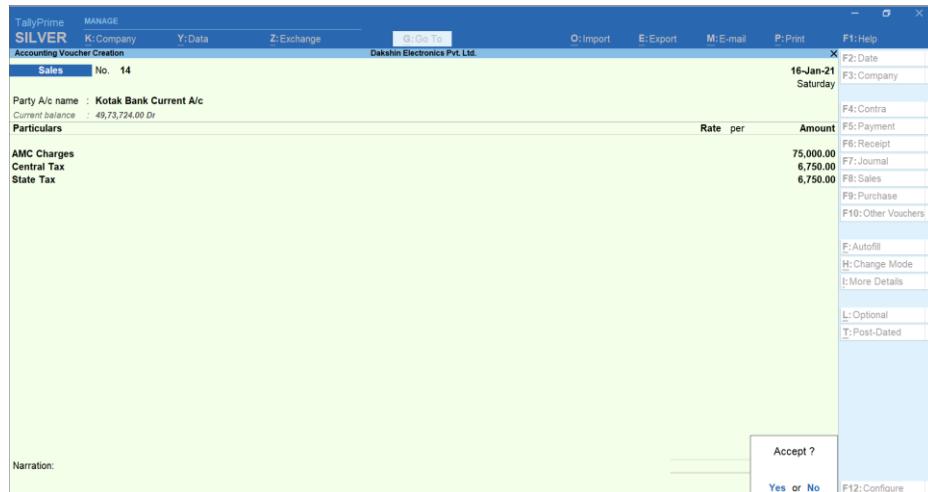


Table 1.65

Viewing the Profit and Loss A/c and Balance Sheet.

To check Profit and Loss A/c,

- From Gateway of Tally > Profit & Loss A/c
- Press Alt+F5: Detailed



The Profit & Loss A/c will display as shown in Figure 1.96

TallyPrime		MANAGE		G: Go To		O: Import	E: Export	M: E-mail	P: Print	F1: Help
SILVER		K: Company	Y: Data	Z: Exchange	Dakshin Electronics Pvt. Ltd.					
Profit & Loss A/c					Dakshin Electronics Pvt. Ltd. 1-Apr-20 to 16-Jan-21					
Particulars					Particulars					
Opening Stock					Sales Accounts					
Purchase Accounts					Sales A/c	8,55,100.00				
Purchase A/c					Direct Incomes		8,55,100.00			
Gross Profit c/o					AMC Charges		75,000.00			
					Closing Stock					
9,30,100.00										
Indirect Expenses					Gross Profit b/f					
Print Media Services					Indirect Incomes	1,27,400.00				
Nett Profit					Maintenance Services		8,000.00			
Total					Total	1,35,400.00				

Figure 1.96 Profit & Loss A/c

To check the Balance Sheet,

- 1) From Gateway of Tally > Balance Sheet
- 2) Press Alt+F5: Detailed

The Balance Sheet will display as shown in Figure 1.97

TallyPrime		MANAGE		G: Go To		O: Import	E: Export	M: E-mail	P: Print	F1: Help
SILVER		K: Company	Y: Data	Z: Exchange	Dakshin Electronics Pvt. Ltd.					
Balance Sheet					Dakshin Electronics Pvt. Ltd. as at 16-Jan-21					
Liabilities					Assets					
Capital Account					Current Assets					
Owner's Capital Account					Closing Stock	50,62,224.00				
Loans (Liability)					Sundry Debtors					
Current Liabilities					Cash-in-Hand					
Duties & Taxes					Bank Accounts					
Sundry Creditors										
Profit & Loss A/c										
Opening Balance										
Current Period										
Total					Total	50,62,224.00				

Figure 1.97 Balance Sheet

1.13 Quarterly Return Monthly Payment Scheme

To reduce the compliance burden and facilitate ease of doing the business, the Central Board of Indirect Taxes & Customs (CBIC) has introduced the '**Quarterly Return Monthly Payment Scheme**' which is referred to as '**QRMP Scheme**'. This scheme allows the taxpayers to file GSTR-3B quarterly and pay tax every month.

Under this scheme, the businesses having aggregate turnover up to **Five Crore Rupees** in the preceding financial year will be allowed to furnish return quarterly along with a monthly payment of tax.

Businesses who opt for the QRMP scheme are required to pay the tax due in each of the first two months of the quarter. Business needs to deposit the due amount in **FORM GST PMT-06**, by the 25th of the following month. Businesses are given 2 options – Fixed sum method and Self-Assessment Method to pay the taxes for the first 2 months of the quarter.

Note: In case, the aggregate turnover exceeds 5 Crore Rupees during any quarter in the current financial year, the registered person will not be eligible for the scheme from the next quarter.

Payment Timelines

Under the QRMP scheme, the timelines for making the tax payment is the 25th of the subsequent month. In case of the QRMP scheme for the first two months of the quarter and the third month of the quarter at the time of filing of quarterly return.

The quarterly GSTR-3B filing option is applicable from 1st January 2021. This scheme is optional and can be availed based on GSTIN. The due dates for filing **Quarterly GSTR-3B** are as follows:

GST Registration in States and Union Territories	Due Date
Chhattisgarh, Madhya Pradesh, Gujarat, Dadra and Nagar Haveli, Daman and Diu, Maharashtra, Karnataka, Goa, Lakshadweep, Kerala, Tamil Nadu, Puducherry, Andaman and Nicobar Islands, Telangana, Andhra Pradesh	22nd of the month succeeding such quarter.
Jammu and Kashmir, Ladakh, Himachal Pradesh, Punjab, Chandigarh, Uttarakhand, Haryana, Delhi, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Mizoram, Manipur, Tripura, Meghalaya, Assam, West Bengal, Jharkhand and Odisha.	24th of the month succeeding such quarter

Table 1.66

Business Scenario

Dakshin Enterprises Pvt. Ltd., a subsidiary company of Dakshin Electronics Pvt. Ltd. is engaged in the trading of Diesel Water Pumps. The company started the business in February 2021 with a capital of ₹ 10,00,000.

The company started recording compliance related transactions from 1st February 2021 in TallyPrime. The company is registered as a Regular Dealer under the Goods and Services Tax act and has opted for '**Quarterly Return Monthly Payment Scheme**' which is referred to as '**QRMP Scheme**'.

The company deals with different brands of Diesel Water Pumps which will attract an 12% GST rate. Therefore, the company decides to define the tax details at the stock item level.

The company has an account in **ICICI Bank Current A/c** for business purpose.



1.13.1 Creation of Company and Activating GST in TallyPrime

1.13.1.1 Company Creation and Introducing Capital in the Business

Now let us create the company to maintain the financial data in TallyPrime.

- 1) To create the company in TallyPrime, Open **TallyPrime** > From the **Select Company** screen, select **Create Company**.
- 2) The **Company Creation** screen appears. Enter the details as shown in Table 1.67

Dakshin Enterprises Pvt. Ltd.	
Against the field	Action to be performed
Company Data Path	By default, the TallyPrime application path will be displayed.
Company Name	Enter the company name as Dakshin Enterprises Pvt. Ltd.
Mailing Name	Dakshin Enterprises Pvt. Ltd. appears by default.
Address	Enter the address as below: # 162/2, 16 th Main Road, VM Building, HSR Layout, Bengaluru.
State	Select as Karnataka
Country	By default, India will appear in this field because we have selected the state as Karnataka .
Pincode	Enter as 560102
Telephone	Enter as 080-28921515
Mobile	Enter as 9489823415
Fax	Keep it Blank
E-mail	Enter as detplblr@gmail.com
Website	Enter as www.denterprises.com
Financial year beginning from	1-Apr-20
Books beginning from	1-Feb-21 In the case of Dakshin Enterprises Pvt. Ltd., the company started maintaining books of accounts from 1 st February 2021.

Table 1.67

- 3) Immediately after saving the Company Creation screen, **Company Features Alteration** screen appears with the message **Company created successfully**.
- 4) From the **Company Features Alteration** screen,
 - a. **Enable Goods and Services Tax (GST)** is by default set to **Yes**
 - b. Click **I: More Details** > Enter on **GST Details** and enter the **Company GST Details** as given in Table 1.68

GST Details	
State	Karnataka
Registration type	Regular
Assessee of Other Territory	Set to No
Applicable from	1-Feb-21 (By default books beginning from date entered in the company creation screen will be captured here)
GSTIN/UIN	Enter a Valid GSTIN starting with 29



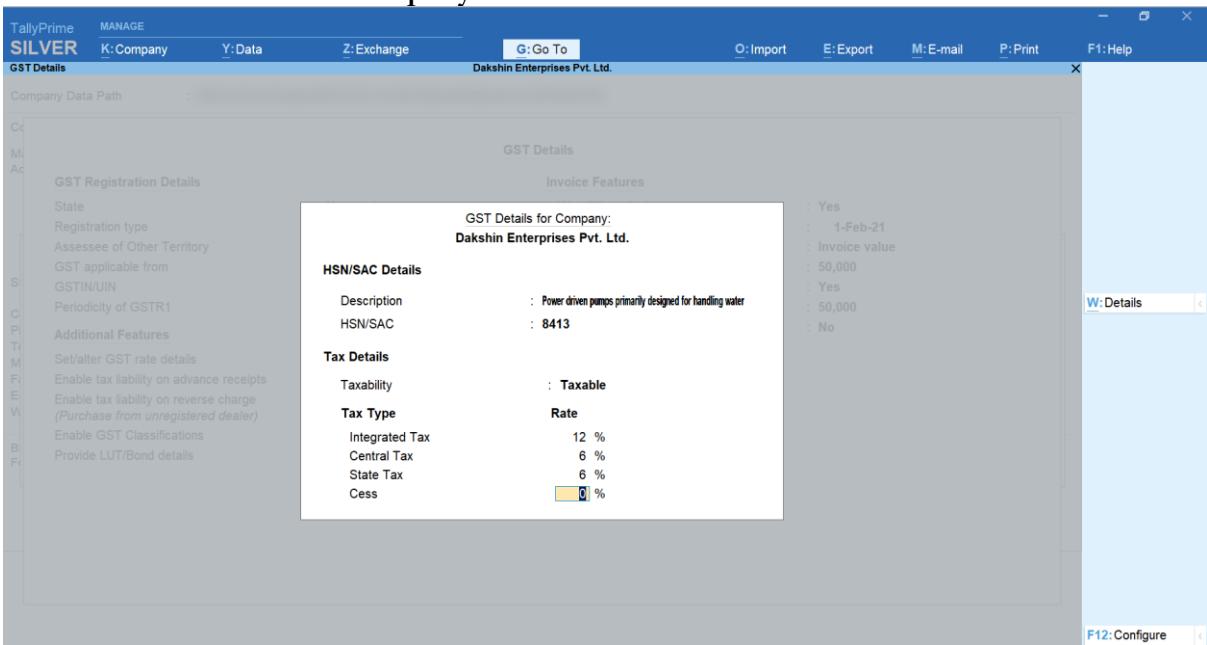
		(It is a 15-digit PAN based number)
Periodicity of GSTR 1		Select Quarterly (If the turnover of a company is more than 1.5 cr. then we can select Monthly as periodicity)
Additional Features		
Set/alter GST rate details		Set to Yes
Enter the GST details for Company		
		
Accept the screen		
Enable tax liability on advance receipts	Set to No	
Enable tax liability on reverse charge (Purchase from unregistered dealer)	Set to No	
Enable GST Classifications	Set to No	
Provide LUT/Bond details	Set to No	
Invoice Features		
e-Way Bill applicable	Set to Yes	
Applicable from	Enter as 1-Feb-21	
Threshold limit includes	Select as Invoice value	
Threshold limit	Enter as 50,000	
Applicable for intrastate	Set to Yes	
Threshold limit	Enter as 50,000	
e-Invoicing applicable	Set to No	

Table 1.68

- 5) Accept the **Company GST Details** screen.
- 6) Click **I: More Details > under General Details**, Enter on **PAN/CIN Details > Mention the Company PAN/Income tax no. as ASDFG3159Q.**
- 7) Accept the **Company Features Alteration** screen.


Illustration 16: Introducing Capital into the Business.

Receipt Voucher			
As on 1 st February 2021, Mr. Jagath, Proprietor of Dakshin Enterprises Pvt. Ltd., introduced a capital of ₹ 10,00,000. Canara Bank cheque vide number 800195 was deposited in the ICICI Bank Current A/c .			
Date	Particulars	Debit	Credit
1 st January 2021	ICICI Bank Current A/c _____ Dr To, Owner's Capital A/c	₹ 10,00,000	₹ 10,00,000
Create Owner's Capital A/c and Kotak Bank Current A/c ledgers and record the Receipt voucher for introducing capital into the business as on 1 st February 2021.			

Table 1.69

1.13.1.2 Creation of Accounting Masters

Create the suppliers and the customer's ledger accounts in the books of Dakshin Furniture Pvt. Ltd. referring to Table 1.70

Name	Enter as Jeevan Enterprises (Supplier) KA	Enter as PKP Industries (Customer) TN	Enter as MMJ Agencies (Customer) KA	Enter as Megha Enterprises (Customer) KA	Enter as KJ Industries (Customer) KA
Under	Select as Sundry Creditors	Select as Sundry Debtors	Select as Sundry Debtors	Select as Sundry Debtors	Select as Sundry Debtors
Maintain balances bill-by-bill	Set to Yes	Set to Yes	Set to Yes	Set to Yes	Set to Yes
Default credit period	Keep it Blank, Press Enter	Keep it Blank, Press Enter	Keep it Blank, Press Enter	Keep it Blank, Press Enter	Keep it Blank, Press Enter
Check for credit days during voucher entry	Set to No	Set to No	Set to No	Set to No	Set to No

Mailing Details

Name	Enter as Jeevan Enterprises	Enter as PKP Industries	Enter as MMJ Agencies	Enter as Megha Enterprises	Enter as KJ Industries
Address	#1/18, Mohd Nagar, JP Nagar, Bengaluru	#114, Building A2B, MG Road, Chennai	#13, Kamakya, JP Nagar Road, Bengaluru	# C6, JC Road, Bengaluru	# 2, Viraj Plaza, Electronic City 4, Bengaluru
State	Select as Karnataka	Select as Tamil Nadu	Select as Karnataka	Select as Karnataka	Select as Karnataka
Country	By default its India	By default its India	By default its India	By default its India	By default its India
Pincode	Enter as 560112	Enter as 600005	Enter as 560110	Enter as 560108	Enter as 560105



Mobile no.	Enter as 8880997612	Enter as 8866999761	Enter as 8869899068	Enter as 9076858168	Enter as 9620691982
Tax Registration Details					
PAN/IT No.	Keep it Blank, Press Enter				
Registration type	Select as Regular				
GSTIN/UIN	Enter Valid GSTIN starting with 29	Enter Valid GSTIN starting with 33	Enter Valid GSTIN starting with 29	Enter Valid GSTIN starting with 29	Enter Valid GSTIN starting with 29
Set/alter GST details	Set as No				

Table 1.70

Note: If you have your own company GSTIN, then you can Enter the same.

If GSTIN is not available, then to get the valid GSTIN, you can go to **google** and type “**GSTIN of dealers in Karnataka**” (whichever state you want the state name can be typed) you will directly get the list of GSTIN)

Purchase Ledger

- From Gateway of Tally > Create > under Accounting Masters > Ledger

Purchase A/c	
Against the Field	Action to be Performed
Name	Enter as Purchase A/c
Under	Select as Purchase Accounts
Type of Ledger	Select as Not Applicable
Statutory Details	
Is GST Applicable	Select as Applicable
Set/Alter GST Details	Set to No
Type of Supply	Select as Goods

Table 1.71

- Accept the screen

Sales Ledger

- From Gateway of Tally > Create > under Accounting Masters > Ledger

Sales A/c	
Against the Field	Action to be Performed
Name	Enter as Sales A/c
Under	Select as Sales Accounts
Type of Ledger	Select as Not Applicable
Statutory Details	
Is GST Applicable	Select as Applicable
Set/Alter GST Details	Set to No
Type of Supply	Select as Goods

Table 1.72

- Accept the screen



Tax Ledgers

- From **Gateway of Tally > Create >** under **Accounting Masters > Ledger**

Against the filed	Central Tax	State Tax	Integrated Tax
	Action to be performed		
Name	Enter as Central Tax	Enter as State Tax	Enter as Integrated Tax
Under	Select as Duties & Taxes	Select as Duties & Taxes	Select as Duties & Taxes
Type of duty/tax	Select as GST	Select as GST	Select as GST
Tax type	Select as Central Tax	Select as State Tax	Select as Integrated Tax
Percentage of calculation	Enter as 0%	Enter as 0%	Enter as 0%
Rounding method	Select as Not Applicable	Select as Not Applicable	Select as Not Applicable

Table 1.73

1.13.1.3 Creation of Inventory Masters

Units of Measure

To create Units of Measure and allocate UQCs in Tally,

- From **Gateway of Tally > Create >** under **Inventory Masters > Unit**

Against the filed	Action to be performed
Type	Select as Simple
Symbol	Enter as Nos
Formal Name	Enter as Numbers
Unit Quantity Code (UQC)	Select as NOS-NUMBERS
Number of decimal places	Enter as 0
Accept the Screen	

Table 1.74

Stock Items

To create and define GST rates at the Stock Item level,

- From **Gateway of Tally > Create >** under **Inventory Masters > Stock Item**
- In the Stock Item Creation screen, create the stock items referring to

Name	Enter as Mahendra 1HP Water Pump	Enter as Kirloskar 5HP Water Pump
Under	Select as Primary	Select as Primary
Units	Select as Nos	Select as Nos
Statutory Details		
GST Applicable	Select as Applicable	Select as Applicable
Set/Alter GST Details	Set to No	Set to Yes
Type of Supply	Select as Goods	Select as Goods
Rate of Duty	Enter as 12	Enter as 12



Name : Mahendra 1HP Water Pump
(alias) :

Under Units : * Primary
: Nos

Statutory Details

GST Applicable Set/Alter GST Details : * Applicable
Type of Supply : Goods
Rate of Duty (eg 5) : 12

Opening Balance	Quantity	Rate per	Value
:			

Accept ?
Yes or No

Accept the screen

Table 1.75

1.13.2 Accounting Intrastate Supply of Goods & Services

1.13.2.1 Intrastate Inward Supply of Goods

Illustration 17: Recording Purchase voucher for accounting intrastate inward supply of goods with GST and checking GSTR-3B.

Date	Particulars		
2 nd February 2021	Voucher: Purchase As on 02 nd February 2021, Dakshin Enterprises Pvt. Ltd. purchased the following goods from Jeevan Enterprises , Karnataka on credit with Supplier Invoice no. JE/PUR/299		
Name of Item Quantity Rate per (₹) Amount (₹)			
Mahendra 1HP Water Pump	25 Nos	12,000	3,00,000
Kirloskar 5HP Water Pump	20 Nos	35,000	7,00,000

Table 1.76

Step 1: Recording Intrastate Inward Supplies

To record intrastate inward supply of goods,

- 1) From **Gateway of Tally** > **Vouchers** > **F9: Purchase**
- 2) Click **H: Change Mode** (Alternatively, Press **Ctrl+H**) > Select **Item Invoice**
- 3) Click **F2: Date** and change the date to **2-Feb-21**.
- 4) Enter the **Supplier Invoice No.** as **JE/PUR/299** and **Date** as **2-Feb-21**.
- 5) Select **Jeevan Enterprises (Supplier) KA** in the **Party A/c name** field. (Accept the **Receipt Details** and **Party Details** as it is)

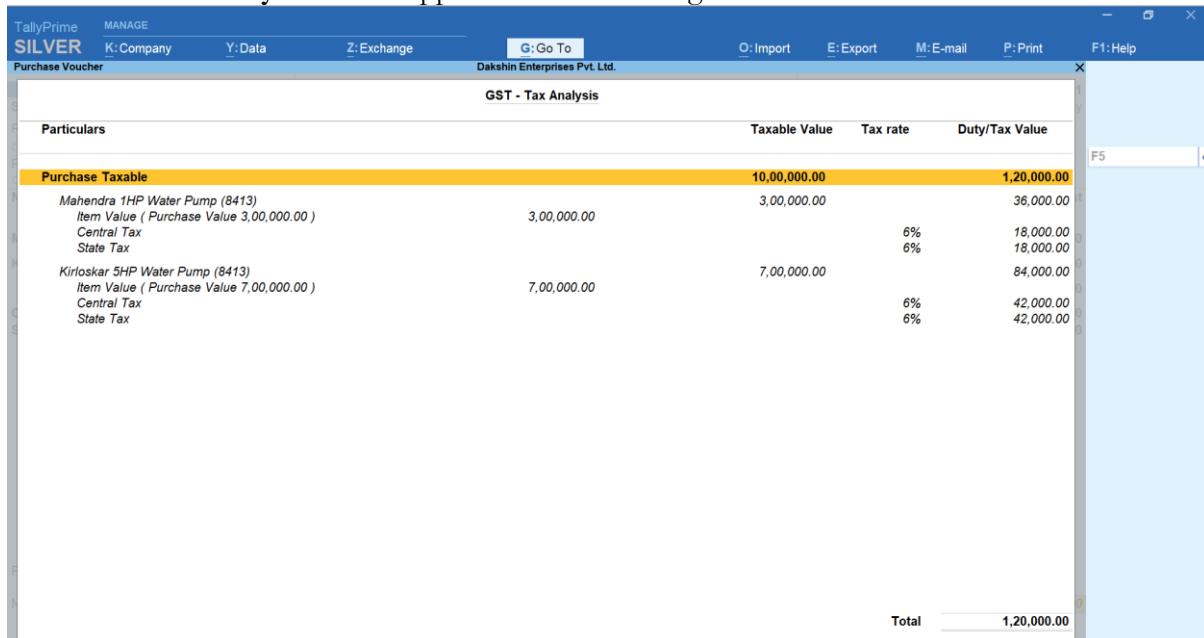
Note: The GSTIN/UIN as entered in the supplier ledger is displayed get **Party Details** screen.

- 6) Select the **Purchase A/c** ledger in the **Purchase ledger** field.



- 7) Under **Name of Item** field, select **Mahendra 1HP Water Pump** > Enter **Quantity** as 25 Nos > Enter **Rate** as **₹ 12,000** > **Amount ₹ 3,00,000** will capture automatically.
- 8) Similarly, Select **Kirloskar 5HP Water Pump** > Enter **Quantity** as 20 Nos > Enter **Rate** as **₹ 35,000** > **Amount ₹ 7,00,000** will capture automatically.
- 9) Select the **Central Tax** ledger.
- 10) Select the **State Tax** ledger.
- 11) Set **Provide GST/e-Way Bill details** to **No**
- 12) Click **I: More Details** to view the tax implication in this transaction > In the **More Details** screen, under **Additional Details > GST** > Select **GST-Tax Analysis**.
- 13) The **GST-Tax Analysis** screen appears, Click **F5: Detailed** (Alternatively, press Alt+F5)

The **GST-Tax Analysis** screen appears as shown in Figure 1.98



The screenshot shows the 'GST - Tax Analysis' window in TallyPrime. The window title is 'GST - Tax Analysis'. The main table has columns: Particulars, Taxable Value, Tax rate, and Duty/Tax Value. The data is categorized under 'Purchase Taxable'.

Particulars	Taxable Value	Tax rate	Duty/Tax Value
Purchase Taxable			
Mahendra 1HP Water Pump (8413) Item Value (Purchase Value 3,00,000.00)	10,00,000.00		1,20,000.00
Central Tax	3,00,000.00	6%	36,000.00
State Tax		6%	18,000.00
Kirloskar 5HP Water Pump (8413) Item Value (Purchase Value 7,00,000.00)	7,00,000.00		84,000.00
Central Tax	7,00,000.00	6%	42,000.00
State Tax		6%	42,000.00
Total			1,20,000.00

Figure 1.98 GST- Tax Analysis screen

Observation: We can see that for Mahendra 1HP Water Pump and Kirloskar 5HP Water Pump Stock Items, State Tax and Central Tax have been calculated based on the Integrated Tax rate of 12% defined at the Company level.

- 14) Press **Esc** to go back to the **Accounting Voucher Creation** screen.
- 15) In the **Bill-wise Details for** screen, select **New Ref** and **Accept** the screen.
- 16) Enter the **Narration** if required.



The **Intrastate Inward Supply** appears as shown in Figure 1.99

Purchase No. 1
Supplier Invoice No.: JE/PUR/299 Date : 2-Feb-21
Party A/c name : Jeevan Enterprises (Supplier) KA
Current balance :
Purchase ledger : Purchase A/c
Current balance :
Name of Item Quantity Rate per Amount

Mahendra 1HP Water Pump	25 Nos	12,000.00 Nos	3,00,000.00
Kirloskar 5HP Water Pump	20 Nos	35,000.00 Nos	7,00,000.00
			10,00,000.00
			60,000.00
			60,000.00

Provide GST/e-Way Bill details : No
Narration: 45 Nos

Accept ?
Yes or No F12:Configure

Figure 1.99 Purchase Voucher - Intrastate Inward Supply

17) **Accept** the screen.

Since the recorded transactions are inward supplies, the tax implication of this transaction can be viewed in **GSTR-3B**.

To view **GSTR-3B**,

- 1) Click **G: Go To > In the Search field, Type as GSTR > Enter on GSTR-3B**
- 2) The details will capture in **4 Eligible ITC**.

The **GSTR-3B** screen appears as shown in Figure 1.100

GSTR-3B
GSTIN : 29 2
Particulars
Total Vouchers 2
Included in Return
Participating in return tables 1
No direct implication in return tables 0
Not relevant in this Return
Uncertain Transactions (Corrections needed)

Table Particulars No.	Taxable Amount	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount	Tax Amount
3.1 Outward supplies and inward supplies liable to reverse charge						
3.2 Of the supplies shown in 3.1 (a) above, details of inter-state supplies made to unregistered persons, composition taxable persons and UIN holders						
4 Eligible ITC	60,000.00		60,000.00		1,20,000.00	
5 Value of exempt, nil rated and non-GST inward supplies						
5.1 Interest and Late fee Payable						
<u>Reverse Charge Liability and Input Credit to be booked</u>						
Reverse Charge Inward Supplies	0.00					
Import of Service	0.00					
Input Credit to be Booked						
<u>Advance Payments</u>						
Amount Unadjusted Against Purchases						0.00
Purchase Against Advance from Previous Periods						

Note: Amount is not shown for Input Credit to be Booked. Drill down for values.

Figure 1.100 GSTR-3B Report

Observation: You can observe that the Central Tax and State Tax ledger amount in the purchase voucher will appear as Eligible ITC (Input Tax Credit) in GSTR-3B.



1.13.2.2 Intrastate Outward Supply of Goods

Illustration 18: Recording Sales voucher for accounting intrastate outward supply of goods with GST and checking GSTR-1

Date	Particulars			
5 th February 2021	Voucher: Sales As on 5 th February 2021, Dakshin Enterprises Pvt. Ltd. sold the following goods to KJ Industries , Karnataka on credit with Sale Bill No. 1			
	Name of item	Quantity	Rate per (₹)	Amount (₹)
	Mahendra 1HP Water Pump	5 Nos	12,500	62,500
	Kirloskar 5HP Water Pump	5 Nos	35,500	1,77,500

Table 1.77

Step 1: Recording Intrastate Outward Supplies

To record intrastate outward supply of goods,

- 1) From **Gateway of Tally > Vouchers > F8: Sales**
- 2) Click **H: Change Mode** (Alternatively, Press **Ctrl+H**) > Select **Item Invoice**.
- 3) Click **F2: Date** and change the date to **5-Feb-21**.
- 4) Select **KJ Industries (Customer) KA** in the **Party A/c name** field (Accept the **Dispatch Details** and **Party Details** as it is)

Note: The GSTIN/UIN as entered in the supplier ledger is displayed get **Party Details** screen.

- 5) Select the **Sales A/c** ledger in the **Sales ledger** field.
- 6) Under **Name of Item** field, select **Mahendra 1HP Water Pump** > Enter **Quantity** as 5 Nos > Enter **Rate** as ₹ 12,500 > **Amount ₹ 62,500** will capture automatically.
- 7) Similarly, Select **Kirloskar 5HP Water Pump** > Enter **Quantity** as 5 Nos > Enter **Rate** as ₹ 35,500 > **Amount ₹ 1,77,500** will capture automatically.
- 8) Select the **Central Tax** ledger.
- 9) Select the **State Tax** ledger.

Note: Central and State Tax amount will get captured automatically.

- 10) Set **Provide GST/e-Way Bill details to Yes**.
- 11) In the **Statutory Details** screen, enter the mandatory details required for generating the e-Way Bill as shown in Figure 1.101



SILVER K: Company Y: Data Z: Exchange G: Go To Dakshin Enterprises Pvt. Ltd.

Sales No. 1 5-Feb-21 Friday

Party A/c name : KJ Industries (Customer) KA

Current balance :

Sales ledger : Sales A/c

Name of item :

e-Way Bill No. : Mahendra 62,500.00

Sub Type : Supply 77,500.00

Additional Details : Sales Taxable

e-Way Bill Details		Amount
Date	:	62,500.00
Document Type	:	77,500.00

Bill From

Consignor	Dakshin Enterprises Pvt. Ltd.	Address1	# 162/2, 16th Main Road., VM Building, HSR Layout., Bengaluru.
GSTIN/UIN	29	Address2	40,000.00
State	Karnataka	Place	14,400.00
		Pincode	14,400.00

Consignor Details (From)

Consignee	KJ Industries	Address1	# 2, Viraj Plaza., Electronic City 4, Bengaluru
GSTIN	29	Address2	10 Nos
State	Karnataka	Place	2,68,800.00

Consignee Details (To)

Mode	Road	Address1	Ship To
Transporter Name	Raj	Address2	
Vehicle Number	KA12R5678	Place	
Doc/Lading/RR/AirWay No.	SA/Bill/1	Pincode	

Transporter Details

Date	Distance (in KM)	Transporter ID	Vehicle Type
5-Feb-21	12		Regular

Provide GST/e-Way Bill details : Yes

Narration:

R: Transporter Details
W: e-Way Bill Details
F12: Configure

Figure 1.101 Statutory Details screen – e-Way Bill Details

- 12) Accept the **Statutory Details** screen.
- 13) Click **I: More Details** to view the tax implication in this transaction.
- 14) In the **More Details** screen, under **Additional Details > GST > Select GST-Tax Analysis**
- 15) The **GST-Tax Analysis** screen appears, Click **F5: Detailed**. (Alternatively, you can press Alt+F5)
- 16) Press **Esc** to go back to the **Accounting Voucher Creation** screen.
- 17) In the **Bill-wise Details for** screen, select **New Ref** and **Accept**
- 18) Enter the **Narration** if required.

The **Intrastate Outward Supply** appears as shown in Figure 1.102

SILVER K: Company Y: Data Z: Exchange G: Go To Dakshin Enterprises Pvt. Ltd.

Sales No. 1 5-Feb-21 Friday

Party A/c name : KJ Industries (Customer) KA

Current balance :

Sales ledger : Sales A/c

Name of item :

	Quantity	Rate per	Amount
Mahendra 1HP Water Pump	5 Nos	12,500.00 Nos	62,500.00
Kirloskar 5HP Water Pump	5 Nos	35,500.00 Nos	1,77,500.00
			2,40,000.00
			14,400.00
			14,400.00

Additional Details : Sales Taxable

Item	Quantity	Rate per	Amount
Mahendra 1HP Water Pump	5 Nos	12,500.00 Nos	62,500.00
Kirloskar 5HP Water Pump	5 Nos	35,500.00 Nos	1,77,500.00
			2,40,000.00
			14,400.00
			14,400.00

Provide GST/e-Way Bill details : Yes

Narration:

F2: Date
F3: Company
F4: Contra
F5: Payment
F6: Receipt
F7: Journal
F8: Sales
F9: Purchase
F10: Other Vouchers
F11: AutoFill
H: Change Mode
I: More Details
L: Optional
T: Post-Dated
Yes or No
F12: Configure

Figure 1.102 Sales Voucher - Intrastate Outward Supply

- 19) **Accept** the screen.
- 20) Tally will automatically ask for **Exporting Details for e-Way Bill**
- 21) Click **E: Send** to create a JSON file.



22) Once after JSON file is created we can upload the JSON file to the e-Way Bill portal to generate the e-Way Bill for the invoice.

Step 2: Upload the JSON file in e-Way Bill portal

To upload the JSON to the portal follow the below steps:

- 1) Login to <https://ewaybill.nic.in/> >click **Login**.
- 2) **E-WAY BILL SYSTEM LOGIN** screen appears. Enter the credentials and login.
- 3) To generate the e-Way Bill, Click on **e-Way bill > Generate Bulk**.
- 4) Click on **Browse** > select the **JSON** file available inside Tally folder > Click on **Upload**.
- 5) After uploading the JSON, the **Success** message will be displayed.
- 6) Click on **Generate** to get the e-Way Bill number for the particular invoice.
- 7) After generating the e-Way Bill number, open TallyPrime > The **e-Way Bill Information** screen appears.
- 8) In the **Update e-Way Bill Information** screen, enter the **e-Way Bill No** and **e-Way Bill Date** as shown in Figure 1.103

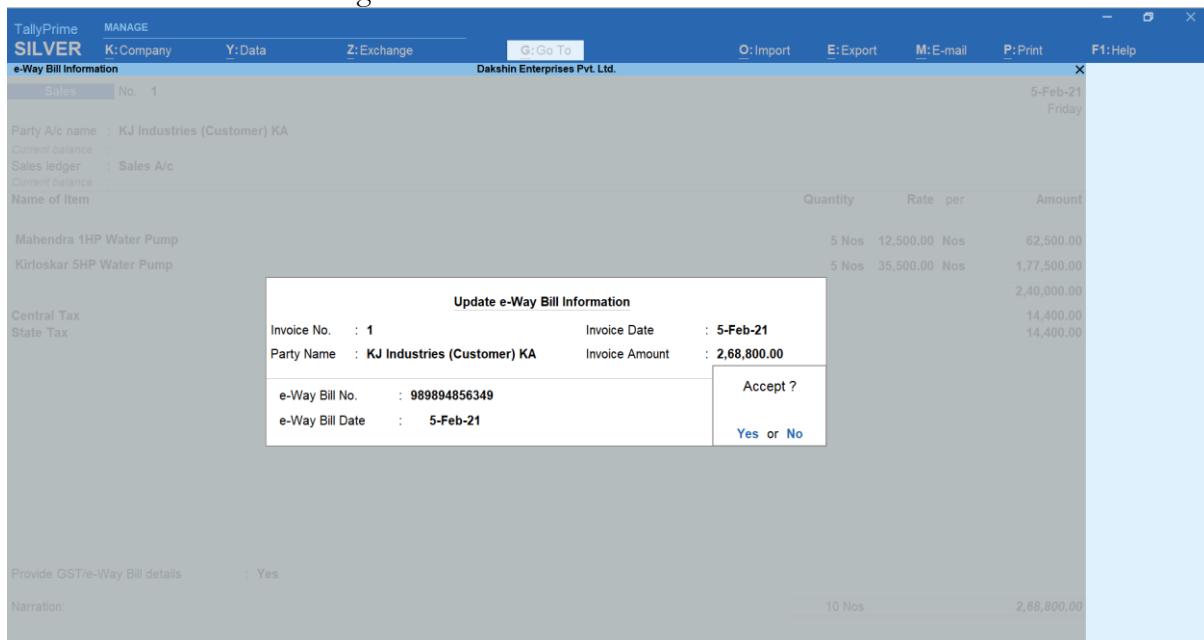


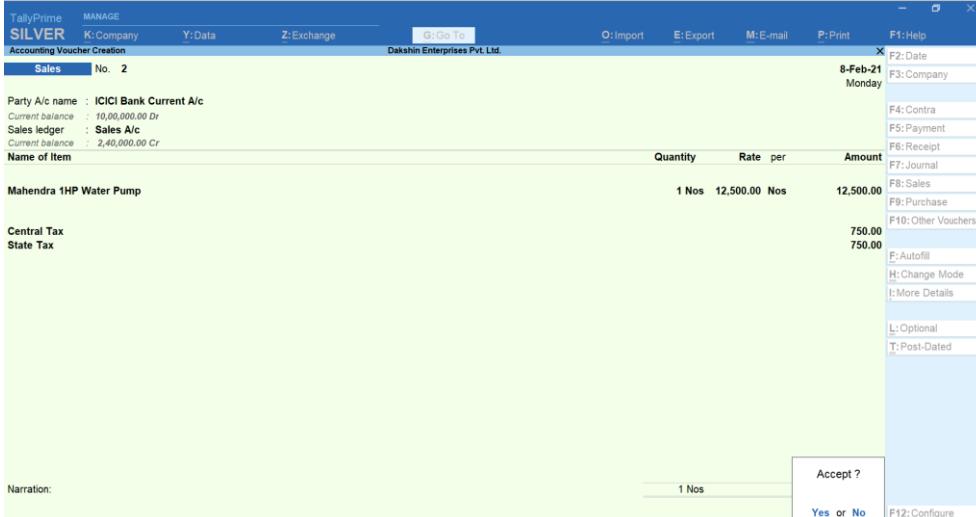
Figure 1.103 Update e-Way Bill Information screen

- 9) **Accept** the screen.

Activity: Record the Intrastate Outward Supply transactions.

Date	Particulars								
8 th February 2021	<p>Voucher: Sales As on 8th February 2021, Dakshin Enterprises Pvt. Ltd. sold the following goods to a Consumer in Mysore, Karnataka. The amount was received through Kotak Bank Cheque vide 901321. The cheque was deposited to ICICI Bank Current A/c.</p> <p>Buyer (Bill to) – Arvin GST Registration type – Consumer Place of Supply – Karnataka</p> <table border="1"> <thead> <tr> <th>Name of Item</th><th>Quantity</th><th>Rate per (₹)</th><th>Amount (₹)</th></tr> </thead> <tbody> <tr> <td>Mahendra 1HP Water Pump</td><td>1 Nos</td><td>12,500</td><td>12,500</td></tr> </tbody> </table> <p>Tips:</p> <ul style="list-style-type: none"> Select Central Tax and State Tax duty Ledgers after selecting the Stock Items. 	Name of Item	Quantity	Rate per (₹)	Amount (₹)	Mahendra 1HP Water Pump	1 Nos	12,500	12,500
Name of Item	Quantity	Rate per (₹)	Amount (₹)						
Mahendra 1HP Water Pump	1 Nos	12,500	12,500						



	<ul style="list-style-type: none"> In the Bank Allocations screen, enter the instrument(cheque) number as 901321, select the bank as Kotak Bank. 
--	---

10th February
2021

Voucher: Sales

As on 10th February 2021, Dakshin Electronics Pvt. Ltd. sold the following goods to **Megha Enterprises (Customer) KA**, Bengaluru, Karnataka on Credit with Sale Bill No.3.

Name of Item	Quantity	Rate per (₹)	Amount (₹)
Kirloskar 5HP Water Pump	8 Nos	35,500	2,84,000
Mahendra 1HP Water Pump	10 Nos	12,500	1,25,000

Tips:

- Select **Central Tax** and **State Tax** duty Ledgers after selecting the Stock Items.

e-Way Bill Details

Mode – **Road**

Distance (in KM) – **14**

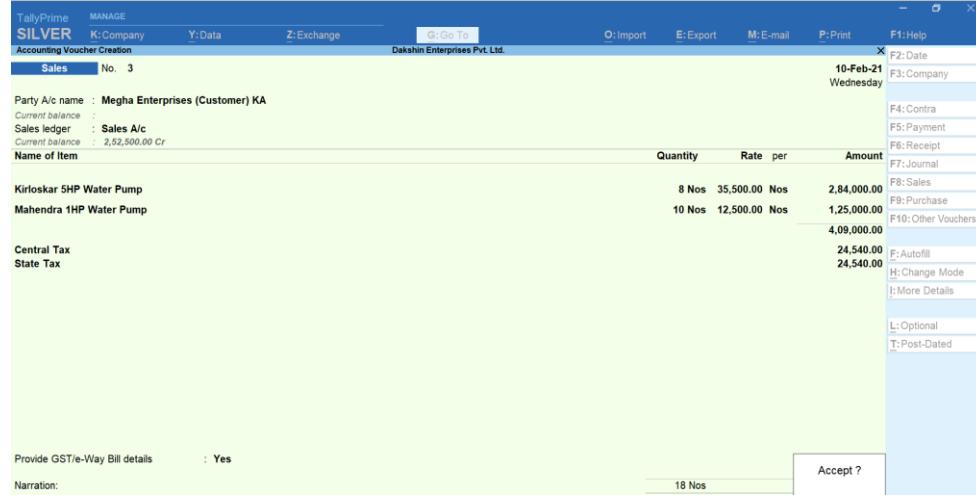
Transporter Name – **Ali**

Vehicle Number – **KA01M2002**

Vehicle Type – **Regular**

Doc/Lading/RR/AirWay No. - **Bill/SA/3**

Date - **10-Feb-21**

	
--	--

Do not export the e-Way bill. Press **Escape** to exit from exporting e-Way bill.



15th February
2021

Voucher: Sales

As on 15th February 2021, Dakshin Enterprises Pvt. Ltd. sold the following goods to **PKP Industries (Customer) TN**, Tamil Nadu on Credit with Sale Bill No.4.

Name of Item	Quantity	Rate per (₹)	Amount (₹)
Kirloskar 5HP Water Pump	2 Nos	36,000	72,000
Mahendra 1HP Water Pump	2 Nos	13,000	26,000

Tips:

- Select **Integrated Tax** duty Ledger after selecting the Stock Items.

e-Way Bill Details**Mode – Road****Distance (in KM) – 400****Transporter Name – Raju****Vehicle Number – KA09M1220****Vehicle Type – Regular****Doc/Lading/RR/AirWay No. - Bill/SA/4****Date - 15-Feb-21**

The screenshot shows the TallyPrime software interface for creating a sales voucher. The main area displays the following details:

- Party A/c name :** PKP Industries (Customer) TN
- Sales ledger :** Sales A/c
- Current balance :** 6,67,500.00 Cr
- Name of Item**
- Quantity Rate per Amount**
- Items listed:**
 - Kirloskar 5HP Water Pump: 2 Nos @ 36,000.00 = 72,000.00
 - Mahendra 1HP Water Pump: 2 Nos @ 13,000.00 = 26,000.00
 - Total: 98,000.00
 - Subtotal: 11,760.00
- Integrated Tax**

At the bottom right, there is a context menu with options like F1:Help, F2:Date, F3:Company, etc. A tooltip "Accept ?" is visible over a button, with "Yes or No" and "F12:Configure" options below it.

Do not export the e-Way bill. Press **Escape** to exit from exporting e-Way bill.

18th February
2021

Voucher: Sales

As on 18th February 2021, Dakshin Electronics Pvt. Ltd. sold the following goods to **MMJ Agencies (Customer) KA**, Bengaluru, Karnataka on Credit with Sale Bill No.5.

Name of Item	Quantity	Rate per (₹)	Amount (₹)
Kirloskar 5HP Water Pump	5 Nos	36,000	1,80,000
Mahendra 1HP Water Pump	6 Nos	13,000	78,000

Tips:

- Select **Central Tax** and **State Tax** duty Ledgers after selecting the Stock Items.

e-Way Bill Details**Mode – Road****Distance (in KM) – 6****Transporter Name – Ali****Vehicle Number – KA01M2002****Vehicle Type – Regular****Doc/Lading/RR/AirWay No. - Bill/SA/5****Date - 18-Feb-21**

Do not export the e-Way bill. Press **Escape** to exit from exporting e-Way bill.



<p>20th February 2021</p>	<p>Voucher: Receipt Dakshin Electronics Pvt. Ltd. received the payment from KJ Industries vide Sale Bill no. 1 amounted ₹ 2,68,800. The payment is received via cheque 860852 of State Bank of India, which is deposited to ICICI Bank Current A/c.</p>
<p>22th February 2021</p>	<p>Voucher: Receipt Dakshin Electronics Pvt. Ltd. received the payment from Megha Enterprises (Customer) KA vide Sale Bill no. 3 amounted to ₹ 4,58,080. The payment is received via cheque 610821 of Canara Bank which is deposited to ICICI Bank Current A/c.</p>
<p>24th February 2021</p>	<p>Voucher: Receipt Dakshin Electronics Pvt. Ltd. received the payment from MMJ Agencies (Customer) KA vide Sale Bill no. 5 amounted to ₹ 2,88,960. The payment is received via cheque 510509 of Canara Bank which is deposited to ICICI Bank Current A/c.</p>
<p>26th February 2021</p>	<p>Voucher: Payment Dakshin Electronics Pvt. Ltd. made the payment to Jeevan Enterprises (Supplier) KA vide Reference no. JE/PUR/299 amounted to ₹ 11,20,000. The payment was made via cheque 655009 of ICICI Bank Current A/c.</p>
	<p>Tips:</p> <ul style="list-style-type: none"> • Record the Receipt voucher in Single Entry mode. • In the Bill-wise Details screen, select the Type of Ref as Agst Ref from the List of Method of Adjustment > Select the Pending bill 1. • Enter the Cheque Number (Inst. no) as 860852 and Select the State Bank of India in the Bank Allocations screen. <p>Tips:</p> <ul style="list-style-type: none"> • In the Bill-wise Details screen, select the Type of Ref as Agst Ref from the List of Method of Adjustment > Select the Pending bills 3. • Enter the Cheque Number (Inst. no) as 610821 and Select the Canara Bank in the Bank Allocations screen. <p>Tips:</p> <ul style="list-style-type: none"> • In the Bill-wise Details screen, select the Type of Ref as Agst Ref from the List of Method of Adjustment > Select the Pending bills 5. • Enter the Cheque Number (Inst. no) as 510509 and Select the Canara Bank in the Bank Allocations screen. <p>Tips:</p> <ul style="list-style-type: none"> • Record the Payment voucher in Single Entry mode. • In the Bill-wise Details screen, select the Type of Ref as Agst Ref from the List of Method of Adjustment > Select the Pending bills JE/PUR/299. • Enter the Cheque Number (Inst. no) as 655009.

Table 1.78

Since the recorded transactions are outward supplies, the tax implication of this transaction can be viewed in **GSTR-1**.

To view **GSTR-1**,

- 1) Click **G: Go To** > In the Search field, Type as **GSTR** > Enter on **GSTR-1**
- 2) Click **F2: Period** > Enter **1-02-2021** to **28-02-2021**.
- 3) The details will capture in **B2B Invoices – 4A, 4B, 4C, 6B, 6C** and **B2C(Small) Invoices**



- 4) Click F12: Configure > Set Show Tax types in separate columns to Yes > Accept the screen.
- 5) GSTR-1 will display the Integrated Tax, Central Tax and State Tax Amount.

The GSTR-1 screen appears as shown in Figure 1.104

GSTR-1											F1:Help		
Particulars		Voucher Count		1-Feb-21 to 28-Feb-21		F2: Period		F3: Company		F4		F5: Nature View	
GSTIN : 29		5		Voucher Count		F6		F7		F8		F9	
Total Vouchers		11		5		F10		B: Basis of Values		H: Change View		J: Exception Reports	
Included in Return		0		F11		F12		F13		F14		F15	
Included in HSN/SAC Summary		5		F16		F17		F18		F19		F20	
Incomplete Information in HSN/SAC Summary (Corrections needed)		0		F21		F22		F23		F24		F25	
Not relevant in this Return		0		F26		F27		F28		F29		F30	
Uncertain Transactions (Corrections needed)		0		F31		F32		F33		F34		F35	
Sl No.	Particulars	Voucher Count	Taxable Amount	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount	Tax Amount	Invoice Amount				
1	B2B Invoices - 4A, 4B, 4C, 6B, 6C	4	10,05,000.00	11,760.00	54,420.00	54,420.00		1,20,600.00	11,25,600.00				
2	B2C(Large) Invoices - 5A, 5B												
3	B2C(Small) Invoices - 7	1	12,500.00		750.00	750.00		1,500.00	14,000.00				
4	Credit/Debit Notes(Registered) - 9B												
5	Credit/Debit Notes(Unregistered) - 9B												
6	Exports Invoices - 6A												
7	Tax Liability(Advances received) - 11A(1), 11A(2)												
8	Adjustment of Advances - 11B(1), 11B(2)												
9	Nil Rated Invoices - 8A, 8B, 8C, 8D												
	Total	5	10,17,500.00	11,760.00	55,170.00	55,170.00		1,22,100.00	11,39,600.00				
HSN/SAC Summary - 12													
Document Summary - 13													

Note: Voucher count and values are not provided for HSN/SAC Summary and Document Summary. Drill down for details.

Figure 1.104 GSTR-1 Report

Observation: You can observe that the Central Tax, State Tax and Integrated Tax ledger amount in sales vouchers will appear as B2B Invoices-4A,4B,4C,6B,6C and B2C(Small) Invoices-7 respectively in GSTR-1.

1.13.3 Input Tax Credit Set Off against Liability and Tax Payment

Step 1: Adjusting Input Tax Credit against Tax Liability and making Tax payment

Date	Particulars																
28 th February 2021	Adjust the following Input Credit against the available Tax Liability.																
	<table border="1"> <thead> <tr> <th>Input Tax Credit (GSTR-3B)</th> <th>Tax Liability Amount (GSTR-1)</th> <th>Excess ITC Carry Forward</th> <th>Balance Payable</th> </tr> </thead> <tbody> <tr> <td>Integrated Tax – 0</td> <td>Integrated Tax – 11,760</td> <td>Integrated Tax – 0</td> <td>Integrated Tax – 2,100</td> </tr> <tr> <td>Central Tax – 60,000</td> <td>Central Tax – 55,170</td> <td>Central Tax – 4,830</td> <td>Central Tax – 0</td> </tr> <tr> <td>State Tax – 60,000</td> <td>State Tax – 55,170</td> <td>State Tax – 4,830</td> <td>State Tax – 0</td> </tr> </tbody> </table>	Input Tax Credit (GSTR-3B)	Tax Liability Amount (GSTR-1)	Excess ITC Carry Forward	Balance Payable	Integrated Tax – 0	Integrated Tax – 11,760	Integrated Tax – 0	Integrated Tax – 2,100	Central Tax – 60,000	Central Tax – 55,170	Central Tax – 4,830	Central Tax – 0	State Tax – 60,000	State Tax – 55,170	State Tax – 4,830	State Tax – 0
Input Tax Credit (GSTR-3B)	Tax Liability Amount (GSTR-1)	Excess ITC Carry Forward	Balance Payable														
Integrated Tax – 0	Integrated Tax – 11,760	Integrated Tax – 0	Integrated Tax – 2,100														
Central Tax – 60,000	Central Tax – 55,170	Central Tax – 4,830	Central Tax – 0														
State Tax – 60,000	State Tax – 55,170	State Tax – 4,830	State Tax – 0														
	IGST payable amount ₹ 11,760 is adjusted with CGST Excess ITC amounted ₹ 4,830 + SGST Excess ITC amounted ₹ 4,830 = ₹ 9,660 Tax Payable = ₹ 2,100 (11,760-9,660)																



The screenshot shows the 'Accounting Voucher Creation' screen in TallyPrime. The transaction is a debit entry for 'Integrated Tax'. The 'Debit' amount is 11,760.00 and the 'Credit' amount is 2,100.00. The 'Narration' field is empty. The date is set to 28-Feb-21 (Sunday). A context menu is open on the right side with various options like F4: Contra, F5: Payment, etc.

Table 1.79

Step 2: Recording of Payment Voucher using Autofill.

- 1) From **Gateway of Tally > Vouchers > F5: Payment**
- 2) Click **F2: Date** and change the date to **28-Feb-21**.
- 3) Click **F: Autofill** to get the **Autofill** screen.
- 4) Enter the following details:
 - **Type of transaction** – Select as **Stat Payment**
 - **Tax Type** – Select as **GST**.
 - **Payment Type** – Select as **Regular**
 - **Period from** – Enter as **1-Feb-21 to 28-Feb-21**
 - **Accept** the **Autofill** screen > **Payment Voucher Creation** screen appears.
- 5) In the **Account** field, select **ICICI Bank Current A/c**
- 6) Under **Particulars** field, select **Integrated Tax** ledger and enter the amount **₹ 2,100**.
- 7) Set **Provide GST Details** to **Yes**
- 8) Enter the **Bank Details** as shown in Figure 1.105

The screenshot shows the 'Payment' screen in TallyPrime. It's a statutory payment for GST, regular type, to ICICI Bank Current A/c. The amount is 2,100.00. A 'Bank Details' dialog box is open, showing the following information:

Bank Details	
Mode of payment	: Cheque - (Over the counter)
Name of the Bank	: ICICI Bank
Common Portal Identification Number(CPIN)	: 898534543535
Challan Identification Number(CIN)	: 454657562334
BRN/UTR	: 34564656
Payment date	: 20-Feb-21
Instrument number	: 876675
Instrument date	: 28-Feb-21

Figure 1.105 Bank Details screen

- 9) **Accept** the **Bank Details** screen.



10) In the **Bank Allocation** screen, enter **Inst. No** as **876675** and **Accept** the screen.

The **Payment Voucher** appears as shown in Figure 1.106

The screenshot shows the 'Accounting Voucher Creation' window in TallyPrime. The top menu bar includes 'MANAGE', 'SILVER', 'K: Company', 'Y: Data', 'Z: Exchange', 'G: Go To' (set to 'Dakshin Enterprises Pvt. Ltd.'), 'O: Import', 'E: Export', 'M: E-mail', 'P: Print', and 'F1: Help'. The date is set to '28-Feb-21 Sunday'. The main area shows a 'Payment' voucher with number '2'. The details include 'Statutory payment for: GST' and 'Payment Type: Regular'. The account is 'ICICI Bank Current A/c' with a current balance of '9,07,740.00 Dr'. The amount is '2,100.00'. The narration field is empty. On the right side, there is a vertical list of keyboard shortcuts: F2: Date, F3: Company, F4: Contra, F5: Payment, F6: Receipt, F7: Journal, F8: Sales, F9: Purchase, F10: Other Vouchers, F11: Autofill, F12: Change Mode, F13: More Details, F14: Optional, F15: Post-Dated, F16: Stat Adjustment, and F17: Configure. At the bottom right is a 'Accept ?' button with 'Yes or No' options.

Figure 1.106 Payment Voucher -GST Statutory Payment

11) **Accept** the screen.

1.13.4 Invoice Furnishing Facility(IFF) in QRMP scheme

To facilitate the reflection of B2B supplies that are made during the first month in GSTR-2A and GSTR-2B and allow the recipients to avail the ITC, '**Invoice furnishing facility**' (IFF) is made available. This facility is not mandatory and is only an optional facility.

Using IFF, the businesses can upload details of outward supplies between the 1st day till the 13th day of the succeeding month with a maximum of 50 lakhs each month. You are required to upload only those invoices in IFF that you would want considering the ITC implications of your customer.

1.13.4.1 Exporting Section-Wise JSON Files from TallyPrime for IFF

If the dealers are filing returns quarterly but paying tax monthly, then such dealers will be using the Invoice Furnishing Facility (IFF) provided on the GST portal under the QRMP scheme.

Using TallyPrime, you can export JSON files in the GSTR-1 to upload on the portal for filing in the first two months of the quarter of the following sections.

- 4A, 4B, 4C, 6B, 6C – B2B Invoices
- 9B – Credit / Debit Notes (Registered) – CDNR
- 9A – Amended B2B Invoice – B2BA
- 9C – Amended Credit/ Debit Notes (Registered) – CDNRA

After uploading the above sections on the portal, the buyers can claim the Input Tax Credit in the first and second month. In the third month, the dealers can file GSTR-3B and GSTR-1 as a regular process, which is mandatory.

IFF is to upload B2B Invoices, Tax Invoices, Credit Notes and Debit Notes on a real-time basis every day, weekly or monthly for the first 2 months of the quarter, and the last day to upload such invoices is on or before the 13th of the subsequent month.

For Example: If the Tax Invoices are created in January 2021, the same tax invoices can be uploaded on or before 13th February 2021. February 2021 tax Invoices can be uploaded on or before 13th March 2021.

TallyPrime has provided the option to Export **All Vouchers** or **Only New Vouchers** from the GSTR-1 for IFF. The user can easily choose the options based on the frequency of uploading the B2B invoices in the GST portal for IFF.

Case 1 : In TallyPrime, if 50 Tax Invoices are created from 1st Feb to 15th Feb 2021, and if the user wants to upload all 50 tax invoices on 15th Feb 2021, while exporting the GSTR-1 for IFF, he can choose the option **All Vouchers**. By selecting this option, all Tax Invoices will get exported for each section.

Case 2 : As on 20th Feb 2021, if there are 10 Tax Invoices are recorded in TallyPrime, and the user wants to upload only 10 tax invoices on 20th Feb 2021, while exporting the GSTR-1 for IFF, he can choose the option **Only New Vouchers**. By selecting this option, only pending Tax Invoices in TallyPrime from 16th Feb to 20th Feb 2021 will get exported.

Dakshin Enterprises Pvt. Ltd. are the registered regular dealers, the company turnover is less than Five Crore Rupees, so the company has opted the new scheme **Quarterly Return Monthly Payment**. The company has recorded transactions till 28th February 2021, and they wanted to upload all B2B Invoices and Tax Invoices for IFF.

To export Section-wise JSON files for IFF for February using TallyPrime, follow the steps given below,

- 1) From **Gateway of Tally > Display More Reports > GST Reports > GSTR-1**
- 2) Click **F2: Period > Enter 1-02-2021 to 28-02-2021**.
- 3) Click **E: Export > Select E-Return**
- 4) In the **File Format** field, select **JSON (Data Interchange)**
- 5) Set **Export separate files for each Section** to **Yes** as shown in Figure 1.107

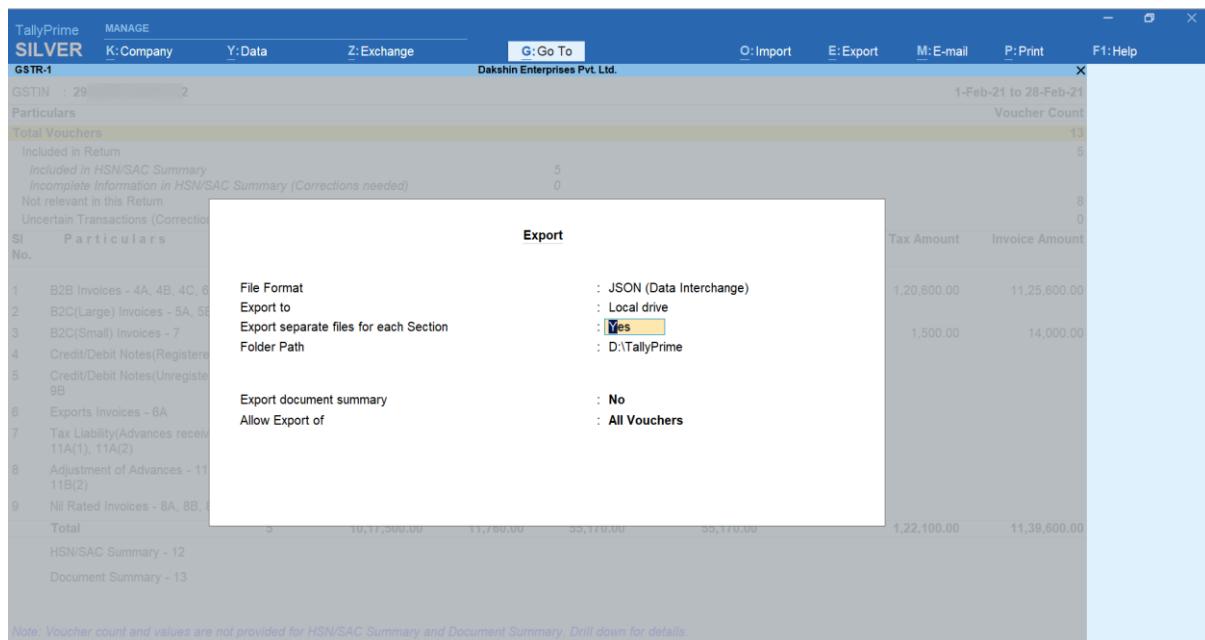


Figure 1.107 GSTR-1 Export screen

Note: For GSTR-1 quarterly return, section wise export is not required.

- 6) Under **Folder Path**, enter the path as **D:\TallyPrime\Returns**, Press **Enter**.
- 7) Set **Export document summary** to **No** > Press **Enter**.
- 8) Select **Allow Export of** as **All Vouchers**

Note: In the **Allow export** field, **Only New Vouchers** must be selected if we wanted only new vouchers that are un-exported vouchers to export in JSON files.

The GSTR-1 Export screen appears as shown in Figure 1.108

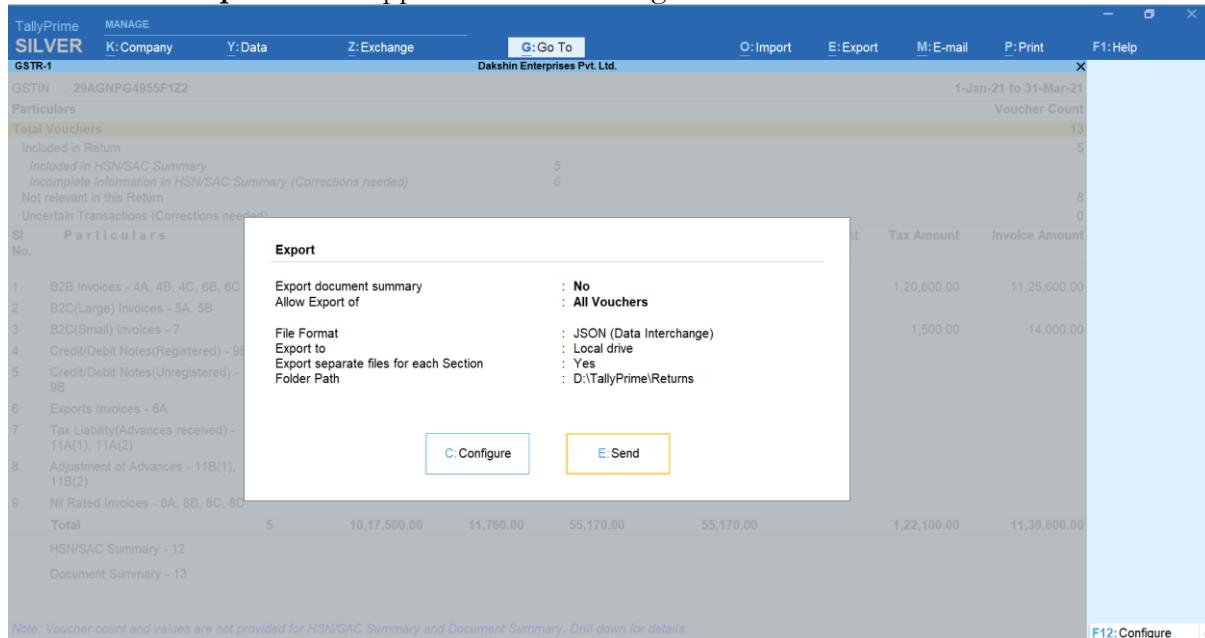


Figure 1.108 GSTR-1 Export screen

- 9) Click **E: Send** to create section-wise JSON files in the Folder path.
- 10) The **section-wise JSON files** will be generated in the selected folder as shown in Figure 1.109

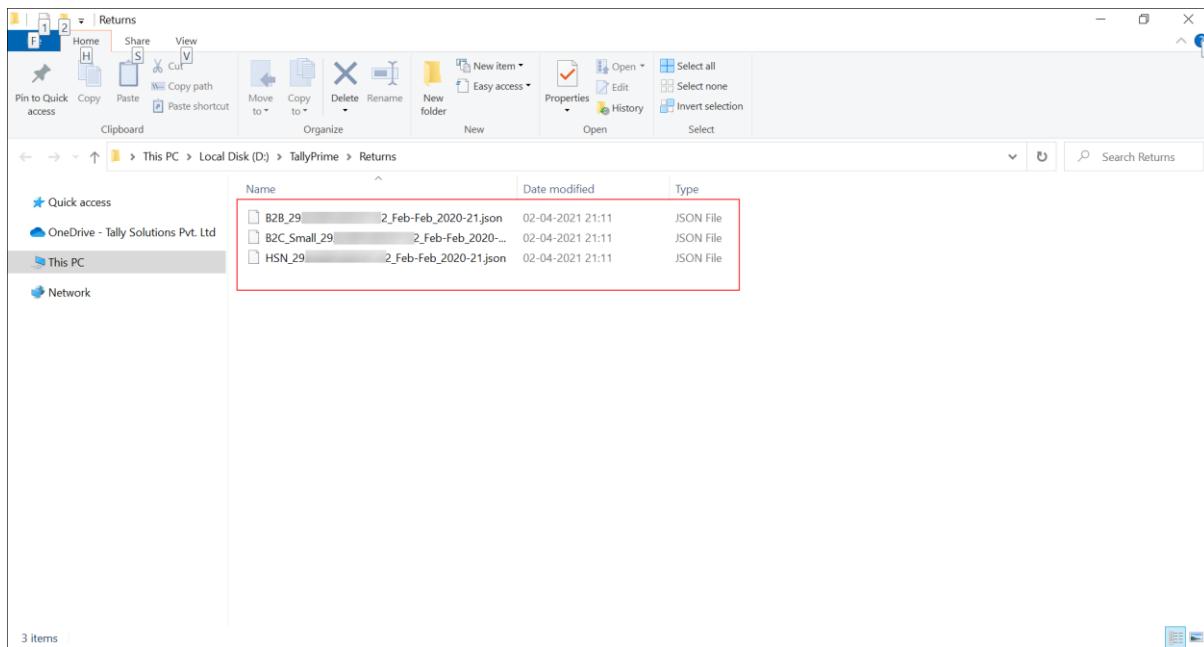


Figure 1.109 Section-wise JSON files

Note: In the procedure of exporting section wise JSON files for a particular period, we must export the data by enabling the option **Export separate files for each Section** to **Yes** and disabling the option **Export document summary** as **No**.

1.13.4.2 Uploading B2B Invoices for IFF in GST Portal

Section wise export is only required for IFF as in IFF the dealer has to only upload B2B, Tax Invoice, Credit Note, Debit Note, amendment of Tax Invoice, Credit Note and Debit Note.

Upload of B2B Invoices and Tax Invoices in the GST Portal for IFF

- 1) Log in to the GST portal i.e. <https://www.gst.gov.in/>
- 2) Click Services > Returns > Returns Dashboard
- 3) Select the Return Filing Period as February, and click SEARCH

The IFF section in the GST portal appears as shown in Figure 1.110

Goods & Service Tax (GST) | User +

return.gst.gov.in/returns/auth/dashboard

You have selected to file the return on quarterly frequency, you are required to file GSTR-1 and GSTR-3B for the last month of the quarter. If you intend to furnish invoices for the current month, it can be done by using the Invoice Furnishing Facility (IFF).

You are required to furnish a challan for the tax payable net of credits for the month from 1st of following month. Click here to create challan.

Details of outward supplies of goods or services Invoice Furnishing Facility Optional End Date - 13/03/2021 PREPARE ONLINE PREPARE OFFLINE	Auto Drafted details (For view only) GSTR2A VIEW DOWNLOAD	Auto - drafted ITC Statement GSTR2B VIEW DOWNLOAD
--	---	---

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Site best viewed at 1024 x 768 resolution in Internet Explorer 10+, Google Chrome 49+, Firefox 45+ and Safari 6+

Figure 1.110 IFF section in GST Portal



- 4) In the Optional Invoice Furnishing Facility provided under **Details of outward supplies of goods or services**, click **PREPARE OFFLINE**.
- 5) Click **Choose File** to Upload for IFF on the GST Portal as shown in Figure 1.111

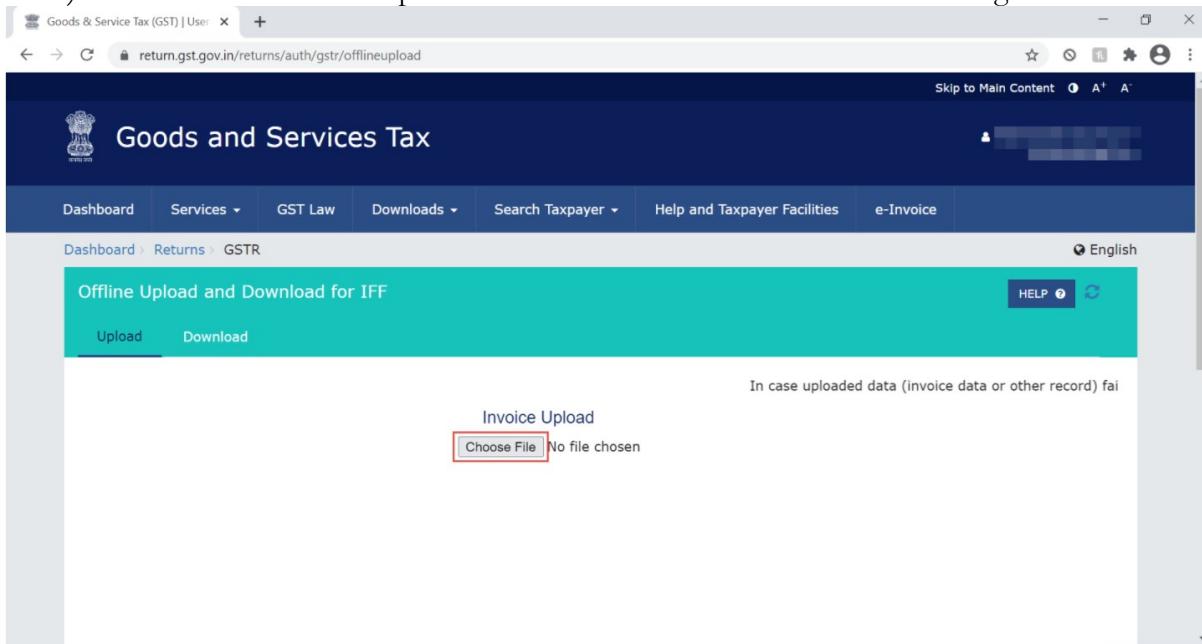


Figure 1.111 Invoice Upload screen GST Portal

- 6) Select the JSON file of the section with **B2B transactions** corresponding to the month press **Enter**
- 7) The **Upload History** with the details of transactions in the JSON files appears.
- 8) Similarly, you can choose the JSON file of the other sections of B2B transactions corresponding to the month one after the other by selecting and then press Enter.

1.13.4.3 Filing Quarterly Return -GSTR-1

Dakshin Enterprises Pvt. Ltd. has opted for the QRMP Scheme, where the company pays Tax monthly, uploaded the section wise B2B Invoices and Tax Invoices for IFF and files the GSTR-1 return on a Quarterly basis.

To file the quarterly returns,

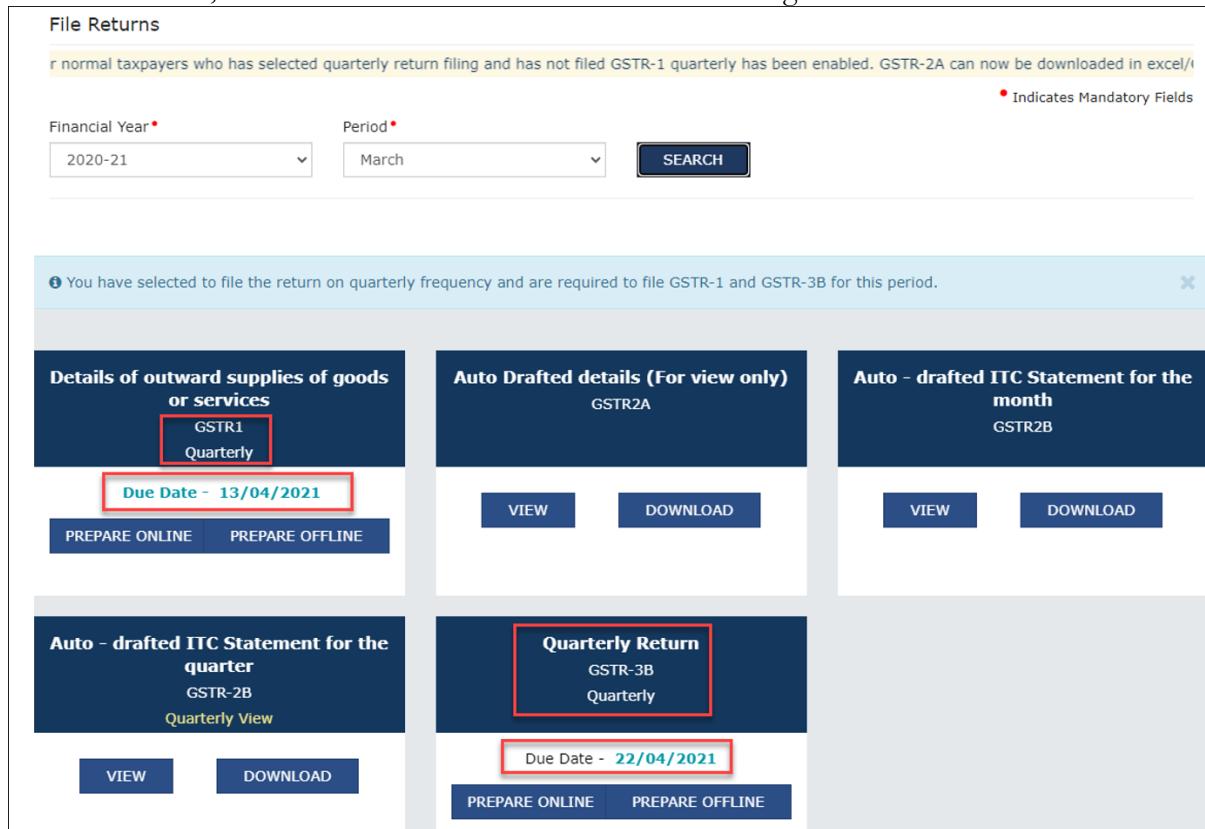
- 1) From **Gateway of Tally > Display More Reports > GST Reports > GSTR-1**
- 2) Click **F2: Period > Enter 1-02-2021 to 28-02-2021. (The return period will be quarterly, i.e., January 2021 to March 2021 Q4).**
- 3) Click **E: Export > Select E-Return**
- 4) In the **File Format** field, select **JSON (Data Interchange)**
- 5) Set **Export separate files for each Section** to **No**
- 6) Under **Folder Path**, enter the path as **D:\TallyPrime**, Press **Enter**.
- 7) The JSON file will be created in the name of **GSTR-1_29*****Z2_Jan-Mar_2020-21.json**
- 8) Set **Export document summary** to **Yes > Press Enter**.
- 9) Select **Allow Export of as All Vouchers**
- 10) Press **Enter > Click E: Send** to create a **JSON file** in the Folder path.

Now, we can upload the same JSON file to the GST portal.

- 1) Log in to the **GST portal i.e. https://www.gst.gov.in/**
- 2) Click **Services > Returns > Navigate to the Quarterly GSTR-1 section > Returns Dashboard**



- 3) Select the last month of the quarter (**March**) > click **SEARCH**
- 4) In the **Quarterly GSTR-1** provided under **Details of outward supplies of goods or services**, click **PREPARE OFFLINE** as shown in Figure 1.112



The screenshot shows the 'File Returns' interface for GSTR-1 preparation. At the top, there's a message for normal taxpayers who have selected quarterly return filing and have not filed GSTR-1 quarterly. Below that, there are dropdown menus for 'Financial Year' (2020-21) and 'Period' (March), and a 'SEARCH' button. A note indicates mandatory fields with a red asterisk.

A message at the top of the main area says: 'You have selected to file the return on quarterly frequency and are required to file GSTR-1 and GSTR-3B for this period.'

The interface is divided into four main sections:

- Details of outward supplies of goods or services**: GSTR1 Quarterly. Shows a due date of **13/04/2021**. Buttons: PREPARE ONLINE, PREPARE OFFLINE.
- Auto Drafted details (For view only)**: GSTR2A. Buttons: VIEW, DOWNLOAD.
- Auto - drafted ITC Statement for the month**: GSTR2B. Buttons: VIEW, DOWNLOAD.
- Auto - drafted ITC Statement for the quarter**: GSTR-3B Quarterly View. Shows a due date of **22/04/2021**. Buttons: VIEW, DOWNLOAD.
- Quarterly Return**: GSTR-3B Quarterly. Shows a due date of **22/04/2021**. Buttons: PREPARE ONLINE, PREPARE OFFLINE.

Figure 1.112 GSTR-1 Prepare Offline in GST Portal

- 5) Click **Choose File** > Upload JSON file for the last quarter (Jan-Mar) > press **Enter**

Note:

- While exporting the JSON file for GSTR-1 quarterly return filing, we should set **Export separate files for each Section** to **No**.
- To upload the GSTR-1 return for the Quarter, for filing purpose all outward supply with the document summary need to be uploaded. To do, while exporting the JSON file, we should set **Export Document Summary** to **Yes**.

- 6) The **Upload History** with the details of transactions in the JSON files appears.



Viewing the Profit and Loss A/c and Balance Sheet.

To check Profit and Loss A/c,

- 1) From Gateway of Tally > Profit & Loss A/c
- 2) Press Alt+F5: Detailed

The Profit & Loss A/c will display as shown in Figure 1.113

TallyPrime		MANAGE		G: Go To		O: Import	E: Export	M: E-mail	P: Print	F1: Help
SILVER	K: Company	Y: Data	Z: Exchange	Dakshin Enterprises Pvt. Ltd.						F2: Period
Profit & Loss A/c		Dakshin Enterprises Pvt. Ltd. 1-Apr-20 to 28-Feb-21		Particulars		Dakshin Enterprises Pvt. Ltd. 1-Apr-20 to 28-Feb-21				F3: Company
Particulars		Dakshin Enterprises Pvt. Ltd. 1-Apr-20 to 28-Feb-21		Particulars		Dakshin Enterprises Pvt. Ltd. 1-Apr-20 to 28-Feb-21				F4
Opening Stock		Mahendra 1HP Water Pump		Sales Accounts		10,17,500.00				F5
Purchase Accounts		10,00,000.00		Sales A/c		10,17,500.00				F6
Purchase A/c		10,00,000.00		Closing Stock		12,000.00				F7
Gross Profit c/o		29,500.00		Mahendra 1HP Water Pump		12,000.00				F8: Valuation
		10,29,500.00				10,29,500.00				F9
Nett Profit		29,500.00		Gross Profit b/f		29,500.00				F10
										B: Basis of Values
										H: Change View
										J: Exception Reports
										C: New Column
										A: Alter Column
										D: Delete Column
										N: Auto Column
Total		29,500.00		Total		29,500.00				F12: Configure

Figure 1.113 Profit & Loss A/c

To check the Balance Sheet,

- 1) From Gateway of Tally > Balance Sheet
- 2) Press Alt+F5: Detailed

The Balance Sheet will display as shown in Figure 1.114

TallyPrime		MANAGE		G: Go To		O: Import	E: Export	M: E-mail	P: Print	F1: Help
SILVER	K: Company	Y: Data	Z: Exchange	Dakshin Enterprises Pvt. Ltd.						F2: Period
Balance Sheet		Dakshin Enterprises Pvt. Ltd. as at 28-Feb-21		Liabilities		Assets		Dakshin Enterprises Pvt. Ltd. as at 28-Feb-21		F3: Company
										F4
Capital Account		10,00,000.00		Current Assets		10,29,500.00				F5
Owner's Capital A/c		10,00,000.00		Closing Stock		12,000.00				F6
Loans (Liability)				Sundry Debtors		1,09,760.00				F7
Current Liabilities				Cash-in-Hand						F8: Valuation
Duties & Taxes				Bank Accounts		9,07,740.00				F9
Sundry Creditors										F10
Profit & Loss A/c		29,500.00								B: Basis of Values
Opening Balance		29,500.00								H: Change View
Current Period										J: Exception Reports
										C: New Column
										A: Alter Column
										D: Delete Column
										N: Auto Column
Total		10,29,500.00		Total		10,29,500.00				F12: Configure

Figure 1.114 Balance Sheet

1.14 Composition Dealer under GST Regime

1.14.1 Introduction

Dealers whose aggregate turnover didn't exceed ₹1.5 Crore in the previous year comes under the composite scheme and pay GST at a lower or fixed composition tax rate on their turnover.

The taxable person can't be eligible to be a composite dealer, such as when the taxable person:

- is a supplier of services (with an exception to food and beverages for human consumption)
- supplies goods through an e-commerce operator
- non-resident taxable person
- supplies goods interstate

Note: Any taxpayer, whose turnover is less than ₹1.5 Crore, in the Rest of India, and less than ₹75 Lakhs in the Special Category States (North Eastern States and Himachal Pradesh), can opt for the composition scheme under GST.

1.14.2 Conditions to be satisfied under the scheme

- No Input Tax Credit can be claimed by a dealer opting for a composition scheme
- The taxpayer can only make intra-state supply (sell in the same state) i.e. no inter-state supply of goods
- Composition dealers cannot supply GST exempted goods
- The taxpayer has to pay tax at normal rates for transactions under the Reverse Charge Mechanism
- The taxpayer has to mention 'composition taxable person' on every notice or signboard displayed prominently at their place of business
- The dealer should also mention "composition taxable person, not eligible to collect tax on supplies" at the top of the Bill of Supply.

The GST composition scheme rate is a standard lower rate of tax, which is specified as follows:

Type of Dealer	Tax Rate
Manufacturer	1%
Trader	1%
Supplier of food or drinks for human consumption	5%

Table 1.80

Business Scenario

Dakshin Furniture Pvt. Ltd., a subsidiary company of Dakshin Electronics Pvt. Ltd. is engaged in the trading of furniture. The company is dealing with Aluminium ladders, Dining tables, Bookshelf. The company started the business in December 2020 with a capital of ₹ 10,00,000.

The company started recording compliance related transactions from 1st December 2020 in TallyPrime. The company is registered as a Composition Dealer under the Goods and Services Tax act. The company deals in different types of aluminium ladders such as Multi-Purpose Ladders and Step Ladders. The Aluminum ladders, Dining tables, Bookshelf will attract an 18% GST rate. Therefore, the company decides to define the tax details at the stock item level.

The company has an account in **Kotak Bank Current A/c** for business purpose.



1.14.3 Creation of Company and Activating GST in TallyPrime

1.14.3.1 Company Creation and Introducing Capital in the Business

Now let us create the company to maintain the financial data in TallyPrime.

- 1) To create the company in TallyPrime, Open **TallyPrime** > From the **Select Company** screen, select **Create Company**.
- 2) The **Company Creation** screen appears. Enter the details as shown in Table 1.81

Dakshin Furniture Pvt. Ltd.	
Against the field	Action to be performed
Company Data Path	By default, the TallyPrime application path will be displayed.
Company Name	Enter the company name as Dakshin Furniture Pvt. Ltd.
Mailing Name	Dakshin Furniture Pvt. Ltd. appears by default.
Address	Enter the address as below: # 12, 19 th Main, Building 2, Market City, Koramangala, Bengaluru.
State	Select as Karnataka
Country	By default, India will appear in this field because we have selected the state as Karnataka .
Pincode	Enter as 560105
Telephone	Enter as 080-28925110
Mobile	Enter as 9880225551
Fax	Keep it Blank
E-mail	Enter as dfplblr@gmail.com
Website	Enter as www.dfindustries.com
Financial year beginning from	1-Apr-20
Books beginning from	1-Dec-20 In the case of Dakshin Furniture Pvt. Ltd., the company started maintaining books of accounts from 1 st December 2020.

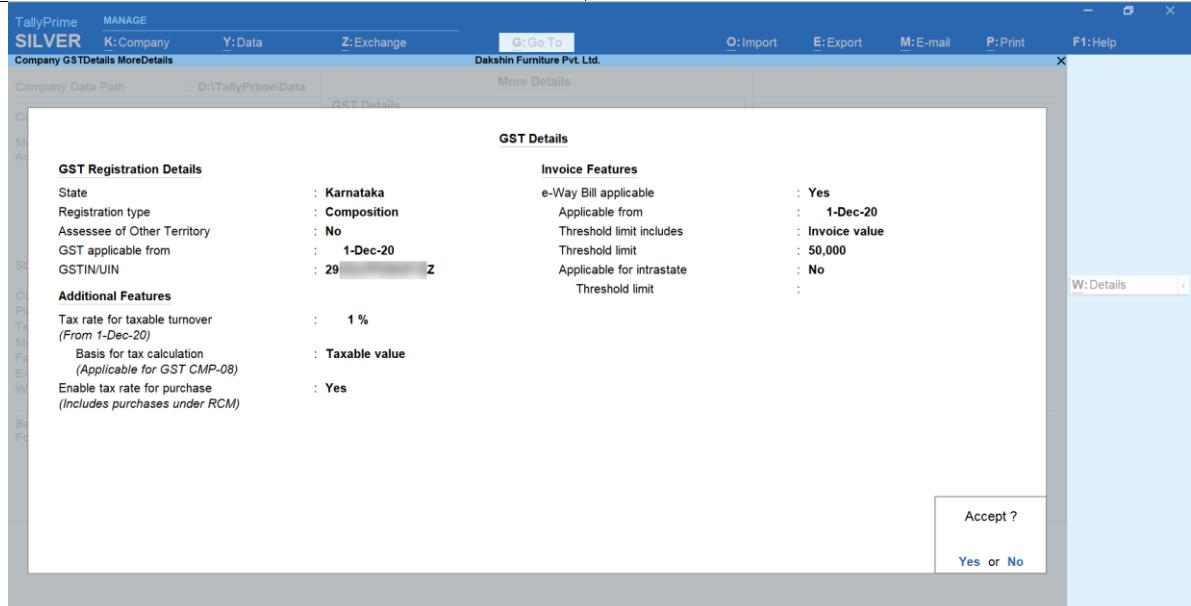
Table 1.81

- 3) Immediately after saving the Company Creation screen, **Company Features Alteration** screen appears with the message **Company created successfully**.
- 4) From the **Company Features Alteration** screen,
 - a. **Enable Goods and Services Tax (GST)** is by default set to **Yes**
 - b. Click **I: More Details** > Enter on **GST Details** and enter the **Company GST Details** as given in Table 1.82:

GST Details	
State	Karnataka
Registration type	Composition
Assessee of Other Territory	Set to No
Applicable from	1-Dec-20 (By default books beginning from date entered in the company creation screen will be captured here)
GSTIN/UIN	Enter a Valid GSTIN starting with 29 (It is a 15-digit PAN based number)



Tax rate for taxable turnover (From 1-Dec-2020)	1% (The rate is fixed for manufacturer and traders)
Basis for tax calculation (Applicable for GST CMP-08)	Select as Taxable value
Enable tax rate for purchase (Includes purchases under RCM)	Set to Yes
Invoice Features	
e-Way Bill applicable	Set to Yes
Applicable from	1-Dec-20
Threshold limit includes	Invoice value
Threshold limit	50,000
Applicable for intrastate	Set to No



Accept the screen

Table 1.82

- 5) Accept the **Company Features Alteration** screen to go to **Gateway of Tally**.
- 6) Once after accepting the **Company Features Alteration** screen, The **Gateway of Tally** screen will appear.

Illustration 1: Introducing Capital into the Business.

Receipt Voucher			
As on 01 st December 2020, Mr. Jagath, Proprietor of Dakshin Furniture Pvt. Ltd., introduced a capital of ₹ 10,00,000. Canara Bank cheque vide number 500095 was deposited in the Kotak Bank Current A/c .			
Date	Particulars	Debit	Credit
1 st December 2020	Kotak Bank Current A/c _____ Dr To, Owner's Capital A/c	₹ 10,00,000	₹ 10,00,000
Create Owner's Capital A/c and Kotak Bank Current A/c ledgers and record the Receipt voucher for introducing capital into the business as on 1 st December 2020.			

Table 1.83



1.14.3.2 Creation of Accounting Masters

Create the suppliers and the customer's ledger accounts in the books of Dakshin Furniture Pvt. Ltd. referring to Table 1.84

Name	Enter as JP Enterprises (Supplier) KA	Enter as PK Furnitures (Supplier) TN	Enter as PG Agencies (Customer) KA	Enter as Bhoomi Furnitures (Customer) KA	Enter as MM Furniture Store (Customer) KA
Under	Select as Sundry Creditors	Select as Sundry Creditors	Select as Sundry Debtors	Select as Sundry Debtors	Select as Sundry Debtors
Maintain balances bill-by-bill	Set to Yes	Set to Yes	Set to Yes	Set to Yes	Set to Yes
Default credit period	Keep it Blank, Press Enter	Keep it Blank, Press Enter	Keep it Blank, Press Enter	Keep it Blank, Press Enter	Keep it Blank, Press Enter
Check for credit days during voucher entry	Set to No	Set to No	Set to No	Set to No	Set to No
Mailing Details					
Name	Enter as JP Enterprises	Enter as PK Furnitures	Enter as PG Agencies	Enter as Bhoomi Furnitures	Enter as MM Furniture Store
Address	#115, Satya Nagar, KR Puram, Bengaluru	#4/3, Mahatma Gandhi Road, Chennai	#213, Banashankari Road, Kamakya, Bengaluru	# 1/C9, JP Street Road, JP Nagar, Bengaluru	# 23/2, Coorg Plaza, HSR Sector 4, Bengaluru
State	Select as Karnataka	Select as TamilNadu	Select as Karnataka	Select as Karnataka	Select as Karnataka
Country	By default its India	By default its India	By default its India	By default its India	By default its India
Pincode	Enter as 560112	Enter as 600005	Enter as 560821	Enter as 560112	Enter as 560103
Mobile no.	Enter as 9980987612	Enter as 9866899761	Enter as 9863898060	Enter as 9876898160	Enter as 9620901981
Tax Registration Details					
PAN/IT No.	Keep it Blank, Press Enter	Keep it Blank, Press Enter	Keep it Blank, Press Enter	Keep it Blank, Press Enter	Keep it Blank, Press Enter
Registration type	Select as Regular	Select as Regular	Select as Regular	Select as Composition	Select as Regular
GSTIN/UIN	Enter Valid GSTIN starting with 29	Enter Valid GSTIN starting with 33	Enter Valid GSTIN starting with 29	Enter Valid GSTIN starting with 29	Enter Valid GSTIN starting with 29



Set/alter GST details	Set as No				
-----------------------	-----------	-----------	-----------	-----------	-----------

Table 1.84

Note: If you have your own company GSTIN, then you can Enter the same. If GSTIN is not available, then to get the valid GSTIN, you can go to **google** and type “**GSTIN of dealers in Karnataka**” (whichever state you want the state name can be typed) you will directly get the list of GSTIN)

Purchase Ledger

- From Gateway of Tally > Create > under Accounting Masters > Ledger

Purchase A/c	
Against the Field	Action to be Performed
Name	Enter as Purchase A/c
Under	Select as Purchase Accounts
Type of Ledger	Select as Not Applicable
Statutory Details	
Is GST Applicable	Select as Applicable
Set/Alter GST Details	Set to No
Type of Supply	Select as Goods

Table 1.85

- Accept the screen

Sales Ledger

- From Gateway of Tally > Create > under Accounting Masters > Ledger

Sales A/c	
Against the Field	Action to be Performed
Name	Enter as Sales A/c
Under	Select as Sales Accounts
Type of Ledger	Select as Not Applicable
Statutory Details	
Is GST Applicable	Select as Applicable
Set/Alter GST Details	Set to No
Type of Supply	Select as Goods

Table 1.86

- Accept the screen

Tax Ledgers

Central Tax

- From Gateway of Tally > Create > under Accounting Masters > Ledger

Central Tax	
Against the filed	Action to be performed
Name	Enter as Central Tax
Under	Select as Direct Expenses
Type of Ledger	Select as Central Tax
Appropriate tax values in purchase invoice	Set to Yes
Percentage of calculation	Enter as 0%
Rounding method	Select as Not Applicable
Statutory Details	
Is GST Applicable	Select as Not Applicable
Set/Alter GST Details	Set to No

Table 1.87



Note: By enabling the option **Appropriate tax values in purchase invoice** to Yes, the Tax Ledger values will get added to the purchase cost.

The **Ledger Creation** screen appears as shown in Figure 1.115

Figure 1.115 Ledger Creation screen – Central Tax

2) Accept the screen

Similarly, create the **State Tax** and **Integrated Tax** ledger referring to Table 1.88

Against the filed	State Tax	Integrated Tax
	Action to be performed	Action to be performed
Name	Enter as State Tax	Enter as Integrated Tax
Under	Select as Direct Expenses	Select as Direct Expenses
Type of Ledger	Select as State Tax	Select as Integrated Tax
Appropriate tax values in purchase invoice	Set to Yes	Set to Yes
Percentage of calculation	Enter as 0%	Enter as 0%
Rounding method	Select as Not Applicable	Select as Not Applicable
Statutory Details		
Is GST Applicable	Set as Not Applicable	Set as Not Applicable
Set/Alter GST Details	Set to No	Set to No

Table 1.88

1.14.3.3 Creation of Inventory Masters

Units of Measure

To create Units of Measure and allocate UQCs in Tally,

- From **Gateway of Tally > Create >** under **Inventory Masters > Unit**

Against the filed	Action to be performed
Type	Select as Simple
Symbol	Enter as Nos
Formal Name	Enter as Numbers
Unit Quantity Code (UQC)	Select as NOS-NUMBERS



Number of decimal places	Enter as 0
Accept the Screen	

Table 1.89

Stock Items

To create and define GST rates at the **Stock Item** level,

- 1) From **Gateway of Tally > Create > under Inventory Masters > Stock Item**
- 2) In the Stock Item Creation screen, create the stock items referring to Table 1.90

Name	Enter as Jindal Multi-Purpose Ladder 10Ft	Enter as Jindal Single Step Ladder 6Ft
Under	Select as Primary	Select as Primary
Units	Select as Nos	Select as Nos
Statutory Details		
GST Applicable	Select as Applicable	Select as Applicable
Set/Alter GST Details	Set to Yes	Set to Yes
GST Details for Stock Item		
Description	Enter as Other articles of Aluminium	Enter as Other articles of Aluminium
HSN/SAC	Enter as 7616	Enter as 7616
Calculation type	Select as On Value	Select as On Value
Taxability	Select as Taxable	Select as Taxable
Integrated Tax	Enter as 18%	Enter as 18%
Central Tax	Gets auto-filled based on the value of Integrated Tax . Press Enter .	Gets auto-filled based on the value of Integrated Tax . Press Enter .
State Tax	Gets auto-filled based on the value of Integrated Tax. Press Enter .	Gets auto-filled based on the value of Integrated Tax. Press Enter .
Statutory Details		
Type of Supply	Select as Goods	Select as Goods
Rate of Duty	Enter as 18	Enter as 18

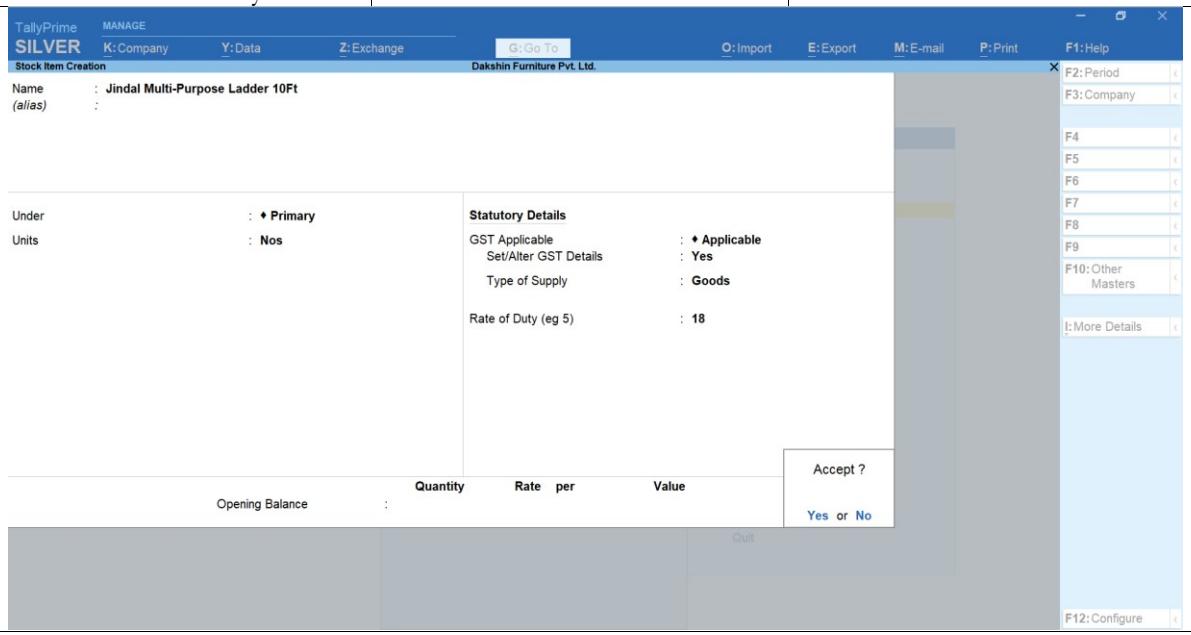
 <p>The screenshot shows the 'Stock Item Creation' window in TallyPrime. The 'Name' field contains 'Jindal Multi-Purpose Ladder 10Ft'. The 'Under' field has 'Primary' selected. The 'Units' field has 'Nos' selected. The 'Statutory Details' section includes 'GST Applicable' (selected), 'Set/Alter GST Details' (selected), 'Type of Supply' (selected), and 'Rate of Duty (eg 5)' (entered as 18). At the bottom right, there is an 'Accept ?' dialog box with 'Yes or No' buttons.</p>	
Accept the screen	

Table 1.90



1.14.4 Accounting Intrastate and Interstate Supply of Goods

1.14.4.1 Intrastate Inward Supply of Goods

Illustration 2: Recording Purchase voucher for accounting intrastate inward supply of goods with GST.

Date	Particulars		
2 nd December 2020	Voucher: Purchase As on 02 nd December 2020, Dakshin Furniture Pvt. Ltd. purchased the following goods from JP Enterprises , Karnataka on credit with the Supplier Invoice no. KPS/S/101 with Central Tax and State Tax.		
Name of Item	Quantity	Rate per ₹	Amount ₹
Jindal Multi-Purpose Ladder 10Ft	10 Nos	10,450	1,04,500
Jindal Single Step Ladder 6Ft	10 Nos	6,500	65,000

Table 1.91

Step 1: Recording Intrastate Inward Supplies

To record intrastate inward supply of goods,

- 1) From **Gateway of Tally > Vouchers > F9: Purchase**
- 2) Click **H: Change Mode** (Alternatively, Press **Ctrl+H**) > Select **Item Invoice**
- 3) Click **F2: Date** and change the date to **2-Dec-20**.
- 4) Enter the **Supplier Invoice No.** as **KPS/S/101** and **Date** as **2-Dec-20**.
- 5) Select **JP Enterprises (Supplier) KA** in the **Party A/c name** field. (Accept the **Receipt Details** and **Party Details** as it is)
- 6) Select the **Purchase A/c** ledger in the **Purchase ledger** field.
- 7) Under **Name of Item** field, select **Jindal Multi-Purpose Ladder 10Ft** > Enter **Quantity** as **10 Nos** > Enter **Rate** as **₹ 10,450** > **Amount ₹ 1,04,500** will capture automatically.
- 8) Similarly, Select **Jindal Single Step Ladder 6Ft** > Enter **Quantity** as **10 Nos** > Enter **Rate** as **₹ 6,500** > **Amount ₹ 65,000** will capture automatically.
- 9) Select the **Central Tax** ledger.
- 10) Select the **State Tax** ledger.

Note: *Central Tax and State Tax amount will get captured automatically.*

- 11) In the **Bill-wise Details for** screen, select **New Ref** and **Accept** the screen.
- 12) Enter the **Narration** if required.



The **Intrastate Inward Supply** appears as shown in Figure 1.116

Name of Item	Quantity	Rate per	Amount
Jindal Multi-Purpose Ladder 10Ft	10 Nos	10,450.00 Nos	1,04,500.00
Jindal Single Step Ladder 6Ft	10 Nos	6,500.00 Nos	65,000.00
			1,69,500.00
			15,255.00
			15,255.00

Narration: _____

Accept ?
Yes or No F12:Configure

Figure 1.116 Purchase Voucher - Intrastate Inward Supply

13) **Accept** the screen.

The intrastate purchase vouchers recorded by the composition dealer will not be a part of GSTR-4 returns. Instead, the purchase vouchers will capture under **Not relevant for returns >Transactions of other GST Returns in GSTR-4**.

Note: *The invoice received from the composition or unregistered dealers will not have tax in it. Hence, you need not select tax ledgers on such purchases.*

Observation: The Central Tax and State Tax ledgers are created under direct expenses and appropriated to the purchase cost because the composition dealers cannot claim Input Tax Credit (ITC). To check the same,

- 1) Click **G: Go To** > In the **Search** field, type as **Purchase Vouchers** > under **Voucher Reports**, select Purchase Vouchers.
- 2) Click **F12: Configure** > Set **Format of Report** as **Detailed** > Set **Show Inventory details** to **Yes** > **Accept** the screen



The **Voucher Register** appears as shown in Figure 1.117

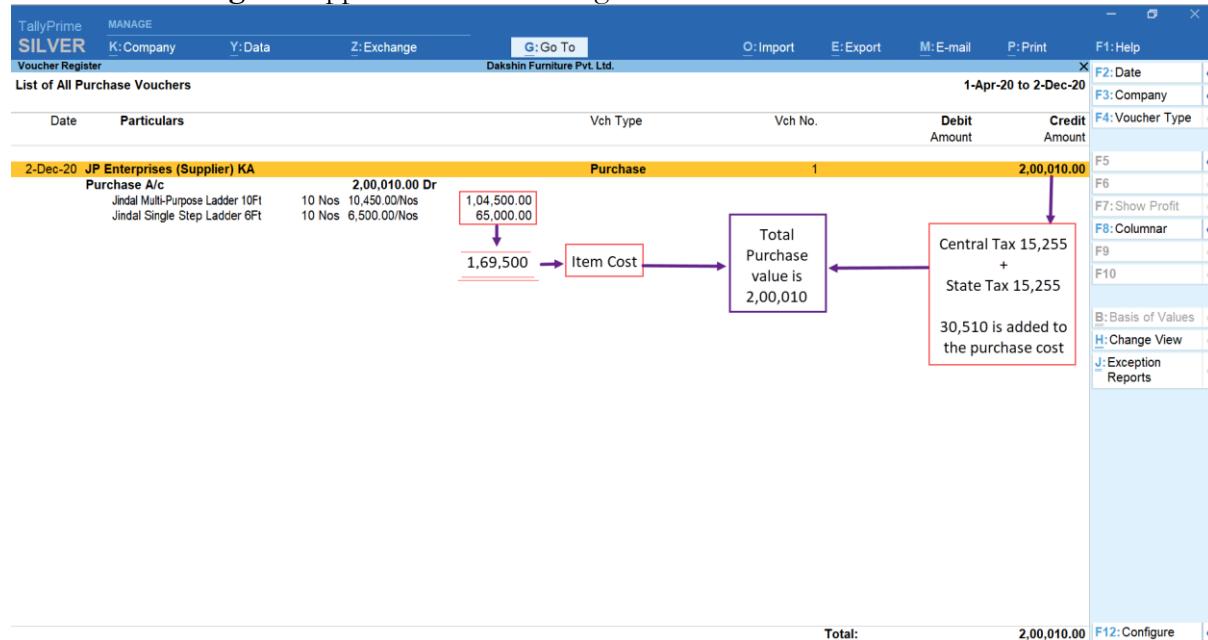


Figure 1.117 Purchase Voucher Register screen

You can observe that the total item value is 1,69,500. Central Tax and State Tax amount are 30,510 which totals up to 2,00,010 is the total purchase cost.

1.14.4.2 Interstate Inward Supply of Goods

Illustration 3: Recording Purchase voucher for accounting interstate inward supply of goods with GST.

Date	Particulars
5th December 2020	Voucher: Purchase As on 05 th December 2020, Dakshin Furniture Pvt. Ltd. purchased the following goods from PK Furnitures , Tamil Nadu on credit with the Supplier Invoice no. PK/S/115 with Integrated Tax.
Name of Item	Quantity
Jindal Multi-Purpose Ladder 10Ft	5 Nos
Jindal Single Step Ladder 6Ft	5 Nos

Table 1.92

Step 1: Recording Interstate Inward Supplies

To record interstate inward supply of goods,

- 1) From **Gateway of Tally > Vouchers > F9: Purchase**
- 2) Click **H: Change Mode** (Alternatively, Press **Ctrl+H**) > Select **Item Invoice**
- 3) Click **F2: Date** and change the date to **5-Dec-20**.
- 4) Enter the **Supplier Invoice No.** as **PK/S/115** and **Date** as **5-Dec-20**.
- 5) Select **PK Furnitures (Supplier) TN** in the **Party A/c name** field. (Accept the **Receipt Details** and **Party Details** as it is)
- 6) Select the **Purchase A/c** ledger in the **Purchase ledger** field.
- 7) Under **Name of Item** field, select **Jindal Multi-Purpose Ladder 10Ft** > Enter **Quantity** as **5 Nos** > Enter **Rate** as **₹ 10,500** > **Amount ₹ 52,500** will capture automatically.



- 8) Similarly, Select **Jindal Single Step Ladder 6Ft** > Enter **Quantity** as 5 Nos > Enter **Rate** as ₹ 6,800 > **Amount ₹ 34,000** will capture automatically.
- 9) Select the **Integrated Tax** ledger.

Note: Integrated Tax amount will get captured automatically.

- 10) Set **Provide GST/e-Way Bill details** to **No**
- 11) In the **Bill-wise Details** for screen, select **New Ref** and **Accept** the screen.
- 12) Enter the **Narration** if required.

The **Interstate Inward Supply** appears as shown in Figure 1.118

The screenshot shows the 'Purchase Voucher Creation' window in TallyPrime. The header includes tabs for 'TallyPrime', 'MANAGE', 'SILVER', 'K: Company', 'Y: Data', 'Z: Exchange', 'G: Go To', 'Dakshin Furniture Pvt. Ltd.', 'O: Import', 'E: Export', 'M: E-mail', 'P: Print', and 'F1: Help'. The main area shows purchase details for two items: 'Jindal Multi-Purpose Ladder 10Ft' and 'Jindal Single Step Ladder 6Ft'. The total amount is 86,500.00. The 'Accept?' button is visible at the bottom right.

Figure 1.118 Purchase Voucher - Interstate Inward Supply

- 13) **Accept** the screen.

The interstate purchase vouchers recorded by the composition dealer will not be a part of GSTR-4 returns. Instead, the purchase vouchers will capture under **Not relevant for returns** > **Transactions of other GST Returns in GSTR-4**.

1.14.4.3 Intrastate Outward Supply of Goods

Dakshin Furniture Pvt. Ltd. is a registered dealer under the composition scheme under GST, they need to record each sales transaction with all required details for GST compliance and file the returns in GSTR-4.

Illustration 4: Recording Sales voucher for accounting intrastate outward supply of goods with GST and checking GSTR-4.

Date	Particulars			
		Voucher: Sales		
		As on 10 th December 2020, Dakshin Furniture Pvt. Ltd. sold the following goods to PG Agencies, Karnataka on credit with Sale Bill No.1.		
		Name of Item	Quantity	Rate per (₹)
10th December 2020		Jindal Multi-Purpose Ladder 10Ft	6 Nos	10,600
		Jindal Single Step Ladder 6Ft	4 Nos	6,900
				27,600

Table 1.93



Step 1: Recording Intrastate Outward Supplies

To record intrastate outward supply of goods,

- 1) From **Gateway of Tally > Vouchers > F8: Sales**
- 2) Click **H: Change Mode** (Alternatively, Press **Ctrl+H**) > Select **Item Invoice**.
- 3) Click **F2: Date** and change the date to **10-Dec-20**.
- 4) Select **PG Agencies (Customer) KA** in the **Party A/c name** field (Accept the **Dispatch Details** and **Party Details** as it is)
- 5) Select the **Sales A/c** ledger in the **Sales ledger** field.
- 6) Under **Name of Item** field, select **Jindal Multi-Purpose Ladder 10Ft** > Enter **Quantity** as **6 Nos** > Enter **Rate** as **₹ 10,600** > **Amount ₹ 63,600** will capture automatically.
- 7) Similarly, Select **Jindal Single Step Ladder 6Ft** > Enter **Quantity** as **4 Nos** > Enter **Rate** as **₹ 6,900** > **Amount ₹ 27,600** will capture automatically.
- 8) In the **Bill-wise Details for** screen, select **New Ref** and **Accept**
- 9) Enter the **Narration** if required.

The **Intrastate Outward Supply** appears as shown in Figure 1.119

Name of Item	Quantity	Rate per	Amount
Jindal Multi-Purpose Ladder 10Ft	6 Nos	10,600.00 Nos	63,600.00
Jindal Single Step Ladder 6Ft	4 Nos	6,900.00 Nos	27,600.00
			91,200.00

Figure 1.119 Sales Voucher - Intrastate Outward Supply

- 10) **Accept** the screen.

Note: The composition dealers are not eligible to collect tax from the outward supply. So, Central Tax and State Tax duty ledgers are not selected in the sales voucher.

Step 3: Printing Bill of Supply

Since Dakshin Furniture Pvt. Ltd. are composition dealers, supplying taxable goods, to another registered regular dealer, they will have to issue a bill of supply to PG Agencies (Customer) KA.

To print the Tax Invoice with e-Way bill number,

- 1) From **Gateway of Tally > Display More Reports > Daybook** > Enter on the **Sales Voucher** with **Voucher Number 1** dated **10-Dec-20**.
- 2) In the **Sales Voucher Alteration** screen, Click **P: Print** > Select **Current** (Alternatively, press **Ctrl+P**)



- 3) From the **Bill of Supply** Print screen, Click on **I: Preview** > Press **F4** for Zoom.

The **Bill of Supply** print appears as shown in Figure 1.120

Bill of Supply						
Composition taxable person. Not eligible to collect tax on supplies						
Dakshin Furniture Pvt. Ltd. # 12, 19th Main, Building 2, Market City, Koramangala, Bengaluru. GSTIN/UIN: 29 [REDACTED] Z State Name : Karnataka, Code : 29 E-Mail : dfplblr@gmail.com		Invoice No.	Dated			
		1	10-Dec-20			
		Delivery Note	Mode/Terms of Payment			
		Reference No. & Date.	Other References			
		Buyer's Order No.	Dated			
		Dispatch Doc No.	Delivery Note Date			
		Dispatched through	Destination			
		Terms of Delivery				
Sl No.	Description of Goods	HSN/SAC	Quantity	Rate	per	Amount
1	Jindal Multi-Purpose Ladder 10Ft Rate of Duty : 18%	7616	6 Nos	10,600.00	Nos	₹ 63,600.00
2	Jindal Single Step Ladder 6Ft Rate of Duty : 18%	7616	4 Nos	6,900.00	Nos	₹ 27,600.00
	Total		10 Nos			₹ 91,200.00
Amount Chargeable (in words) E. & O.E						
INR Ninety One Thousand Two Hundred Only						
HSN/SAC						Value of Supply
7616						91,200.00
						Total 91,200.00
Tax Amount (in words) : NIL						
Declaration						
We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.						
						for Dakshin Furniture Pvt. Ltd.
						Authorised Signatory
This is a Computer Generated Invoice						

Figure 1.120 Bill of Supply

Note: In the **Bill of Supply**, the GSTIN/UIN number of the company, as well as the party details along with State, State Code, Transaction Value will get captured.



Activity: Referring to Table 1.94, record the Intrastate Outward Supply transaction.

Date	Particulars			
16th December 2020	Voucher: Sales <i>As on 16th December 2020, Dakshin Furniture Pvt. Ltd. sold the following goods to MM Furniture Store, Karnataka on Credit with Sale Bill No.2</i>			
	Name of Item Quantity Rate per ₹ Amount ₹			
	Jindal Single Step Ladder 6Ft	7 Nos	6,900	48,300
	Tips: Do not select any Tax ledgers.			
18 th January 2021	Voucher: Sales <i>As on 18th December 2020, Dakshin Furniture Pvt. Ltd. sold the following goods to Bhoomi Furnitures, Karnataka on Credit with Sale Bill No.3</i>			
	Name of Item Quantity Rate per ₹ Amount ₹			
	Jindal Multi-Purpose Ladder 10Ft	6 Nos	10,600	63,600
	Jindal Single Step Ladder 6Ft	3 Nos	6,900	20,700
	Tips: Do not select any Tax ledgers.			

Table 1.94

Since the recorded transactions are outward supplies, the tax implication of this transaction can be viewed in **GSTR-4 & GST CMP-08**.

To view **GSTR-4**,

- 1) Click **G: Go To** > In the **Search** field, Type as **GSTR** > Enter on **GSTR-4**
- 2) The details will capture in **Outward Supplies** > **Turnover of Taxable Sales** > **Taxable @ 1%**

To view **GST CMP-08**,

- 1) Click **G: Go To** > In the **Search** field, Type as **GSTR** > Enter on **GST CMP-08**
- 2) The details will get captured in **Outward Supplies**

1.14.5 Generating GST Returns for Composition Dealer in Tally

The composition taxpayers must pay the tax quarterly by filing a statement GST CMP – 08 relating to outward supply and file the returns annually through GSTR-4.

In this section, we will learn to generate GSTR-4 and GST CMP-08 from TallyPrime.

1.14.5.1 GSTR-4

A GST composition scheme dealer is required to file a quarterly composition return form i.e. Form GSTR-4 by the 18th of the month after the end of the quarter.

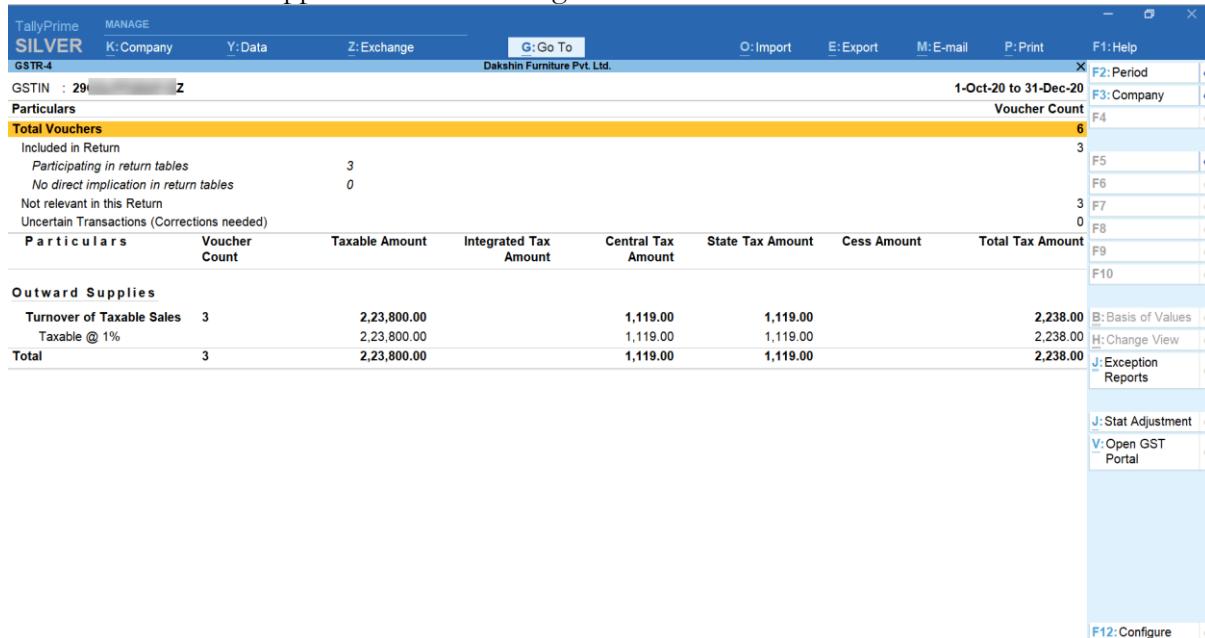
The GSTR-4 report includes the details of taxable outward and inward supplies under reverse charge, made by a GST composition dealer in a given period.

To generate the **GSTR-4** report, follow the steps given below:

- 1) From **Gateway of Tally** > **Display More Reports** > **GST Reports** > **GSTR-4**
- 2) Click **F2: Period** > Enter **1-10-2020 to 31-12-2020**.



The **GSTR-4** screen appears as shown in Figure 1.121



Total Vouchers								F1: Help	
Included in Return								F2: Period	
Participating in return tables								F3: Company	
No direct implication in return tables								F4	
Not relevant in this Return								F5	
Uncertain Transactions (Corrections needed)								F6	
Particulars		Voucher Count	Taxable Amount	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount	Total Tax Amount	
Turnover of Taxable Sales		3	2,23,800.00	1,119.00	1,119.00			2,238.00	B: Basis of Values
Taxable @ 1%			2,23,800.00	1,119.00	1,119.00			2,238.00	H: Change View
Total		3	2,23,800.00	1,119.00	1,119.00			2,238.00	J: Exception Reports

Figure 1.121 GSTR-4 Report

Particulars: It will display the **Voucher Count**, details of the **Taxable Amount**, **Tax Amount** and **Invoice Amount** from the outward supplies considered in the returns. We can drill down from any part to display detailed information at the subsequent levels.

In TallyPrime, from GSTR-4 report we can perform the following activities:

- **J: Exception Reports** – It is possible that sometime we may have accepted all vouchers ‘as is’ by mistake, now if we want to get all transactions recorded with ‘Wrong calculation’, The **J: Exception Reports** option from the GSTR-4 screen, we will get an option to **Vouchers Accepted as Valid**.

This option will help us to get all transactions filtered. Transactions recorded with the wrong calculation can be resolved by using **B: Basis of Values** option from **GSTR-4 Vouchers Accepted as Valid** screen and enter the reason for the wrong calculation in vouchers.

Note: There are no such transactions with wrong calculation, hence the **GSTR-4 Vouchers Accepted as Valid** report shows zero voucher count.

- **J: Stat Adjustment** – Using **Stat Adjustment** from GSTR-4, we can record the stat adjustment entry in the journal voucher selecting different Nature of Adjustment.
- **V: Open GST Portal** – To directly open GST portal from GSTR-4 and to login to **Returns Dashboard**.

1.14.5.2 GST CMP-08

The GST CMP-08 report displays details of inward supplies attracting reverse charge and all the outward supplies made by a GST composition dealer in a given period.

To generate the **GST CMP-08** report, follow the steps given below:

- 1) From **Gateway of Tally > Display More Reports > GST Reports > GST CMP-08**
- 2) Click **F2: Period** > Enter **1-12-2020 to 31-12-2020**.



The **GST CMP-08** screen appears as shown in Figure 1.122

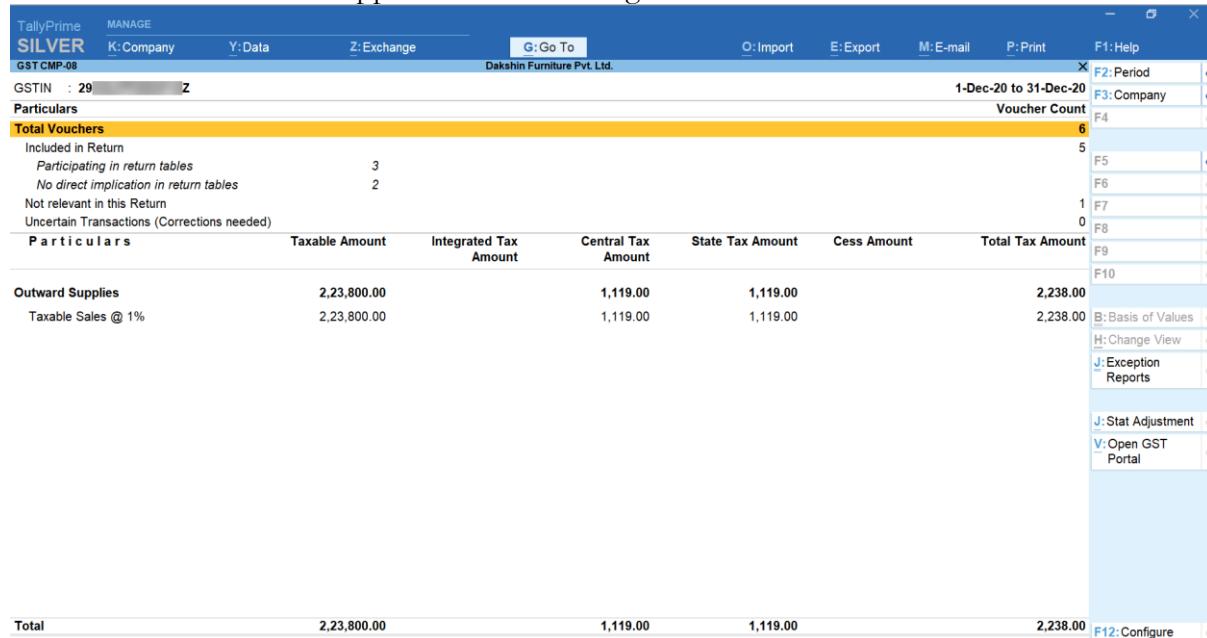


Figure 1.122 GST CMP-08 Return

Particulars: It will display the **Voucher Count**, details of the **Taxable Amount**, **Tax Amount** and **Invoice Amount** from the outward and inward supplies considered in the returns. We can drill down from any part to display detailed information at the subsequent levels.

In TallyPrime, from **GST CMP-08** report we can perform the following activities:

- **J: Exception Reports** – It is possible that sometime we may have accepted all vouchers ‘as is’ by mistake, now if we want to get all transactions recorded with ‘Wrong calculation’
- **J: Stat Adjustment** – Using **Stat Adjustment** from GST CMP-08, we can record the stat adjustment entry in the journal voucher selecting different Nature of Adjustment.
- **V: Open GST Portal** – To directly open GST portal from GST CMP-08 and to login to Returns Dashboard.

1.14.6 GST Tax Payment

A dealer who is registered under the Composition Scheme of Goods and Services Tax has to pay a fixed percentage of tax on the total turnover (outward supplies made). This is because the composition dealer is not eligible to claim the Input Tax Credit (ITC).

Dakshin Furniture Pvt. Ltd. are the dealers registered in the supply of furniture. The company is liable to pay 1% GST on the total turnover. Central Tax at 0.5% and State Tax at 0.5%.

Following is the timeline for payment of tax under the GST tax regime:

Type of Dealer	Due Date
Composition	18th of the subsequent quarter.

Table 1.95

Step: 1 Check the Total Tax Amount from GSTR-4

To check the **Total Liability Amount**,

- 1) From **Gateway of Tally > Display More Reports > GST Reports >GSTR-4**
- 2) Click **F2: Period** > Enter as **1-10-2020 31-12-2020**.



- 3) Click F12: Configure > Set Show Tax types in separate columns to Yes > Accept the screen.
- 4) GSTR-4 will display the Integrated Tax, Central Tax and State Tax Amount.

The GSTR-4 Return appears as shown in Figure 1.123

Particulars	Voucher Count	Taxable Amount	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount	Total Tax Amount
Turnover of Taxable Sales	3	2,23,800.00		1,119.00	1,119.00		2,238.00
		Taxable @ 1%		1,119.00	1,119.00		2,238.00
Total	**3**	**2,23,800.00**		**1,119.00**	**1,119.00**		**2,238.00**

Figure 1.123 GSTR-4 Return

Observation: In Figure 1.123, we can observe that the Total Tax Amount is ₹ 2,238. This is the tax amount to be paid to the government on the total turnover.

Taxable Amount/Turnover	Taxable Percentage	Tax Amount	Central Tax Rate and Amount	State Tax Rate and Amount
₹ 2,23,800	1%	₹ 2,238	0.5% ₹ 1,119	0.5% ₹ 1,119

Table 1.96

Step 2: Creation of Accounting Masters

Duty Ledgers

Create the Central Tax and State Tax ledger referring to Table 1.97

Against the filed	Central Tax	State Tax
	Action to be performed	Action to be performed
Name	Enter as Central Tax @ 0.5%	Enter as State Tax @ 0.5%
Under	Select as Duties & Taxes	Select as Duties & Taxes
Type of Ledger	Select as Others	Select as Others
Percentage of calculation	Enter as 0.5%	Enter as 0.5%
Method of calculation	Select as On Total Sales	Select as On Total Sales
Rounding method	Select as Not Applicable	Select as Not Applicable



Table 1.97

Expenses Ledger

Activity: Create a ledger as **GST @1%** under the group **Indirect Expenses** > Set **Is GST applicable to Not Applicable** > Accept the screen.

Step 3: Recording Journal Voucher for Increasing the Tax Liability in the Books of Account

- 1) From **Gateway of Tally** > **Voucher** > **F7: Journal**.
- 2) Click **F2: Date** and change the date to **31-Dec-20**
- 3) In the **Journal Voucher** creation screen, Debit the **GST @1%** > Enter the amount as **₹ 2,238.**
- 4) Credit the **Central Tax @ 0.5%** ledger > Enter the amount as **₹ 1,119.**
- 5) Credit the **State Tax @ 0.5%** ledger > Enter the amount as **₹ 1,119.**

The **Journal Voucher** screen appears as shown in Figure 1.124

Figure 1.124 Journal Voucher – Tax Liability in Books of Account

- 6) **Accept** the screen

**Step 4: Recording of Payment Voucher using Autofill.**

- 1) From **Gateway of Tally > Vouchers > F5: Payment**
- 2) Click **F2: Date** and change the date to **31-Dec-20**.
- 3) Click **F: Autofill** to get the **Autofill** screen.
- 4) Enter the following details:
 - **Type of transaction** – Select as **Stat Payment**
 - **Tax Type** – Select as **GST**.
 - **Payment Type** – Select as **Composition**
 - **Period from** – Enter as **1-Oct-20** to **31-Dec-20**

The **Autofill** screen appears as shown in Figure 1.125

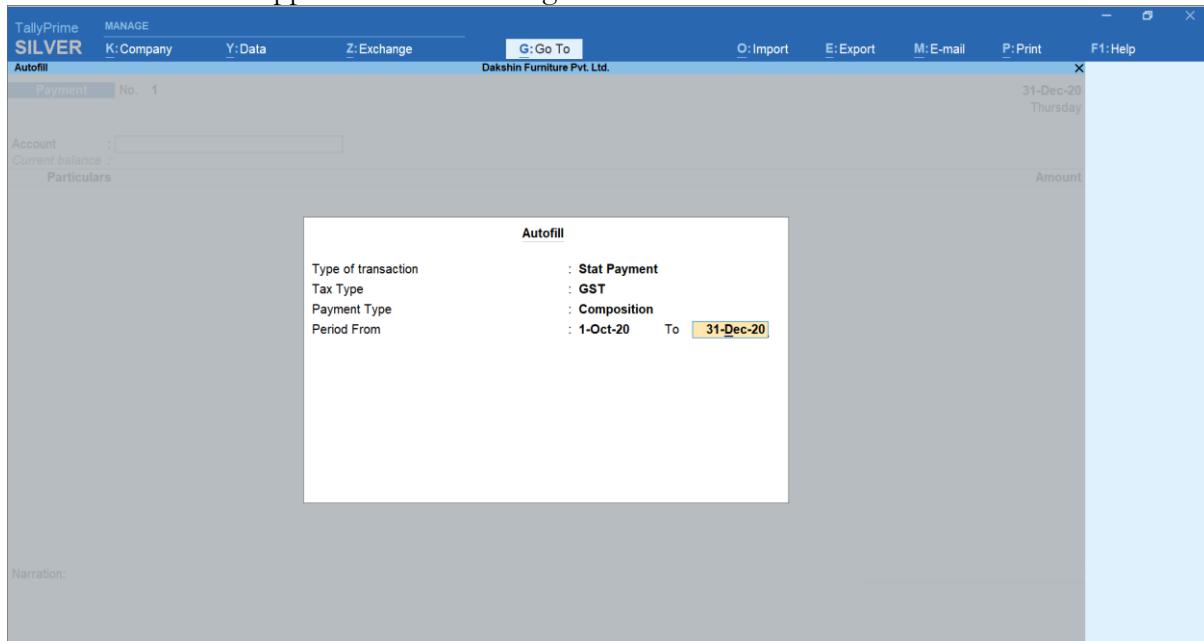
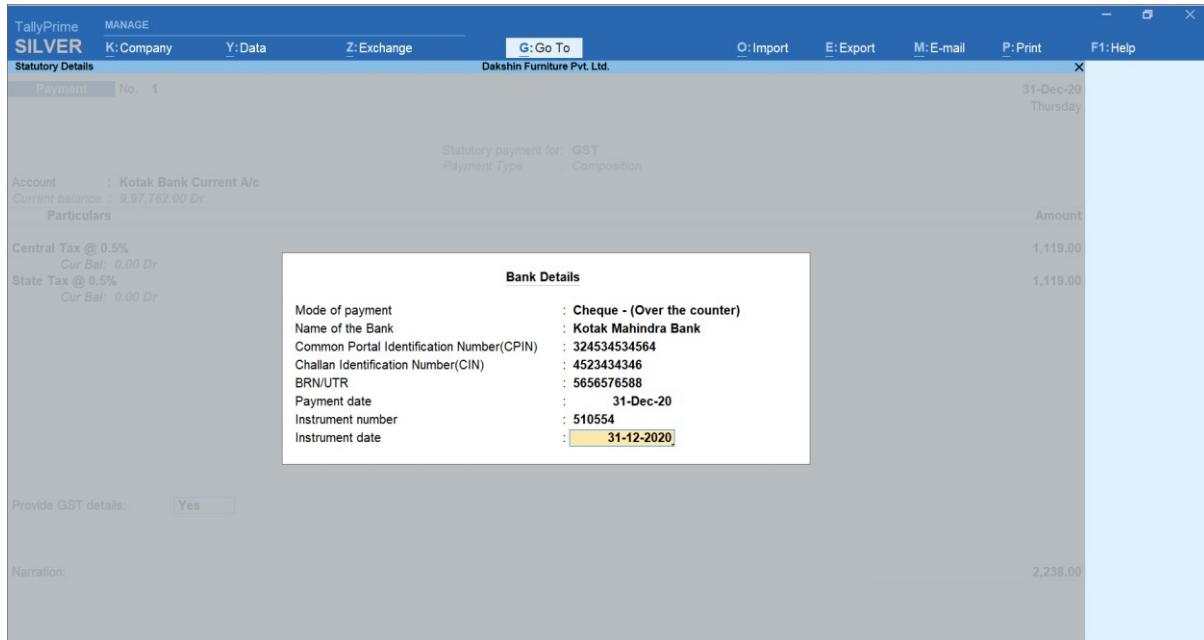


Figure 1.125 Autofill screen

- 5) Accept the **Autofill** screen > **Payment Voucher Creation** screen appears.
- 6) In the **Account** field, select **Kotak Bank Current A/c**
- 7) Under **Particulars** field, select **Central Tax @ 0.5%** ledger and enter the amount **₹ 1,119**.
- 8) Select **State Tax @ 0.5%** ledger and enter the amount **₹ 1,119**.
- 9) Set **Provide GST Details** to **Yes**
- 10) Enter the **Bank Details** as shown in Figure 1.126

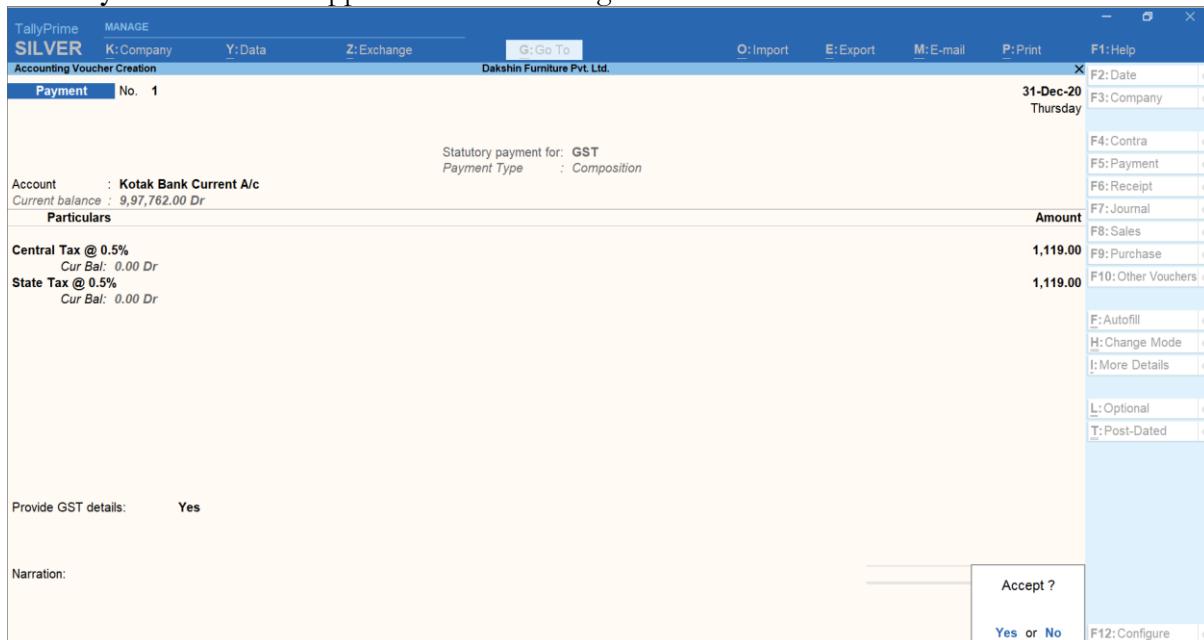



The screenshot shows the TallyPrime software interface. At the top, there's a menu bar with options like G: Go To, O: Import, E: Export, M: E-mail, P: Print, and F1: Help. Below the menu, it says 'Dakshin Furniture Pvt. Ltd.' and the date '31-Dec-20 Thursday'. The main area is titled 'Statutory Details' under 'Payment' No. 1. It shows an account 'Kotak Bank Current A/c' with a current balance of 9,97,762.00 Dr. Particulars section lists 'Central Tax @ 0.5%' and 'State Tax @ 0.5%'. A 'Bank Details' modal window is open, displaying fields like Mode of payment (Cheque - Over the counter), Name of the Bank (Kotak Mahindra Bank), Common Portal Identification Number (CPIN) (324534534564), Challan Identification Number (CIN) (4523434346), BRN/UTR (5656576588), Payment date (31-Dec-20), Instrument number (510554), and Instrument date (31-12-2020). At the bottom, there's a note about GST details and a narration field.

Figure 1.126 Bank Details screen

- 11) Accept the **Bank Details** screen.
- 12) In the **Bank Allocation** screen, enter **Inst. No** as **510554** and **Accept** the screen.

The **Payment Voucher** appears as shown in Figure 1.127



This screenshot shows the TallyPrime software interface for a 'Payment Voucher Creation'. The top menu includes G: Go To, O: Import, E: Export, M: E-mail, P: Print, and F1: Help. The date is listed as 31-Dec-20 Thursday. The main area shows a payment for 'Kotak Bank Current A/c' with a current balance of 9,97,762.00 Dr. Particulars show 'Central Tax @ 0.5%' and 'State Tax @ 0.5%'. An 'Amount' column lists 1,119.00 and 1,119.00. A 'Provide GST details' field has 'Yes' selected. A 'Narration' field is present. On the right, a 'Bank Details' section is visible. A large modal window titled 'Accept ?' is open at the bottom right, with 'Yes or No' buttons and a 'F12: Configure' button.

Figure 1.127 Payment Voucher -GST Statutory Payment

- 13) **Accept** the screen.

Observation: After recording the GST Payment voucher selecting, Central Tax @ 0.5% and State Tax @ 0.5% ledgers, the Duties & Taxes amount in Trial Balance and Balance Sheet will be NIL. To check the same,

- 1) Click **G: Go To** > In the **Search** field, Type as **Trial** > Enter on **Trial Balance** > Enter on **Current Liabilities** > **Duties & Taxes**.

Viewing the Profit and Loss A/c, Balance Sheet and Stock Summary.

To check **Profit and Loss A/c**,

- 1) From **Gateway of Tally > Profit & Loss A/c**
 - 2) Press **Alt+F5: Detailed**

The **Profit & Loss A/c** will display as shown in Figure 1.128

Profit & Loss A/c		Dakshin Furniture Pvt. Ltd.		Dakshin Furniture Pvt. Ltd.	
Particulars		Particulars		Particulars	
Opening Stock		Sales Accounts		2,23,800.00	F2: Period
Jindal Multi-Purpose Ladder 10Ft		Sales A/c		2,23,800.00	F3: Company
Jindal Single Step Ladder 6Ft					F4
Purchase Accounts		Closing Stock		44,840.00	
Purchase A/c	3,02,080.00	Jindal Multi-Purpose Ladder 10Ft		37,052.00	
		Jindal Single Step Ladder 6Ft		7,788.00	
Direct Expenses		Gross Loss c/o		33,440.00	F8: Valuation
Central Tax					F9
Integrated Tax					F10
State Tax					
	3,02,080.00			3,02,080.00	B: Basis of Values
Gross Loss b/f		Nett Loss		35,678.00	H: Change View
Indirect Expenses					J: Exception Reports
GST @1%	2,238.00				
					C: New Column
					A: Alter Column
					D: Delete Column
					N: Auto Column
Total		Total		35,678.00	F12: Configure

Figure 1.128 Profit & Loss A/c

To check the **Balance Sheet**,

- 1) From **Gateway of Tally > Balance Sheet**
 - 2) Press **Alt+F5: Detailed**

The **Balance Sheet** will display as shown in Figure 1.129.

Balance Sheet		Dakshin Furniture Pvt Ltd.			
Liabilities		Assets		Dakshin Furniture Pvt. Ltd. as at 31-Dec-20	
Capital Account	10,00,000.00	Current Assets			12,66,402.00
Owner's Capital A/c	10,00,000.00	Closing Stock		44,840.00	F5
Loans (Liability)		Sundry Debtors		2,23,800.00	F6
Current Liabilities	3,02,080.00	Cash-in-Hand			F7
Duties & Taxes		Bank Accounts		9,97,762.00	F8:Valuation
Sundry Creditors	3,02,080.00	Profit & Loss A/c			F9
		Opening Balance		35,678.00	F10
		Current Period			
Total	13,02,080.00	Total		13,02,080.00	F12:Configure

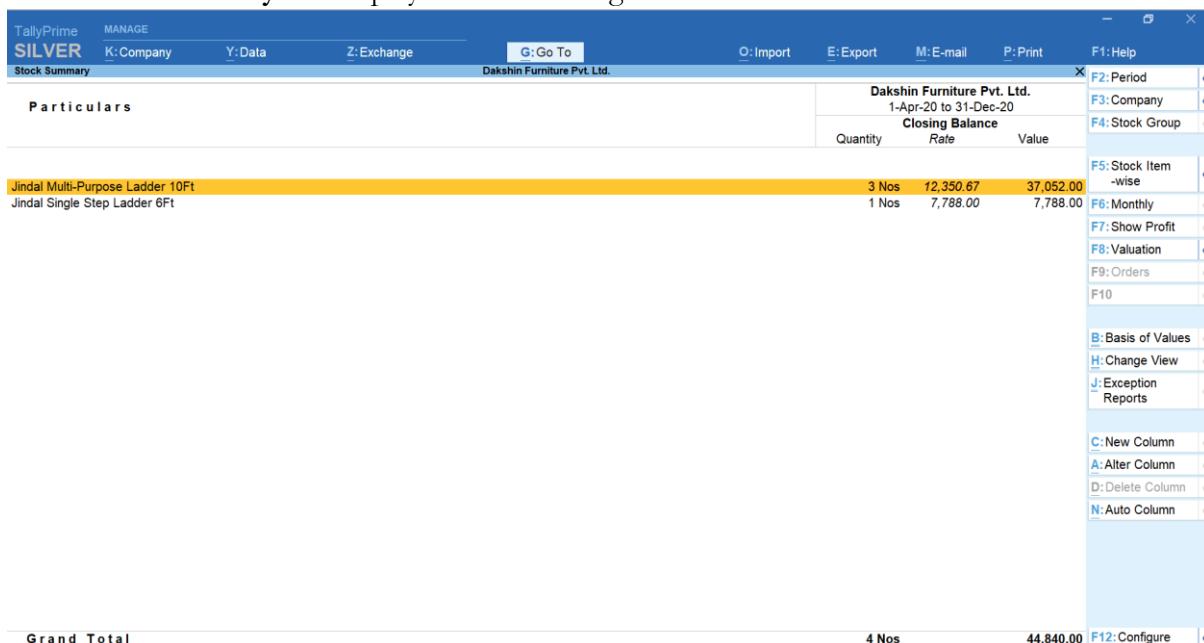
Figure 1.129 Balance Sheet



To check the **Stock Summary**,

- 1) From **Gateway of Tally > Stock Summary**

The **Stock Summary** will display as shown in Figure 1.130



Dakshin Furniture Pvt. Ltd.
1-Apr-20 to 31-Dec-20
Closing Balance

Particulars	Quantity	Rate	Value
Jindal Multi-Purpose Ladder 10Ft	3 Nos	12,350.67	37,052.00
Jindal Single Step Ladder 6Ft	1 Nos	7,788.00	7,788.00
Grand Total	4 Nos		44,840.00

Figure 1.130 Stock Summary

Conclusion

In this chapter, we have learnt Goods and Services Tax. We have understood the background of GST implementation in India, implementation of GST from Registration – e-Invoicing – Claiming Input Tax Credit – Remitting the tax to the Government and Generating and Filing GST returns.

With TallyPrime, a business will be up and running with GST compliant invoicing in no time, with the promise of error-free transactions and accurate returns. We have learnt to record the intrastate and interstate transactions with e-Way Bill and generating e-Invoice, inclusive of tax, purchase, and sales return transactions. We have learnt the complete procedure to make a tax payment, adjusting input credit against available liability and generated GSTR-1, GSTR-3B and GSTR-9 and filed the returns from TallyPrime using JSON file format.

In this lesson, we have also learnt how to record the intrastate and interstate transactions, under the composition scheme. We have learnt the procedure of generating GSTR-4 and GST CMP-08 and making payment to the government.

Key Takeaways

- GST stands for Goods and Services Tax.
- GST allows a seamless flow of tax credit and eliminates the cascading effect of all the indirect taxes in the supply chain from manufacturers to retailers, and across State borders.
- GST is a tax on the supply of goods and services with input credit set off available at the next stage of value addition from manufacturer to distributor to retailer until the end consumer.
- Union Territory Tax is applicable in Union Territories supplying goods within UT.



- Under GST, the value of the taxable supply of goods and services will be the transaction value. Transaction value refers to the price paid or payable for the supply of goods and services.
- Intrastate transactions are transactions that take place within the State.
- Interstate transactions are transactions that take place outside the State.
- E-Invoicing is a system that allows the Invoice Registration Portal (IRP) to authenticate B2B and B2G invoices electronically.
- If the invoice value is ₹ 50,000 or above, all registered dealers must generate an e-Way Bill for the interstate movement of goods.
- GSTR-1 contains the outward supplies details.
- GSTR-3B is an interim return to be filed monthly by the registered dealers.
- In TallyPrime, we can generate GSTR-1, GSTR-3B and GSTR-9 returns.
- Dealers whose aggregate turnover didn't exceed ₹1.5 Crore in the previous year comes under the composite scheme
- Composition Dealers pay GST at a lower or fixed composition tax rate on their turnover.
- No Input Tax Credit can be claimed by a dealer opting for a composition scheme
- Manufacturers and Traders will pay 1% tax on their total turnover.
- In TallyPrime, we can generate GSTR-4 and GST CMP-08 returns.

Shortcut Keys

Short Cut Key Combination	Description
Alt+ F5	<ul style="list-style-type: none"> • From Reports • To view reports in Detailed mode
Ctrl+H	<ul style="list-style-type: none"> • From the Accounting Voucher Creation screen • To change the mode of voucher
Ctrl+I	<ul style="list-style-type: none"> • From the Accounting Voucher Creation screen • To check the GST-Tax Analysis
F10	<ul style="list-style-type: none"> • From the Accounting Voucher Creation screen • To list the other voucher types such as Debit Note and Credit Note.
Ctrl+J	<ul style="list-style-type: none"> • From GSTR-1, GSTR-3B, GSTR-4 • To get the list of Voucher Accepted as Valid
Ctrl+H	<ul style="list-style-type: none"> • From GSTR-1, GSTR-3B • To change the view – Return / Nature-wise
Alt+J	<ul style="list-style-type: none"> • From GSTR-1, GSTR-3B • To record Stat Adjustment entry
Ctrl+F	<ul style="list-style-type: none"> • From Payment Voucher Creation screen • For autofill to record Stat Payment



Practice Exercises

- 1) Intra-state transactions attract what type of tax?
 - a) Central Tax and State Tax
 - b) State Tax
 - c) Central Tax
 - d) Integrated Tax

- 2) Interstate transactions attract what type of tax?
 - a) Central Tax and State Tax
 - b) State Tax
 - c) Central Tax
 - d) Integrated Tax

- 3) In TallyPrime, we cannot generate an e-Way Bill for the intra-state supply of goods.
 - a) TRUE
 - b) FALSE

- 4) In GSTR-1, report what type of details will be captured?
 - a) Inward Supply
 - b) Outward Supply
 - c) Imports
 - d) Purchase from URD

- 5) GSTR-3B is an annual return.
 - a) TRUE
 - b) FALSE

- 6) GSTR-9 is an annual return.
 - a) TRUE
 - b) FALSE

- 7) In TallyPrime, _____ voucher is recorded to adjust the Available ITC with the Tax Liability.
 - a) Debit Note
 - b) Credit Note
 - c) Sales
 - d) Journal

- 8) From _____ onwards, GST e-Invoice is applicable for those businesses with turnover more than 100 Crore?
 - a) 1st October 2020
 - b) 1st December 2020
 - c) 1st January 2021
 - d) 1st April 2021



- 9) Form EWB-01, PART - A cannot be edited or modified once generated.
 - a) TRUE
 - b) FALSE
- 10) Form EWB-01, PART - B contains Vehicle details/ RR/Airway Bill.
 - a) TRUE
 - b) FALSE
- 11) IRP is known as the Invoice Registration Portal. This portal validates the authenticity of the GST invoices and generates e-Invoice.
 - a) TRUE
 - b) FALSE
- 12) It is possible to record the outward supply of goods and generate an e-Invoice with e-Way Bill in TallyPrime.
 - a) TRUE
 - b) FALSE
- 13) The GST CMP-08 report displays details of all inward supplies made by a GST composition dealer in a given period.
 - a) TRUE
 - b) FALSE
- 14) The GSTR-4 report must be generated by the regular dealer under GST.
 - a) TRUE
 - b) FALSE
- 15) It is possible to record the Debit Note voucher for accounting purchase returns of goods with GST and check the GSTR-3B report instantly in TallyPrime.
 - a) TRUE
 - b) FALSE



Chapter 2

Tax Deducted at Source (TDS)

Learning Objectives:

- Introduction to TDS
- Configuring Tax Deducted at Source (TDS) in Tally
- Configuration of TDS at different levels – accounting group and ledger
- Recording different types of TDS transactions like Accounting of
 - Expenses partly subjected to TDS
 - Multiple expenses and deducting TDS later
 - TDS at Zero, Lower and Higher rates
- Payment of TDS to government
- Generating TDS reports and challans
- E-Filing TDS

2.1 Introduction to TDS

TDS stands for **Tax Deducted at Source**. The concept of TDS was introduced in the Income Tax Act, 1961, with the objective of deducting the tax on an income, at the source of the income. It is a direct tax collected from the person at the time of payments like commission or brokerage, fees for technical services, interest, deemed dividends etc., then the TDS which is deducted is transferred to the government account.

For Example: Dakshin Electronics Pvt. Ltd. is making payment for advertising services to MM ADD Agency. In such a case, Dakshin Electronics Pvt. Ltd.. need to deduct TDS before making a payment to MM ADD Agency at the source of income.

2.2 Basic Concepts of TDS

In this section, we will understand TDS applicability and terminology of TDS.

Applicability

TDS will be deducted at source based on the rate defined in the income tax act, the recipient of the income received the net amount (after reducing TDS). The need to add the gross amount to his income and the amount of TDS is adjusted against his final tax liability. The recipient takes the credit of the amount already deducted and paid on his behalf. TDS is deducted on the fulfilment of the below given conditions.

Condition 1: The Assessee who are covered under section 44AB of the income tax act, (including individuals and HUF) running a business and deducting TDS at the time of payment or credit (whichever is earlier) against the following type of recipient or Deductee.

- Individuals/HUF -Resident
- Individuals/HUF -Non-Resident
- Hindu Undivided Family (HUF)
- Body of Individuals (BOI)
- Association of Persons (AOP)
- Company – Resident
- Company Non-Resident
- Co-Operative Society – Resident
- Co-Operative Society – Non - Resident
- Local Authority
- Partnership Firm
- Artificial Juridical Person
- Government

Condition 2: The nature of payment should belong to any one of the following lists:

- Interest on securities
- Deemed Dividend U/s 2(22)(E)
- Interest other than interest on securities
- Interest on infrastructure debt fund
- Interest payable by government or Indian concern in foreign currency
- Winnings from lotteries or crossword puzzles
- Any remuneration or commission paid to director of the company
- Winnings from horse race
- Payment to contractors
- Payment to transporters



- Payment to non-resident sportsmen or sports association
- Payment in respect of deposit under NSS (National Service Scheme)
- Payment on account of re-purchase of units by Mutual Fund or UTI (Union Trust of India)
- Payment in respect of units to an offshore fund
- Payment in respect of life insurance policy
- Payment of certain amounts in cash
- Payment of certain sum by certain individuals and HUF
- Payment of certain income from units of business trust
- Payment of accumulated balance from PF Fund
- Payment on certain immovable property other than agricultural land
- Payment of compensation on acquisition of immovable property
- Payment of income in respect of units of investment fund
- Payment for call centre charges
- Payment/Royalty on the acquisition of software U/s194J
- Payment under specified Agreement
- Insurance commission
- Commission on sale of lottery tickets
- Commission or brokerage
- Rent of land, building or furniture
- Rent of plant, machinery or equipment
- Royalty(G) agreement made on or after June 1, 2005
- Short-term capital gains U/s 111A
- Fees for professional or technical services
- Fees for Technical services, Payable to Non-Residents.
- Fees for Technical services agreement made on or after June 1, 2005
- Income in respect of units of non-residents
- Other sums payables to a non-resident
- Income from foreign currency bonds or shares of the 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
- Income from specified mutual funds
- Income in respect of investment in securitization Trust
- Income in the form of interest from the Indian company
- Income by way of interest on certain bonds and government securities
- Interest on 8% Savings (Taxable) Bonds, 2003
- Long term capital gain (Not being covered by sec 10(33)(36)(38))

Condition 3: The payment made should exceed the TDS exemption limit as specified in the income tax act.

Note 1: As per section 44AB of the income tax act, an individual/HUF is considered as assessee when?

- **Running a business,** the TDS applicability for Proprietorship firms as per sec 44AB, threshold has increased to 5 Crore and for Financial Year 21-22 it is 10 Crore.
- **Carrying a profession,** where the total receipts exceed ₹50 lakhs in any previous year



Note 2: New Section introduced from 1st September 2019:

- **Section: 194M - TDS on payment to resident contractors and professionals:**
An individual and/or Hindu undivided family (HUF) has to deduct tax at source under this section. Such individual whose books are not required to be audited. It applies when the total amount paid to a resident individual, for carrying out any contractual work or providing any professional service, in a financial year exceeds Rs. 50 Lakhs will have to deduct TDS @ 5%. This section applies to personal as well as business related payments.
The individual / HUF who has deducted tax can pay the tax to the Government by quoting his or her PAN only. Not required to get a Tax deduction Account Number (TAN)
- **Section: 194N – TDS on cash withdrawal above ₹ 1 Crore**
This section is applicable in case of cash withdrawals of more than ₹ 1 crore during a financial year. The limit of ₹ 1 crore in a financial year is with respect of per bank or post office. TDS will be deducted @ 2% on the excess cash withdrawal of ₹ 1 crore.

Terminology

Following are the few terminologies used:

Terminology	Description
TDS	TDS is the abbreviation of Tax Deducted at Source. It is the direct tax deducted at source of income (other than salary).
Deductor	Deductor is the buyer and he is the one who deducts TDS before making payment to the seller.
Deductee	Deductee is the seller who provides services/goods to the buyer.
NSDL	It is an abbreviation of National Securities Depository Limited
Financial Year	In India Financial Year is the period from 1 st April to 31 st March, this period is called as financial year. For Example: Current financial year is 1 st April 2020 to 31 st March 2021
Assessment Year	The income which is earned in the financial year is assessed and taxed in this year called as Assessment Year. The period starts from 1 st April to 31 st March. For example: If the financial year is 1 st April 2020 to 31 st March 2021, then the Assessment Year will be 1 st April 2021 to 31 st March 2022.

Table 2.1

2.3 TDS Process

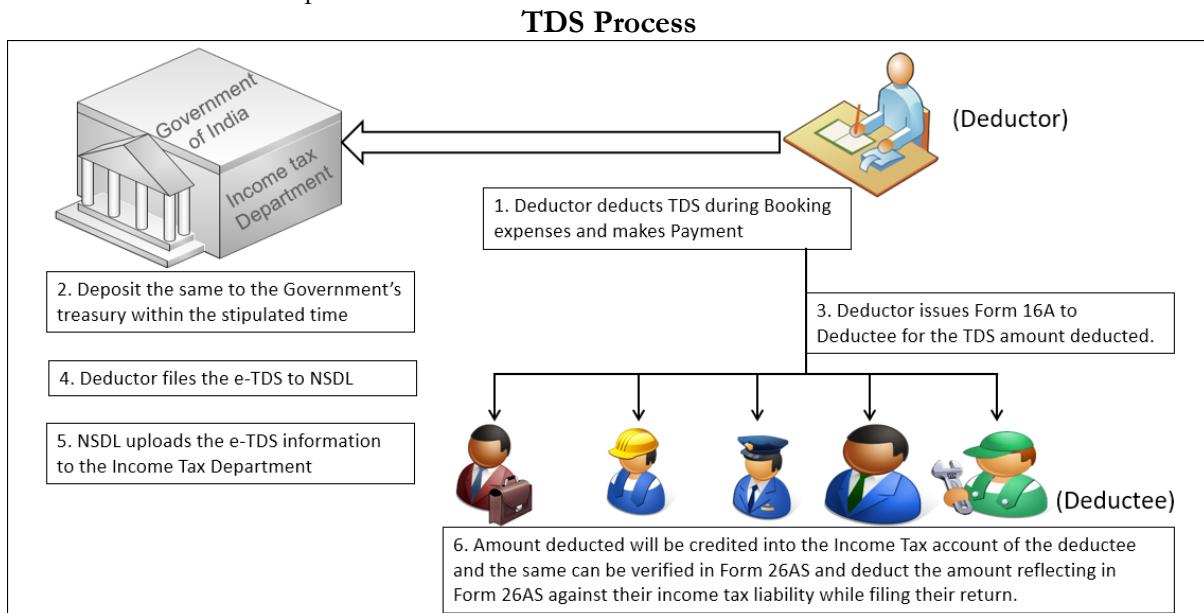
Let us understand the TDS process from the following example and a diagram.

Example: Dakshin Electronics Pvt. Ltd.. received a bill of ₹1,20,000 from an Architect (TG Architect Company) for planning out their Interiors. Dakshin Electronics Pvt. Ltd.. need to deduct the TDS @ 7.5% before making the payment to Architect (TG Architect Company) as the amount is crossing the TDS exemption limit.

Note: The TDS rate from 1st April 2020 till 13th May 2020 is 10% and from 14th May 2020 till 31st March 2021 rate is reduced to 7.5%.



The **TDS Process** is depicted in Chart 2.1



Explanation of TDS Process

- 1) Deductor will book the expenses and deduct TDS and makes the balance payment to Deductee.
- 2) Deductor remits the TDS amount into Bank (Treasury). Bank (Treasury) remit the amount to the Government account.
- 3) Deductor (issues Form 16A to Deductee for the TDS amount deducted).
- 4) Deductor files the e-TDS to NSDL.
- 5) NSDL uploads the e-TDS information to the Income Tax Department.
- 6) Amount deducted will be credited into the Income Tax account of the deductee and the same can be verified in Form 26AS and deduct the amount reflecting in Form 26AS against their income tax liability while filing their return.

Note: *Form 16A is issued by the deductor on the TDS deducted from deductee on the income from other sources (other than salary).*

What is TAN?

TAN is the Tax Deduction & Collection Account Number; it is a 10-digit alphanumeric character 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, the person or organisation is required to apply in Form 49B to the TAN Facilitation Centres of NSDL.

The Format of TAN is **BLRT56767G**

Table 2.2 explains the format of TAN:

BLR	T	56767	G
RCC CODE: City/State where TAN was issued. (We have taken Bengaluru city)	First alphabet of the name of the organisation	Five characters are system generated numbers	It is a Check digit - Alphabetic number generated by the system

Table 2.2



What is PAN?

PAN is the Permanent Account Number; it is a 10 Digit alphanumeric character allotted by the Income Tax Department to all the taxpayers whose income is taxable.

The Format of PAN is **ASDCC1234A**

The Table 2.3 explains the format of PAN:

ASD	C	C	1234	A
Three letters in a sequence of alphabets from AAA to ZZZ (This selection happens randomly).	This shows the type of holder of the card. For example: C-Company, G-Government etc.	It is the first character of surname/last name or name of company/entity/trust etc.	System generated sequential numbers	It is a Check digit - Alphabetic number generated by the system

Table 2.3

Who has to deduct the tax?

The following person making the payments to third parties are required to deduct tax at the source.

- Individuals/HUF
- Body of Individuals (BOI)
- Association of Persons (AOP)
- Association of Person (Trust)
- Local Authority (Central and State Government)
- Firm
- Company
- Artificial Juridical Person
- Central Government
- Autonomous Body (Central and State Government)
- State Government
- Statutory Body (Central and State Government)
- Branch/Division of Company

TDS Rates

TDS rates are fixed by the government against each TDS Nature of Payments and these rates will be changed/ altered every financial year by the government. And the deductor (the one who is deducting the tax) need to deduct the TDS as per the latest rates

Exemption Limit

Exemption Limit is the limit set by the government for most of the TDS Nature of Payments. **For Example:** The exemption limit for Fees for Professional Services is ₹ 30,000 per annum and TDS Rate is 10%

If the company is receiving the bill towards professional services for ₹ 25,000,per annum then the TDS should not be deducted on the amount of ₹25,000, because the amount is not crossing the exemption limit of ₹ 30,000, it is coming under the exemption.

TDS Calculation when exemption limit is crossed

If the Company is receiving the bill for Fees for Professional Services for ₹ 50,000, then the TDS @ 10% needs to be deducted on ₹ 50,000 because it is crossing the exemption limit of ₹ 30,000. Components used for Calculation are given below for Financial Year 2021-22



Total Value = ₹ 50,000

TDS Rate = 10% for fees for professional

Exemption Limit = ₹ 30,000 for fees for professional

In this case TDS amount will be ₹ 5,000 (i.e., Total value (x) TDS Rate) and the payable amount to the service provider/deductee will be ₹ 45,000 (i.e., Total value (-) TDS deducted amount)

Note: For a few Nature of Payments the exemption limit will be given for a single bill value and also exemption limit will be given in aggregate value. Example, for Payments to Transporters nature of payments, the single bill value limit is ₹30,000 and the aggregate exemption value for the financial year is ₹1,00,000.

The following Table 2.4 displays the latest TDS Rates with relevant exemption limit for Financial Year 2021-22.

TDS Rate for F.Y. 2021-22 (A.Y: 2022-23)

Section	Nature of payment	Threshold Limit INR	Applicable from 01-04-2021 to 31-03-2022		
			Resident	Non-resident	If no PAN
			TDS Rate (%)	TDS Rate (%)	TDS Rate (%)
192	Salaries	As per Slab	IT Slab rate	IT Slab rate	30
192A	Premature withdrawal from EPF	50,000	10	10.40	20
193	Interest on securities (Threshold limit for interest paid on debentures is 5,000. Threshold limit for interest on 7.75% GOI Savings (Taxable) Bonds 2018 is 10,000.)	2,500	10	-	20
194	Dividends	5,000	10	-	20
194-A	Interest (Banking co., co-operative society engaged in banking, post office)	40,000 for Others 50,000 for Senior Citizens	10	-	20
194-B	Winning from lotteries, crossword puzzles, card games	10,000	30	31.2	30
194BB	Winning from Horse race	10,000	30	31.2	30
194C	Payment to Contractors	Single Payment-30,000	1% for Individual /HUF		20



		Aggregate payment- 1,00,000	2% for Others		
194C	Payment to Contractors – Transporter not covered under 44AE	Single Payment- 30,000 Aggregate payment- 75,000	1% for Individual /HUF 2% for Others		20
194D	Insurance commission	15,000	5% for Other than Company 10% for Company		20
194DA	Maturity of Life insurance policy	1,00,000	5	-	20
194E	Non-resident sportsmen or sports association	-	-	20	20
194EE	Payment in respect of deposit under National Savings scheme (NSS)	2,500	10	10	20
194G	Commission on sale of lottery tickets	15,000	5	5.20	20
194H	Commission/Brokerage	15,000	5	-	20
194I	Rent of - Plant/Machinery /Equipment - Land and Building/Furniture & Fixture	2,40,000 2,40,000	2 10	- -	20 20
194IA	Transfer of certain immovable property other than agriculture land	50 lakhs	1	-	20
194IB	Rent by Individual/HUF	50,000 per month	5	-	20
194IC	Payment under Joint Development Agreements to Individual/HUF	-	10	-	20
194J	Professional Fees	30,000	10	-	20
194J	Technical Fees (w.e.f. 01.04.2020)	30,000	2	-	20
194J	Payment to call centre operator (w.e.f. 01.06.2017)	30,000	2	-	20



194K	Payment of any income in respect of (a) units of a mutual fund as per section 10(23D); or (b) the units from the administrator; or (c) units from specified company (w.e.f. 01.04.2020)	-	10	-	20
194LA	Compensation on transfer of certain immovable property other than agriculture land (TDS exempted if covered under RFCTLARR Act w.e.f. 01.04.2017)	2,50,000	10	-	20
194LB	Income by way of interest from infrastructure debt fund	-	-	5.20	20
194M	Certain payments by Individual/HUF	50 lakhs	5	-	20
194N	Payment of certain amount in cash(Cash Withdrawal)	1 Crore	2	-	20
194-O	Applicable for e-commerce operator for the sale of goods or provision of services facilitated by it through its digital or electronic facility or platform (Applicable from 01.10.2020)	5 Lakhs	1	-	20
194-Q	Purchase of goods (applicable w.e.f 01.07.2021) (A new section 194Q is proposed to be inserted to provide for deduction of TDS by person responsible for paying any sum to any resident for purchase of goods @ 0.1%).	50 Lakhs	0.10	-	-
195	Income of Investment made by an NRI	-	-	20.80	
195	Long-term capital gain - Under Section - 115E/ 112(1)(c)(iii)/112A - Any Other Gains	-	-	10.40 20.80	
195	Short-term capital gain - 111A	-	-	15.60	
195	Royalty	-	-	10.40	



195	Fees for technical services	-	-	10.40	
195	Interest income payable by Govt./Indian concern (other than section 194LB or 194LC)	-	-	20.80	
195	Any Other Source of Income	-	-	31.20	
194-P	TDS on Senior Citizen above 75 Years (Relaxation for senior citizen from filing ITR (Subject to Tax Deduction under Section 194P) [AY 2021-22])	-	-	-	-

Table 2.4

TDS rate shall be increased by applicable surcharge and Health & Education Cess.

Note: In case of non-furnishing of PAN/Aadhaar by deductee, TDS will be charged at a normal rate or 20% (5% in case of section 194-O), whichever is higher.

2.4 TDS in TallyPrime

The TDS module in TallyPrime is integrated with financial accounts and takes care of all the TDS and e-TDS requirements of your business, right from:

- Creation of TDS nature of payment,
- Accounting of TDS in Voucher entry to,
- TDS report generation,

TallyPrime completely automates your TDS management:

- Accurately computes tax to be deducted at source,
- Computes TDS payable amount, and
- Generates TDS payment challans,
- Generates Statutory Returns,
- And other related MIS reports.
- Spontaneous and Instinctive navigation mechanism.

The e-TDS 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 and penalties (if any) for the smooth and effective functioning of your business.

Features of TDS compliant in TallyPrime

TallyPrime comprises comprehensive features to ensure accurate and automatic computation of Tax Deductable at Source for non-salaried Deductees according to the provisions stipulated in the Income Tax Act.



The TDS functionality in TallyPrime encompasses the following salient features:

- In TallyPrime we can view and print the reports from anywhere without disturbing the current work which is going on in TallyPrime. For Example, we can check the report while recording the sale transaction, after checking the report, we can go back to the same sales transaction and continue recording the entry.
- Easy to configure TDS and 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
- Provides facility to compute TDS with/without considering Surcharge Exemption Limits for parties
- Facilitates automatic generation of quarterly as well as annual e-TDS returns in both physical and e-Returns formats
- Provides 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 the income tax department
- Generates, challan, and annual returns for statutory and tax audit purpose.

Business Scenario

Dakshin Electronics Pvt. Ltd. expanded the business from January 2021 and has 2 branches in Bengaluru city. So, the company uses commercial space on a rental basis. Since the rent amount crosses the exemption limit as per Income Tax law, Dakshin Electronics Pvt. Ltd. needs to deduct TDS and make a payment to the Government.

The company also deducts TDS on various payments like payment of a commission, payments of dividends, payments to contractors, payments against capital expenditure, Transportation etc.

The company has an account in **Kotak Bank Current A/c** for business purpose.

Note: We will maintain the **Tax Deducted at Source (TDS)** for the company i.e., **Dakshin Electronics Pvt. Ltd.** which is already created for the 1st Chapter **Goods and Services Tax**.

2.4.1 Activation of TDS in TallyPrime

Before proceeding with the illustrations on using TDS, based on the above Business Scenario, let us activate the TDS feature for the company in TallyPrime.

To activate TDS in Dakshin Electronics Pvt. Ltd. Pvt. Ltd,

- 1) Open **TallyPrime** > In the **Select Company** screen, from the **List of Companies** > Select **Dakshin Electronics Pvt. Ltd.**
- 2) Click **K: Company** > Enter on Features F11.
- 3) Under **Taxation**, set **Enable Tax Deducted at Source (TDS)** to **Yes**.
- 4) Press **Enter** > Mention the details as given in Table 2.5

Company TDS Deductor Details	
Against the field	Action to be performed
TAN registration number	Keep it Blank (TAN Registration number is given when TAN is applied for)
Tax deduction and collection account number (TAN)	Enter as BLRD56767G
Deductor type	Select Company



	(You can press F12:Configure and set the option Show all Deductor types to Yes to get the list of Collector/Deductor Types.)
Deductor branch/division	Enter as Bengaluru
Set/alter details of person responsible	Set to No
Rate and Exempt Details	
Ignore IT exemption limit for TDS deduction	Set to No
Activate TDS for stock items	Set to No

Note:

- **Set/alter details of person responsible** can be enabled to provide the details of person authorised to file the TDS returns of your company, which will be used in the challan, forms and returns.
- We can press **F12:Configure** and enable the option, **show all Deductor Types** by doing this we will get the complete list of deductor types. **Enable surcharge and cess details for TDS and Provide alternate contact details.** – for this company do not make these changes
- Enable the option **Ignore IT exemption limit for TDS deduction** (for not considering the IT exemption limit)
- Set the option **Activate TDS for stock items** to **No**. (By enabling this option TDS can be configured for stock items.)

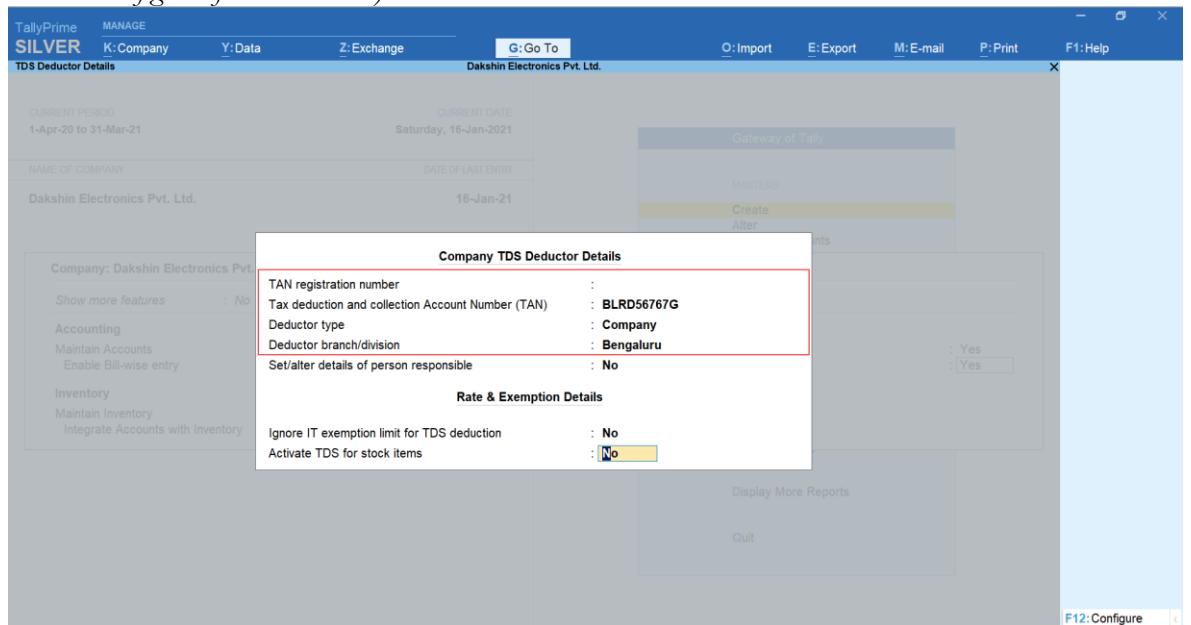


Table 2.5

- 5) Accept the **Company TDS Deductor Details** screen.
- 6) The **Company Features Alteration** screen appears to Accept the screen, press **Backspace**.

Note: The company PAN is entered for the company. To check the same, from Company Features Alteration screen, click **I: More Details** > Enter on **PAN/CIN Details**. > You can observe that the company PAN **ASDFG3345Q** is entered.

CIN number is the corporate identification number, it is a 21 digit alphanumeric code. Do not enter any CIN.

- 7) Accept the **PAN/CIN Details** screen.



The **Company Features Alteration** screen appears as shown in Figure 2.1

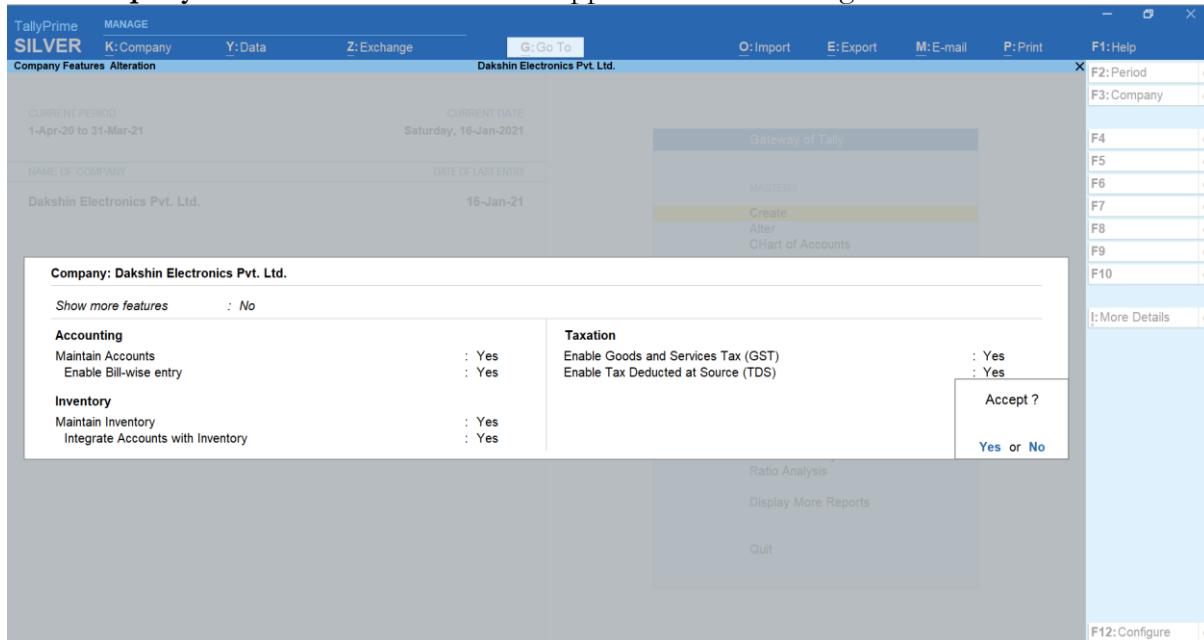


Figure 2.1 Company Features Alteration

8) Accept the screen.

Note:

- In Figure 2.1, we can observe a few options are available by default upfront, these are the company features, which are essential for the organization.
- To display more feature, we can set the option **Show more features** to **Yes** (as of now do not enable the options)

2.5 TDS Statutory Masters

The statutory masters contain details with respect to TDS nature of payments, Deductee Types, rate of TDS for each nature of payment and period of applicability. These TDS nature of payment masters must be created in TallyPrime to record TDS related transactions.

To create TDS Nature of Payment,

- 1) From **Gateway of Tally > Create >** under **Statutory Masters >** select **TDS Nature of Payments**.
- 2) Click **F12: Configure** > set **Allow tax rate without PAN** to **Yes**. By enabling this option, we will get the **Without PAN** rate details while creating the **TDS Nature of Payment**.
- 3) Click **H: Helper** > The List of TDS Nature of Payment appears, Type as **Rent** > select the **Nature of Payment** as **Rent of Land, Building or Furniture**.



The List of TDS Nature of Payment screen appears as shown in Figure 2.2

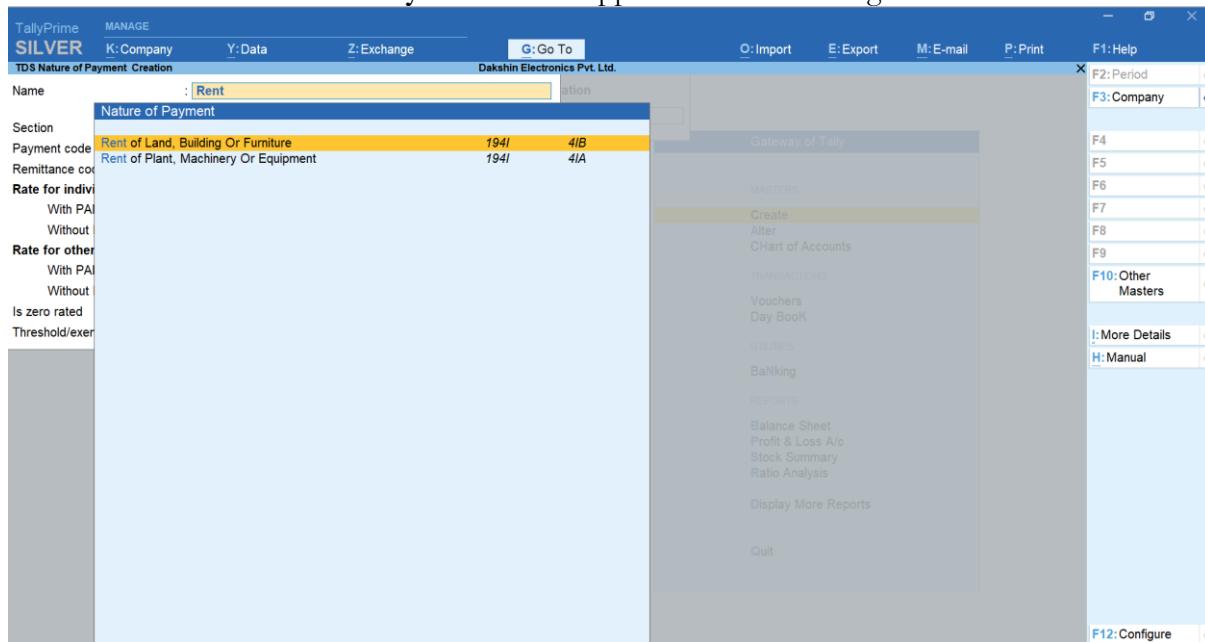


Figure 2.2 TDS Nature of Payment screen

Note: We can create the TDS Nature of Payment manually if the required nature of payment is not available in the TDS Nature of Payment list, just by clicking on the option **H: Manual**, from the TDS Nature of Payment creation screen as shown in Figure 2.2.

- 4) Press **Enter**
- 5) **Section** and **Payment code** will capture automatically based on the TDS Nature of Payment selection.
- 6) Enter the **Remittance code** as **281**.
- 7) Under **Rate for individuals/HUF > With PAN** field, Enter the **Rate** as **7.5%**. The same rate appears in the **Rate for other deductee types** field.
- 8) Under **Without PAN** field, **20%** rate will capture. We are getting this option because we have enabled the option **Allow tax rate without PAN** in **F12: Configure**.

Note: If PAN is not provided by the deductee, then TDS will get deducted at 20%.

- 9) Enter the **Threshold/exemption limit** as **₹ 2,40,000**

Note: If the payment amount exceeds ₹ 2,40,000, then TDS must be deducted. **Threshold/exemption limit** values differ as per the TDS Nature of Payment.



The **TDS Nature of Payment Creation** screen appears as shown in Figure 2.3

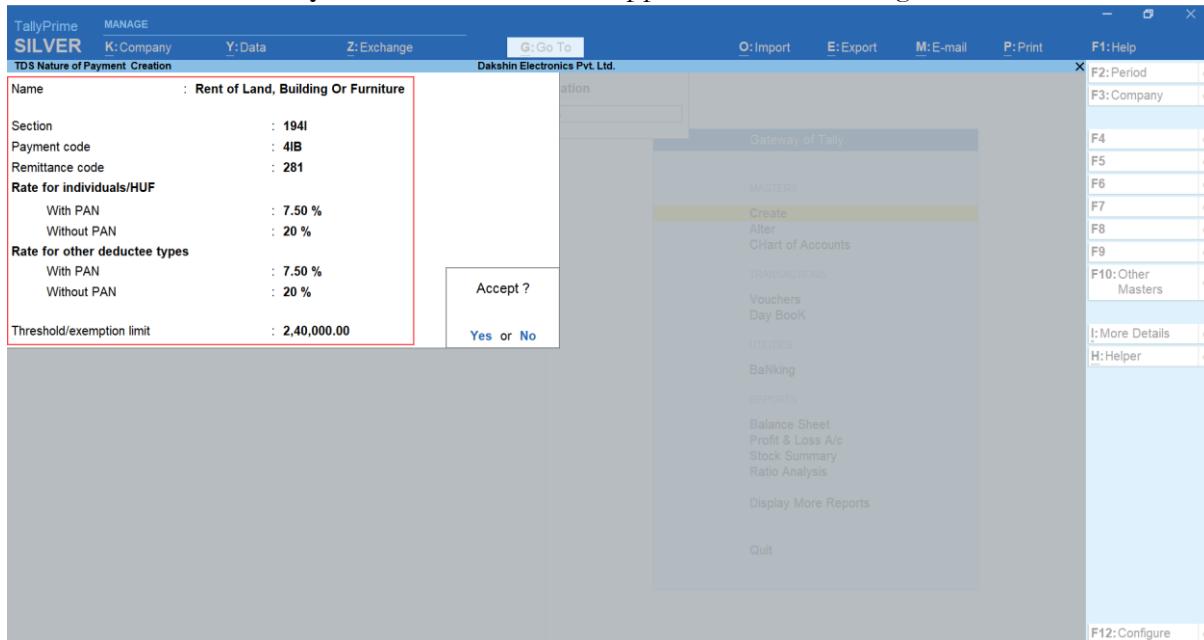


Figure 2.3 TDS Nature of Payment Creation screen

10) Accept the screen

Note: We can create the TDS Nature of Payment directly by clicking on **G: Go To > Create Master > under Statutory Masters > TDS Nature of Payments**. This will lead to the TDS Nature of Payment creation screen. We can use this option from any screen in TallyPrime to directly land in the TDS Nature of Payment creation screen.

2.6 Configuration of TDS at Different levels

In this section, we will learn to configure TDS at different levels like **Accounting Group** level and **Accounting Ledger** level.

Note: We can define the TDS rates only in the TDS Nature of Payments master level but can select the TDS nature of payment master at the account group level, ledger level, stock item level stock group level and transactional level, which is based on our business requirement.

2.6.1 Configuration of TDS at Group level

TDS Details can be defined at the Accounting Group Level when TDS is charged on various expenses like Rent on Building and Rent on Furniture. In TallyPrime we can configure TDS for similar kind of expenses at one go in the account group.

For Example: Dakshin Electronics Pvt. Ltd. pays rent on building and rent on furniture every month and the payment bill amount crosses the TDS exemption limit.

In TallyPrime, we can create an account group like as shown in Table 2.6 and configure TDS at the group level.

Account Group	
1.	Rent on Building and Furniture Expenses

Table 2.6



We can create the ledgers by name Rent on Building and Rent on Furniture under the account group Rent on building and furniture Expenses as shown in Chart 2.2

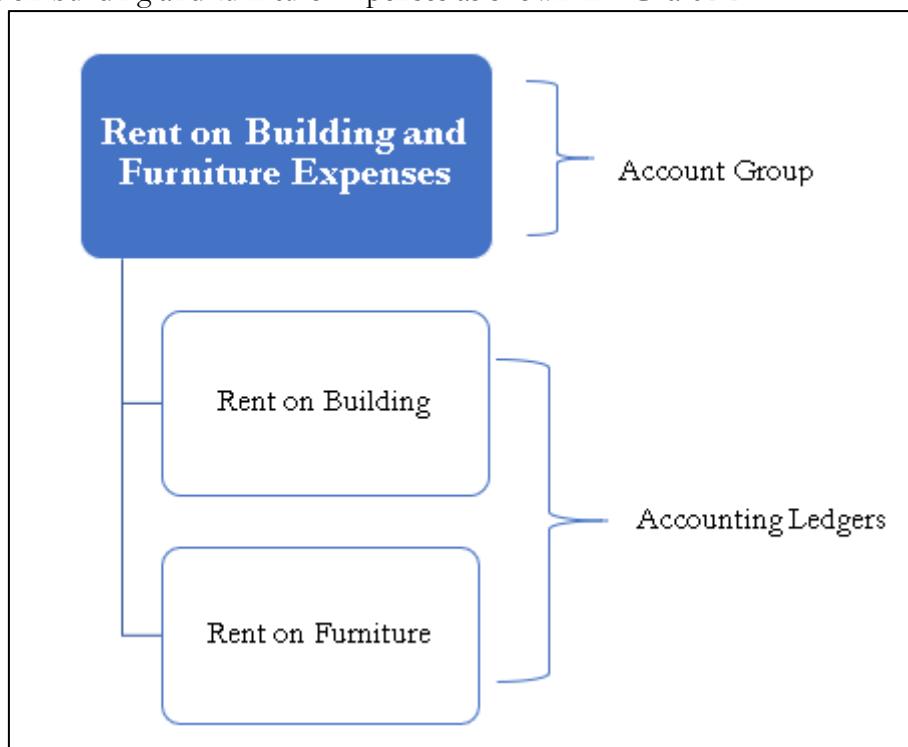


Chart 2.2 Configuration of TDS at Group level

At this time, it is not required to configure the TDS at the ledger level, because the configuration of TDS rates is done at the group level.

By this, we can configure TDS for similar kinds of ledgers at one go, by creating an account group in TallyPrime.

Illustration 1: Configuration of TDS at group level and booking of expenses & deducting TDS and then making payment to party.

Date	Particulars
16 th January 2021	Voucher: Journal Dakshin Electronics Pvt. Ltd. is liable to pay rent of ₹ 3,50,000 for office space (Building) to SRN Constructions Pvt. Ltd. Since the liable amount exceeds the exemption limit of ₹ 2,40,000, the company decided to deduct TDS on rent in the same bill.
17 th January 2021	Voucher: Payment Dakshin Electronics Pvt. Ltd. made payment of the balance amount of ₹ 3,23,750 after deducting TDS to SRN Constructions Pvt. Ltd vide Kotak Bank Current A/c cheque 525105.

Table 2.7

As discussed earlier, tax deducted at source on incomes specified by the Income Tax department is deducted at source when income arises/accrues or paid whichever is earlier.

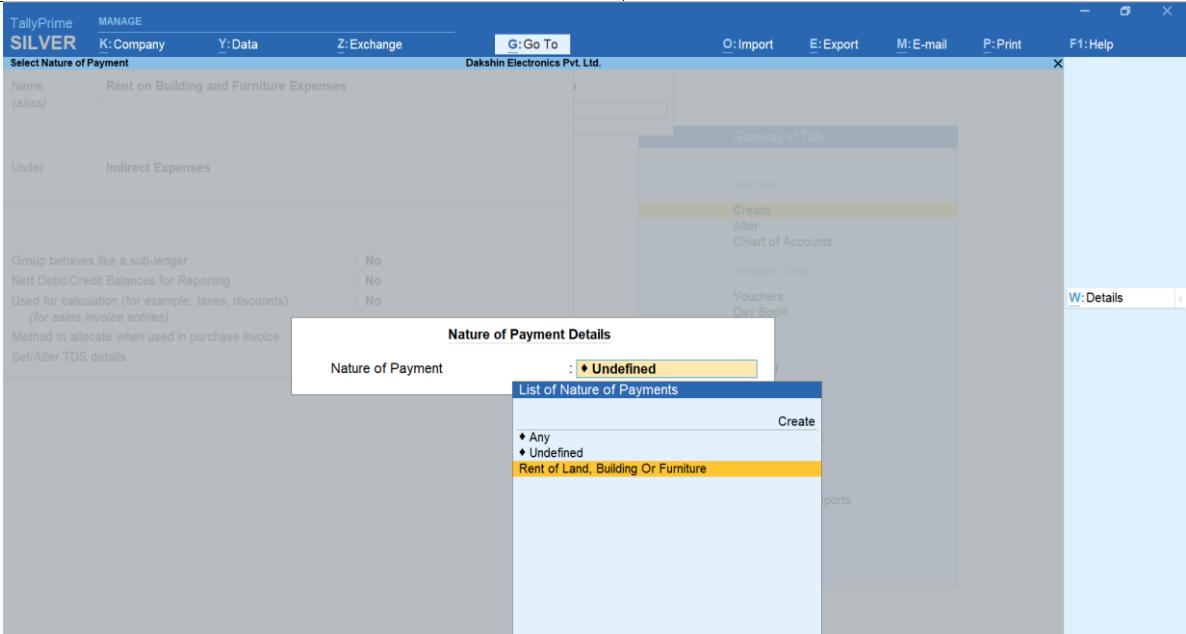
To record the transactions in the books of Dakshin Electronics Pvt. Ltd., first ensure that the TDS is configured at the group level and required ledgers are created in TallyPrime.



Step 1: Creation of Account Group and Enabling TDS at Group Level Accounting Group

- 1) From **Gateway of Tally > Create > under Accounting Masters > Group**

Rent on Building and Furniture Expenses	
Against the field	Action to be performed
Name	Enter as Rent on Building and Furniture Expenses
Under	Select as Indirect Expenses
Set/Alter TDS details	Let the other options be as it is
Nature of Payment	Select Rent of Land, Building Or Furniture



Note:

- From the List of **TDS Nature of Payments**, we can create the TDS Nature of payment by selecting the option as **Create**. But in this case, as we have created the TDS Nature of Payment, select the same.
- Do not make any changes in other fields and accept the Group.

Table 2.8



The **Group Creation** screen appears as shown in Figure 2.4

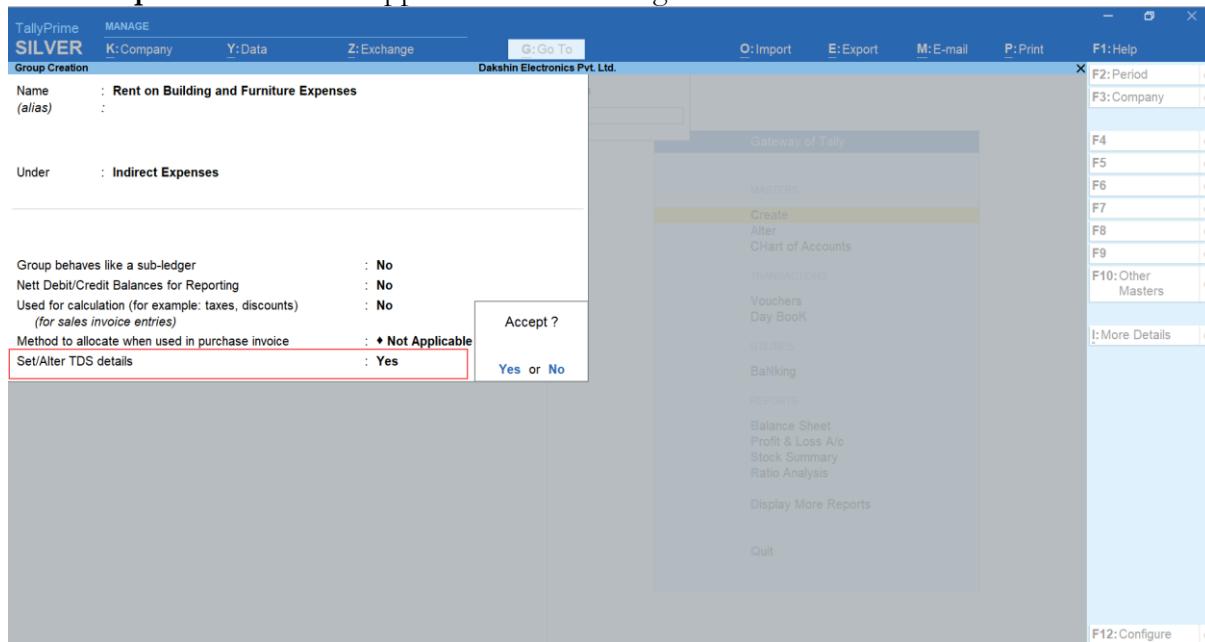


Figure 2.4 Group Creation screen

2) Accept the screen

Step 2: Creation of Accounting Masters

Expenses Ledger

- 1) From **Gateway of Tally > Create > under Accounting Masters > Ledger**
Alternatively, from **Group Creation screen > click F10: Other Masters > under Accounting Masters > Ledger**

Rent on Building	
Against the field	Action to be performed
Name	Enter as Rent on Building
Under	Select as Rent on Building and Furniture Expenses (This is the group which we have created and configured TDS)
Type of Ledger	Select Not Applicable

Statutory Details	
Is GST applicable	Select as Not Applicable
Set/Alter GST Details	Select as No
Is TDS applicable	Select as Applicable
Nature of Payment	Select as Undefined
Include in assessable value calculation for	Select as Not Applicable

Note :

- The Default Nature of Payment is selected as **Undefined** because the nature of payment is configured at the Group level, it is not required to configure it in the ledger level.
- Do not make any changes in other fields and accept the Ledger.
- We are not activating GST for the ledgers and any other masters because GST is not applicable for TDS related transactions for Dakshin Electronics Pvt. Ltd.

Table 2.9



The **Ledger Creation** screen appears as shown in Figure 2.5

Figure 2.5 Ledger Creation screen – Expenses Ledger

2) Accept the screen

Activity: Similarly create the ledger as **Rent on Furniture** under **Rent on Building and Furniture Expenses Group** referring to Figure 2.5.

Party Ledger

1) From **Gateway of Tally > Create >** under **Accounting Masters > Ledger**

SRN Constructions Pvt. Ltd.	
Against the field	Action to be performed
Name	Enter as SRN Constructions Pvt. Ltd.
Under	Select as Sundry Creditors
Maintain balances bill-by-bill	Set to Yes
Default credit period	Keep it Blank
Check for credit days during voucher entry	Set to No
Statutory Details	
Is TDS Deductable	Set to Yes
Deductee type	Select as Company - Resident
Deduct TDS in Same Voucher	Set to Yes
Mailing Details	

Accept the mailing Details as it is

Tax Registration Details	
PAN/IT No.	Enter as ASDCG1234A
Provide PAN details	Set to No
Registration type	Select Unknown
GSTIN/UIN	Keep it Blank (Ignore if you are getting any error)
Set/Alter GST details	Set to No

Note:

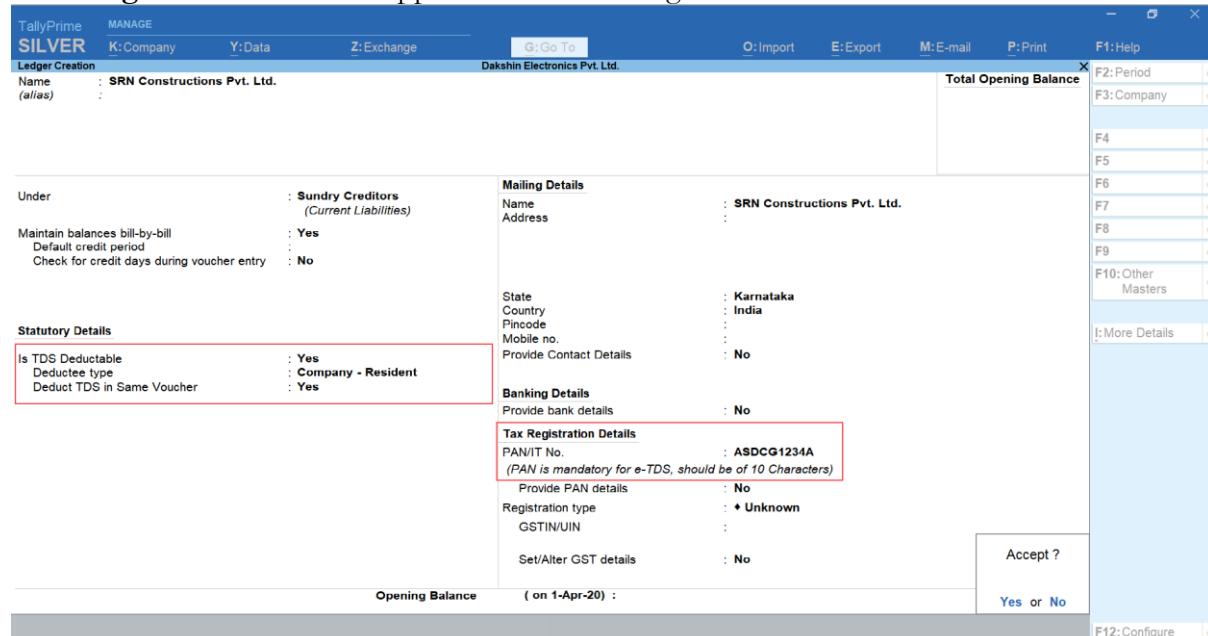
- By enabling the option **Deduct TDS in Same Voucher**, TDS will get deducted while booking the expenses itself.



- In mailing details select **State as Karnataka, Country as India** in the party, which is required in Statutory forms and reports.
- If the PAN/IT number is not entered, then TDS will be deducted at 20%. As the number of business transactions increases, it becomes very difficult in keeping a track of the details of creditors, debtors, pending bills and over dues, **Maintain balances bill-by-bill** option enables tracking of every transaction and efficient management of payables and receivables.
- We are not activating GST for the ledgers and any other masters because GST is not applicable for TDS related transactions for Dakshin Electronics Pvt. Ltd.

Table 2.10

The **Ledger Creation** screen appears as shown in Figure 2.6



The screenshot shows the 'Ledger Creation' window in TallyPrime. The top menu bar includes 'MANAGE', 'K: Company', 'Y: Data', 'Z: Exchange', 'G: Go To', 'O: Import', 'E: Export', 'M: E-mail', 'P: Print', 'F1: Help', 'F2: Period', 'F3: Company', 'F4', 'F5', 'F6', 'F7', 'F8', 'F9', 'F10: Other Masters', 'I: More Details', and 'F12: Configure'. The main area displays ledger details for 'SRN Constructions Pvt. Ltd.' under 'Dakshin Electronics Pvt. Ltd.'. It includes sections for 'Under' (Sundry Creditors), 'Statutory Details' (Is TDS Deductable: Yes, Deductee type: Company - Resident, Deduct TDS in Same Voucher: Yes), 'Mailing Details' (Name: SRN Constructions Pvt. Ltd., Address:), 'Banking Details' (Provide bank details: No), 'Tax Registration Details' (PAN/IT No.: ASDCG1234A, Provide PAN details: No, Registration type: Unknown, GSTIN/UIN:), and 'Opening Balance' (on 1-Apr-20:). A red box highlights the 'Statutory Details' section. On the right, there's an 'Accept?' button with 'Yes or No' options.

Figure 2.6 Ledger Creation screen – Party Ledger

2) Accept the screen

Note:

- **I: More Details:** From the Ledger Creation screen, we can add more details by using the key **I: More Details**, in the party ledger we can use this key to add General Details and Party Details like contact, Mailing, Description, Notes etc.
- **F10: Other Masters:** From the Ledger Creation screen, we can also create accounting masters, inventory masters and statutory masters, by using **F10: Other Masters**.

TDS Ledger

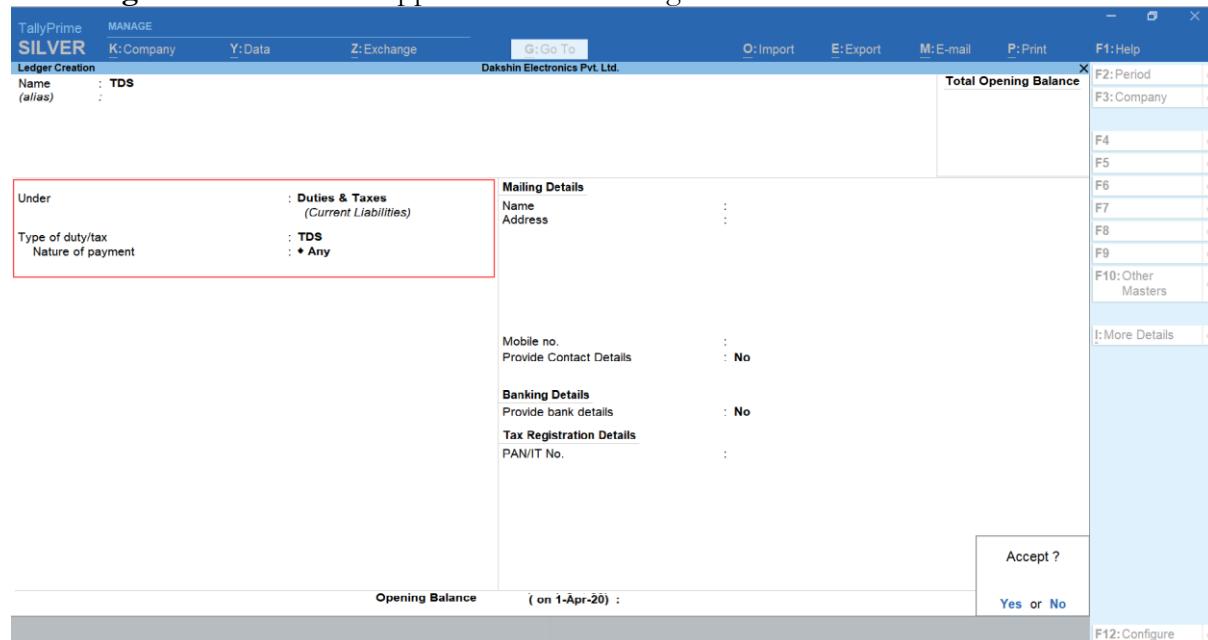
1) From Gateway of Tally > Create > under Accounting Masters > Ledger

TDS	
Against the field	Action to be performed
Name	Enter as TDS
Under	Select as Duties & Taxes
Type of duty/tax	Select as TDS
Nature of payment	Select as Any

Table 2.11



The **Ledger Creation** screen appears as shown in Figure 2.7



The screenshot shows the 'Ledger Creation' screen in TallyPrime. The top menu bar includes 'TallyPrime SILVER', 'MANAGE', and various icons for 'Import', 'Export', 'E-mail', 'Print', and 'Help'. The main title is 'Dakшин Electronics Pvt. Ltd.' Below the title, there's a section for 'Total Opening Balance' with dropdown menus for 'F2: Period' and 'F3: Company'. A large red box highlights the 'Under' field set to 'Duties & Taxes (Current Liabilities)' and the 'Nature of payment' field set to 'Any'. To the right, there are sections for 'Mailing Details', 'Mobile no.', 'Banking Details', and 'Tax Registration Details'. At the bottom right is an 'Accept ?' button with 'Yes or No' options, and at the very bottom is an 'Opening Balance' field with '(on 1-Apr-20)'.

Figure 2.7 Ledger Creation screen – TDS Ledger

2) Accept the screen

Note:

- While creating the TDS duty ledger, we have selected the nature of payment as **Any**, by doing this the same duty ledger can be used for all the TDS nature of payments available like Rent on Building and Furniture Expenses, Commission or Brokerage, Payment to contractors etc.
- If required, we can also create a separate TDS duty ledger for each TDS nature of payments, to do this, we should not select the **Nature of Payment** as **Any** while creating the TDS duty ledger. Instead of **Any**, we need to select the required TDS Nature of Payment. **For example**, to create the TDS duty ledger for Rent on Building and Furniture, we need to select the nature of payment as Rent of Land, Building Or Furniture

Step 3: Recording Journal Voucher to book Expenses and to Deduct TDS in the same voucher.

- 1) From **Gateway of Tally**> **Vouchers** > **F7: Journal**
- 2) Click **F2: Date** and enter the date as **16-Jan-21**.
- 3) Press **F12: Configure**> Under **General Details** > Set the option **Use Cr/Dr instead of To/By during voucher entry** to **Yes** > Accept the **Voucher Configuration** screen (Skip this step if it already in Cr/Dr instead of To/By).
- 4) **Debit the Rent on Building** ledger and enter the **Amount** as **₹ 3,50,000**.
- 5) **Credit the SRN Constructions Pvt. Ltd.** ledger. The amount will get captured automatically, and then the **Bill-wise Details** screen appears
 - In the **Amount** field – Amount of **₹ 3,50,000 Cr.** will get captured automatically > Press **Enter**. The amount before TDS deduction will appear in the **Amount** field automatically
 - In the **Amount** field – Amount **₹ 26,250 Dr.** will get captured automatically. The TDS deduction amount will appear in the **Amount** field automatically.



The **Bill-wise Details** screen appears as shown in Figure 2.8

Particulars		Type of Ref	Name	Due Date, or Credit Days (wef: 16-Jan-21)	Amount	Dr/ Cr	Debit	Credit
Dr Rent on Building		New Ref	4		3,50,000.00	Cr	3,50,000.00	
Cur Bal: 3,50,000.00 Dr		New Ref	4		26,250.00	Dr		3,23,750.00
CR SRN Constructions Pvt. Ltd.								
Cur Bal: 3,23,750.00 Cr								
<i>(Note: 'Breaking of above bills helps to identify the original bill amount in the outstanding statement')</i>								
Narration:					3,23,750.00	Cr	3,50,000.00	3,23,750.00

Figure 2.8 Bill-wise Details screen

- Select **End of List > Accept** the Bill-wise details screen

Note: The **Bill wise details** screen is appearing because while creating the party ledger, we have enabled the option **Maintain balances bill by bill**.

- 6) **Credit the TDS ledger**
- 7) The TDS amount of **₹ 26,250** will capture automatically.
- 8) Press **Enter**
- 9) Enter the **Narration** if required
- 10) Click **I: More Details** to view the tax implication in this transaction > In the **More Details** screen, under **Additional Details > TDS > Select TDS-Tax Analysis**.
- 11) Press **Alt+F5**, to view the **TDS-Tax Analysis** screen in detailed as shown in Figure 2.9

Particulars		Taxable Value	Tax rate	Duty/Tax Value
Rent of Land, Building Or Furniture		3,50,000.00	7.50 %	26,250.00
Rent on Building	3,50,000.00			
Income Tax		3,50,000.00	7.50 %	26,250.00
		Total Tax	3,50,000.00	26,250.00

Figure 2.9 TDS -Tax Analysis screen



We can observe that in the tax analysis screen, we will get the details of Assessable value as 3,50,000. Tax rate as 7.5%, and Duty/Tax value as 26,250 i.e., $3,50,000 * 7.5\% = 26,250$ as shown in *Figure 2.9*

- 12) Press **Esc** to go back to the **Journal Voucher Creation** screen

The **Journal Voucher** screen appears as shown in *Figure 2.10*

Particulars	Debit	Credit
Dr Rent on Building Cur Bal: 3,50,000.00 Dr	3,50,000.00	
Cr SRN Constructions Pvt. Ltd. Cur Bal: 3,23,750.00 Cr		3,23,750.00
New Ref 4 New Ref 4	3,50,000.00 Cr 26,250.00 Dr	
Cr TDS Cur Bal: 26,250.00 Cr		26,250.00

Narration:

Figure 2.10 Journal Voucher Screen

- 13) **Accept** the screen

Observation: The TDS ledger is created under the Duties & Taxes group. The implication of the transaction will be in the Balance Sheet.

From **Gateway of Tally > Balance Sheet > Current Liabilities > Duties & Taxes.**

Step 4: Recording Payment Voucher to Make a Payment to Party

- 1) From **Gateway of Tally > Vouchers > F5: Payment**

Note: Instead of going back to *Gateway of Tally*, we can record the payment voucher from the journal voucher creation screen, just by clicking **F5: Payment**.

- 2) Click **F2: Date** and enter the date as **17-Jan-21**.
- 3) Click **H: Change mode** and select the mode as **Single Entry**
- 4) Click **F12: Configure**, set the option **Pre allocate bills for Payment/Receipt/Journal voucher** to **Yes**. (To get the **Bill-wise Details** screen immediately after selecting party ledger.) Press **Ctrl+A** to accept the **Configuration** screen
- 5) In the **Account** field, select **Kotak Bank Current A/c**
- 6) In the **Particulars** field, select **SRN Constructions Pvt. Ltd.**
- 7) We will get the **Bill-wise Details** screen for **SRN Constructions Pvt. Ltd.**, Select **Against Ref** and select the Pending Bill of **₹ 3,23,750** and **Accept** the screen.

Observation: We are getting the Bill wise Details screen immediately after selecting the party ledger because we have set the option **Pre-allocate bills for Payment/Receipt/Journal Voucher?** to **Yes**, in **F12: Advanced Configuration** screen.



- 8) In the **Bank Allocations** screen, select the **Transaction Type** as **Cheque/DD** and enter the **Instrument number (Cheque Number)** as **525105** > **Inst. date** as **17-Jan-20** > **Accept** the screen.

Note: Cheque Range by default, will be selected as **Not Applicable**.

- 9) Enter the **Narration** if required

The **Payment Voucher Creation** screen in single entry mode appears as shown in Figure 2.11

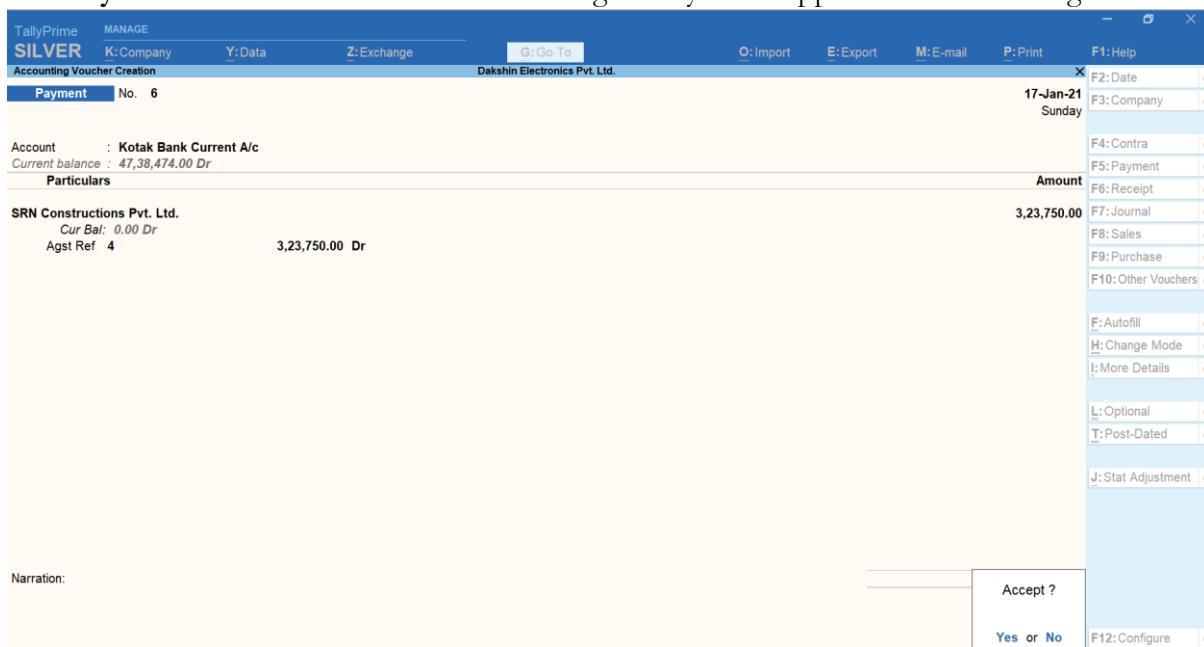


Figure 2.11 Payment Voucher screen

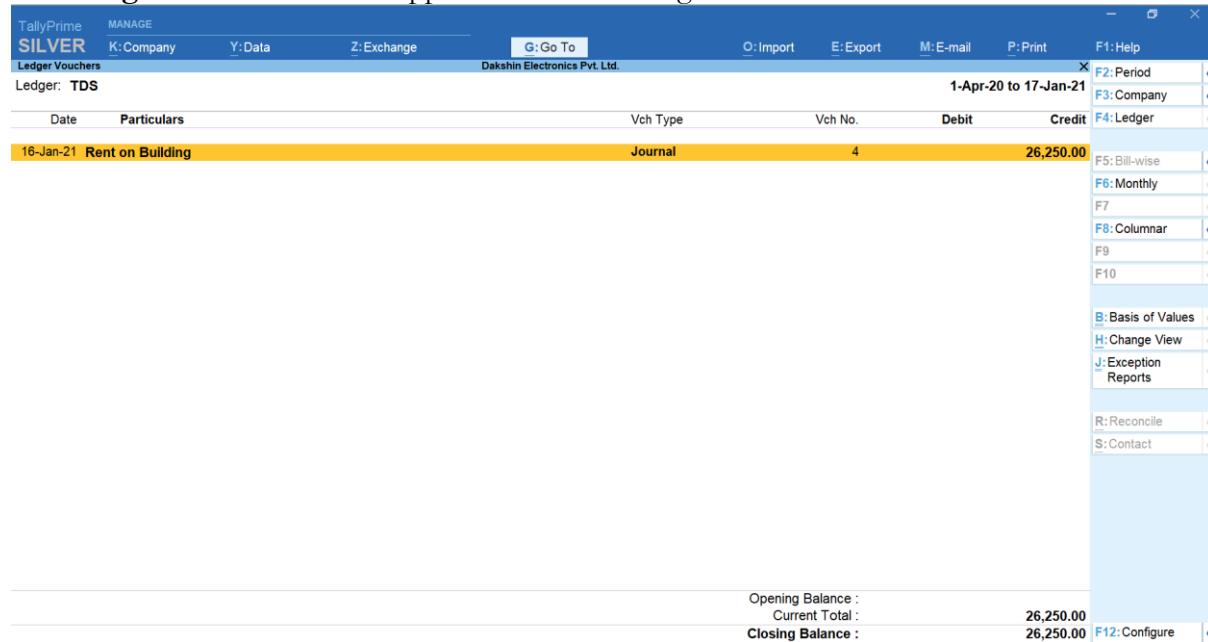
- 10) **Accept** the screen

Observation:

- Check the ledger voucher report, to check the same from the Payment voucher creation screen click on **Go to** or press **Alt+G** >**List of Reports** > Type as **Ledger Vouchers** > from **List of Ledgers** > select **TDS** ledger.



The **Ledger Vouchers** screen appears as shown in Figure 2.12



Dakshin Electronics Pvt. Ltd.

Ledger: TDS 1-Apr-20 to 17-Jan-21

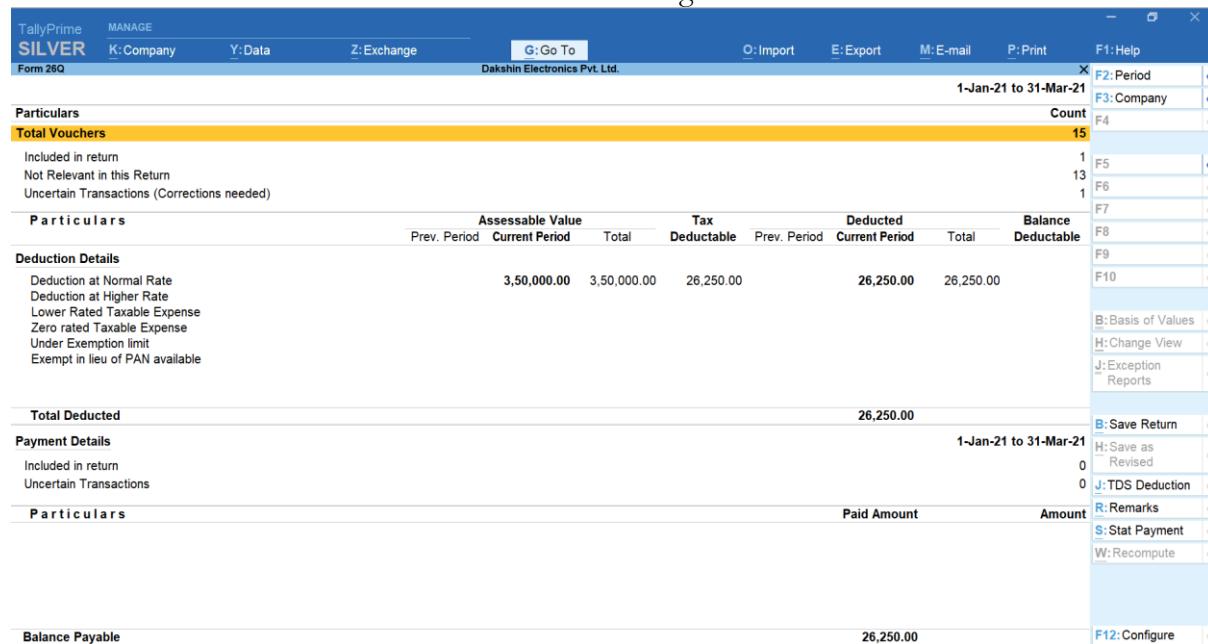
Date	Particulars	Vch Type	Vch No.	Debit	Credit
16-Jan-21	Rent on Building	Journal	4	26,250.00	

Opening Balance : 26,250.00
Current Total : 26,250.00
Closing Balance : 26,250.00

Figure 2.12 Ledger Vouchers screen

This is how spontaneously we can check any report from anywhere like from ledger level, transaction level and report level., we will get the amount as ₹ 26,250 (This amount is payable to the government).

- To check the Form 26Q report, again press **Alt+G** or click on **Go To** option from the **Ledger Vouchers** screen and type as **Form 26Q**, you will get the name (Form 26Q) in the list, select the same. We will get the details of **Assessable Value**, **Tax Deductable** and **Deducted** amount details as shown in Figure 2.13



Dakshin Electronics Pvt. Ltd.

1-Jan-21 to 31-Mar-21

Particulars	Assessable Value	Tax Deductable	Deducted	Balance Deductable			
Particulars	Prev. Period	Current Period	Total	Prev. Period	Current Period	Total	Deductable
Total Vouchers	3,50,000.00	3,50,000.00	26,250.00	26,250.00	26,250.00	26,250.00	
Deduction Details							
Deduction at Normal Rate							
Deduction at Higher Rate							
Lower Rated Taxable Expense							
Zero rated Taxable Expense							
Under Exemption limit							
Exempt in lieu of PAN available							
Total Deducted				26,250.00			
Payment Details							
Included in return							
Uncertain Transactions							
Particulars				Paid Amount		Amount	
Balance Payable					26,250.00		

Figure 2.13 Form 26Q screen



Activity: Create the party ledger as **SAM Agencies** referring to Table 2.12

SAM Agencies	
Against the field	Action to be performed
Name	Enter as SAM Agencies
Under	Select as Sundry Creditors
Maintain balances bill-by-bill	Set to Yes
Default credit period	Keep it Blank
Check for credit days during voucher entry	Set to No
Statutory Details	
Is TDS Deductable	Set to Yes
Deductee type	Select as Company - Resident
Deduct TDS in Same Voucher	Set to Yes
Mailing Details	
Accept the mailing Details as it is	
Tax Registration Details	
PAN/IT No.	Enter as AQNPJ7659Q
Provide PAN details	Set to Yes
Registration type	Select Unknown
GSTIN/UIN	Keep it Blank (Ignore if you are getting any error)
Set/Alter GST details	Set to No
Accept the screen	

Table 2.12

Activity: Referring to Table 2.13, Book the expenses using a Journal voucher and make a payment to the party after deducting TDS.

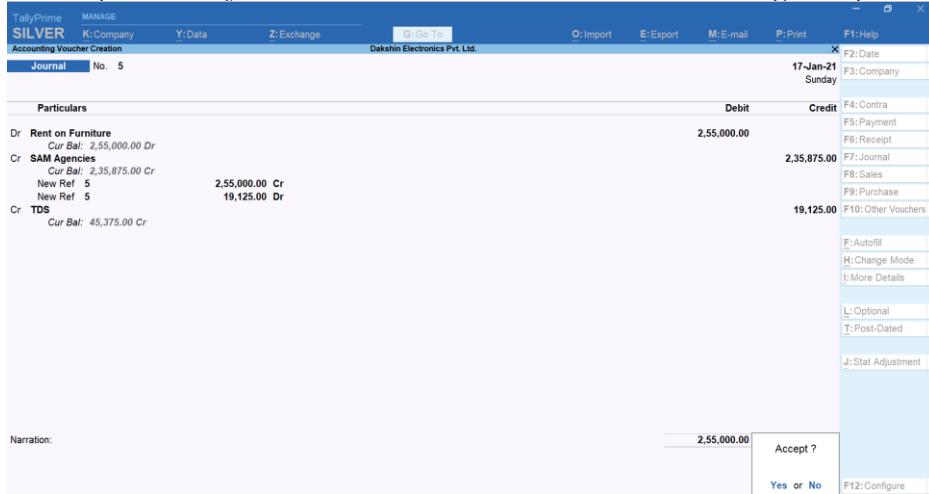
Date	Particulars								
17 th January 2021	<p>Voucher: Journal</p> <p>Dakshin Electronics Pvt. Ltd. booked annual rental expenses of ₹ 2,55,000, on Furniture against SAM Agencies. Since the Rent on Furniture expenses exceeds the exemption limit of ₹ 2,40,000, TDS must be deducted while booking the expense.</p>  <p>The screenshot shows a journal entry with the following details:</p> <table border="1"> <thead> <tr> <th>Debit</th> <th>Credit</th> </tr> </thead> <tbody> <tr> <td>2,55,000.00</td> <td>2,35,875.00</td> </tr> <tr> <td>2,35,875.00</td> <td>19,125.00</td> </tr> <tr> <td>19,125.00</td> <td>2,55,000.00</td> </tr> </tbody> </table> <p>Narration: Rent on Furniture</p>	Debit	Credit	2,55,000.00	2,35,875.00	2,35,875.00	19,125.00	19,125.00	2,55,000.00
Debit	Credit								
2,55,000.00	2,35,875.00								
2,35,875.00	19,125.00								
19,125.00	2,55,000.00								
18 th January 2021	<p>Voucher: Payment</p> <p>Dakshin Electronics Pvt. Ltd. made a payment of the remaining amount of ₹ 2,35,875 after deducting TDS to SAM Agencies vide Kotak Bank Current A/c cheque 525106.</p>								

Table 2.13



The recorded journal vouchers for booking expenses and deducted TDS are related to the Company Resident deductee type, the tax implication of this transaction can be viewed in **Form 26Q**.

To view **Form 26Q**,

- 1) Click **G: Go To** > In the **Search** field, Type as **Form** > Enter on **Form 26Q**
- 2) The details will capture under **Deduction Details** > **Deduction at Normal Rate**

The **Form 26Q** screen appears as shown in Figure 2.14

Particulars		Assessable Value		Tax Deductable		Deducted		Balance Deductable	
Particulars		Prev. Period	Current Period	Total	Deductable	Prev. Period	Current Period	Total	Deductable
Total Vouchers				6,05,000.00	6,05,000.00	45,375.00	45,375.00	45,375.00	45,375.00
Deduction Details									
Deduction at Normal Rate									
Deduction at Higher Rate									
Lower Rated Taxable Expense									
Zero rated Taxable Expense									
Under Exemption limit									
Exempt in lieu of PAN available									
Total Deducted						45,375.00			
Payment Details						45,375.00			
Included in return						45,375.00			
Uncertain Transactions						45,375.00			
Particulars				Paid Amount	Amount				
Balance Payable				45,375.00	45,375.00				

Figure 2.14 Form 26Q screen

2.6.2 Configuration of TDS at Ledger level

In TallyPrime, we can configure TDS details at the ledger level. If there is a single expense pertaining to any particular Nature of Payment.

For Example: Commission expenses, transportation expenses professional service expenses incurred by the business doesn't fall under the same TDS Nature of Payments, hence it is advisable to maintain the TDS details at the ledger level itself

For Example: On 20-Jan-2020, Dakshin Electronics Pvt. Ltd., received a bill 001 for ₹60,000 and 002 for ₹50,000 against commission expenses and professional service expenses and the payment amount crosses the TDS exemption limit for both the bills, refer the Chart 2.3

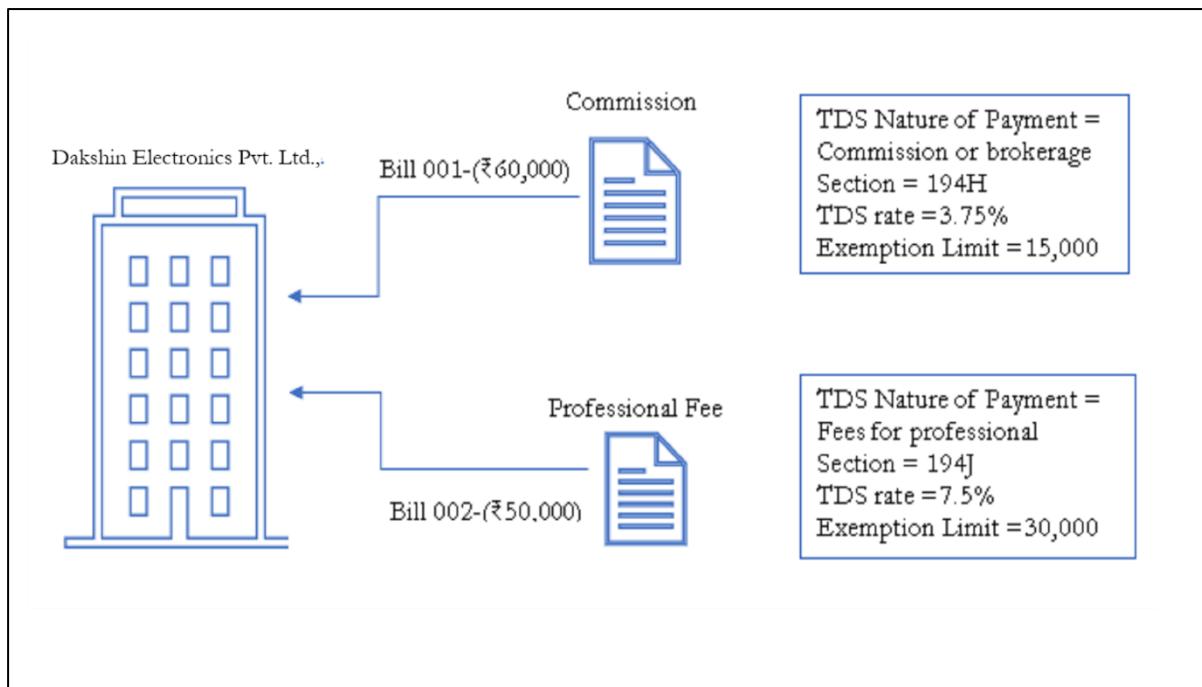


Chart 2.3 Configuring TDS in Ledgers

As we can observe that in *Chart 2.3*, the commission expenses and professional expenses belong to different nature of payments and TDS section like;

- Commission Expenses belongs to Commission or Brokerage (TDS nature of payment) - section 194H, with different TDS rate and exemption limit
- Professional service expenses belong to professional fees (TDS nature of Payment) - section 194J, with different TDS rate and exemption limit

In this case, we need to configure the TDS details at the ledger level i.e. while creating commission expenses and professional service expenses ledger. Because it attracts different TDS rate of deduction as they belong to different nature of payment and different TDS section.

Illustration 2: TDS configuration at the ledger level and booking of expenses & deducting TDS in the Journal Voucher.

Date	Particulars
20 th January 2021	Voucher: Journal Dakshin Electronics Pvt. Ltd., received a bill for ₹60,000 against commission expenses from Max Services Agency . Since the liable amount exceeds the exemption limit the company decided to deduct TDS on commission in the same bill.
21 st January 2021	Voucher: Payment Dakshin Electronics Pvt. Ltd. made payment of the remaining amount of ₹ 57,750 after deducting TDS to Max Services Agency vide Kotak Mahindra Current A/c cheque 525106.

Table 2.14

To record the transaction in the books of Dakshin Electronics Pvt. Ltd., first ensure that the TDS is configured at the ledger level and required ledgers are created in TallyPrime.



The applicable Income Tax rates for payment of Commission or Brokerage to **Company Resident - Deductee Type** is given in Table 2.15

Nature of Payment	Rate of TDS (14-05-2020 to 31-03-2021)	Rate of TDS (01-04-2021 onwards)
Commission or Brokerage	3.75%	5%

Table 2.15

Step 1: Create TDS Nature of Payment

To create TDS Nature of Payment, follow the steps given below:

- 1) From **Gateway of Tally > Create >** under **Statutory Masters >** select **TDS Nature of Payments.**
- 2) Click **H: Helper** > The **List of TDS Nature of Payment** appears, Type as **commission** > select the **Nature of Payment** as **Commission Or Brokerage.**
- 3) Press **Enter**
- 4) **Section** and **Payment code** will capture automatically based on the TDS Nature of Payment selection.
- 5) Enter the **Remittance code** as **291.**
- 6) Under **Rate for individuals/HUF > With PAN** field, Enter the **Rate** as **3.75%.** The same rate appears in the **Rate for other deductee types** field.
- 7) Under **Without PAN** field, **20%** rate will capture. We are getting this option because we have enabled the option **Allow tax rate without PAN** in **F12: Configure.**

Note: If PAN is not provided by the deductee, then TDS will get deducted at 20%.

- 8) Enter the **Threshold/exemption limit** as **₹ 15,000**

Note: If the payment amount exceeds ₹ 15,000, then TDS must be deducted. **Threshold/exemption limit** values differ as per the TDS Nature of Payment.

- 9) **Accept** the screen

The **TDS Nature of Payment Creation** screen appears as shown in Figure 2.15

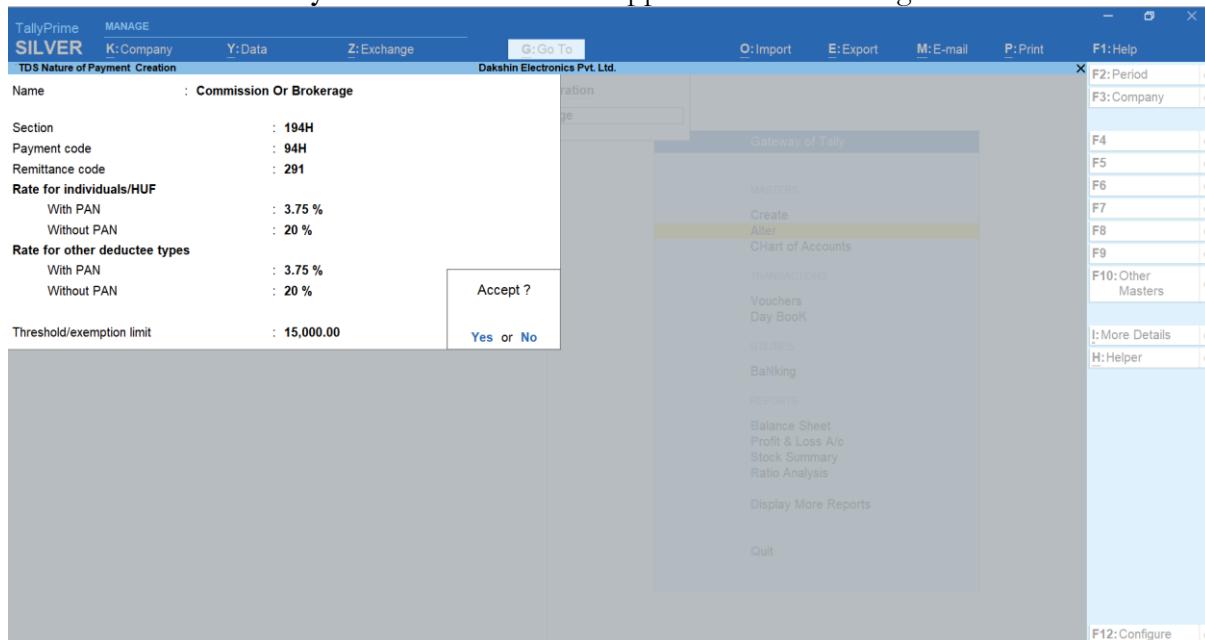


Figure 2.15 TDS Nature of Payment Alteration screen

- 10) **Accept** the screen



Step 2: Creation of Accounting Masters

Expenses Ledger

- 1) Go to Gateway of Tally > Create > under Accounting Masters > Ledgers

Commission Expenses	
Against the Field	Action to be Performed
Name	Enter as Commission Expenses
Under	Select as Indirect Expenses
Type of Ledger	Select Not Applicable
Statutory Details	
Is GST applicable	Select as Not Applicable
Set/Alter GST Details	Select as No
Is TDS applicable	Select as Applicable
Nature of Payment	Select as Commission Or Brokerage
Include in assessable value calculation for	Select as Not Applicable
<i>Default Nature of Payment is selected as Commission or Brokerage because we have to configure TDS at ledger level.</i>	

Table 2.16

The Expenses Ledger Creation screen appears as shown in Figure 2.16

Figure 2.16 Expenses Ledger Creation screen

- 2) Accept the screen

Party Ledger

- 1) Go to Gateway of Tally > Create > under Accounting Masters > Ledgers

Max Services Agency	
Against the Field	Action to be Performed
Name	Enter as Max Services Agency
Under	Select as Sundry Creditors
Maintain balances bill-by-bill	Set to Yes
Default credit period	Keep it Blank
Check for credit days during voucher entry	Set to No
Inventory values are affected?	Set to No



Statutory Information	
Is TDS Deductable	Set to Yes
Deductee type	Select as Company – Resident
Deduct TDS in Same Voucher	Set to Yes
Mailing Details	
Accept the mailing Details as it is	
Tax Registration Details	
PAN/IT No.	Enter as ASBCA1254A
Provide PAN details	Set to No
Registration type	Select Unknown
GSTIN/UIN	Keep it Blank (Ignore if you are getting any error)
Set/Alter GST details	Set to No
<p>In mailing details Select State as Karnataka and the Country will get select by default in the party, which is required in Statutory forms and reports.</p> <p>If the PAN/IT number is not entered, then TDS will be deducted at 20%.</p>	

Table 2.17

Step 3: Recording Journal Voucher to Book Expenses and Deduct TDS

- 1) Go to **Gateway of Tally > Vouchers > F7: Journal**

Note:

- Every time it is not required to come to **Gateway of Tally** to record the transactions, in this case, we are at **Party ledger creation** screen, from ledger creation screen we can press **Alt+G: Go To** and under the **List of Reports** we will get the option to **Create Voucher**. Select create voucher directly we will land on the voucher creation page.
- We can land to voucher creation screen even from accounting or inventory or statutory master creation screen or from the report screen by using **Alt+G: Go To** in TallyPrime.

- 2) Click **F2: Date** to set the date to **20-Jan-21**
- 3) **Debit** the **Commission Expenses** ledger and enter the **Amount** as **₹ 60,000**.
- 4) **Credit** the **Max Services Agency** ledger. The amount will get captured automatically, and then the **Bill-wise Details** screen appears
 - In the **Amount** field – Amount of **₹ 60,000 Cr.** will get captured automatically > Press **Enter**. The amount before TDS deduction will appear in the **Amount** field automatically
 - In the **Amount** field – Amount **₹ 2,250 Dr.** will get captured automatically. The TDS deduction amount will appear in the **Amount** field automatically.
 - Select **End of List** > Accept the Bill-wise details screen

Note: The **Bill wise details** screen is appearing because while creating the party ledger, we have enabled the option **Maintain balances bill by bill**.

- 5) **Credit** the **TDS** ledger
- 6) The TDS amount **₹ 2,250** will capture automatically.
- 7) Press **Enter**
- 8) Enter the **Narration**, if required
- 9) Click **I: More Details** to view the tax implication in this transaction > In the **More Details** screen, under **Additional Details > TDS** > Select **TDS-Tax Analysis**.
- 10) Press **Alt+F5**, to view the **TDS-Tax Analysis** screen in detailed mode



Observation: We can observe that the Assessable value is 60,000. Tax rate as 3.75% and Duty/Tax value as 2,250 i.e., $60,000 * 3.75\% = 2,250$.

- 11) Press **Esc** to go back to the **Journal Voucher Creation** screen

The **Journal Voucher** screen appears as shown in Figure 2.17

Figure 2.17 Journal Voucher screen

- 12) **Accept** the screen

Step 4: Recording Payment Voucher to Make Payment to party

- 1) Go to **Gateway of Tally > Vouchers > F5: Payment**
- 2) Click **F2: Date** to set the date to **21-Jan-21**
- 3) Under **Account** field select **Kotak Bank Current A/c**
- 4) Under the **Particulars** field, select the party ledger from the **List of Accounts** to whom the payment has to be made, i.e., **Max Services Agency**
- 5) We will get the **Bill-wise Details** screen for **Max Services Agency**, Select **Agst Ref** and select the pending bill of **₹ 57,750** and accept.
- 6) In the **Bank Allocations** screen, select the **Transaction Type** as **Cheque/DD** and enter the **Instrument number (Cheque Number)** as **525107** > **Inst. date** as **21-Jan-20** > **Accept** the screen.
- 7) Enter the **Narration** if required



The **Payment Voucher Creation** screen in single entry mode appears as shown in Figure 2.18

Account : Kotak Bank Current A/c
Current balance : 44,44,849.00 Dr

Particulars	Amount
Max Services Agency Cur Bal: 0.00 Dr Agst Ref 6	57,750.00 Dr

Narration:

Accept ?
Yes or No F12:Configure

Figure 2.18 Payment Voucher screen

8) **Accept** the screen

Observation: After recording the transaction of Figure 2.18, We can check the Balance Sheet report from the **Payment Voucher Creation** screen,

- 1) Click on **G: Go To**, > **Common Reports** > select **Balance Sheet**
- 2) Press Enter on **Current Liabilities**, we will get the total **Duties and Taxes** > Press **Enter** > **TDS** amount as ₹ 47,625. We can observe that the TDS duty details are automatically updated in the report.

We can also directly view the statutory report from the balance sheet report or any report. To do so, from the **Balance Sheet**, click **G: Go To** > In the **Search** field, type as **Outstandings** > you will get all the reports with name outstandings > select the required report here we have to select **TDS Outstandings** which appearing under **TDS Reports** as shown in Figure 2.19

Duties & Taxes	
Dakshin Electronics Pvt. Ltd.	
1-Apr-20 to 21-Jan-21	
Closing Balance	
Debit	Credit
5,878.00	15,080.00
5,878.00	47,625.00

Figure 2.19 Go to Menu screen



The **TDS Outstanding**s screen as shown in Figure 2.20

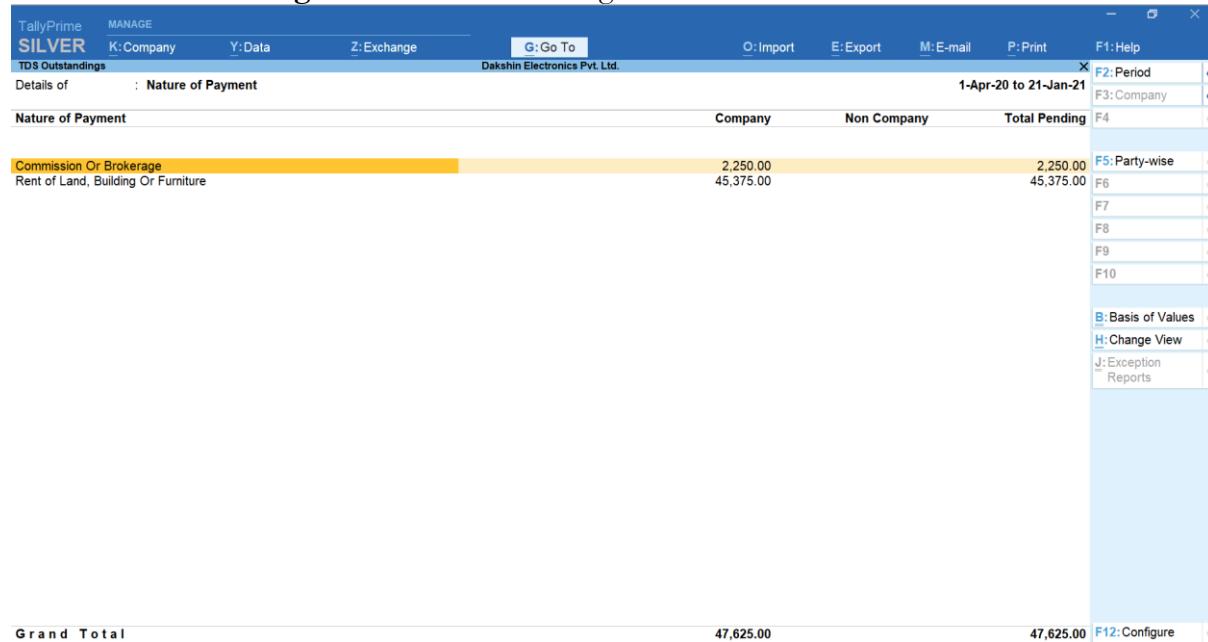


Figure 2.20 TDS Outstanding Report

Observation: In Figure 2.20, we will get the total of TDS deducted amount for Building and Furniture under one nature of payment i.e., Rent of Land Building and Furniture. Here the TDS on **Building (₹ 26,250)** and TDS on **Furniture (₹ 19,125)** is added up to ₹ 45,375. We can drill down further from the Rent of Land Building and Furniture to view the individual values.

Note:

- We can change the view of the report i.e. right now we are viewing the TDS category wise report if required we can view party-wise TDS outstanding report by clicking on **H: Change View**. using this key, we can toggle between category wise view and party wise view.
- From the TDS Outstanding report, press Esc twice, we will go back to the Balance Sheet report, then again press Esc, we will be back in the payment voucher screen. This is because we have used Go To option to check the reports.
- Alternatively, we have one more option to view the report directly from any screen. To do so, from the payment voucher creation screen, press **Ctrl+G: Switch To**, from **List of Reports > select Balance sheet**, then again press **Ctrl+G: Switch To** and type TDS Outstanding report and select the same. Now press Esc, we will directly go back to Gateway of Tally screen.
Hence from the Go To option, we can track the previous work and resume it. And from the Switch To option, we cannot go to our previous work and resume it.



2.7 Recording TDS Compliant Transactions in TallyPrime

In the previous sections, we have seen how to book the expenses and deduct the TDS in the journal voucher and how to configure TDS at different levels in TallyPrime, now in this section, we will learn to record the basic TDS transactions like

- Booking of expenses which are partly subject to TDS,
- Booking of expenses in the purchase voucher,
- Booking of expenses and deducting TDS when the exemption limit is crossed,
- Booking of multiple expenses and deducting TDS later,
- TDS on expenses at a lower rate, zero rate and higher rate.

2.7.1 Expenses Partly Subject to TDS

In the event, where a part of the expenditure is not subject to TDS and the balance amount is subject to TDS, it is crucial to determine the accurate value of expenses for computation of TDS.

Dakshin Electronics Pvt. Ltd.. made a contract with Ali Advertising Agency for planning out their advertising campaigns for the financial year 2020-2021. From Ali Advertising Agency received a bill for ₹ 1,20,000 out of which ₹ 1,10,000 is towards the advertising services provided. So only ₹ 1,10,000 will be considered for the computation of TDS and the remaining ₹ 10,000 is other expenses on which TDS should not be deducted.

The above nature of expenses will fall under section 194 C Payments to Contractors nature of payment because the company is making a contract to carry out their work with AV Advertising Agency, a resident. **In the case of Payments to Contractors, TDS is not deducted under the following cases:**

- If the amount paid/credited by the company to a contractor does not exceed ₹ 30,000 in a single bill.
- If the aggregate amount paid/credited by the company to a contractor does not exceed ₹ 1,00,000 during the financial year.
- If the amount is paid or credited to the contractor who is into the leasing of goods carriage and the contractor does not own more than 2 goods carriage during the previous year.
- If the work is carried out for a personal purpose, then we cannot deduct the TDS on the amount paid or credited.

Illustration 3: Accounting of expenses that are partly subjected to TDS

Date	Particulars
22 nd January 2021	Voucher: Journal Dakshin Electronics Pvt. Ltd. received a bill from Ali Advertising Agency against the contract for planning out their advertising and marketing campaigns for ₹ 1,20,000 out of which ₹ 1,10,000 is towards the advertising services provided.

Table 2.18

To record the transaction of Table 2.18 in the books of Dakshin Electronics Pvt. Ltd. first ensure that the TDS is configured and required ledgers are created in TallyPrime.



Step 1: Creation of TDS Nature of Payment with a single bill value limit

- 1) Go to **Gateway of Tally > Create > under Statutory Masters > TDS Nature of Payments**
- 2) Click **H: Helper** > The List of TDS Nature of Payment appears, Type as **contractors** > select the **Nature of Payment** as **Payment to Contractors**.
- 3) **Section number and Payment code will capture automatically based on the TDS nature of payment selection.**
- 4) Click **F12: Configure** > Set **Allow single bill value** to **Yes** as shown in Figure 2.21

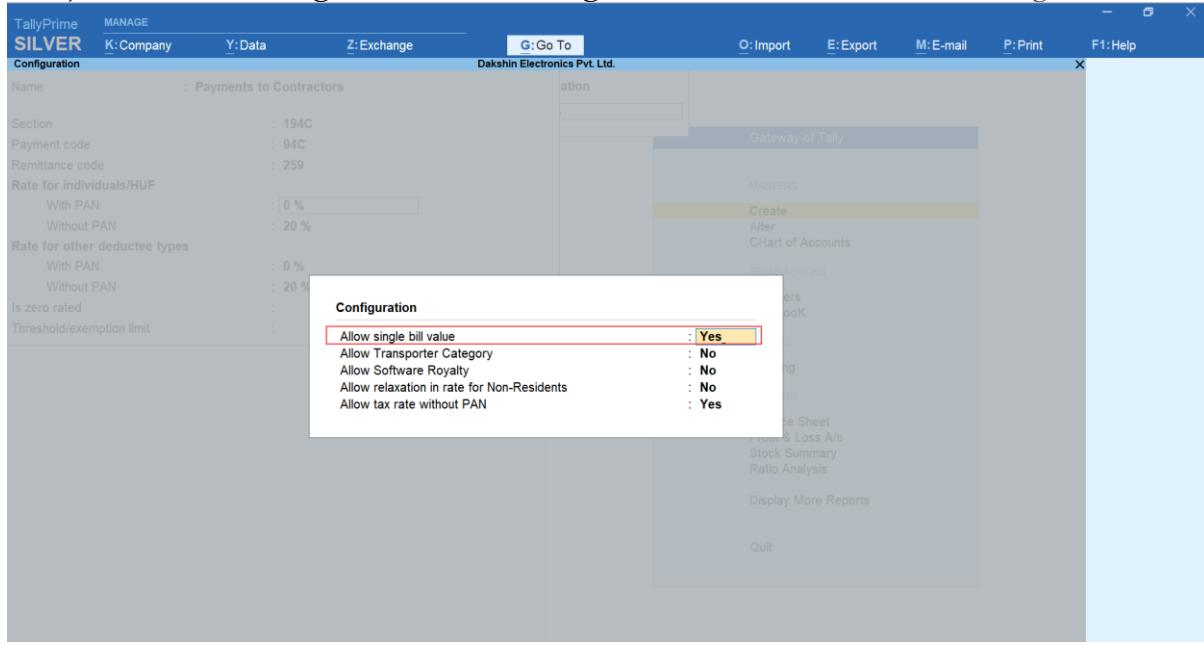


Figure 2.21 Configuration screen

- 5) Press **Ctrl+A** from the **Configuration** screen, to go back to the **TDS Nature of Payment Creation** screen
- 6) Enter the **Remittance code** as **259**
- 7) Enter the **Value limit for a single bill** as **30,000** (by doing this if the bill value exceeds 30,000 then only the TDS will get deducted or else it will not get deducted)
- 8) **Rate for Individual/HUF With PAN** as **0.75%** and **Without PAN** by default, it will take as **20%**
- 9) **Rate for other deductee types With PAN** as **1.50%** **Without PAN** by default it will take as **20%**
- 10) Enter the **Threshold/exemption limit** as **₹ 1,00,000** (The consolidated threshold for the financial year is given here)
- 11) **Accept** the screen



The **TDS Nature of Payment Creation** screen appears as shown in Figure 2.22

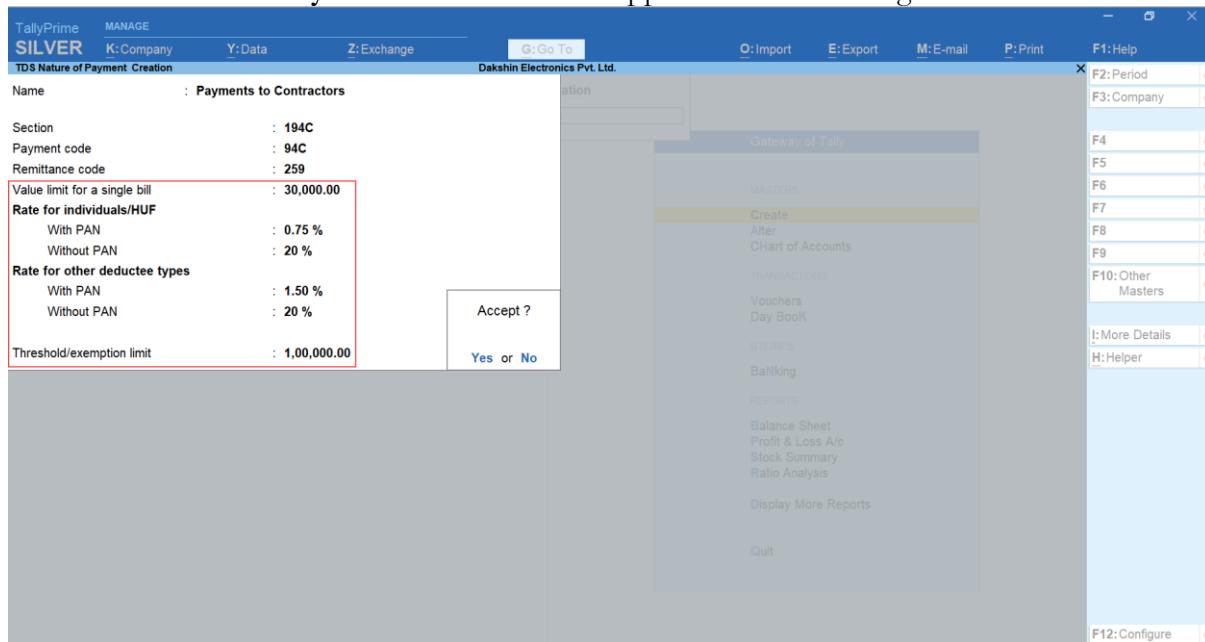


Figure 2.22 TDS Nature of Payment Alteration screen

12) Accept the screen

Note: If the payment is made to individual/HUF, then the rate of TDS to be deducted is 0.75% and for other Deductees type its 1.50%.

Step 2: Creation of Accounting Masters

Party Ledger

- 1) Go to **Gateway of Tally > Create > select Ledger**

Ali Advertising Agency	
Against the Field	Action to be Performed
Name	Enter as Ali Advertising Agency
Under	Select as Sundry Creditors
Maintain balances bill-by-bill	Set to Yes
Default credit period	Keep it Blank
Check for credit days during voucher entry	Set to No
Inventory values are affected?	Set to No
Statutory Information	
Is TDS Deductable	Set to Yes
Deductee type	Select as Company – Resident
Deduct TDS in Same Voucher	Set to Yes
Mailing Details	
Accept the mailing Details as it is	
Tax Registration Details	
PAN/IT No.	Enter as ASDCG1234T
Provide PAN details	Set to No
Registration type	Select Unknown
GSTIN/UIN	Keep it Blank (Ignore if you are getting any error)
Set/Alter GST details	Set to No



In mailing details Select **State as Karnataka** and the **Country** will get select by default in the party, which is required in Statutory forms and reports.

If the PAN/IT number is not entered, then TDS will be deducted at 20%.

Table 2.19

Expenses Ledger

- 1) Go to **Gateway of Tally > Alter > under Accounting Masters > Ledgers**

Advertising Services	
Against the Field	
Name	Enter as Advertising Services
Under	Select as Indirect Expenses
Type of Ledger	Select Not Applicable
Statutory Details	
Is GST applicable	Select as Not Applicable
Set/Alter GST Details	Select as No
Type of Supply	Select as Services
Is TDS applicable	Select as Applicable
Nature of Payment	Select as Payments to Contractors

Default Nature of Payment is selected as **Payments to Contractors** because we have to configure TDS at the ledger level.

Table 2.20

Step 4: Recording Journal Voucher to Book Expenses and Deduct TDS

- 1) Go to **Gateway of Tally > Vouchers > F7: Journal**
- 2) Click **F2: Date** and enter the date as **22-Jan-21**.
- 3) Press **F12: Configure** > under **TDS Details** > Set **Modify Tax details for TDS** to **Yes** > **Accept** the screen.

Note: The option **Modify Tax details for TDS** is also available in the purchase voucher and payment voucher.

- 4) **Debit** the **Advertisement Expenses** ledger and enter the **Amount** as **₹ 1,20,000**.
- 5) Press **Enter**, you will get the **Expense Allocation** screen as shown in Figure 2.23

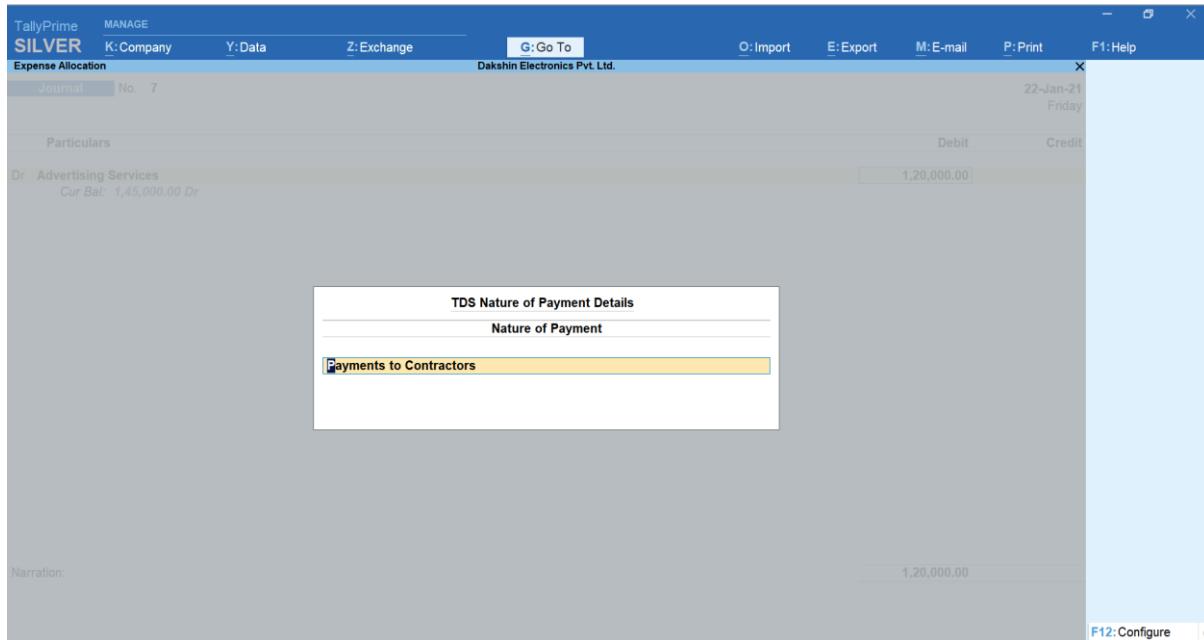


Figure 2.23 Expense Allocation screen

- 6) From the **Expense Allocation** screen, Press **F12: Configure** > Set **Allow modification of assessable amount** to **Yes** as shown in Figure 2.24

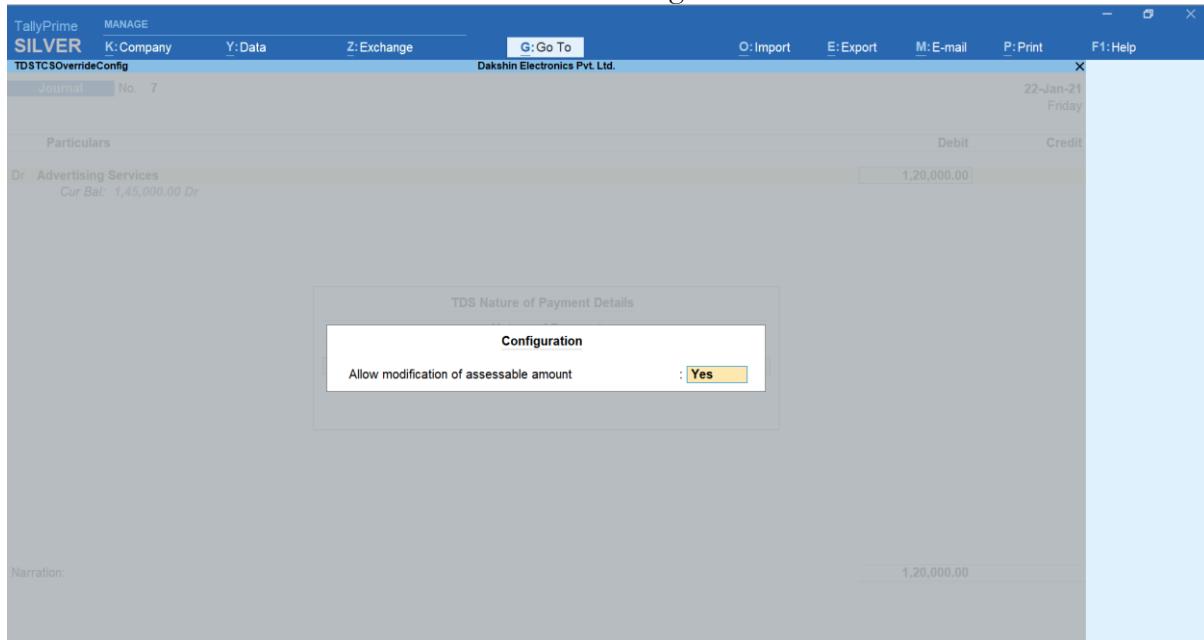


Figure 2.24 Expense Allocation – Configuration screen

- 7) Press **Enter**, you will get the **Assessable Value** column besides **Nature of Payment**.
- 8) In the **Assessable Value** column, enter the amount on which **TDS** should be deducted, by default it will be taken as ₹ 1,20,000, change to ₹ 1,10,000 as shown in Figure 2.25

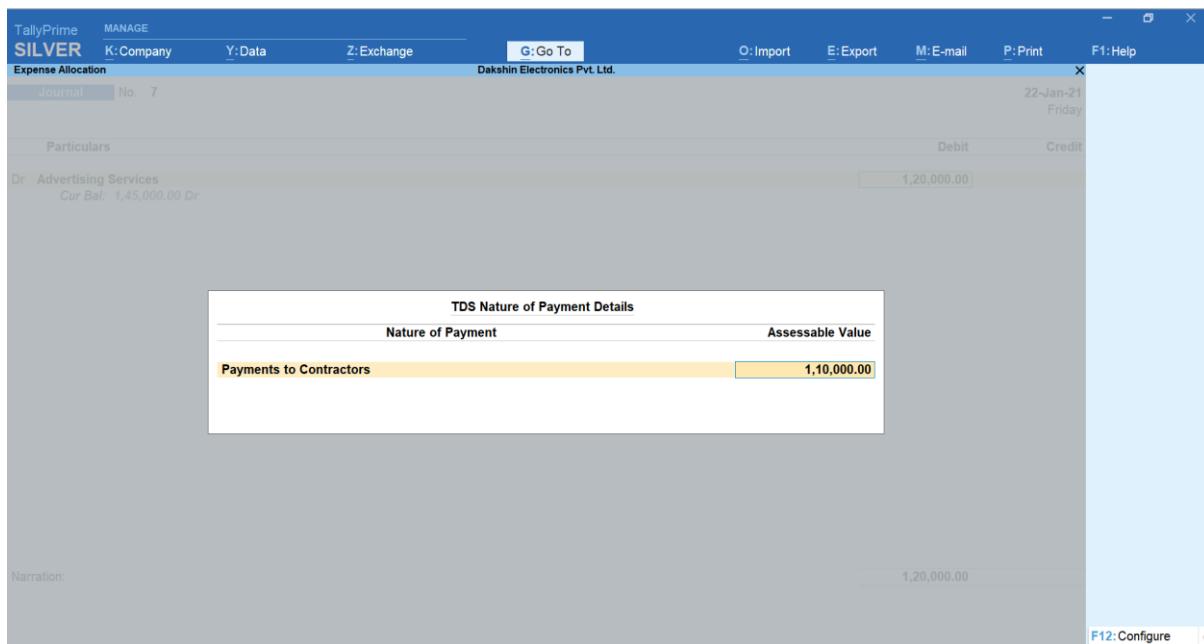
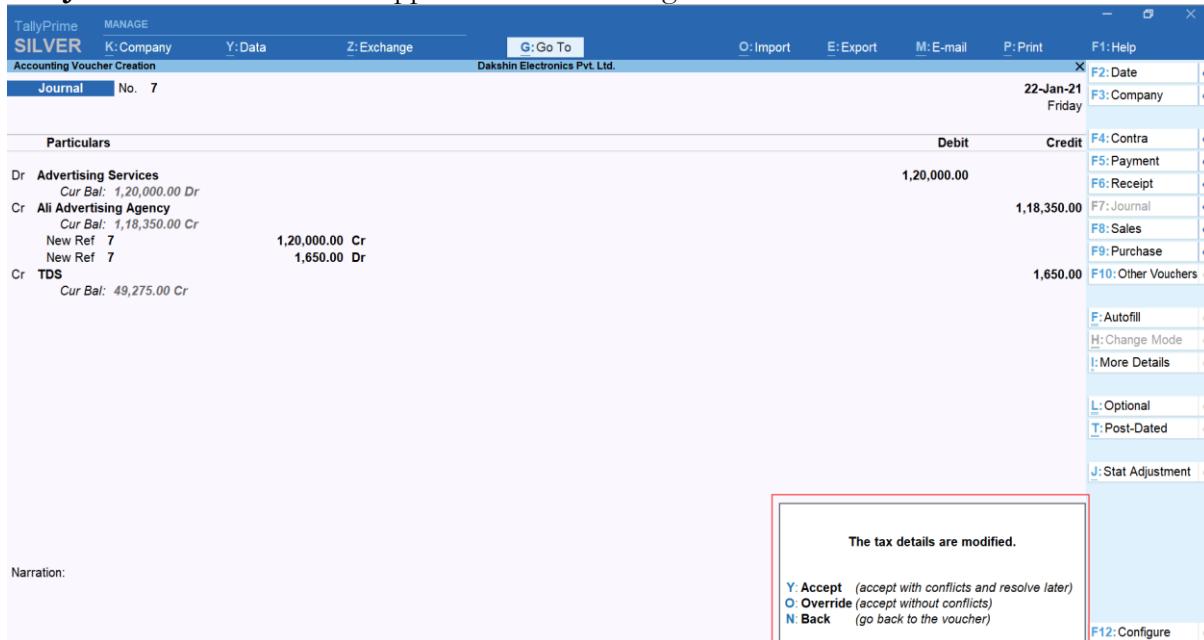


Figure 2.25 Modification of Assessable Value in Expense Allocation screen

- 9) Credit the **Ali Advertising Agency** ledger. The amount will get captured automatically, and then the **Bill-wise Details** screen appears
 - In the **Amount** field – Amount of **₹ 1,20,000 Cr.** will get captured automatically > Press **Enter**. The amount before TDS deduction will appear in the **Amount** field automatically
 - In the **Amount** field – Amount of **₹ 1,650 Dr.** will get captured automatically. The TDS deduction amount will appear in the **Amount** field automatically.
 - Select **End of List** > Accept the Bill-wise details screen
 - 10) Credit the **TDS** ledger
 - 11) The TDS amount of **₹ 1,650** will capture automatically.
 - 12) Enter the **Narration** if required
 - 13) Click **I: More Details** to view the tax implication in this transaction > In the **More Details** screen, under **Additional Details > TDS** > Select **TDS-Tax Analysis**.
 - 14) Press **Alt+F5**, to view the **TDS-Tax Analysis** screen in detailed mode
- Observation:** We can observe that the invoice value is 1,20,000. But the Taxable value is 1,10,000. Tax rate as 1.50%, and Duty/Tax value as 1,650 i.e., $1,10,000 * 1.5\% = 1,650$.
- 15) Press **Esc** to go back to the **Journal Voucher Creation** screen



The **Journal Voucher** screen appears as shown in Figure 2.26



The screenshot shows the TallyPrime Journal Voucher screen. The transaction details are as follows:

Particulars	Debit	Credit
Dr Advertising Services Cur Bal: 1,20,000.00 Dr	1,20,000.00	
Cr Ali Advertising Agency Cur Bal: 1,18,350.00 Cr		1,18,350.00
New Ref 7	1,20,000.00 Cr	
New Ref 7	1,650.00 Dr	
Cr TDS Cur Bal: 49,275.00 Cr		1,650.00

Narration:

Message Box: The tax details are modified.

Buttons:

- Y: Accept** (accept with conflicts and resolve later)
- O: Override** (accept without conflicts)
- N: Back** (go back to the voucher)

Figure 2.26 Journal Voucher screen

Note: As we have made the changes in the TDS Assessable value in the transaction level, hence we are getting the pop-up screen with a message "**Tax details are modified**". With the following details:

- **Y: Accept**, if we accept it by pressing Y, then the entry will get accepted with conflict and it will appear under uncertain transaction in form 26Q.
- If we press **O: Override**, then the entry will get accepted without any conflict and the entry will not appear as an uncertain transaction in form 26Q.
- If we press **B: Back**, then we can go back to the voucher and make the correct changes.

16) In this case Press **O: Override** and save the voucher because the TDS amount is correct.

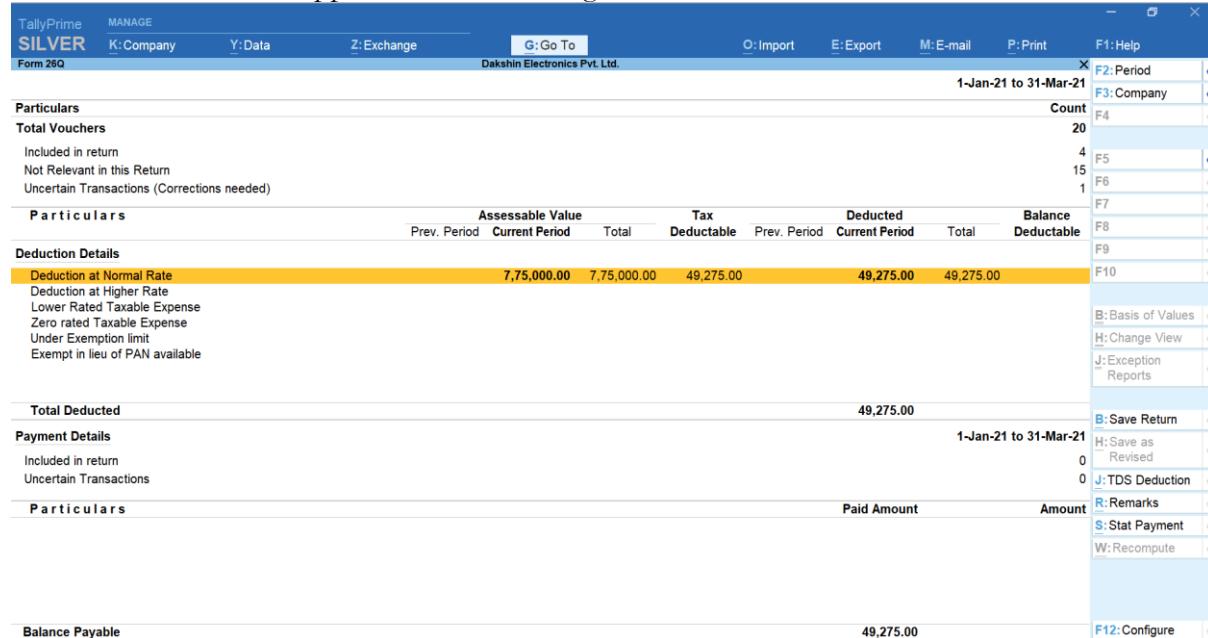
The recorded journal vouchers for booking expenses and deducted TDS are related to the Company Resident deductee type, the tax implication of this transaction can be viewed in **Form 26Q**.

To view **Form 26Q**,

- 1) Click **G: Go To** > In the **Search** field, Type as **Form** > Enter on **Form 26Q**
- 2) The details will capture under **Deduction Details > Deduction at Normal Rate**



The Form 26Q screen appears as shown in Figure 2.27



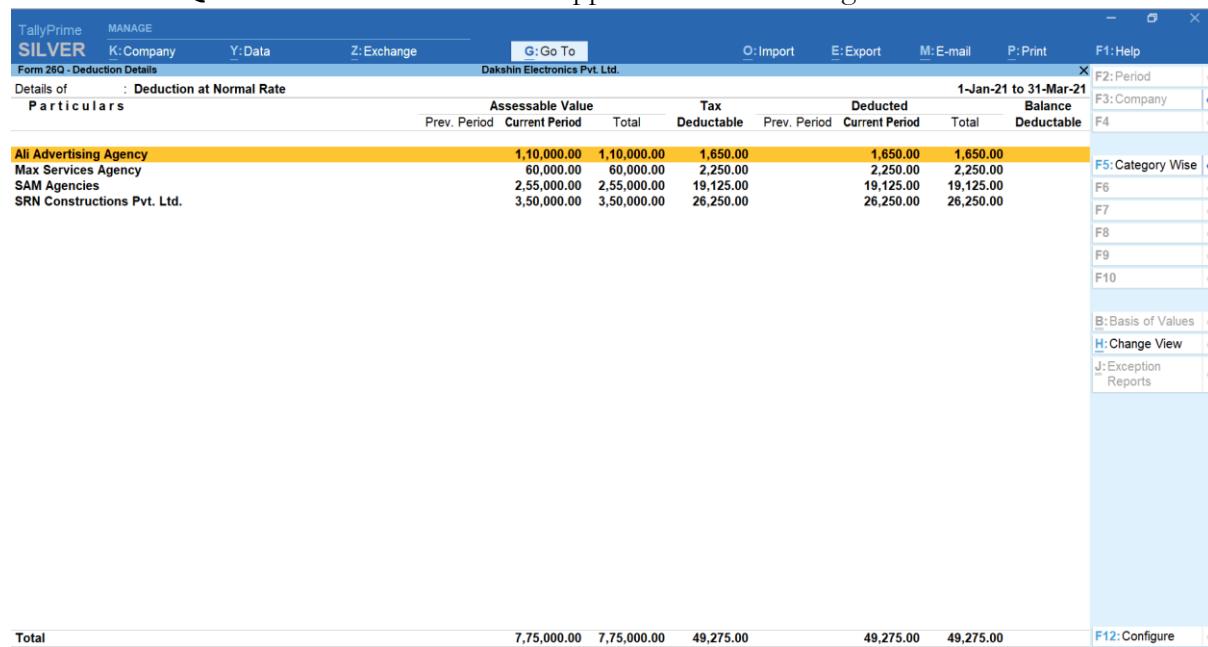
Dakshin Electronics Pvt. Ltd.

Particulars	Assessable Value	Tax	Deducted	Balance				
Particulars	Prev. Period	Current Period	Total	Deductable	Prev. Period	Current Period	Total	Deductable
Total Vouchers								
Included in return								4
Not Relevant in this Return								15
Uncertain Transactions (Corrections needed)								1
Deduction Details								
Deduction at Normal Rate	7,75,000.00	7,75,000.00	49,275.00		49,275.00	49,275.00		
Deduction at Higher Rate								
Lower Rated Taxable Expense								
Zero rated Taxable Expense								
Under Exemption limit								
Exempt in lieu of PAN available								
Total Deducted					49,275.00			
Payment Details								1-Jan-21 to 31-Mar-21
Included in return								0
Uncertain Transactions								0
Particulars					Paid Amount		Amount	
Balance Payable					49,275.00			

Figure 2.27 Form 26Q screen

3) Enter on Deduction at Normal Rate

The Form 26Q-Deduction Details screen appears as shown in Figure 2.28



Dakshin Electronics Pvt. Ltd.

Particulars	Assessable Value	Tax	Deducted	Balance				
Particulars	Prev. Period	Current Period	Total	Deductable	Prev. Period	Current Period	Total	Deductable
All Advertising Agency	1,10,000.00	1,10,000.00	1,650.00	1,650.00	1,650.00	1,650.00	1,650.00	
Max Services Agency	60,000.00	60,000.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	
SAM Agencies	2,55,000.00	2,55,000.00	19,125.00	19,125.00	19,125.00	19,125.00	19,125.00	
SRN Constructions Pvt. Ltd.	3,50,000.00	3,50,000.00	26,250.00	26,250.00	26,250.00	26,250.00	26,250.00	
Total	7,75,000.00	7,75,000.00	49,275.00		49,275.00	49,275.00		

Figure 2.28 Form 26Q-Deduction Details screen

Observation: The report provides the details of **Assessable Value**, **Tax Deductable**, **Deducted Tax** and **Balance Deductable**. We can observe that the assessable value for **Ali Advertising Agency** is appearing as ₹ 1,10,000 because we have manually entered the assessable value in Expense Allocation screen in Figure 2.28 while recording the transaction. The report will display the fourth quarter i.e., 1-Jan-21 to 31-Mar-21, as the transactions are recorded in this quarter.



Activity: Referring to Table 2.21, record the transactions in the books of Dakshin Electronics Pvt. Ltd.

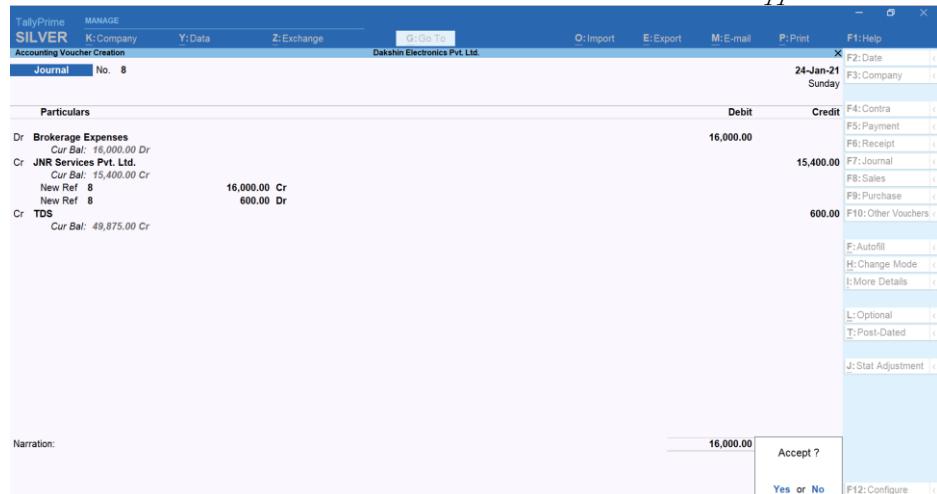
Date	Particulars
23 rd January 2021	<p>Voucher: Payment Dakshin Electronics Pvt. Ltd., made a payment to Ali Advertising Agency amounted to ₹1,18,350 vide Kotak Bank Current A/c cheque 525108.</p>
24 th January 2021	<p>Voucher: Journal Dakshin Electronics Pvt. Ltd. incurred brokerage expenses of ₹ 16,000 for services taken from JNR Services Pvt. Ltd.</p> <p>Tips:</p> <ul style="list-style-type: none"> Create JNR Services Pvt. Ltd. party ledger under Sundry Creditors group. <p>Statutory Information</p> <p>Is TDS Deductable - Set to Yes</p> <p>Deductee type - Select as Company - Resident</p> <p>Deduct TDS in Same Voucher - Set to Yes</p> <p>Tax Registration Details</p> <p>PAN/IT No. - Enter as ASDFG4332Q</p> <p>Registration type - Select as Unknown</p> <p>• Create Brokerage Expenses ledger under Indirect Expenses group</p> <p>Statutory Details</p> <p>Is GST applicable - Select as Not Applicable</p> <p>Set/Alter GST Details - Select as No</p> <p>Is TDS applicable - Select as Applicable</p> <p>Nature of Payment - Select as Commission Or Brokerage</p> <p>Include in assessable value calculation for - Select as Not Applicable</p> 

Table 2.21



2.7.2 Booking Expenses and TDS deduction on crossing Exemption Limit

In this section, we will learn to deduct the tax as and when the TDS exemption limit is crossed. In TallyPrime, once the TDS exemption limit is crossed the auto pop up message will appear for deducting TDS once the assessable value crosses the TDS exemption limit.

While configuring TDS for Dakshin Electronics Pvt. Ltd. Pvt Ltd, if you recall, in the **Company TDS Deductor Details** screen, we had set the option **Ignore IT Exemption limit for TDS deduction** to **No**.

By setting this option to 'No'. TallyPrime will deduct TDS only when a Deductee's threshold limit for a specified nature of payment exceeds. All the bills accounted for any Deductee for the bill values below the threshold limit, TDS will not be deducted. Subsequently, while accounting for an invoice, where the aggregate value including the value of the current bill exceeds the threshold limit, then TallyPrime will deduct TDS on a retrospective basis for the previous values of the bills also while accounting for the bill which is exceeding the threshold limit.

If the option **Ignore IT Exemption limit for TDS deduction** is set to **Yes**, TallyPrime will start deducting TDS right from the first invoice of the deductee, even if the value of the invoice is below the threshold limit.

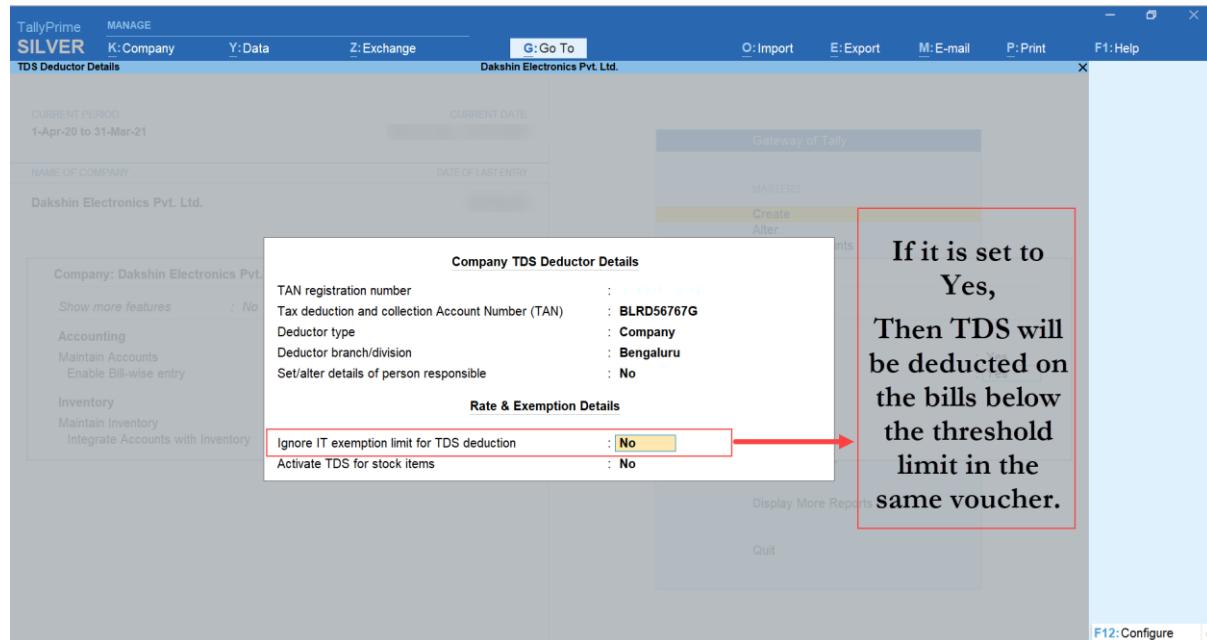


Figure 2.29 Company TDS Deductor Details

In the previous sections, we have seen how TDS is deducted in the same voucher. Now we will be demonstrating how the deductor can book the expenses on the receipt of the bills in one invoice and later deduct applicable TDS on all such accounted expenses in a separate voucher.



Business Scenario

Dakshin Electronics Pvt. Ltd. received a bill for ₹ 25,000 from **Rakesh Advertising Agency** towards a contract against online advertising and marketing campaigns for the financial year 20-21. TDS is not applicable on this bill because the bill value does not exceed the Single Bill value of ₹ 30,000 and the annual threshold limit of ₹ 1,00,000.

The company received another bill for ₹80,000 from **Rakesh Advertising Agency** for online advertising and marketing campaigns. The company has to deduct TDS on the above transactions at the time of booking the expenses, as it crosses the annual threshold limit of ₹1,00,000.

Illustration 4: Booking of expenses in Journal voucher and deducting TDS when exemption limit is crossed

Date	Particulars
27 th January 2020	<p>Voucher: Journal</p> <p>Dakshin Electronics Pvt. Ltd. received a bill for ₹ 25,000 (Bill no. 9) from Rakesh Advertising Agency towards a contract against online advertising and marketing campaigns for the financial year 20-21.</p> <p>Note: TDS is not applicable on this bill because the bill value does not exceed the Single Bill value of ₹ 30,000.</p>

Table 2.22

To record the transactions of Table 2.22 in the books of Dakshin Electronics Pvt. Ltd, first ensure that the TDS is configured and required ledgers are created in TallyPrime.

Step 1: Creation of Accounting Masters

Party Ledger

- 1) Go to **Gateway of Tally > Create > select Ledger**

Rakesh Advertising Agency	
Against the Field	Action to be Performed
Name	Enter as Rakesh Advertising Agency
Under	Select as Sundry Creditors
Maintain balances bill-by-bill	Set to Yes
Default credit period	Keep it Blank
Check for credit days during voucher entry?	Set to No
Inventory values are affected?	Set to No
Statutory Information	
Is TDS Deductable	Set to Yes
Deductee type	Select as Company – Resident
Deduct TDS in Same Voucher	Set to Yes
Mailing Details	
Accept the mailing Details as it is	
Tax Registration Details	
PAN/IT No.	Enter as FTDCG1234T
Provide PAN details	Set to No
Registration type	Select Unknown
GSTIN/UIN	Keep it Blank
Set/Alter GST details	Set to No
Accept the screen	

Table 2.23



Step 2: Recording Journal Voucher – Expense Amount not Crossing the Exemption Limit

- 1) Go to **Gateway of Tally > Vouchers > F7: Journal**
- 2) Click **F2: Date** and enter the date as **27-Jan-21**.
- 3) **Debit** the **Advertising Services** ledger and enter the **Amount** as **₹ 25,000.**

Note: Do not make any changes in the **Expense Allocation** screen, accept as it is.

- 4) **Credit** the **Rakesh Advertising Agency** ledger.
- 5) In the **Bill-wise Detail** screen, select Type of Ref as **New Ref** and **Name** – Let it be as it is i.e., **9** > Do not enter any due date and enter the amount **₹ 25,000 Cr** and select as **End of List**
- 6) Press **Enter**
- 7) Enter the **Narration**, if required
- 8) Click **I: More Details** to view the tax implication in this transaction > In the **More Details** screen, under **Additional Details > TDS** > Select **TDS-Tax Analysis**.
- 9) Press **Alt+F5**, to view the **TDS-Tax Analysis** screen in detailed mode

Observation: You can observe that the **TDS Calculation**, will appear as 0%, as it is not crossing the exemption limit.

- 10) Press **Esc** to go back to the **Journal Voucher Creation** screen

The **Journal Voucher** screen appears as shown in Figure 2.30

Particulars	Debit	Credit
Dr Advertising Services Cur Bal: 1,45,000.00 Dr Cr Rakesh Advertising Agency Cur Bal: 25,000.00 Cr New Ref 9	25,000.00	25,000.00 Cr

Narration: _____

Accept ?
Yes or No

Figure 2.30 Journal Voucher screen

- 11) **Accept** the screen

Observation: In the entry of Figure 2.30, TDS is not deducted while booking the expense the same will be deducted, as the condition of the single bill threshold limit is not crossing.

To view **Form 26Q**,

- 1) Click **G: Go To** > In the **Search** field, Type as **Form** > Enter on **Form 26Q**
- 2) The details will capture under **Deduction Details > Deduction at Normal Rate**
- 3) The entry details are captured in the field **Under Exemption limit** as shown in *Figure 2.31*:



The **Deduction Details** screen appears as shown in Figure 2.31

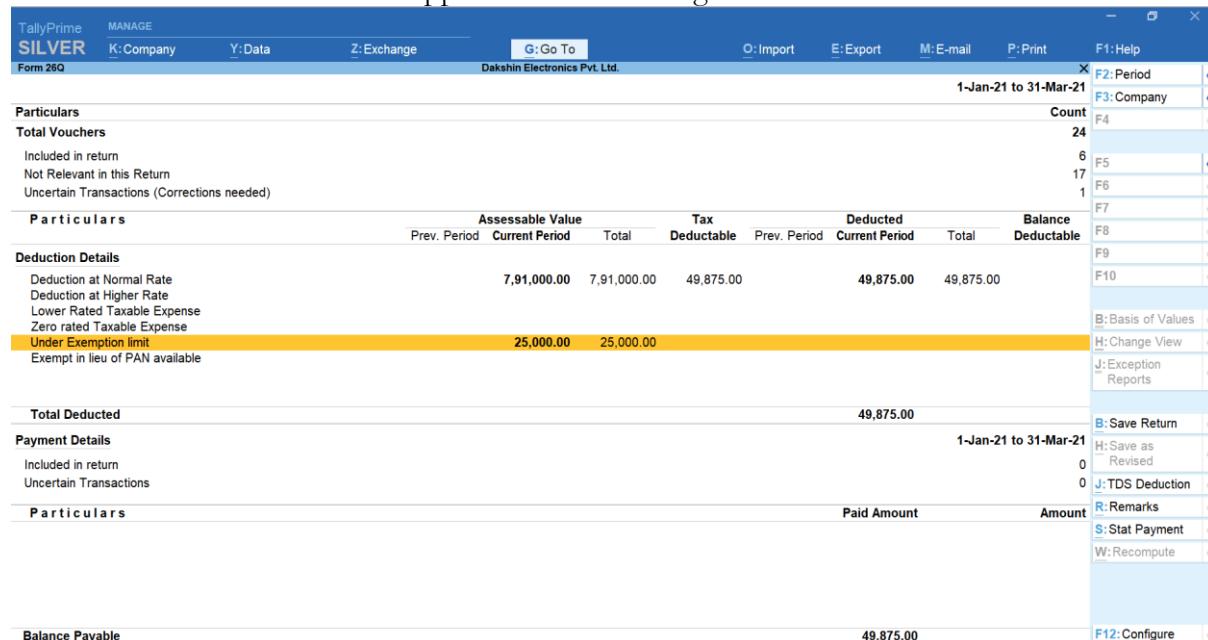


Figure 2.31 Form 26Q- Deduction Details screen

Step 3: Recording Journal Voucher – Expense Amount Crossing the Exemption Limit

Date	Particulars
28 th January 2020	<p>Voucher: Journal</p> <p>Dakshin Electronics Pvt. Ltd. received another bill for ₹80,000 (Bill no. 10) from Rakesh Advertising Agency for online advertising and marketing campaigns.</p> <p>The company has to deduct TDS on the above transactions at the time of booking the expenses, as it crosses the annual threshold limit of ₹1,00,000 including bill no 9 & 10.</p>

Table 2.24

- 1) Go to **Gateway of Tally> Vouchers > F7: Journal**
- 2) Click **F2: Date** and enter the date as **28-Jan-21**
- 3) **Debit the Advertising Services ledger** and enter the **Amount** as **₹ 80,000**.

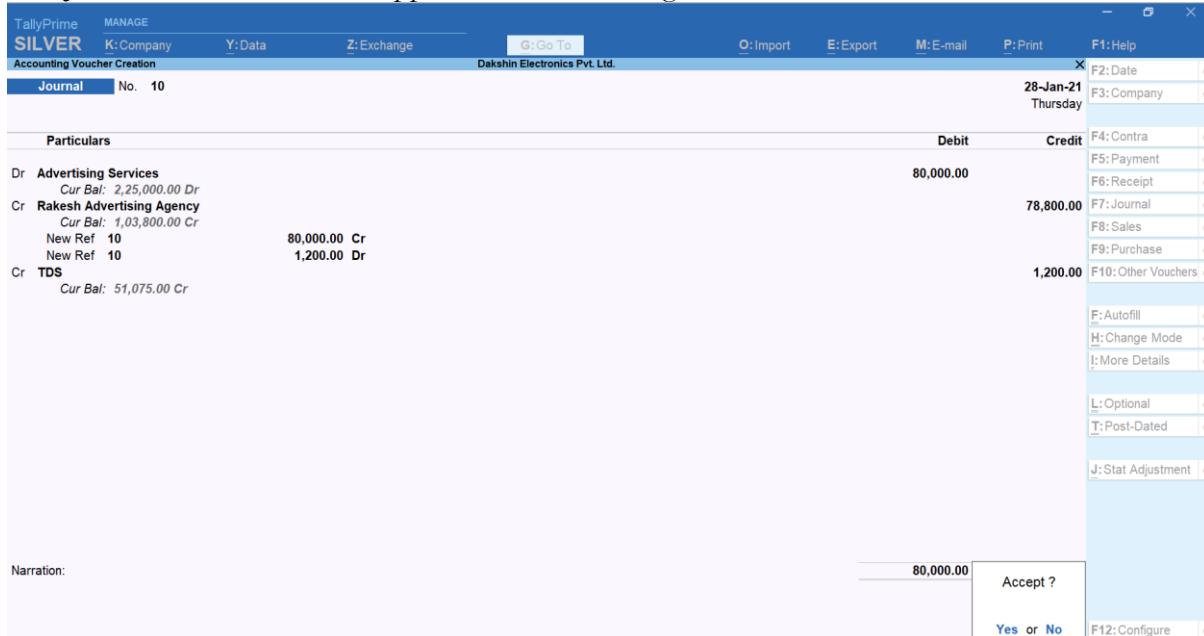
Note: Do not make any changes in the **Expense Allocation** screen, accept as it is.

- 4) **Credit the Rakesh Advertising Agency ledger**. The amount will get captured automatically, and then the **Bill-wise Details** screen appears
 - In the **Amount** field – Amount of **₹ 80,000 Cr.** will get captured automatically > Press **Enter**. The amount before TDS deduction will appear in the **Amount** field automatically
 - In the **Amount** field – Amount of **₹ 1,200 Dr.** will get captured automatically. The TDS deduction amount will appear in the **Amount** field automatically.
 - Select **End of List** > Accept the Bill-wise details screen
- 5) **Credit the TDS ledger**
- 6) The TDS amount **₹ 1,200** will capture automatically.
- 7) Press **Enter**
- 8) Enter the **Narration**, if required



- 9) Click **I: More Details** to view the tax implication in this transaction > In the **More Details** screen, under **Additional Details > TDS > Select TDS-Tax Analysis**.
- 10) Press **Alt+F5**, to view the **TDS-Tax Analysis** screen in detailed mode
- 11) Press **Esc** to go back to the **Journal Voucher Creation** screen

The **Journal Voucher** screen appears as shown in Figure 2.32



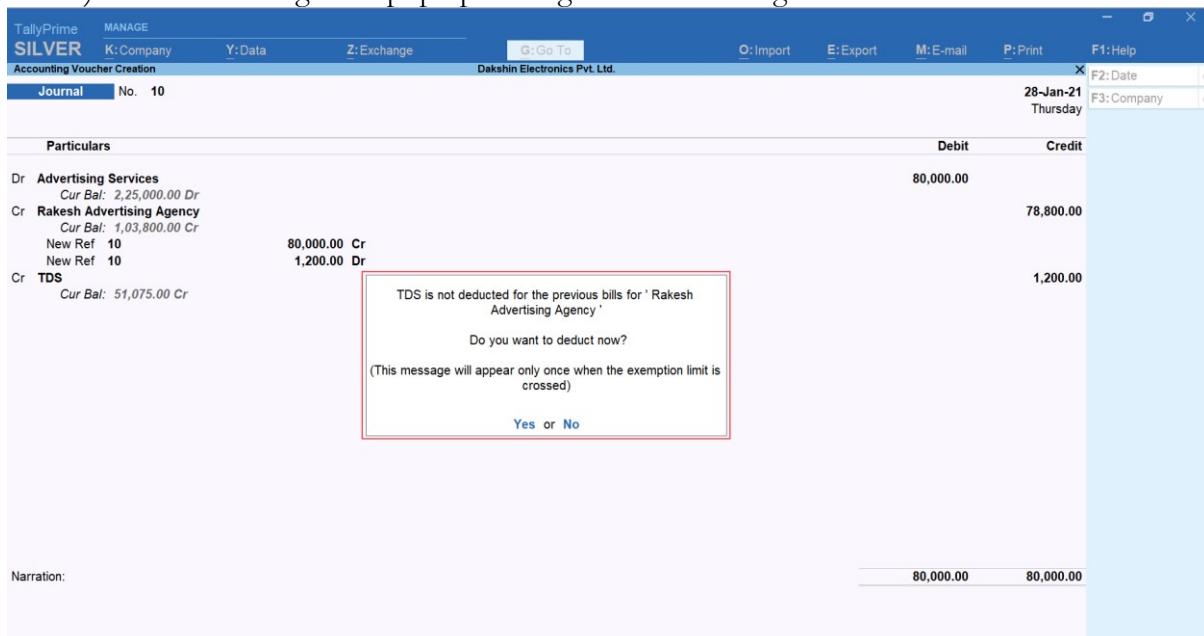
The screenshot shows the TallyPrime Accounting Voucher Creation screen for a journal entry. The transaction details are:

Particulars	Debit	Credit
Dr Advertising Services	80,000.00	
Cur Bal: 2,25,000.00 Dr		
Cr Rakesh Advertising Agency		78,800.00
Cur Bal: 1,03,800.00 Cr		
New Ref 10	80,000.00 Cr	
New Ref 10	1,200.00 Dr	
Cr TDS		1,200.00
Cur Bal: 51,075.00 Cr		

Narration: Accept ? F12:Configure

Figure 2.32 Journal Voucher screen

- 12) Press **Enter** to get the pop up message as shown in Figure 2.33



The screenshot shows the same Journal Voucher screen as Figure 2.32, but with a red-bordered message box overlaid. The message reads:

TDS is not deducted for the previous bills for 'Rakesh Advertising Agency'.
 Do you want to deduct now?
 (This message will appear only once when the exemption limit is crossed)

Yes or No

Narration:

Figure 2.33 TDS exemption limit crossed message screen

- 13) The message appears as **TDS is not deducted for the previous bills for Rakesh Advertising Agency Do you want to deduct now?**



Note:

- Once after clicking **Yes**, the journal entry number 10 will get saved in the back end and a new journal voucher with number 11 will appear, this means we are deducting the TDS in the separate journal voucher immediately once it crosses the exemption limit, for the journal voucher which was recorded previously on 27th Jan 21 with 9, whose bill value was 25,000, which was lesser than a single bill value limit.
- If we click on **No**, then we need to go to **Gateway of Tally > Vouchers** and record the journal voucher with auto deduction, to deduct the TDS for the journal voucher which was recorded previously on 27th Jan 21 with Bill no. 9, whose bill value was 25,000.

14) Click **Yes**, to get the **TDS Deductions** screen, fill in the details as shown below:

- Till Date** - By default, it will take the journal voucher date i.e., **28-Jan-21**
- Party** - Select **Rakesh Advertising Agency**
- Nature of Payment** - Select **Payments to Contractors**
- Duty Ledger** – Select **TDS**

The Completed **TDS Deductions** details screen appears as shown in Figure 2.34

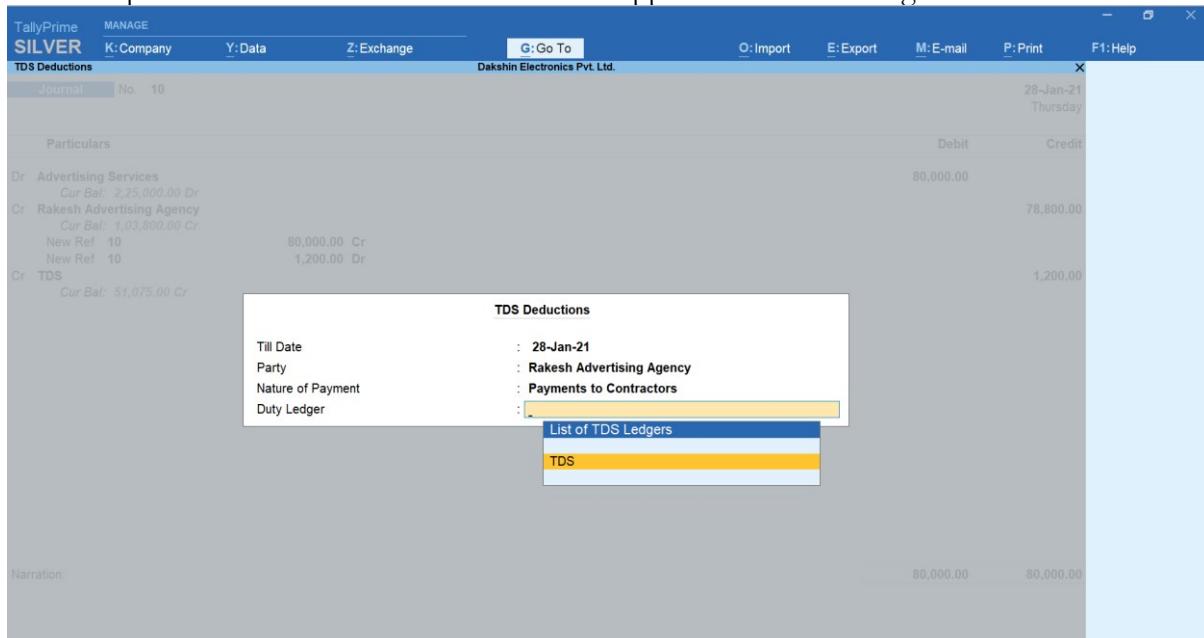


Figure 2.34 TDS Deductions screen

15) Press **Enter**, to get the **Journal Voucher Creation** screen with the total deduction amount as shown in Figure 2.35

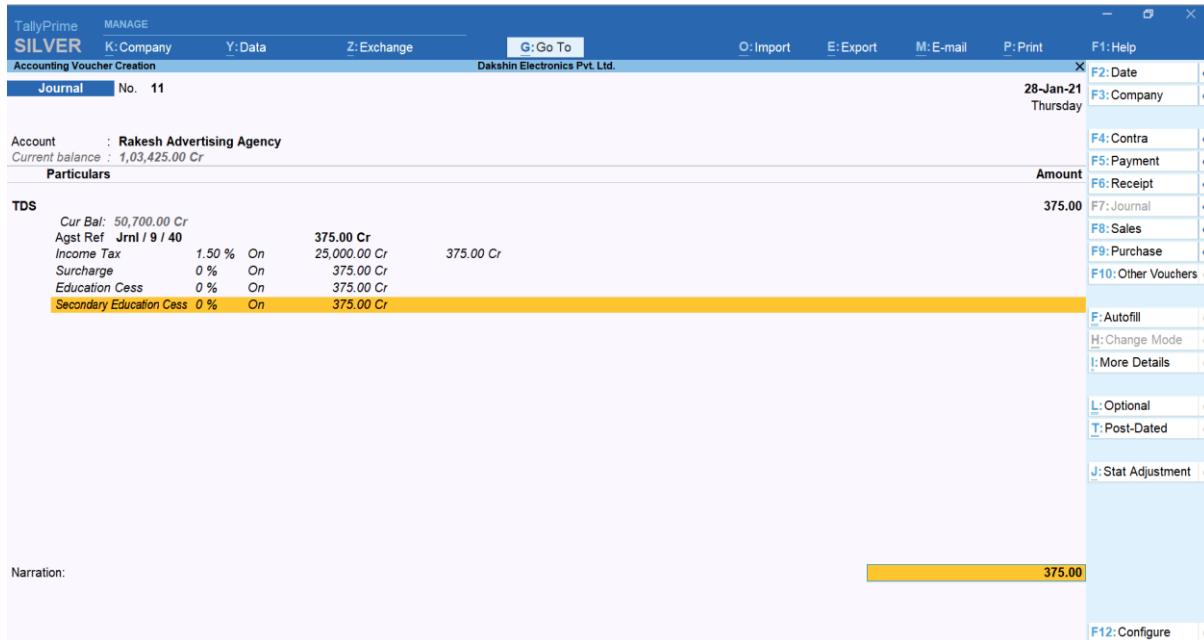


Figure 2.35 Journal voucher creation screen with deduction details

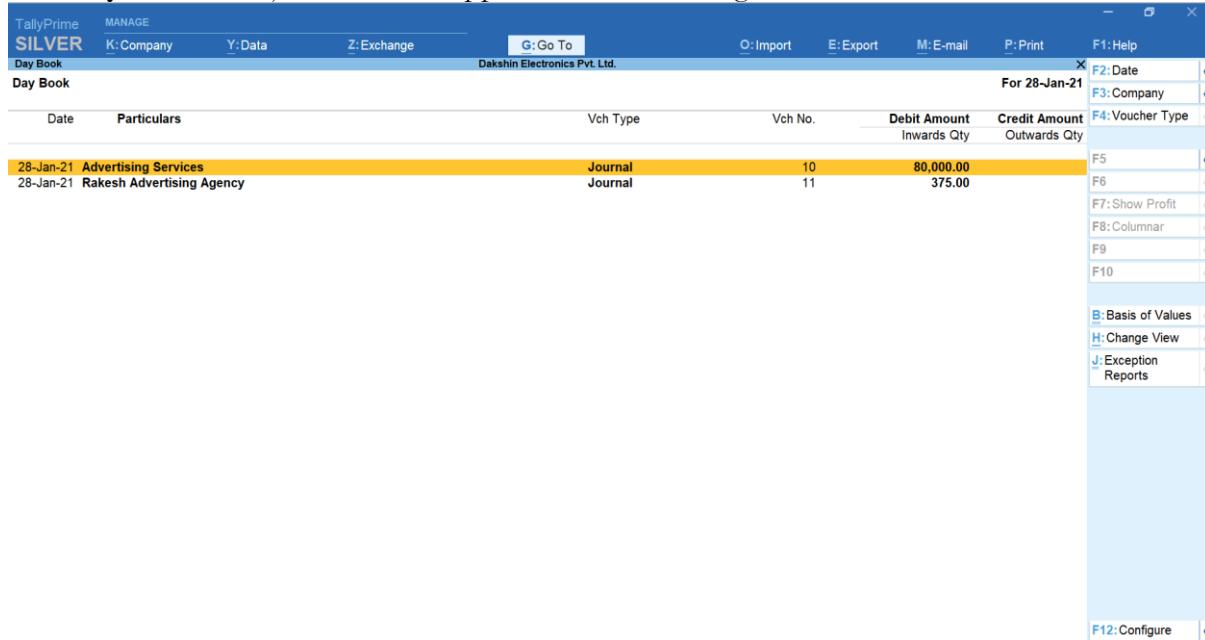
Note: We can observe that the previous Bill no 9 entry in which TDS was not deducted, now after recording the second Bill no 10, the TDS is deducted in the separate journal voucher.

- 16) Press **Enter** to get the **Bill wise Details** screen, enter the details as shown below:
 - Select **Type of Ref** as **Agst Ref**
 - **Name** – Select **Bill no. 9 > Dated 27-Jan-21 > Amounted ₹ 25,000**
 - **Due Date** – it will be skipped
 - In the **Amount** field, ₹ 25,000 will get captured automatically. Change it to ₹ 375 Dr. (Calculation 25,000 X 1.5% = 375). This is the TDS amount to be deducted on Bill no 9
 - Press **Enter** to go back to the voucher creation screen
- 17) **Accept** the screen

Observation: From the voucher creation screen press **Alt+G** or click on **Go To** option > In the **Search** field, and type as **Daybook** > Select **Daybook** under **Common Reports**. Two Journal vouchers will appear with voucher no 10 (In which the advertising expenses are booked for ₹80,000 and TDS is deducted) and 11 (In which deductions are made for journal Bill no. 9).

Note: In this report, we will get the details of day to day business transactions details.

The **Day Book** with journal details appears as shown in Figure 2.36



The screenshot shows the TallyPrime Day Book window. The header includes the TallyPrime SILVER logo, a toolbar with buttons for Go To, Import, Export, Email, Print, and Help, and a status bar indicating 'Dakshin Electronics Pvt. Ltd.' and 'For 28-Jan-21'. The main area displays a table of journal entries:

Date	Particulars	Vch Type	Vch No.	Debit Amount Inwards Qty	Credit Amount Outwards Qty
28-Jan-21	Advertising Services	Journal	10	80,000.00	
28-Jan-21	Rakesh Advertising Agency	Journal	11		375.00

A vertical menu on the right side lists various functions such as F1:Help, F2:Date, F3:Company, etc., and F12:Configure.

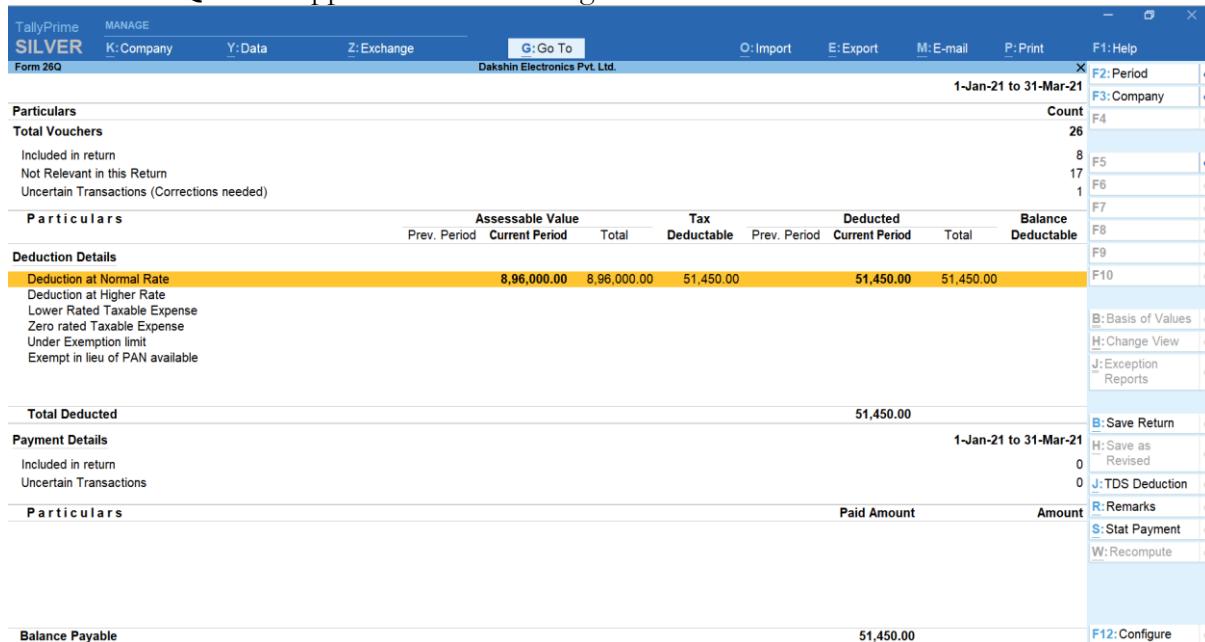
Figure 2.36 Day Book with Journal voucher details

Note: We can also generate Daybook from **Gateway of Tally > Display More Reports>Day Book**.

To view **Form 26Q**,

- 1) Click **G: Go To** > In the **Search** field, Type as **Form** > Enter on **Form 26Q**
- 2) The details will capture under **Deduction Details > Deduction at Normal Rate**

The **Form 26Q** screen appears as shown in Figure 2.37



The screenshot shows the TallyPrime Form 26Q window. The header includes the TallyPrime SILVER logo, a toolbar with buttons for Go To, Import, Export, Email, Print, and Help, and a status bar indicating 'Dakshin Electronics Pvt. Ltd.' and '1-Jan-21 to 31-Mar-21'. The main area displays a table of deduction details:

Particulars	Assessable Value		Tax Deductable		Deducted		Balance Deductable	
	Prev. Period	Current Period	Total	Deductible	Prev. Period	Current Period	Total	Deductible
Deduction at Normal Rate	8,96,000.00	8,96,000.00	51,450.00		51,450.00	51,450.00		
Deduction at Higher Rate								
Lower Rated Taxable Expense								
Zero rated Taxable Expense								
Under Exemption limit								
Exempt in lieu of PAN available								

A vertical menu on the right side lists various functions such as F1:Help, F2:Period, F3:Company, etc., and F12:Configure.

Figure 2.37 Form 26Q screen

- 3) Enter on **Deduction at Normal Rate**



The Form 26Q-Deduction Details screen appears as shown in Figure 2.38

TallyPrime		MANAGE		G: Go To		O: Import	E: Export	M: E-mail	P: Print	F1: Help						
SILVER	K: Company	Y: Data	Z: Exchange	Dakshin Electronics Pvt. Ltd.												
Form 26Q - Deduction Details																
Details of : Deduction at Normal Rate										1-Jan-21 to 31-Mar-21						
Particulars				Assessable Value	Tax	Deducted		Balance								
	Prev. Period	Current Period	Total	Deductable	Prev. Period	Current Period	Total	Deductable								
All Advertising Agency	1,10,000.00	1,10,000.00	1,650.00	1,650.00	1,650.00	1,650.00	1,650.00	1,650.00								
JNR Services Pvt. Ltd.	16,000.00	16,000.00	600.00	600.00	600.00	600.00	600.00	600.00								
Max Services Agency	60,000.00	60,000.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00								
Rakesh Advertising Agency	1,05,000.00	1,05,000.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00								
SAM Agencies	2,55,000.00	2,55,000.00	19,125.00	19,125.00	19,125.00	19,125.00	19,125.00	19,125.00								
SRN Constructions Pvt. Ltd.	3,50,000.00	3,50,000.00	26,250.00	26,250.00	26,250.00	26,250.00	26,250.00	26,250.00								
Total			8,96,000.00	8,96,000.00	51,450.00		51,450.00	51,450.00		F12: Configure						

Figure 2.38 Form 26Q-Deduction Details screen

- 4) Enter on the Rakesh Advertising Agency > Enter on Payment to Contractors to get the ledger voucher details as shown in Figure 2.39

TallyPrime		MANAGE		G: Go To		O: Import	E: Export	M: E-mail	P: Print	F1: Help						
SILVER	K: Company	Y: Data	Z: Exchange	Dakshin Electronics Pvt. Ltd.												
Form 26Q - Voucher Register																
Vouchers of : Deduction at Normal Rate										1-Jan-21 to 31-Mar-21						
Party Name	: Rakesh Advertising Agency															
Nature of Payment	: Payments to Contractors															
Date	Particulars			Vch Type	Vch No.	Debit	Credit									
27-Jan-21	Advertising Services			Journal	9	25,000.00										
28-Jan-21	Advertising Services			Journal	10	80,000.00										
28-Jan-21	TDS			Journal	11	375.00										
Total										F12: Configure						

Figure 2.39 Form 26Q Voucher Register screen

Observation: In Figure 2.39, we can observe the three journal vouchers which were recorded on 27-Jan-21 with voucher number 9 in which only the expenses are booked because the value is under the TDS Exemption limit.

And on 28-Jan-21, journal voucher number 10 is recorded where the expenses are booked, and TDS is deducted as the assessable value is crossing the exemption limit.

And on 28-Jan-21, another journal voucher number 11 is recorded in which TDS for the journal voucher (9) is deducted.



Activity: Record the following payment transaction

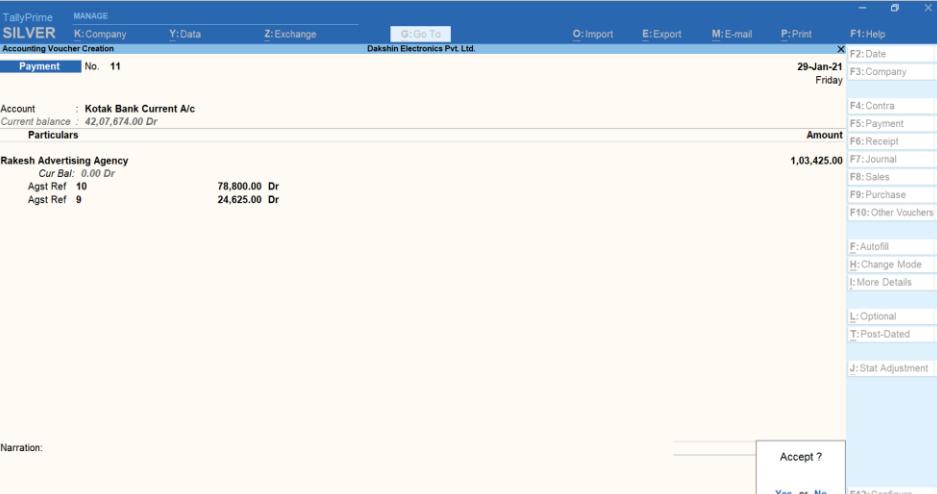
Date	Particulars
29 th January 2020	<p>Voucher: Payment</p> <p>Dakshin Electronics Pvt. Ltd., made a payment to Rakesh Advertising Agency for the total amount ₹1,03,425 against the pending Bill No. 9 (₹78,800) and Bill no. 10 (₹24,625) vide Kotak Bank Current A/c cheque 525110.</p> 

Table 2.25

2.7.3 Accounting Multiple Expenses and Deducting TDS later

In this section we will learn how a TDS Transaction can be recorded for multiple expenses in a single invoice and TDS can be deducted later in the journal voucher by selecting the appropriate TDS duty ledger.

It is always expected that the deductor should deduct the tax in the same invoice in which the expenses are accounted. But in some cases, the deductor may follow the procedure of accounting only expenses on the receipt of bills in separate invoices and later, deduct applicable tax on all such accounted expenses. TallyPrime offers this facility to account for all the bills without TDS deduction in the same voucher. Later, generally at the end of the month, through a Journal voucher, TDS can be deducted on the nature of payments of all bills of respective Deductee.

Illustration 5: Accounting of multiple expenses and deducting TDS later

Date	Particulars
30 th January 2021	<p>Voucher: Purchase</p> <p>Dakshin Electronics Pvt. Ltd., made a contract for one year with ZLX Advertising Agency towards:</p> <ul style="list-style-type: none"> • Commission Expenses - ₹ 25,000 • Advertising Services - ₹ 1,25,000 <p>The company does not intend to deduct TDS on the above transaction while booking the expenses.</p>
31 st January 2021	<p>Voucher: Journal</p> <p>Dakshin Electronics Pvt. Ltd., deducted TDS on commission charges and advertising services payable to ZLX Advertising Agency against the expenses booked dated 30-Jan-21.</p>

Table 2.26



To record the transaction of Table 2.26, in the books of Dakshin Electronics Pvt. Ltd., first ensure that the TDS is configured and required ledgers are created in TallyPrime.

Step1: Creation of Accounting Masters

Party Ledgers

- 1) Go to **Gateway of Tally > Create > select Ledger**

ZLX Advertising Agency	
Against the Field	Action to be Performed
Name	Enter as ZLX Advertising Agency
Under	Select as Sundry Creditors
Maintain balances bill-by-bill	Set to Yes
Default credit period	Keep it Blank
Check for credit days during voucher entry?	Set to No
Inventory values are affected?	Set to No
Statutory Information	
Is TDS Deductable	Set to Yes
Deductee type	Select as Company – Resident
Deduct TDS in Same Voucher	Set to No
Mailing Details	
Accept the mailing Details as it is	
Tax Registration Details	
PAN/IT No.	Enter as AWDCG1234K
Provide PAN details	Set to No
Registration type	Select Unknown
GSTIN/UIN	Keep it Blank
Set/Alter GST details	Set to No
Accept the screen	

Table 2.27

Note: Make sure to set the option **Deduct TDS in the Same Voucher is set to No**, by disabling this option the TDS will not get deducted in the same voucher in which the expenses are booked.

Note: Creation of expense ledger (*Commission Expenses and Advertising Services*) is not required as the same is already created in the previous scenario.

Step 2: Recording Purchase Transaction to Book Expenses

- 1) Go to **Gateway of Tally > Vouchers > F9: Purchase**
- 2) Click **F2: Date** and enter the date as **30-Jan-21**.
- 3) In the **Supplier Invoice No** enter as **7** and the date will get captured automatically
- 4) In **Party A/c name** field, select **ZLX Advertising Agency** from the **List of Ledger Accounts** (Accept the **Receipt Details** and **Party Details** screen)
- 5) Under **Particulars**, select **Commission Expenses** ledger > Enter **₹ 25,000** in the **Amount** field > Press **Enter**.

Note: Do not make any changes in the **Expense Allocation** screen, accept it.

- 6) Under **Particulars**, select **Advertising Services** ledger > Enter **₹ 1,25,000** in the **Amount** field > Press **Enter**.

Note: Do not make any changes in the **Expense Allocation** screen, accept it.

- 7) In the **Bill-wise details** screen,



- In **Type of Ref** field, select **New Ref**
 - In the **Name** field- Let it be as it is i.e., 7
 - In the **Amount** field – Amount of **₹ 1,50,000 Cr.** will get captured automatically
 - Press **Enter**
- 8) Click **I: More Details** to view the tax implication in this transaction > In the **More Details** screen, under **Additional Details > TDS > Select TDS-Tax Analysis**.
- 9) Press **Alt+F5**, to view the **TDS-Tax Analysis** screen in detailed mode
- 10) Press **Esc** to go back to the **Purchase Voucher Creation** screen
- 11) Enter **Narration** if required

The **Purchase Voucher** screen appears as shown in Figure 2.40

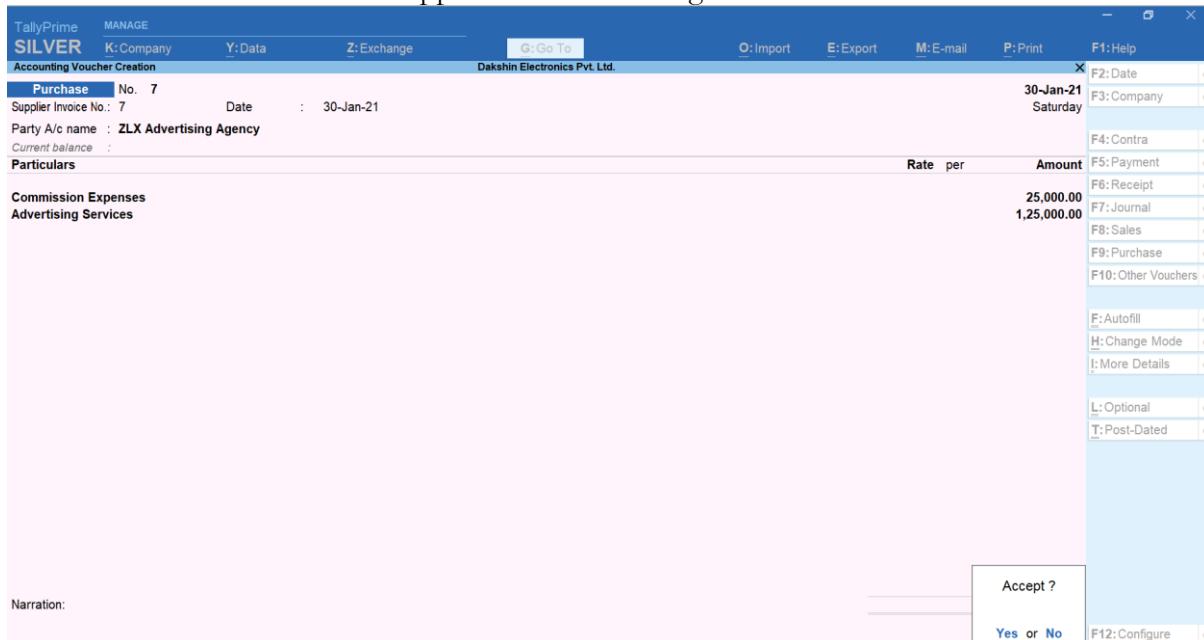
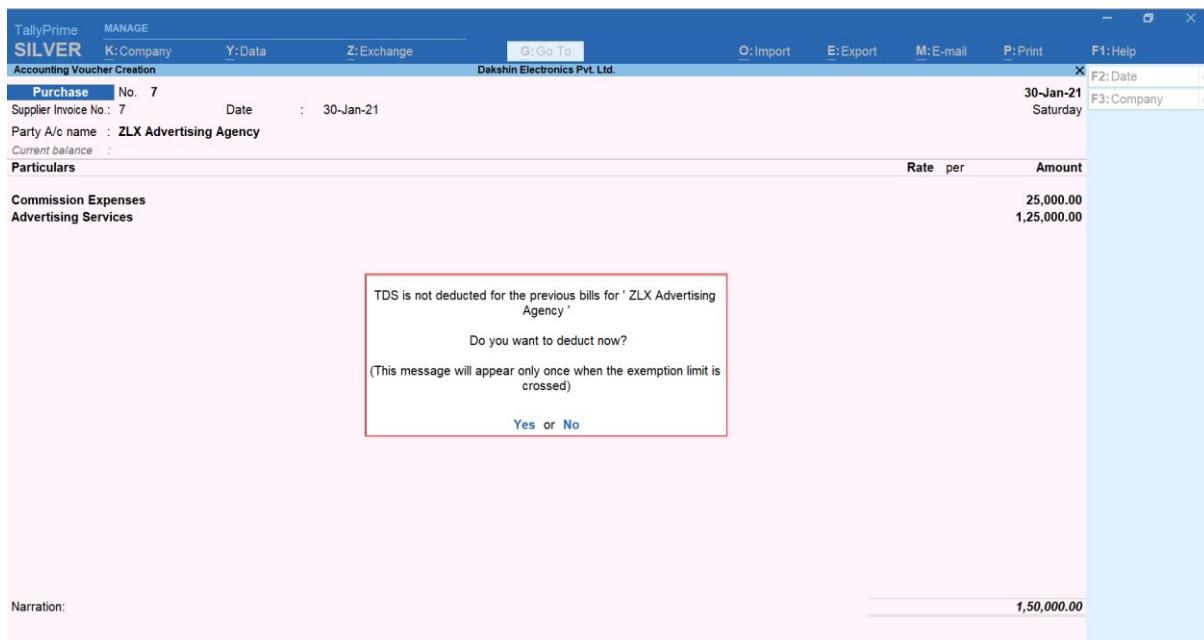


Figure 2.40 Purchase Voucher screen

- 12) **Accept** the screen
- 13) Once after accepting the screen, we will get the pop-up message as **TDS is not deducted for previous bills for 'AZ Advertising Agency' Do you want to deduct Now?**, as shown in Figure 2.41

The screenshot shows the 'Purchase Voucher Creation' screen in TallyPrime. The header includes tabs for 'Purchase', 'Supplier Invoice No.', 'Date', 'Party A/c name', 'Current balance', and 'Particulars'. The main table lists 'Commission Expenses' and 'Advertising Services' with amounts of 25,000.00 and 1,25,000.00 respectively. A modal dialog box is displayed in the center, containing the message: 'TDS is not deducted for the previous bills for 'ZLX Advertising Agency''. It asks 'Do you want to deduct now?' and notes '(This message will appear only once when the exemption limit is crossed)'. Below the dialog are 'Yes' and 'No' buttons.

Figure 2.41 Purchase Voucher Creation deduct now screen

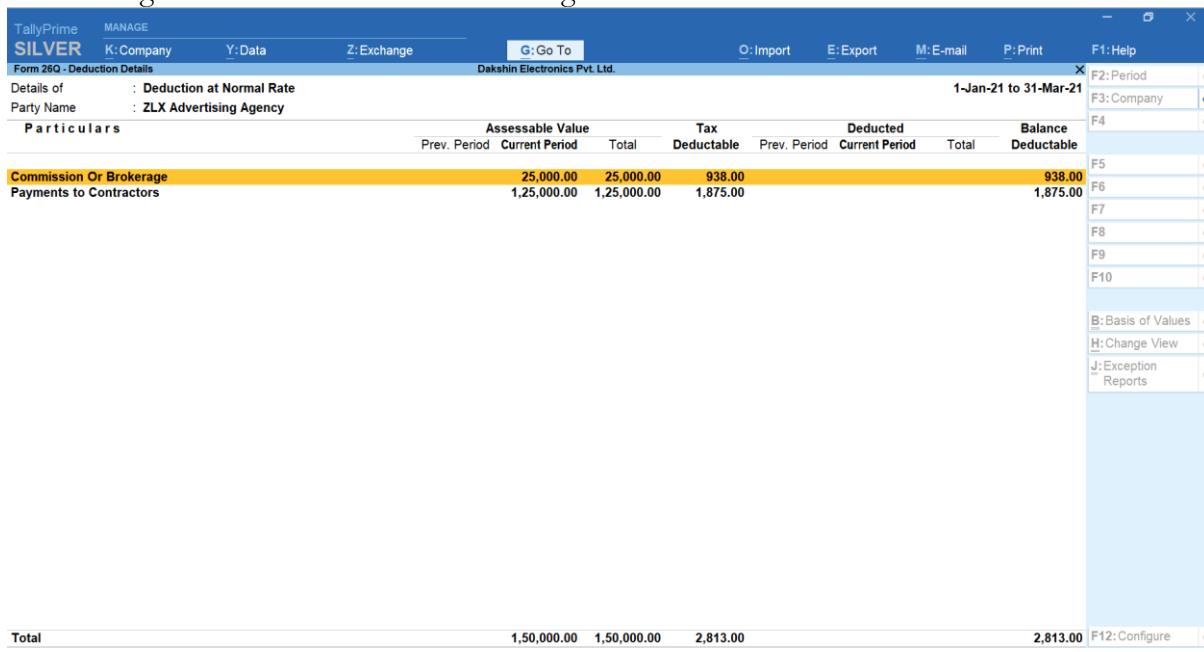
14) Click **No**

Note: Do not select the **TDS** ledger, because we don't want to deduct the TDS in the same voucher.

Observation: Once after recording the entry check the details in the **TDS Form 26Q**, the amount will reflect under the field **Balance Deductable**.

To view **Form 26Q**,

- 1) Click **G: Go To** > In the **Search** field, Type as **Form** > Enter on **Form 26Q**
- 2) The details will capture under **Deduction Details** > **Deduction at Normal Rate**
- 3) Enter on the **ZLX Advertising Agency** > Enter on **Payment to Contractors** to get the ledger voucher details as shown in Figure 2.42



The screenshot shows the 'Form 26Q - Deduction Details' screen in TallyPrime. The header includes tabs for 'Form 26Q', 'Details of', 'Party Name', 'Period', and 'F1:Help'. The main table has columns for 'Particulars', 'Assessable Value' (Prev. Period, Current Period, Total), 'Tax Deductable' (Prev. Period, Current Period, Total), and 'Balance Deductable'. The table shows entries for 'Commission Or Brokerage' and 'Payments to Contractors' with their respective values and tax deducted amounts.

Particulars	Assessable Value			Tax Deductable			Balance Deductable
	Prev. Period	Current Period	Total	Prev. Period	Current Period	Total	
Commission Or Brokerage	25,000.00	25,000.00	938.00			938.00	
Payments to Contractors	1,25,000.00	1,25,000.00	1,875.00			1,875.00	
Total	1,50,000.00	1,50,000.00	2,813.00			2,813.00	

Figure 2.42 Form 26Q Voucher Register screen



Observation: In Figure 2.42, we will get the Balance Deductable amount as ₹ 2,813. This amount is the total of TDS on commission at 3.75% on the assessable value of ₹ 25,000 i.e. ₹ 938 plus TDS on an advertisement at 1.50% on the assessable value of ₹ 1,25,000 i.e. ₹ 1,875. Hence total of $938 + 1,875 = 2,813$. This calculation is done instantly and updated in the report.

Step 3: Recording Journal Voucher to Deduct TDS

On 31st January 2021, Dakshin Electronics Pvt. Ltd., deducted TDS on **commission** charges and **advertising services** payable to **ZLX Advertising Agency** against the expenses booked dated 30-Jan-21.

To record a Journal voucher,

- 1) Go to **Gateway of Tally > Vouchers > F7: Journal**
- 2) Click **F2: Date** and enter the date as **31-Jan-21**.
- 3) Click **F: Autofill** to view **Autofill** screen. (Alternatively, Press **Ctrl+F**)
- 4) The **Autofill** screen appears,
 - In **Type of transaction**, select **TDS Deduction**
 - In **TDS Deductions** screen
 - Enter **31-Jan-21** in **Till Date** field
 - In **Party** field select **ZLX Advertising Agency** from the **List of Ledgers**
 - In **Nature of Payment** select **All Items** from **List of Nature of Payments**
 - In **Duty Ledger** select **TDS Ledger**

The **Autofill** screen appears as shown in Figure 2.43

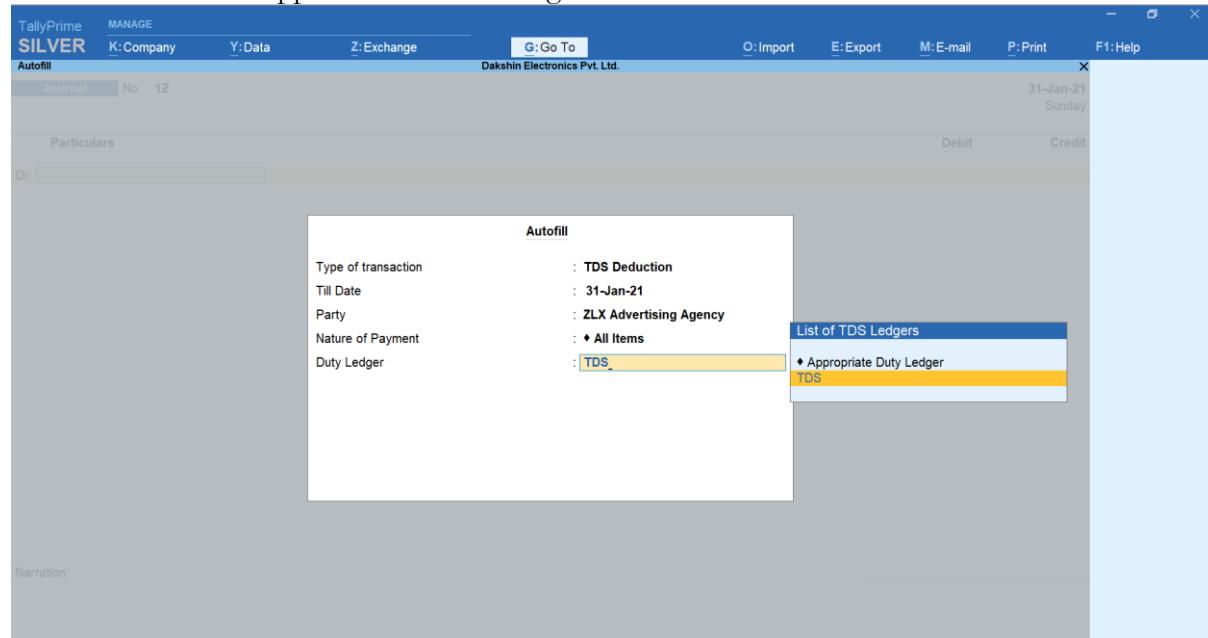
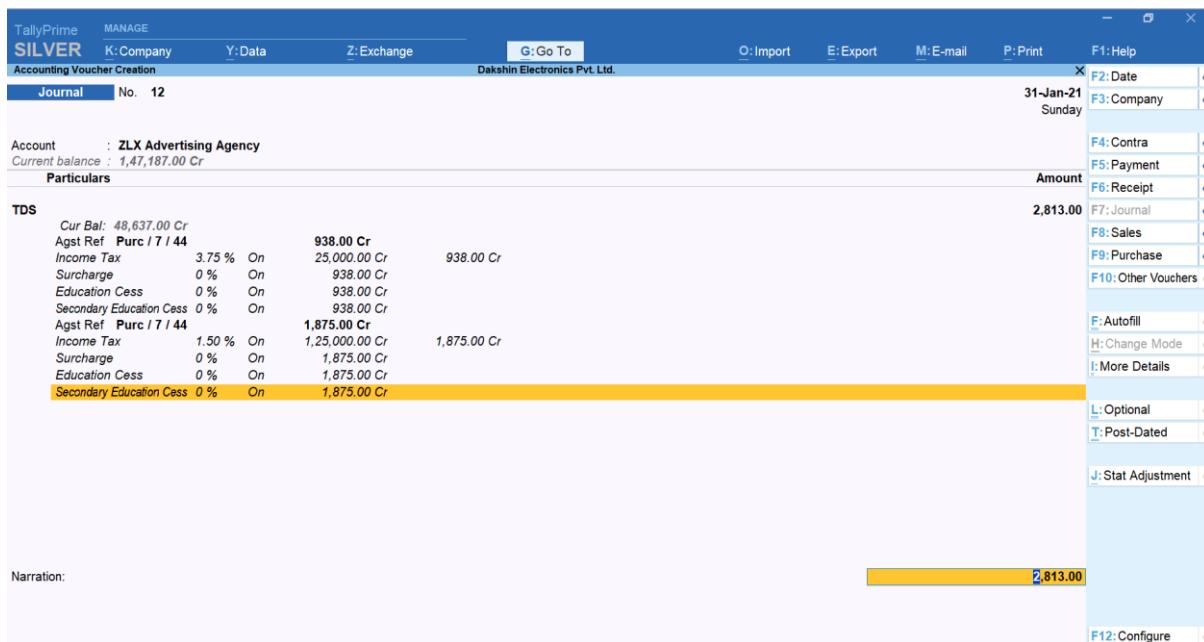


Figure 2.43 Autofill - TDS Deductions screen

- Accept the **Autofill** screen
- 5) The journal voucher will be filled automatically with the TDS ledgers and TDS amount as shown in Figure 2.44

The screenshot shows the 'Journal Voucher Creation' screen in TallyPrime. The top menu bar includes 'TallyPrime', 'MANAGE', 'SILVER', 'K: Company', 'Y: Data', 'Z: Exchange', 'G: Go To', 'Dakshin Electronics Pvt. Ltd.', 'O: Import', 'E: Export', 'M: E-mail', 'P: Print', 'F1: Help', and a date field '31-Jan-21 Sunday'. The main area displays a table of expenses:

TDS			
Cur Bal:	48,637.00 Cr		
Agst Ref	Purc / 7 / 44	938.00 Cr	
Income Tax	3.75 % On	25,000.00 Cr	938.00 Cr
Surcharge	0 % On	938.00 Cr	
Education Cess	0 % On	938.00 Cr	
Secondary Education Cess	0 % On	938.00 Cr	
Agst Ref	Purc / 7 / 44	1,875.00 Cr	
Income Tax	1.50 % On	1,25,000.00 Cr	1,875.00 Cr
Surcharge	0 % On	1,875.00 Cr	
Education Cess	0 % On	1,875.00 Cr	
Secondary Education Cess	0 % On	1,875.00 Cr	

Narration: 2,813.00

F12: Configure

Figure 2.44 Journal Voucher Creation screen

- 6) In the **Bill-wise details** screen, select **Agst Ref** > select the **Pending Bill 7** > Press enter, the amount as ₹ 2,813 will be captured automatically > **Accept** the screen.
- 7) Enter **Narration** if required
- 8) **Accept** the screen

Observation: You have observed in *Figure 2.44*, you have deducted the TDS of multiple expenses at once by selecting the common duty ledger and also accurate TDS duty amount is deducted.

Activity: Referring to *Table 2.28*, record the payment voucher.

Date	Particulars
31 st January 2021	<p>Voucher: Payment <i>Dakshin Electronics Pvt. Ltd. made a payment to ZLX Advertising Agency for ₹1,47,187 against the pending bill number 7 after deducting TDS vide Kotak Bank Current A/c cheque 525111.</i></p>

Table 2.28

2.7.4 TDS on Expenses at Lower and Zero Rate

We all know that how the deductor (buyer) deducts the TDS and then make a payment to the deductee (seller) if the bill amount crosses the exemption limit specified by the government.

Under the Income Tax act, there are multiple provisions provided for the deductee (seller) based on their income. If the taxpayer/seller validates the withholding of tax at a lower or zero rate, then the taxpayer/seller can apply to the assessing officer for the lower/zero deduction certificate.

2.7.4.1 TDS on Expenses at Lower Rate

The assessing officer will issue a certificate for lower tax deduction than the specified rate when the total income of the deductee can be subject to a lower rate. For this, the deductee must apply form 13. This provision is specified in the income tax act, under sub-section (1) of section 197.

The certificate granted shall be valid for the assessment year specified and is valid only for the person named in it.



Pandemic relief provided by the government:

- If the person/assesse who have not applied online certification for lower/zero deduction for the financial year – 2020-21, then in such case the certificate granted for the financial year 2019-20, can be used or valid for the financial year 2020-21. However, the assessee need to apply for the lower/zero deduction on 30-06-2020 or once the pandemic situation becomes normal whichever is earlier.
 - As we are aware that the government have given some relief due to Covid19 pandemic by reducing the rate of TDS by 25%. By considering this change a deductee/assesse can decide to make use of lower deduction certificate i.e.
 - a. If the rate mentioned in the certificate is less than the revised TDS rate, then an assessee can make use of the lower deduction certificate.
 - b. If the rate mentioned in the certificate is more than the revised TDS rate, then an assessee can opt for the normal TDS rates for the deduction.
- For example:** TIM Pvt. Ltd is having the lower deduction certificate for 2% deduction on Commission and the new rate revised by the government is 3.75%. In such a case, the company will opt for a TDS deduction certificate, as the rate is less than the rate revised by the government and vice versa.

In TallyPrime, the user can record and compute TDS on transactions, on which a lower rate of deduction is applicable.

Illustration 6: Accounting of TDS on expenses at a lower rate

Date	Particulars
2 nd February 2021	<p>Voucher: Journal</p> <p>Dakshin Electronics Pvt. Ltd. received a bill from AMR Tech Pvt. Ltd. (partnership firm) for ₹ 50,000 towards commission charges.</p> <p>AMR Tech Pvt. Ltd has a certificate (197-17(1)/20-21) for deduction of income tax at a lower rate of 2% on commission and brokerage TDS</p> <p>Nature of Payment.</p>

Table 2.29

To record the transaction of Table 2.29, in the books of Dakshin Electronics Pvt. Ltd., first ensure that the required ledgers are created in TallyPrime.

Step 1: Creation of Accounting Masters

Party Ledger (Need to set the TDS at a lower rate while creating the party master.)

- 1) Go to **Gateway of Tally > Create > Ledger**
- 2) Press **F12: Configure** from the **Ledger Creation** screen
- 3) Under **TDS Details**, set the option **Allow advanced entries in TDS master** to **Yes**



The Configuration screen appears as shown in Figure 2.45

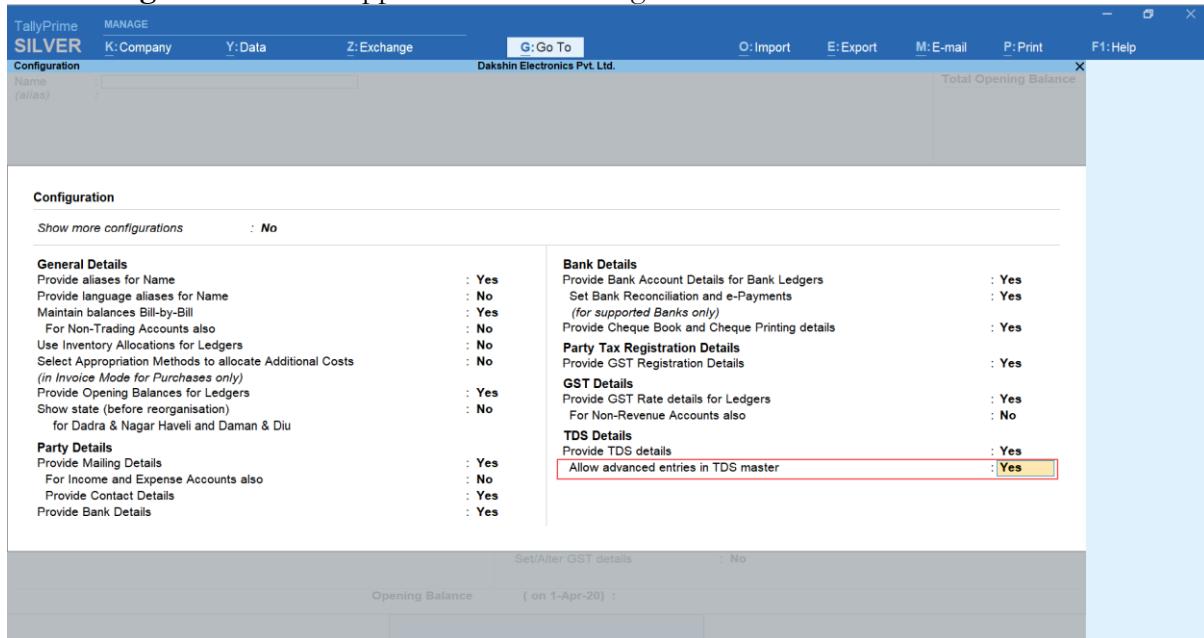
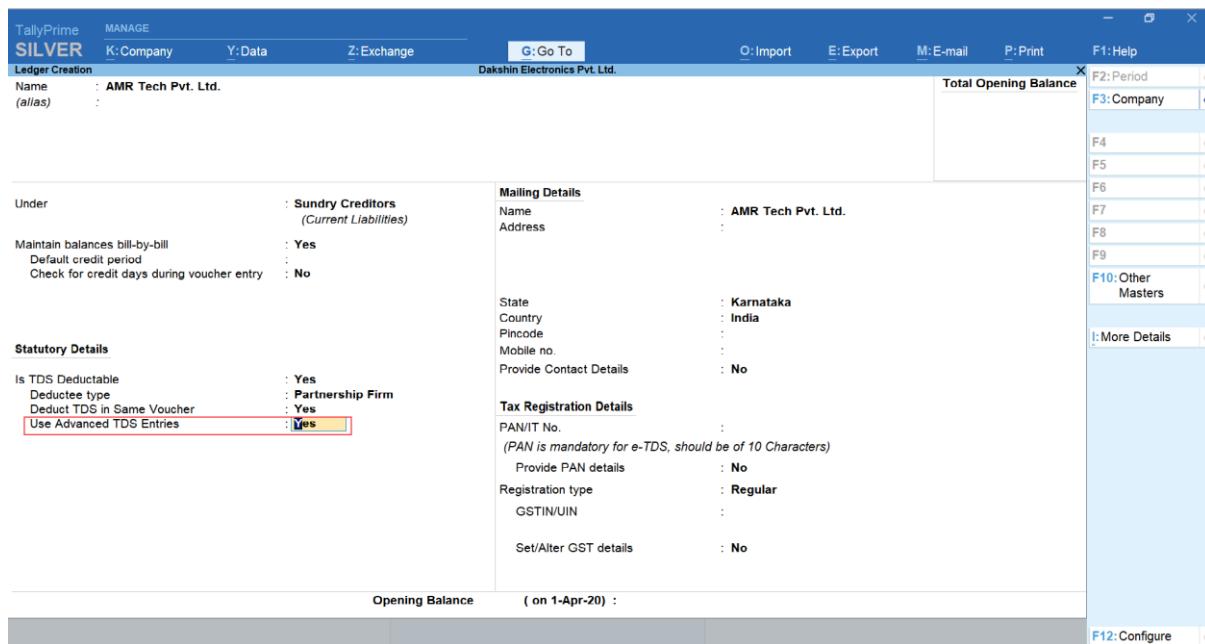


Figure 2.45 Configuration screen

Note: If we enable the option **Show more configuration**, we will get additional configuration details.

- 4) Press **Ctrl+A** to save the Configuration screen
- 5) Enter the **Name** as **AMR Tech Pvt. Ltd.**
- 6) In **Under** field select **Sundry Creditors**
- 7) Set the option **Maintain balances bill by bill** to **Yes**
- 8) In **Default credit period** field, let it be blank
- 9) **Check for credit days during voucher entry** let it be **No**
- 10) Set the option **Is TDS Deductable** to **Yes**
- 11) In **Deductee Type** field select as a **Partnership firm** (Once we select the deductee type, the option **Use Advanced TDS Entries** will appear)
- 12) Set the option **Deduct TDS in Same Voucher** to **Yes** (it is enabled only when the income tax will be deducted in the same voucher where the Due/ Payment is accounted for the party)
- 13) **List of Nature of Payments** (We can select all the nature of payments or any specific nature of payment (applicable to the party) on which Tax to be deducted in the same voucher) select **All Items**
- 14) Press **Enter**
- 15) Set the option **Use Advanced TDS Entries** to **Yes** as shown in Figure 2.46

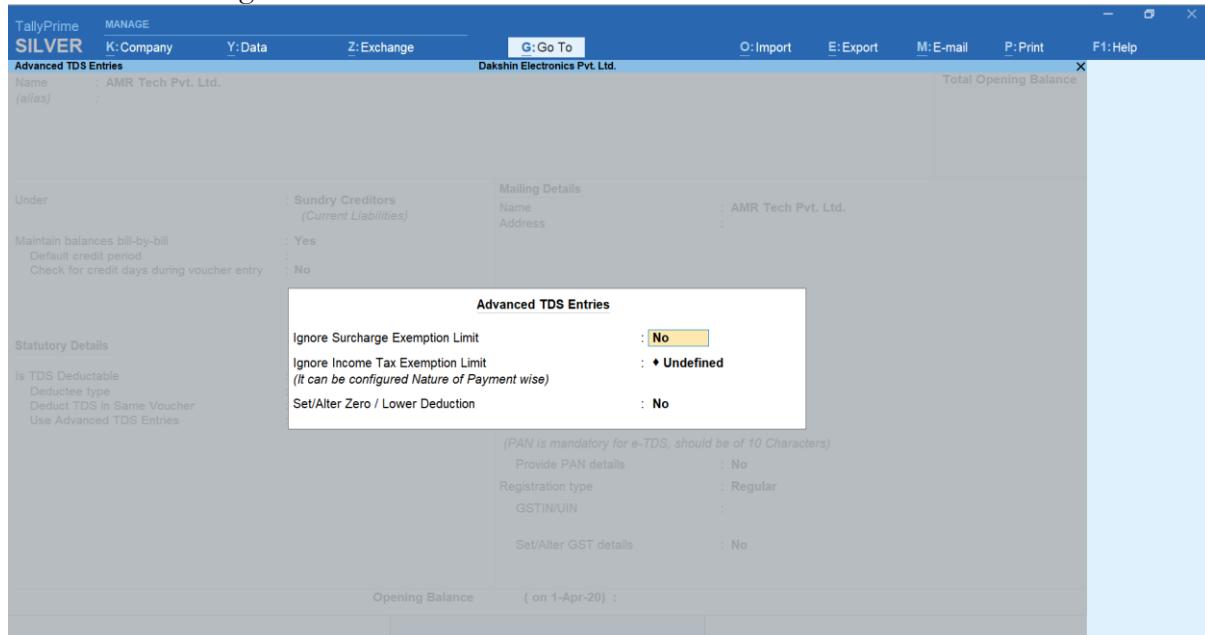



The screenshot shows the 'Ledger Creation' screen in TallyPrime. The 'Advanced TDS Entries' field is highlighted with a red border. Other fields visible include 'Under', 'Sundry Creditors (Current Liabilities)', 'Mailing Details', 'Tax Registration Details', and 'Opening Balance (on 1-Apr-20)'.

Figure 2.46 Ledger Creation screen

Note: Use Advanced TDS Entries field will be enabled in the ledger creation screen only When Allow Advanced entries in TDS Masters is set to Yes in F12: Voucher Entry Configuration.

- 16) Press Enter from the above Figure 2.46, to get the Advanced TDS Entries screen as shown in Figure 2.47



The screenshot shows the 'Advanced TDS Entries' screen. The 'Set/Alter Zero / Lower Deduction' field is highlighted with a red border. Other fields visible include 'Ignore Surcharge Exemption Limit', 'Ignore Income Tax Exemption Limit', and 'GSTIN/UIN'.

Figure 2.47 Setting Advanced TDS Entries screen

- 17) In Advance TDS Entries screen, Set/Alter Zero/Lower Deduction to Yes

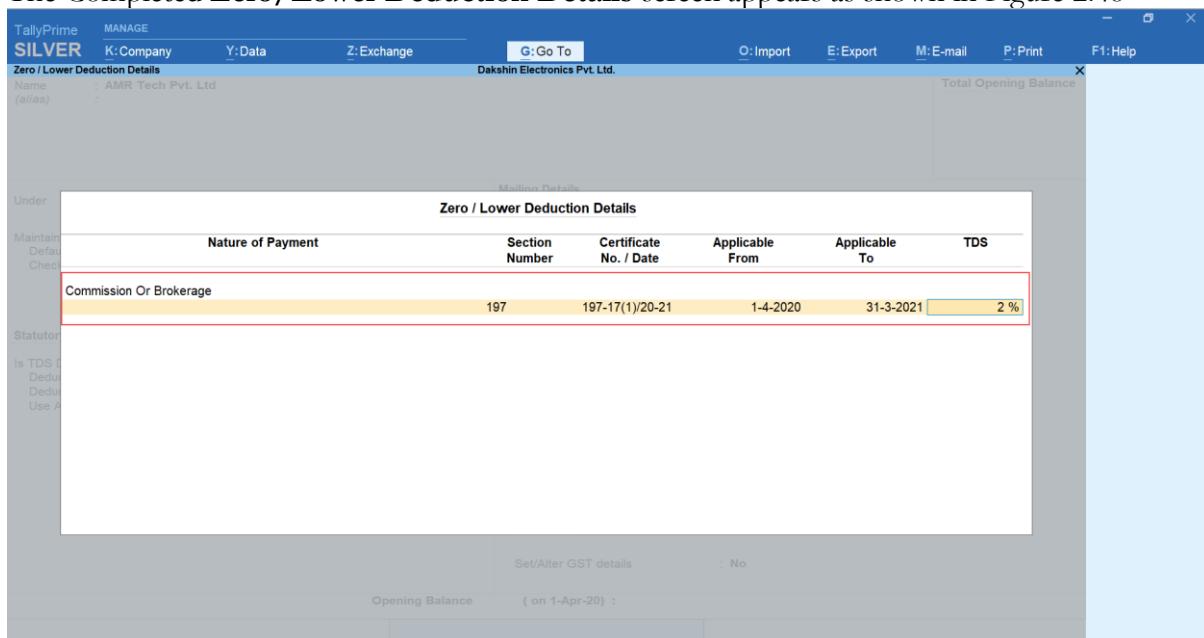
Note: When the Deductee has a certificate issued by the assessing officer to Deduct Income tax at Lower Rate. Enable the option Set/Alter Zero/Lower Deduction (as AMR Tech Pvt. Ltd has submitted the Certificate to deduct income tax at a Lower rate) and press Enter. We will get the Zero/Lower Deduction Details screen

- 18) In the Zero / Lower Deduction Details provide the following details



- Select **Nature of Payment** as **Commission or Brokerage** (Here we need to select the Nature of payment for which the lower rate of income tax is allowed, here we have selected Commission Or Brokerage from the List of Nature of Payments)
- In the **Section number** field select **197 Lower Deduction** (In this field TallyPrime displays the Sections, under which an application for a lower rate or Zero rate are approved, we have selected 197 because AMR Tech Pvt. Ltd has submitted the Certificate to deduct income tax at a lower rate)
- Enter the **Certificate No./Date** as **197-17(1)/20-21** (In this field enter the certificate number and the date of issue)
- Enter the **Applicable From** date as **1-4-2020** (In this field, mention the date (as per the certificate) from when the lower rate is approved)
- Enter the **Applicable To** date as **31-3-2021** (In this field mention the date till when the certificate of the Lower rate will remain in force)
- In the **TDS** rate field enter a **2%** (In this field mention the Rate of Income Tax)

The Completed **Zero/Lower Deduction Details** screen appears as shown in Figure 2.48



Nature of Payment	Section Number	Certificate No. / Date	Applicable From	Applicable To	TDS
Commission Or Brokerage	197	197-17(1)/20-21	1-4-2020	31-3-2021	2 %

Figure 2.48 Zero/Lower Deduction Details screen

- Enter and select **End of List** twice to accept the screen.
- 19) Let the mailing details be as it is in the ledger creation screen.
 - 20) Enter the **PAN/IT no.** as **ATFPD1234T**
 - 21) **Registration Type**, Set as **Unknown > Do not enter GSTIN/UIN**



The **Ledger Creation** screen appears as shown in Figure 2.49

Ledger Creation

Name : AMR Tech Pvt. Ltd.
(alias) :

Mailing Details

Name : AMR Tech Pvt. Ltd.
Address :

State : Karnataka
Country : India
Pincode :
Mobile no. :
Provide Contact Details : No

Tax Registration Details

PAN/IT No. : ATFPD1234T
(PAN is mandatory for e-TDS, should be of 10 Characters)
Provide PAN details : No
Registration type : • Unknown
GSTIN/UIN :
Set/Alter GST details : No

Statutory Details

Is TDS Deductable : Yes
Deductee type : Partnership Firm
Deduct TDS in Same Voucher : Yes
Use Advanced TDS Entries : Yes

Opening Balance (on 1-Apr-20) :

Accept ?
Yes or No

Figure 2.49 Ledger Creation screen – Lower Rate

22) Accept the screen

Note: TDS rate of deduction for commission and brokerage is 3.75% and we have mentioned the lower TDS deduction rate as 2%. While deducting TDS for this party, it will consider 2%.

Step 2: Recording Journal Voucher to Book Expenses and Deduct TDS

- 1) Go to **Gateway of Tally > Vouchers > F7: Journal**
- 2) Click **F2: Date** and enter the date as **02-Feb-2021**.
- 3) **Debit the Commission Expenses** ledger and enter the **Amount as ₹ 50,000**.
- 4) **Credit the AMR Tech Pvt. Ltd.** ledger. The amount will get captured automatically, and then the **Bill-wise Details** screen appears
 - In the **Amount** field – Amount of **₹ 50,000 Cr.** will get captured automatically > Press **Enter**. The amount before TDS deduction will appear in the **Amount** field automatically
 - In the **Amount** field – Amount of **₹ 1,000 Dr.** will get captured automatically. The TDS deduction amount will appear in the **Amount** field automatically.
 - Select **End of List** > Accept the Bill-wise details screen
- 5) **Credit the TDS** ledger
- 6) The TDS amount of **₹ 1,000** will capture automatically.
- 7) Press **Enter**
- 8) Enter the **Narration**, if required
- 9) Click **I: More Details** to view the tax implication in this transaction > In the **More Details** screen, under **Additional Details > TDS** > Select **TDS-Tax Analysis**.
- 10) Press **Alt+F5**, to view the **TDS-Tax Analysis** screen in detailed mode

The **TDS-Tax Analysis** screen appears as shown in Figure 2.50.

Figure 2.50 TDS-Tax Analysis screen

Observation: We can observe that the Assessable value is 50,000. Tax rate as 2%, and Duty/Tax value as 1,000 i.e., $50,000 * 2\% = 1,000$. TDS is deducted at 2% based on the Lower Rate configuration in the Party Ledger.

- 11) Press **Esc** to go back to the **Journal Voucher Creation** screen.

The **Journal Voucher** screen appears as shown in Figure 2.51.

Particulars		Debit	Credit
Dr	Commission Expenses Cur Bal: 1,35,000.00 Dr		50,000.00
Cr	AMR Tech Pvt. Ltd. Cur Bal: 49,000.00 Cr		49,000.00
	New Ref 13	50,000.00 Cr	
	New Ref 13	1,000.00 Dr	
Cr	TDS Cur Bal: 55,263.00 Cr		1,000.00
			F4: Contra F5: Payment F6: Receipt F7: Journal F8: Sales F9: Purchase F10: Other Vouchers F: Autofill H: Change Mode I: More Details L: Optional T: Post-Dated J: Stat Adjustment
Narration:		50,000.00	Accept ?
			Yes or No F12: Configure

Figure 2.51 Journal Voucher screen

- 12) Accept the screen

We can check **Form 26Q** and his transaction will come under the field **Lower Rated Taxable Expense**.



To view Form 26Q,

- 1) Click **G: Go To** > In the **Search** field, Type as **Form** > Enter on **Form 26Q**
- 2) The details will capture under **Deduction Details > Lower Rated Taxable Expense**

The Form 26Q report appears as shown in Figure 2.52

TallyPrime		MANAGE		G: Go To		O: Import	E: Export	M: E-mail	P: Print	F1: Help
SILVER	Form 26Q	K: Company	Y: Data	Z: Exchange	Dakshin Electronics Pvt. Ltd.	1-Jan-21 to 31-Mar-21	F2: Period	F3: Company	F4: F5	F6: F7
Particulars						Count				
Total Vouchers						31				
Included in return						11				
Not Relevant in this Return						19				
Uncertain Transactions (Corrections needed)						1				
Particulars										
						Assessable Value	Tax	Deducted	Balance	
						Prev. Period	Current Period	Total	Deductable	
Deduction Details						10,46,000.00	10,46,000.00	54,263.00	54,263.00	54,263.00
Deduction at Normal Rate										
Deduction at Higher Rate										
Lower Rated Taxable Expense						50,000.00	50,000.00	1,000.00	1,000.00	1,000.00
Zero rated Taxable Expense										
Under Exemption limit										
Exempt in lieu of PAN available										
Total Deducted								55,263.00		
Payment Details									1-Jan-21 to 31-Mar-21	
Included in return									0	
Uncertain Transactions									0	
Particulars										
Balance Payable									55,263.00	

Figure 2.52 Form 26Q Report screen

Observation: In the report of Figure 2.52, we will get the entry under the field **Lower Rated Taxable Expense** field and the TDS is deducted at 2% instead of 3.75%. In this field, we will get the details of all the transactions in which TDS is deducted at a lower rate.

Note: In TallyPrime, we can record any transaction directly from the report level. i.e., in this illustration we are at the form 26Q as shown in Figure 2.52, to record the payment voucher, click **G: Go To** > select **Create Voucher** > then **F5** to record the payment entry.

Activity: Referring to Table 2.30, record the payment voucher.

Date	Particulars
3 rd February 2021	Voucher: Payment Dakshin Electronics Pvt. Ltd., paid ₹49,000 to AMR Tech Pvt. Ltd vide Kotak Bank Current A/c cheque 525112 .

Table 2.30

2.7.4.2 TDS on Expenses at Zero Rate

When a deductee's (other than a company or firm) income is below the taxable limit and the income falls under section 193, 194, 194A, 194EE, 194DA, 194I (A) 194I (B) and 194K in the income tax act, they can apply for a certificate for TDS deduction at zero rate. This can be done by submitting a declaration in form 15G under subsection (1) of section 197A of the income tax act.

The certificate granted will be valid for the assessment year specified and is valid only for the person named in it.

Pandemic relief provided by the government: If the person/assesse who have not applied online certification for lower/zero deduction for the financial year – 2020-21, then in such case the certificate granted for the financial year 2019-20, can be used or valid for the financial year 2020-21. However, the assessee need to apply for the lower/zero deduction on 30-06-2020 or once the pandemic situation becomes normal whichever is earlier.

Illustration 7: Accounting of TDS on expenses at zero rate

Date	Particulars
4 th February 2021	Dakshin Electronics Pvt. Ltd. received a bill from Sahara Co-operative Society (Resident) for ₹ 2,60,000 towards rent on building. Sahara Co-operative Society has a certificate (197A-2(5)/20-21) for non-deduction (zero rate) of income tax on rent.

Table 2.31

To record the transaction of Table 2.31 in the books of Dakshin Electronics Pvt. Ltd., first ensure that the required ledgers are created in TallyPrime.

Step 1: Creation of Accounting Masters

Party Ledger

- 1) Go to **Gateway of Tally > Create > select Ledger**
- 2) Enter **Name as Sahara Co-operative Society**
- 3) Enter the details as shown in Figure 2.53

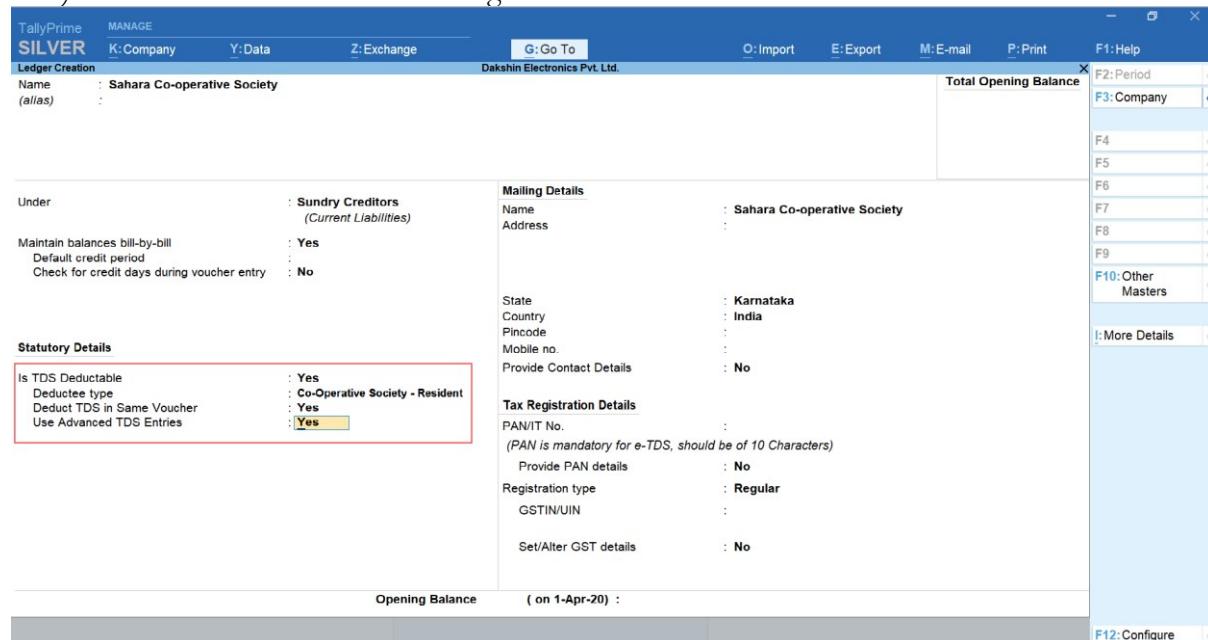


Figure 2.53 Party Ledger Creation screen



- 4) Set **Use Advance TDS Entries** to **Yes** to get the Advanced TDS Entries screen as shown in Figure 2.54

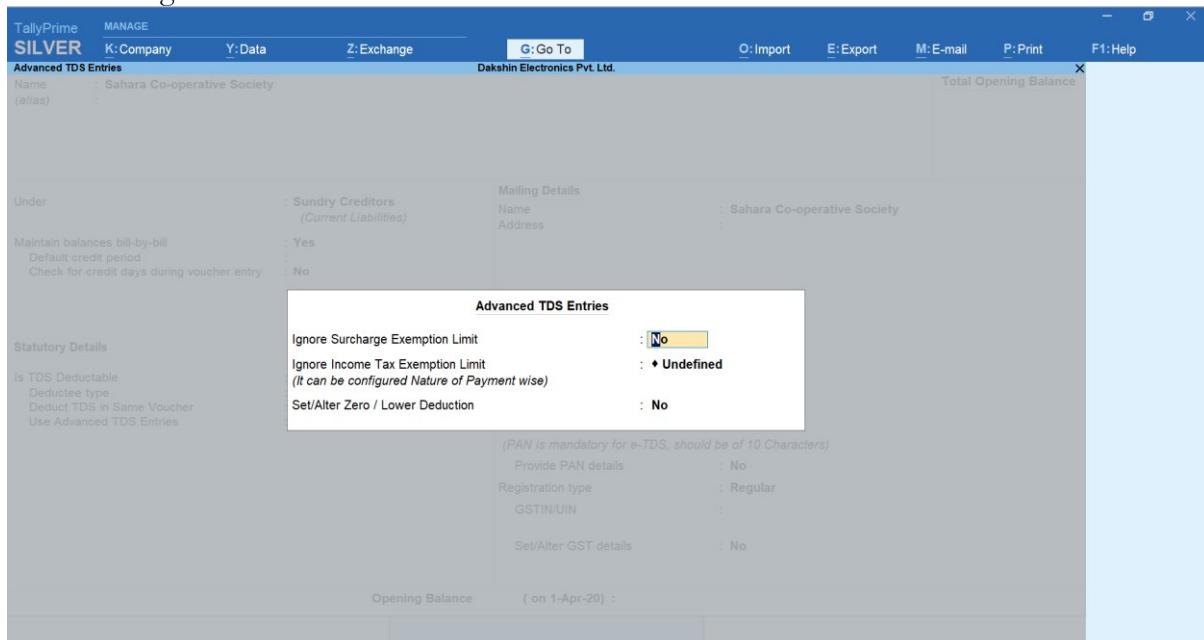
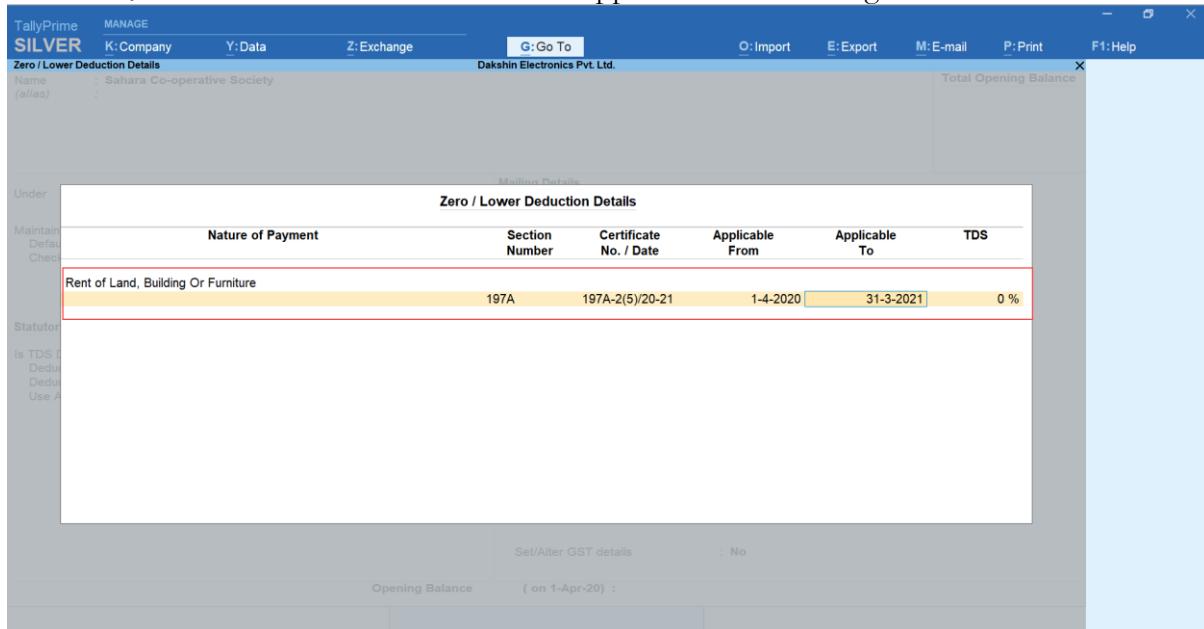


Figure 2.54 Advanced TDS Entries screen

- 5) In **Advance TDS Entries** screen, **Set/Alter Zero/Lower Deduction** to **Yes**
- Set the option **Set/Alter Zero/Lower Deduction** to **Yes** (Sahara Co-operative Society has submitted the Certificate for non-deduction (zero rate) of income tax) and press Enter
- 6) We will get the **Zero/Lower Deduction Details** screen
- Select **Nature of Payment** as **Rent of Land, Building or Furniture**
 - In the **Section number** field select as **197A Zero Rate(Form 15G/15H)** – It displays the Sections, under which an application for a lower rate or Zero rate is approved.
 - Enter the **Certificate No./Date** as **197A-2(5)/20-21**
 - Enter the **Applicable From** date as **1-4-2020**
 - Enter the **Applicable To** date as **31-3-2021**
 - In the **TDS** rate field, the cursor will not move and we cannot enter the TDS rate because the TDS is exempted (Zero Rate) for Sahara Co-operative Society.



The **Zero/Lower Deduction Details** screen appears as shown in Figure 2.55



Nature of Payment	Section Number	Certificate No. / Date	Applicable From	Applicable To	TDS
Rent of Land, Building Or Furniture	197A	197A-2(5)/20-21	1-4-2020	31-3-2021	0 %

Figure 2.55 Zero Deduction Details screen

- Enter and select **End of List** twice to accept the screen.
- 7) Enter the **PAN/IT No.** as **AWDPF0087A**
 - 8) **Registration Type** Set as **Unknown** > Do not enter **GSTIN/UIN**

The **Ledger Creation** screen appears as shown in Figure 2.56

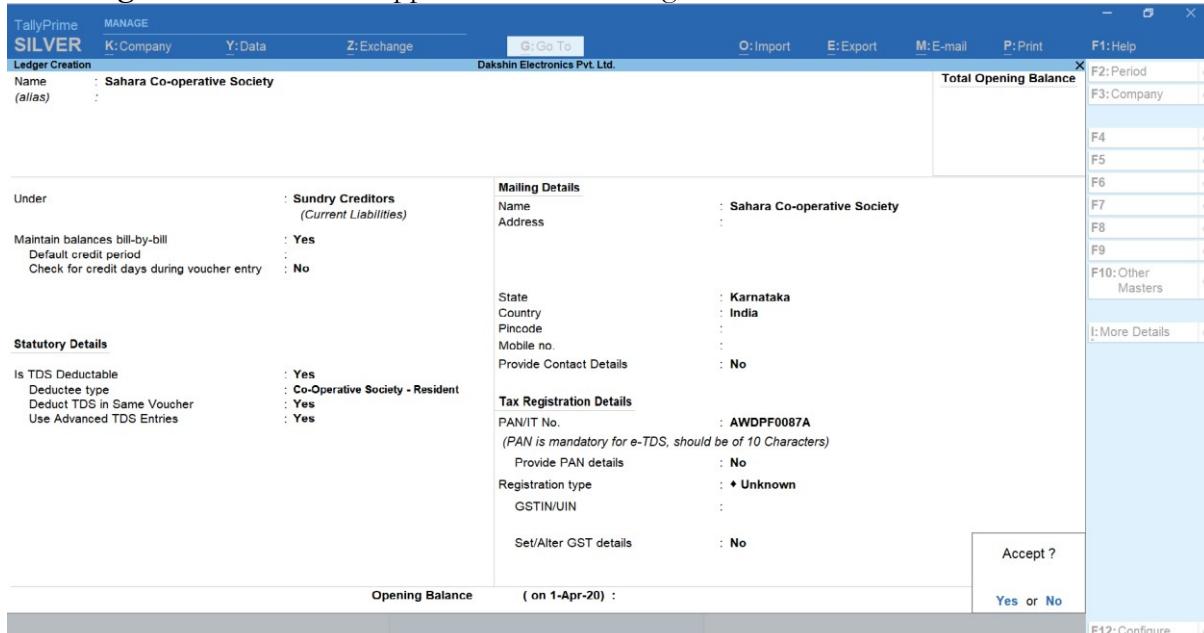


Figure 2.56 Ledger Creation screen

Note: It is mandatory to mention the **PAN number** or else it will not be considered for zero deduction.

- 9) **Accept** the screen



Step 2: Recording Journal Voucher to Book Expenses

- 1) Go to **Gateway of Tally > Vouchers > F7: Journal**
- 2) Click **F2: Date** and enter the date as **04-Feb-21**.
- 3) **Debit the Rent on Building ledger** and enter the **Amount as ₹ 2,60,000.**

Note: If you get the **Expense Allocation** screen, accept as it is

- 4) **Credit the Sahara Co-Operative Society ledger.**
- 5) The **Bill-wise Details** screen appears, In the **Type of Ref** field, select **New Ref** from the **Method of Adjustment**
- 6) In the **Name** field, accept invoice number **14** > **Enter the amount ₹ 2,60,000 Cr.** > **Accept the Bill wise Details** screen.

Note: In the **Bill wise details** screen, it will not allow the user to select the **TDS ledger** or to deduct the tax in the same voucher, as the section (197A) selected indicates the **Non-deduction (Zero Rate)** of Income Tax.

- 7) Click **I: More Details** to view the tax implication in this transaction > In the **More Details** screen, under **Additional Details > TDS** > Select **TDS-Tax Analysis**.
- 8) Press **Alt+F5**, to view the **TDS-Tax Analysis** screen in detailed mode

Observation: In the **TDS-Tax Analysis** screen, the **TDS** is not deducted and shows **0%** because we have defined the zero deduction rate for the party ledger.

- 9) Press **Esc** to go back to the **Journal Voucher Creation** screen
- 10) Enter **Narration** if required

The **Journal Voucher** screen appears as shown in Figure 2.57

Particulars	Debit	Credit
Dr Rent on Building Cur Bal: 6,10,000.00 Dr	2,60,000.00	
Cr Sahara Co-operative Society Cur Bal: 2,60,000.00 Cr		2,60,000.00
New Ref 14	2,60,000.00 Cr	

Narration:

Figure 2.57 Journal Voucher screen

- 11) **Accept** the screen

Observation: In Journal voucher, we have not selected the **TDS** duty ledger because the party is eligible for zero deduction. In the **TDS report**, this will come under the field **Zero rated Taxable Expense**.

To view **Form 26Q**,

- 1) Click **G: Go To** > In the **Search** field, Type as **Form** > Enter on Form **26Q**
 - 2) The details will capture under **Deduction Details** > **Zero Rated Taxable Expense**

The Form 26Q Report with Zero Rates Details appears as shown in Figure 2.58.

Particulars		Assessable Value		Tax		Deducted		Balance	
		Prev. Period	Current Period	Total	Deductable	Prev. Period	Current Period	Total	Deductable
Deduction Details									
Deduction at Normal Rate		10,46,000.00	10,46,000.00	54,263.00		54,263.00		54,263.00	
Deduction at Higher Rate									
Lower Rated Taxable Expense		50,000.00	50,000.00	1,000.00		1,000.00		1,000.00	
Zero rated Taxable Expense		2,60,000.00	2,60,000.00						
Under Exemption limit									
Exempt in lieu of PAN available									
Total Deducted								55,263.00	
Payment Details									
Included in return									
Uncertain Transactions									
Particulars							Paid Amount		Amount
Balance Payable							55,263.00		

Figure 2.58 Form 26Q Report with Zero Rated Details screen

Observation: In the Figure 2.58 report screen, we can observe that the entry has come under the field **Zero rated Taxable Expense** and this field will not display any deducted amount because it is zero rated.

Activity: Referring to Table 2.32, record the payment voucher.

Date	Particulars
5 th February 2021	<p>Voucher: Payment</p> <p>Dakshin Electronics Pvt. Ltd, paid ₹2,60,000 to Sahara Co-Operative Society vide Kotak Bank Current A/c cheque 525113.</p>

Table 2.32

2.7.5 TDS on Expenses at Higher Rate

The government have come up with a notification in 2010, stating that if PAN is not available, the TDS will be deducted at 20%, on all the nature of payments. This rule is applied so that every businessman must have a PAN number.

As per the Income tax act, section 206AA the TDS rate will be determined based on the following criteria:

- The flat rate at 20%
 - Rate of tax in Force
 - TDS rate prescribed in the TDS sections

The deductor/buyer has to find out the highest tax amount for the above given criteria and then need to select the highest tax amount among these three criteria.


Illustration 8: Accounting of TDS on expenses at a Higher rate

Date	Particulars
6 th February 2021	Voucher: Journal Dakshin Electronics Pvt. Ltd. received a bill from KPN Sole Proprietor (Resident) for ₹ 35,000 towards technical services received. Currently, KPN Sole Proprietor does not have the PAN number.

Table 2.33

The applicable Income Tax rates for the TDS Nature of Payment - **Fees for Technical Services (other than Professional services) or Royalty to Company Resident - Deductee Type** is given in Table 2.34.

Nature of Payment	Rate of TDS (14-05-2020 to 31-03-2021)	Rate of TDS (01-04-2021 onwards)
Fees for Technical Services (other than Professional services) or Royalty	1.5%	2%

Table 2.34

Step 1: Create TDS Nature of Payment

To create TDS Nature of Payment, follow the steps given below:

- 1) From **Gateway of Tally > Create >** under **Statutory Masters** > select **TDS Nature of Payments**.
- 2) Click **H: Helper** > The List of TDS Nature of Payment appears, Type as fees > select the **Nature of Payment** as **Fees for Technical Services (other than Professional services) or Royalty**
- 3) Press **Enter**
- 4) **Section** and **Payment code** will capture automatically based on the TDS Nature of Payment selection.
- 5) Enter the **Remittance code** as **283**.
- 6) **Value limit for single bill** let it be blank.
- 7) Under **Rate for individuals/HUF > With PAN** field, Enter the **Rate** as **1.50%**. The same rate appears in the **Rate for other deductee types** field.
- 8) Under **Without PAN** field, **20%** rate will capture. We are getting this option because we have enabled the option **Allow tax rate without PAN** in **F12: Configure**.
- 9) Enter the **Threshold/exemption limit** as **₹ 30,000**

Note: If the payment amount exceeds ₹ 30,000, then TDS must be deducted. **Threshold/exemption limit** values differ as per the TDS Nature of Payment.



The **TDS Nature of Payment Alteration** screen appears as shown in Figure 2.59

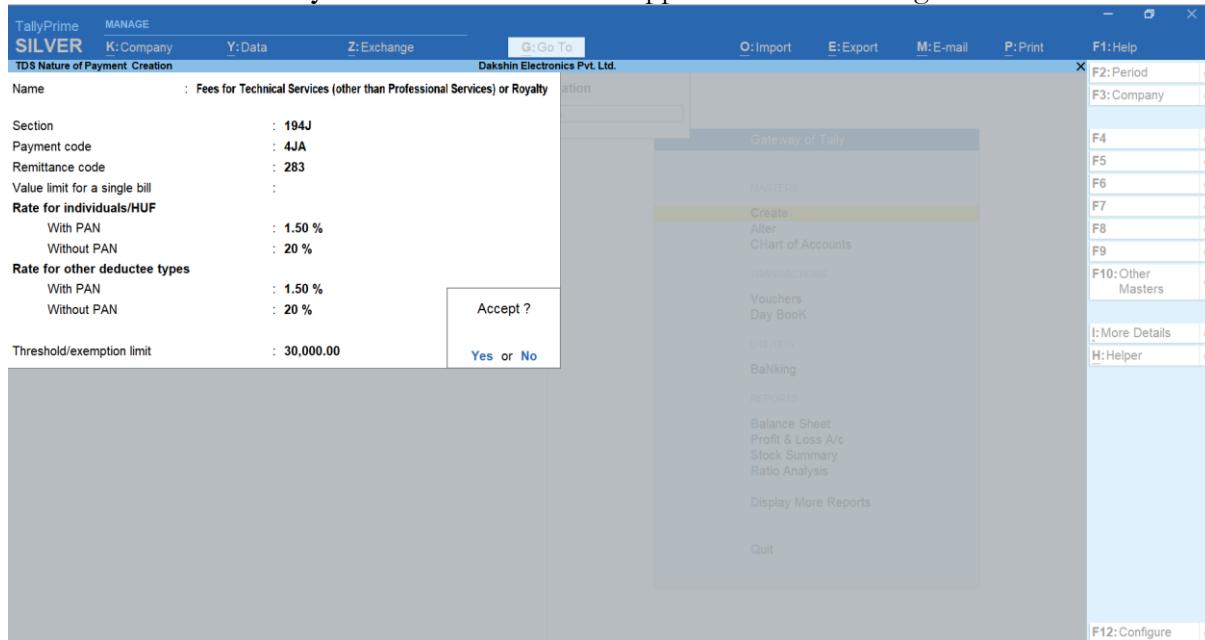


Figure 2.59 TDS Nature of Payment Alteration screen

10) Accept the screen

Step 2: Creation of Accounting Masters Expenses Ledger

1) Go to **Gateway of Tally > Create > select Ledger**

Technical Services	
Against the Field	Action to be Performed
Name	Enter as Technical Services
Under	Select as Indirect Expenses
Type of Ledger	Select as Not Applicable
Statutory Details	
Is GST Applicable	Select as Not Applicable
Is TDS applicable	Select as Applicable
Nature of Payment	Select as Fees for Technical Services (other than Professional services) or Royalty
Include in assessable value calculation for	Select as Not Applicable

Table 2.35



The Expenses Ledger Creation screen appears as shown in Figure 2.60

Figure 2.60 Expenses Ledger Creation screen

2) Accept the screen

Party Ledger

1) Go to Gateway of Tally > Create > Ledger

KPN Sole Proprietor	
Against the Field	Action to be Performed
Name	Enter as KPN Sole Proprietor
Under	Select as Sundry Creditors
Maintain balances bill-by-bill	Set to Yes
Default credit period	Keep it Blank
Check for credit days during voucher entry?	Set to No
Inventory values are affected?	Set to No
Statutory Information	
Is TDS Deductable	Set to Yes
Deductee type	Select as Individual/HUF – Resident
Deduct TDS in Same Voucher	Set to Yes
Nature of Payment	Select All Items
Use Advanced TDS Entries	Set to No
Mailing Details	
Accept the mailing Details as it is	
Tax Registration Details	
PAN/IT No.	Keep it Blank
Provide PAN details	Set to Yes
PAN Details	
PAN Status	Select as Not Available
Deductee Ref	Keep it Blank
Tax/Unique Identification number (country of residence)	Enter as India
Name on PAN	Keep it Blank
Accept the PAN Details screen	



Registration type	Select Unknown
GSTIN/UIN	Keep it Blank
Set/Alter GST details	Set to No
<i>In mailing details, select Country as India, State as Karnataka in the party, which is required in Statutory forms and reports.</i>	
<i>If the PAN/IT number is not entered, then TDS will be deducted at 20%.</i>	
Accept the screen	

Table 2.36

Note: While creating the party ledger if **PAN status** is not provided in the **PAN Details** screen then the entry will fall under uncertain transaction in the Form 26Q report.

Step 3: Recording Journal Voucher to Book Expenses and Deduct TDS

- 1) Go to **Gateway of Tally**> **Vouchers** > **F7: Journal**
- 2) Click **F2: Date** and enter the date as **06-Feb-21**.
- 3) **Debit** the **Technical Services** ledger and enter the **Amount** as **₹ 35,000**.
- 4) **Credit** the **KPN Sole Proprietor** ledger. The amount will get captured automatically, and then the **Bill-wise Details** screen appears
 - In the **Amount** field – Amount of **₹ 35,000 Cr.** will get captured automatically > Press **Enter**. The amount before TDS deduction will appear in the **Amount** field automatically
 - In the **Amount** field – Amount of **₹ 7,000 Dr.** will get captured automatically. The TDS deduction amount will appear in the **Amount** field automatically.
 - Select **End of List** > Accept the Bill-wise details screen
- 5) **Credit** the **TDS** ledger
- 6) The TDS amount **₹ 7,000** will capture automatically.
- 7) Press **Enter**
- 8) Enter the **Narration**, if required
- 9) Click **I: More Details** to view the tax implication in this transaction > In the **More Details** screen, under **Additional Details** > **TDS** > Select **TDS-Tax Analysis**.
- 10) Press **Alt+F5**, to view the **TDS-Tax Analysis** screen in detailed mode

Observation: In the TDS-Tax Analysis screen, the TDS is deducted at 20% because we have not entered PAN for the party ledger which is subject to a higher rate deduction. We can observe that the Assessable value is 35,000. Tax rate as 20% (Higher Rate), and Duty/Tax value as 7,000 i.e., $35,000 * 20\% = 7,000$.

- 11) Press **Esc** to go back to the **Journal Voucher Creation** screen



The **Journal Voucher** screen appears as shown in Figure 2.61

The screenshot shows the 'Accounting Voucher Creation' screen in TallyPrime. The transaction details are as follows:

Particulars	Debit	Credit
Dr Technical Services	35,000.00	
Cur Bal: 35,000.00 Dr		
Cr KPN Sole Proprietor		28,000.00
Cur Bal: 28,000.00 Cr		
New Ref 15	35,000.00 Cr	
New Ref 15	7,000.00 Dr	
Cr TDS		7,000.00
Cur Bal: 62,263.00 Cr		

Narration: Accept ? Yes or No F12:Configure

Figure 2.61 Journal Voucher screen

12) Accept the screen

We can check **Form 26Q** and his transaction will come under the field **Deduction at Higher Rate**.

To view **Form 26Q**,

- 1) Click **G: Go To** > In the **Search** field, Type as **Form** > Enter on **Form 26Q**
- 2) The details will capture under **Deduction Details > Deduction at Higher Rate**.

The **Form 26Q** report appears as shown in Figure 2.62

The screenshot shows the 'Form 26Q' report in TallyPrime. The report details are as follows:

Particulars	Assessable Value	Tax Deductable	Deducted	Balance Deductable
Deduction at Normal Rate	10,46,000.00	10,46,000.00	54,263.00	54,263.00
Deduction at Higher Rate	35,000.00	35,000.00	7,000.00	7,000.00
Lower Rated Taxable Expense	50,000.00	50,000.00	1,000.00	1,000.00
Zero rated Taxable Expense	2,60,000.00	2,60,000.00		
Total Deducted			62,263.00	
Payment Details				1-Jan-21 to 31-Mar-21
Included in return				Count
Uncertain Transactions (Corrections needed)				35
Particulars	Prev. Period	Current Period	Total	
Deduction at Normal Rate				F4
Deduction at Higher Rate	35,000.00	35,000.00	7,000.00	7,000.00
Lower Rated Taxable Expense				F5
Zero rated Taxable Expense				F6
Under Exemption limit				F7
Exempt in lieu of PAN available				F8
Total Deducted				F9
Payment Details				F10
Included in return				B: Basis of Values
Uncertain Transactions				H: Change View
Particulars		Paid Amount	Amount	J: Exception Reports
Balance Payable				B: Save Return
				H: Save as Revised
				O: J: TDS Deduction
				R: Remarks
				S: Stat Payment
				W: Recompute
				F12: Configure

Figure 2.62 Form 26Q Report with Higher Rate of Deduction



Observation: In *Figure 2.62*, we can observe that the entry is appearing in the **Deduction at Higher Rate** field. TDS is deducted at 20% instead of 1.5%.

In TallyPrime, we will get the details of the list of ledgers without PAN, to view click on **G: Go To > In the Search field, type as Ledgers without PAN**

The **Ledgers without PAN** appears as shown in *Figure 2.63*

List of ledgers without PAN details					F1:Help
Supplier Ledger Name	Deductee Type	Contact Person	Contact Number	PAN / IT No.	F2:Period
KPN Sole Proprietor	Individual/HUF - Resident				F3:Company
					F4
					F5
					F6
					F7
					F8:All Ledgers
					F9
					F10
					F12:Configure

Figure 2.63 Ledgers without PAN screen

Observation: In *Figure 2.63*, we will get the details of all the ledgers for whom the PAN is not provided. We can also provide the PAN number from Ledgers without a PAN screen. Do not provide the PAN number.

Note: By using the key **F8: All Ledgers**, from *Figure 2.63* we will get the details of all the ledgers with and without PAN number. We can use the same key to toggle back to the exceptions only view.

Activity: Referring to *Table 2.37*, record the payment voucher.

Date	Particulars
7 th February 2021	Voucher: Payment Dakshin Electronics Pvt. Ltd, paid ₹28,000 to KPN Sole Proprietor vide Kotak Bank Current A/c cheque 525114 , after deducting TDS at 20% (Higher Rate)

Table 2.37

2.7.6 Recording Transaction when TDS Exemption limit is not crossed

In this section, we will understand how to record the transaction when the transaction value does not cross the TDS Exemption limit

For Example: Dakshin Electronics Pvt. Ltd., received a bill of ₹ 25,000 towards transportation from TR Transporters for transportation services rendered by them.

In the above example, the amount of ₹ 25,000 is not crossing the single bill value exemption limit of Payment to Transporters which is ₹ 30,000, hence the TDS will not get deducted.


Illustration 9: Recording Transaction when TDS Exemption Limit is not crossed

Date	Particulars
7 th February 2021	<p>Voucher: Journal</p> <p>Dakshin Electronics Pvt. Ltd, incurred transportation expenses of ₹20,000 from Raj Transporters for the transportation services rendered.</p>

Table 2.38

To record the transaction of Table 2.38, in the books of Dakshin Electronics Pvt. Ltd., first ensure that the TDS is configured at the ledger level and required ledgers are created in TallyPrime.

The applicable Income tax rates for payment of 'Payment to Transporters' to **Company Resident - Deductee Type** is given in Table 2.39

Nature of Payment	Rate of TDS (14-05-2020 to 31-03-2021)	Rate of TDS (01-04-2021 onwards)
Payment to Transporters <ul style="list-style-type: none"> • Individual/HUF • Others 	0.75%	1%
	1.5%	2%

Table 2.39

Note: *Section 194C of Income Tax Act is amended to include TDS deduction of 0.75 % for individuals and Hindu Undivided Families owning more than 10 goods carriage, and at the rate of 1.50% in case of other payees. For others not owning more than 10 goods carriage at any time during the previous financial year, and who has furnished a declaration to this effect along with his PAN, no TDS is applicable.*

Step 1: Creation of TDS Nature of Payment

To create TDS Nature of Payment, follow the steps given below:

- 1) From **Gateway of Tally > Create >** under **Statutory Masters >** select **TDS Nature of Payments**.
- 2) Click **H: Helper >** The **List of TDS Nature of Payment** appears, Type as **transporters** > select the **Nature of Payment** as **Payments to Transporters**.
- 3) Press **Enter**
- 4) **Section** and **Payment code** will capture automatically based on the TDS Nature of Payment selection.
- 5) Enter the **Remittance code** as **299**.
- 6) In **Value limit for single bill** field, enter as **30,000**
- 7) Under **Rate for individuals/HUF > With PAN** field, Enter the **Rate** as **0.75%**.
- 8) Under **Rate for other deductee types > With PAN** field, Enter the **Rate** as **1.5%**.
- 9) Under **Without PAN** field, **20%** rate will capture.
- 10) Enter the **Threshold/exemption limit** as **₹ 1,00,000**



The completed **TDS Nature of Payment Alteration** screen appears as shown in Figure 2.64

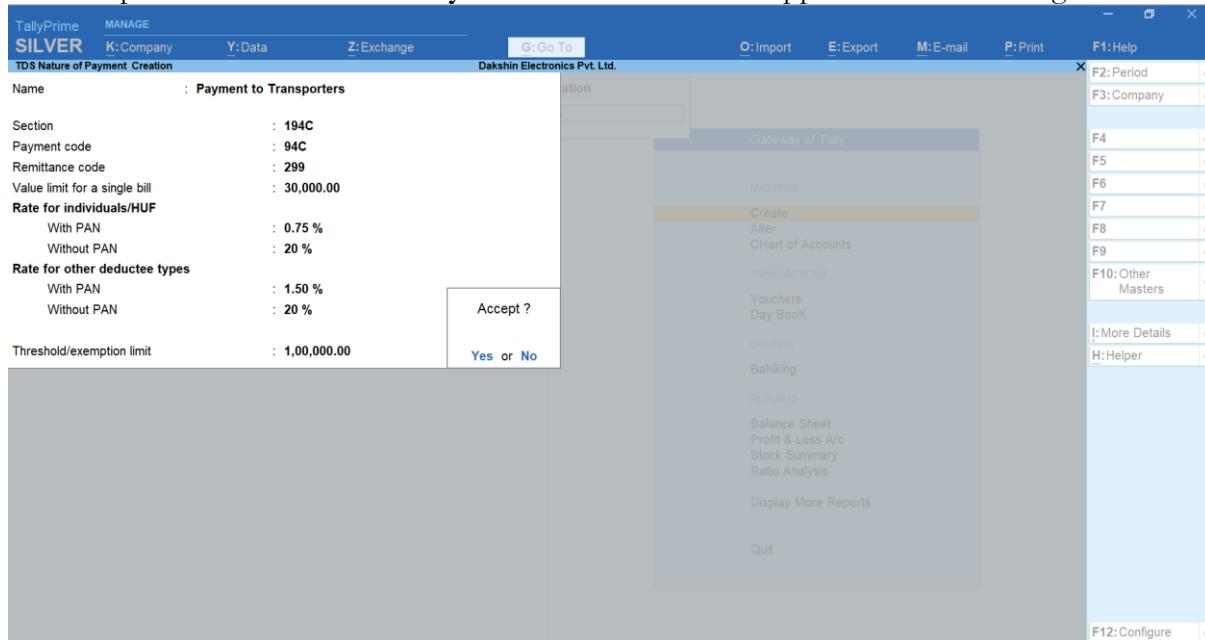


Figure 2.64 TDS Nature of Payment Alteration screen

11) Accept the screen

Step 2: Creation of Accounting Masters Expense Ledger

1) Go to **Gateway of Tally > Create > select Ledger**

Transportation Expenses	
Against the Field	Action to be Performed
Name	Enter as Transportation Expenses
Under	Select as Indirect Expenses
Type of Ledger	Select Not Applicable
Statutory Details	
Is GST applicable	Select as Not Applicable
Set/Alter GST Details	Select as No
Is TDS applicable	Select as Applicable
Nature of Payment	Select as Payment to Transporters
Include in assessable value calculation for	Select as Not Applicable

Accept the screen

Table 2.40

Party Ledger

1) Go to **Gateway of Tally > Create > select Ledger**

Raj Transporters	
Against the Field	Action to be Performed
Name	Enter as Raj Transporters
Under	Select as Sundry Creditors
Maintain balances bill-by-bill	Set to Yes
Default credit period	Keep it Blank
Check for credit days during voucher entry?	Set to No
Statutory Information	
Is TDS Deductable	Set to Yes



Deductee type	Select as Company - Resident
Deduct TDS in Same Voucher	Set to Yes
Nature of Payments	Select All Items
Use Advanced TDS Entries	Set to No
Mailing Details	
Accept the mailing Details as it is	
Tax Registration Details	
PAN/IT No.	Enter as AQNPJ8789Q
Provide PAN details	Set to No
Registration type	Select Unknown
GSTIN/UIN	Keep it Blank
Set/Alter GST details	Set to No
Accept the screen	

Table 2.41

Step 3: Recording Journal Voucher to Book Expenses

- 1) Go to **Gateway of Tally**> **Vouchers** > **F7: Journal**
- 2) Click **F2: Date** and enter the date as **07-Feb-21**.
- 3) **Debit** the **Transportation Expenses** ledger and enter the **Amount** as **₹ 20,000**.
- 4) **Credit** the **Raj Transporters** ledger.
- 5) The **Bill-wise Details** screen appears, In the **Type of Ref** field, select **New Ref** from the **Method of Adjustment**
- 6) In the **Name** field, accept the invoice number > **Enter** the amount **₹ 20,000 Cr.** > **Accept** the **Bill wise Details** screen.
 - Select **Type of Ref** as **New Ref**
 - **Name** – Let it be as it is i.e., **16**
 - **Due Date** - Do not enter any details
 - In the **Amount** field– Enter as **₹ 20,000 Cr**
 - Select **End of List** and press Enter to go back to the voucher creation screen
- 7) Enter the **Narration** if required
- 8) Click **I: More Details** to view the tax implication in this transaction > In the **More Details** screen, under **Additional Details** > **TDS** > Select **TDS-Tax Analysis**.
- 9) Press **Alt+F5**, to view the **TDS-Tax Analysis** screen in detailed mode
- 10) Press **Esc** to go back to the **Journal Voucher Creation** screen



The **Journal Voucher** screen appears as shown in Figure 2.65

The screenshot shows the 'Accounting Voucher Creation' screen in TallyPrime. The transaction details are:

Particulars	Debit	Credit
Dr Transportation Expenses Cur Bal: 20,000.00 Dr	20,000.00	
Cr Raj Transporters Cur Bal: 20,000.00 Cr		20,000.00
New Ref 16	20,000.00 Cr	

Narration: Accept ? Yes or No F12:Configure

Figure 2.65 Journal Voucher screen

11) Accept the screen

Observation: In *Figure 2.65* transaction, we have not selected the TDS duty ledger because the transaction value has not crossed the exemption limit. In the TDS report, this will come under the field, **Under Exemption Limit**.

To view **Form 26Q**,

- 1) Click **G: Go To** > In the **Search** field, Type as **Form** > Enter on **Form 26Q**
- 2) The details will capture under **Deduction Details** > **Under Exemption Limit**.

The **Form 26Q Report with Exemption Limit** appears as shown in Figure 2.66

The screenshot shows the 'Form 26Q' report screen. The 'Deduction Details' section includes the 'Under Exemption limit' row, which is highlighted in yellow. The 'Under Exemption limit' row shows a value of 20,000.00.

Particulars	Assessable Value	Tax Deductable	Deducted	Balance Deductible	
Prev. Period	Current Period	Total	Prev. Period	Current Period	Total
10,46,000.00	10,46,000.00	54,263.00	54,263.00	54,263.00	
Deduction at Normal Rate					
Deduction at Higher Rate	35,000.00	35,000.00	7,000.00	7,000.00	7,000.00
Lower Rated Taxable Expense	50,000.00	50,000.00	1,000.00	1,000.00	1,000.00
Zero rated Taxable Expense	2,60,000.00	2,60,000.00			
Under Exemption limit	20,000.00	20,000.00			

Total Deducted: 62,263.00

Payment Details: 1-Jan-21 to 31-Mar-21

Particulars	Paid Amount	Amount
	62,263.00	

Balance Payable: 62,263.00

Figure 2.66 Form 26Q Report screen— Under Exemption Limit



Observation: In the Figure 2.66 report screen, we can observe that the entry has come under the field **Under Exemption limit** and this field will not display any deducted amount because the transaction value is under the exemption.

Activity: Referring to Table 2.42, record the payment voucher.

Date	Particulars
7 th February 2021	Voucher: Payment <i>Dakshin Electronics Pvt. Ltd, paid ₹20,000 to Raj Transporters vide Kotak Bank Current A/c cheque 525115.</i>

Table 2.42

In this section, we have learnt to record the TDS transaction where the total transaction value is under the exemption limit and observed how the transaction is captured in **Under Exemption Limit** instantly in Form 26Q.

2.8 TDS Exceptions

In day to day business activity, we come across different types of business scenario or exceptions like:

- 1) **Case 1:** Party does not have a PAN number and requests to submit it on the next day. In TallyPrime we can book the entry without giving PAN details and deduct TDS as per (Without PAN) rate i.e., 20%. This will not impact the TDS report, as this entry will fall under uncertain transactions, later when the PAN is available then we can define it and the entry will be included in the TDS report (Form 26Q for resident Form 27 Q for non-resident).

Note: Uncertain Transaction displays all the transactions that do not fulfil the criteria of the **Included Transaction** and **Excluded Transactions** categories

- 2) **Case 2:** Company will not be able to define the TDS Nature of Payment, for example, while making a payment towards rent, we cannot define whether the payment is for rent on building or rent on machinery. In TallyPrime we can record this entry by selecting the Nature of Payment as Undefined. Then this entry will fall under uncertain transactions. When we have clarity on the Nature of Transaction the same can be modified in the TDS report, till then the entry will fall under the uncertain transaction.
- 3) **Case 3:** Company deducted the TDS by selecting the wrong TDS Nature of Payment and assessable value, later it realises and changes the TDS Nature of Payment and assessable value, this entry will fall under the uncertain transaction.



2.9 TDS Payment to Department

Till now we have deducted the TDS on the gross amount of payments made towards rent, commission, interest, dividends, work contract, transportation etc., and the deducted amount should be deposited to the Income Tax department within the following specified due dates as per financial year 20-21 in Table 2.43

Due Date for TDS Payment to Department through Payment Challan		
Particulars	TDS Amount Deducted in (Months)	Due Date to deposit TDS to the Income Tax Department
In all cases	March	30 April
In all cases	All other months	7 th of succeeding month (if the TDS is deducted in April, then TDS tax need to be deposited on or before 7 th of May)
Government	Payment made with challan	7 th of succeeding month
Government	Payment made without challan	Same date of payments

Table 2.43

Note:

- “In all cases” means the payment made to **Individuals/HUF-Resident, Body of Individuals, Company – Resident, Company Non-Resident, Co-Operative Society** etc. except government.
- In case the 7th of the month happens to be a Sunday or a bank holiday payment can be made on the next working day.
- TDS amount shall be paid to the government account through any designated branches of the authorised banks, along with **Income Tax Challan No.281**.

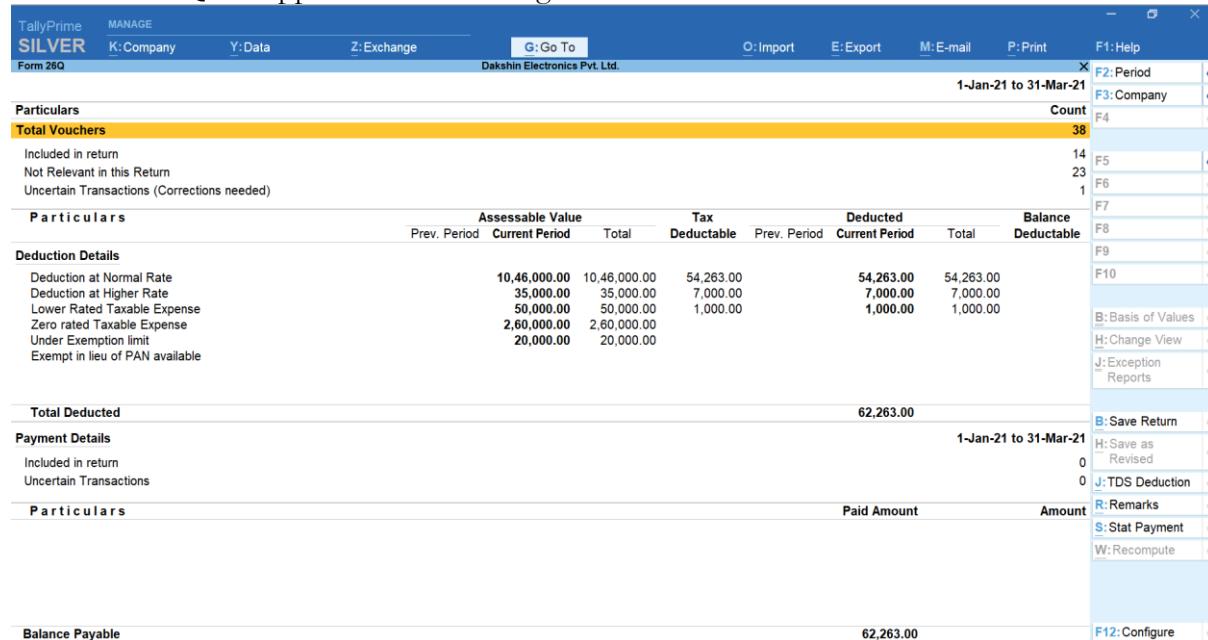
Let us check what is the total TDS tax payable to the government for the quarter 01-01-2021 to 31-03-2021.

To check go to **Gateway of Tally> Display More Reports> Statutory Reports > TDS Reports > Form 26Q**.

Note: We can also use **G: Go To** option to navigate to the Form 26Q report.



The Form 26Q will appear as shown in Figure 2.67



Particulars		Assessable Value		Tax		Deducted		Balance	
		Prev. Period	Current Period	Total	Deductible	Prev. Period	Current Period	Total	Deductable
Deduction at Normal Rate		10,46,000.00	10,46,000.00	54,263.00		54,263.00		54,263.00	
Deduction at Higher Rate		35,000.00	35,000.00	7,000.00		7,000.00		7,000.00	
Lower Rated Taxable Expense		50,000.00	50,000.00	1,000.00		1,000.00		1,000.00	
Zero rated Taxable Expense		2,60,000.00	2,60,000.00						
Under Exemption limit		20,000.00	20,000.00						
Exempt in lieu of PAN available									
Total Deducted								62,263.00	
Payment Details									1-Jan-21 to 31-Mar-21
Included in return									0
Uncertain Transactions									0
Particulars									Paid Amount
									Amount
Balance Payable									62,263.00

Figure 2.67 Form 26Q screen

Form 26Q is a Quarterly return for deduction of tax in respect of payments made to residents other than salary.

We can observe that the balance payable amount is ₹62,263 for the fourth quarter, but before making the payment to the government we should make sure that the Uncertain Transaction field should have zero transaction. **Uncertain Transaction (Correction needed)** field Displays the count of all vouchers with insufficient information. These vouchers contain the TDS related information that is not included in the count of Included Transactions and Excluded Transactions.

2.9.1 Resolving Uncertain Transactions

The Uncertain Transactions (Corrections needed) Details filed displays all the transactions that do not fulfil the criteria of the **Included in return** and **Not relevant in this return** categories. A voucher will be listed as uncertain transactions (corrections needed) when there is insufficient information entered in masters and transactions.

Let us check the Uncertain transactions (Corrections needed) before making the payment of tax to the government, to resolve.

- 1) Go to **Gateway of Tally > Display More Reports > Statutory Reports > TDS Reports > Form 26Q**.

Observation: As we can observe that in Form 26Q as shown in Figure 2.67, there is 1 Uncertain transaction that is not related to TDS.

- 2) From **Form 26Q > Enter on Uncertain Transactions (Corrections needed) > Enter on Unable to determine TDS applicability for ledgers or stock items.**



The Form 26-Q Uncertain Resolution screen appears as shown in Figure 2.68

Figure 2.68 Form 26-Q Uncertain Resolution

Observation: Purchase A/c ledger appears which is not related to TDS. This ledger is used in Goods and Services Tax (GST). We must resolve and solve from the uncertain resolution.

- 3) Select the **Purchase A/c** by pressing Space Bar > Click **B: Nature of Payment** > Select **Not Applicable** as shown in Figure 2.69

Figure 2.69 Set Nature of Payments screen

- 4) Select **Not Applicable** > **Accept** the screen
- 5) Press **Esc** to go back to Form 26Q.



2.9.2 TDS Outstanding

In TallyPrime, you can view the total TDS outstanding report. It displays all the pending TDS payments. You can view the pending details party-wise or based on resident or non-resident status. In this report, we can check the TDS outstanding report based on the residential status like we can view the TDS outstandings for residents and non-residents separately. We will also get the details with the section and payment code wise TDS outstanding report.

Before making a payment to the government, let us check the total TDS outstandings payable to the government.

To check, TDS outstanding report,

- 1) Go to **Gateway of Tally > Display More Reports > Statutory Reports > TDS Reports > TDS Outstandings**

The **TDS Outstandings report** with resident and non-resident nature of payment appears as shown in Figure 2.70

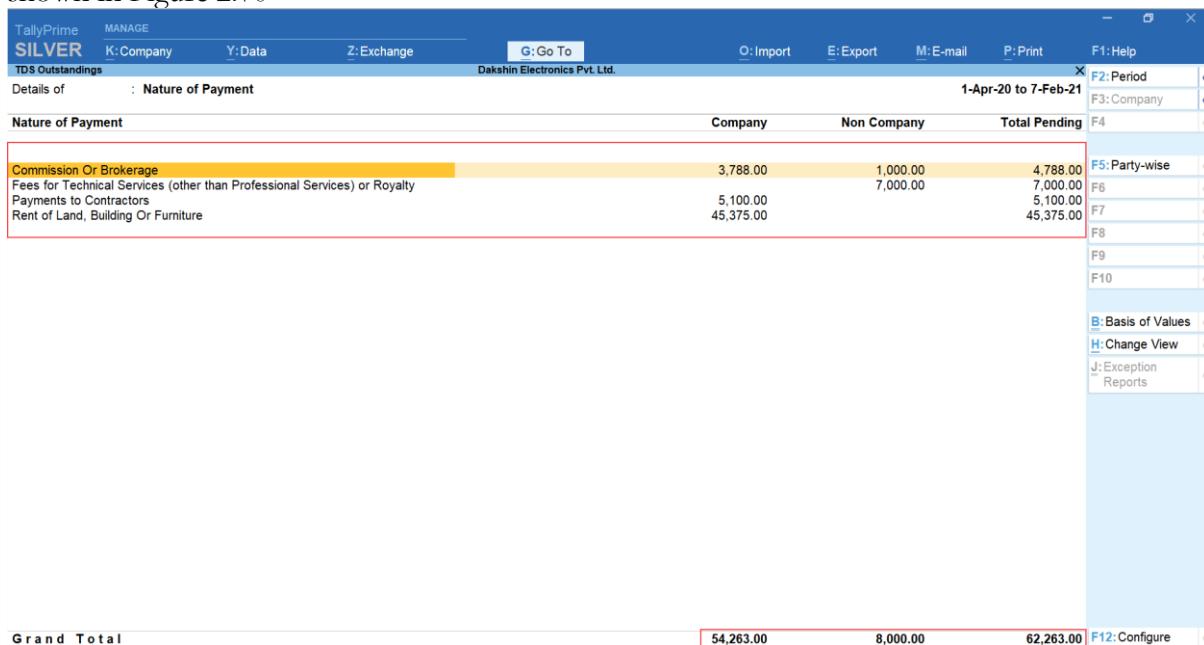


Figure 2.70 TDS Outstandings report

2.9.3 Payment of Tax to the Income Tax Department

In January and February 2021, we have deducted TDS for different type of TDS transaction against different nature of Payments like; Payments to Contractors, Commission or Brokerage and Rent of Land Building and Furniture and Fees for Technical Services.

In this section, we will learn to record the payment of TDS tax against multiple TDS Nature of Payments

Illustration 10: Accounting of Payment of TDS Tax Payment to Income Tax Department with Multiple TDS Nature of Payment

Date	Particulars
7 th February 2021	Voucher: Payment Dakshin Electronics Pvt. Ltd., have deducted the TDS of ₹ 54,263 towards Multiple Nature of Payments in January 2021 and the tax is paid to the government on 7 th February 2021 vide Kotak Bank Current A/c cheque no 525116.

Table 2.44



To record the transaction in the books of account, follow the steps given below:

Activity: Check the total TDS tax payment amount for January 2021.

- Go to **Gateway of Tally > Display More Reports > Statutory Reports > TDS Reports > Form 26Q**
- Press **Alt+F2: Period**, and change the date, enter as 01-01-2021 to 31-01-2021

The **Form 26Q** for January 2021 appears as shown in Figure 2.71

The screenshot shows the TallyPrime software interface for Form 26Q. The top menu bar includes TallyPrime SILVER, MANAGE, G: Go To (highlighted), O: Import, E: Export, M: E-mail, P: Print, and F1: Help. The main area shows the following data:

Particulars		Assessable Value		Tax Deductable		Deducted		Balance Deductable	
Particulars		Prev. Period	Current Period	Total	Deductible	Prev. Period	Current Period	Total	Deductible
Total Vouchers		Included in return Not Relevant in this Return Uncertain Transactions (Corrections needed)		10,46,000.00	10,46,000.00	54,263.00		54,263.00	54,263.00
Deduction Details		Deduction at Normal Rate Deduction at Higher Rate Lower Rated Taxable Expense Zero rated Taxable Expense Under Exemption limit Exempt in lieu of PAN available							
Total Deducted								54,263.00	
Payment Details		Included in return Uncertain Transactions						1-Jan-21 to 7-Feb-21	
Balance Payable								54,263.00	F12: Configure

Figure 2.71 Form 26Q screen – January 2021

We can observe that the TDS tax amount of ₹ 54,263 is shown- this is the tax amount to be paid to the income tax department. Once after checking the report record the payment entry for January 2021.

Note: We can also view the Form 26Q report from **G: Go To** menu available in the Top button bar. This report or any report can be viewed from anywhere in TallyPrime.

Step 1: Recording of Payment Voucher Income Tax Department with Multiple TDS Nature of Payment

- 1) Go to **Gateway of Tally > Vouchers > F5:Payment**
- 2) Make sure the date is set to **07-Feb-21**
- 3) Click **E: Autofill**, we will get the **Autofill** screen, enter the following details:
 - **Type of Transaction** select **Stat Payment**
 - **Tax Type** select **TDS** (In this field select the Tax Type towards which tax payment entry is being recorded. Here we are recording TDS payment entry, hence select TDS from the Tax Type)
 - **Period From** enter as **1-Jan-21 to 31-Jan-21** (Enter the period for which the payment is made)
 - **Deducted Till Date** enter as **31-1-2021** (In this field enter, till date of the period for which the TDS values should be computed and auto filled)
 - **Section** Select as **All Items** (As per the Act, separate TDS challans to be submitted for the payment of tax under each section. In this field, TallyPrime displays all the Sections under which, Tax deducted is pending for payment.), here we are selecting All Items because we are making a payment towards multiple sections.

Note: Payment Code of the Sections selected for TDS payment will be printed on the TDS Challan.



- **Nature of Payment** select as **All Items** (Based on the section selected in the Section field, TallyPrime displays the section related nature of payments under which, Tax deducted is pending for payment) here we are selecting All Items because we are making a payment towards multiple Nature of Payments
- **Deductee Status** select as **Company**
- **Residential Status** selects as **Resident**

The Autofill screen appears as shown in Figure 2.72

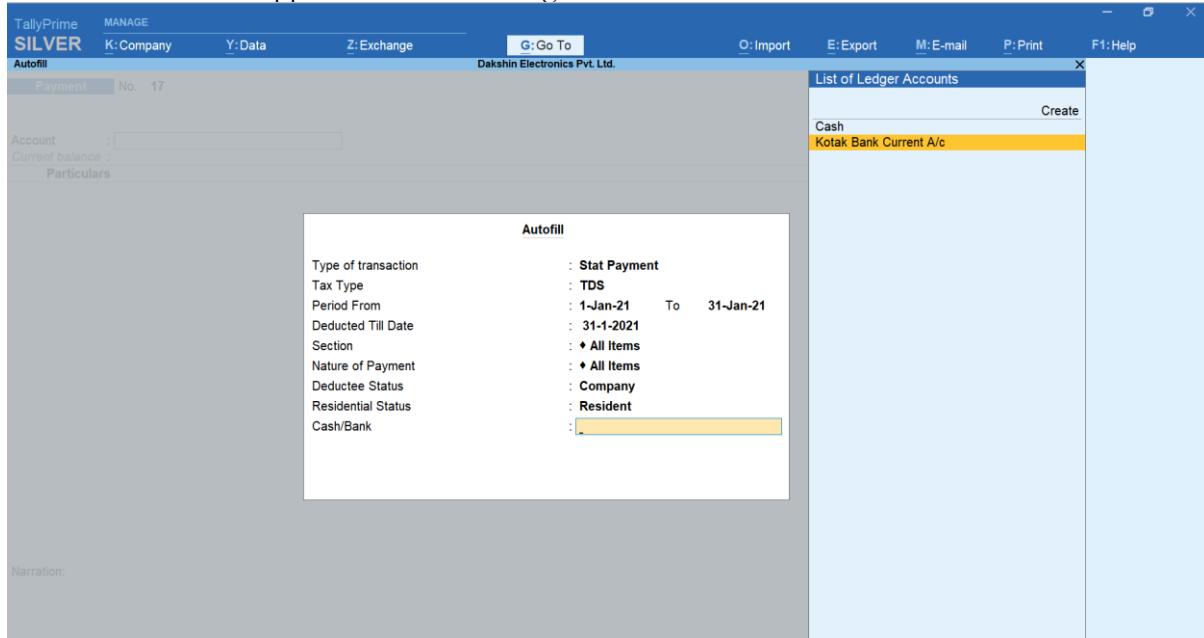


Figure 2.72 Autofill screen -Stat Payment

- **Cash/bank** select **Kotak Bank Current A/c**, once after selecting the bank ledger.

The Payment Voucher Creation with Autofill appears as shown in Figure 2.73

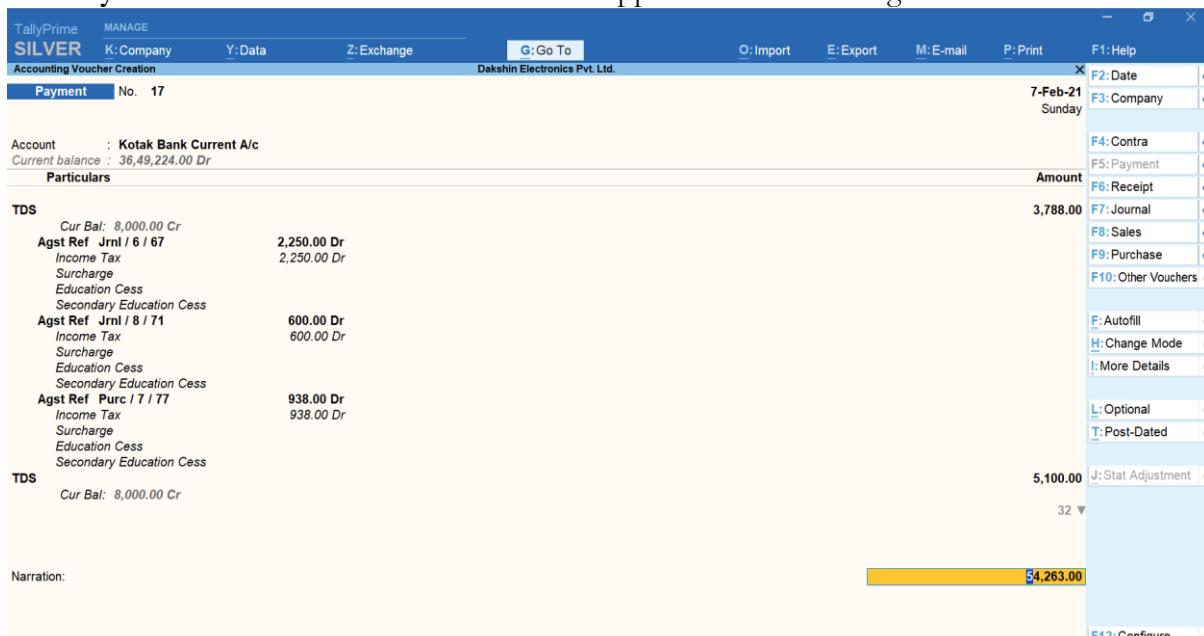


Figure 2.73 Payment Voucher Creation – Stat Payment

- 4) Press **Enter** till you get the **Bank Allocations** screen, enter the **Inst. no.** as **525116** and **Inst. date** as **7-Feb-21**.



- 5) Accept the **Bank Allocations** screen
- 6) **Accept** the screen.

Observation: We have made a payment of ₹ 54,263 TDS Tax for January 2021 to the government.

2.9.4 Generating TDS Challan (ITNS 281)

Tax is remitted to the government account through Challans. For making the TDS payment, Challan No. 281 is used. This TDS challan is used by the company as well as individuals for making the payment of TDS to the government.

In TallyPrime TDS Challan (ITNS 281) will be printed from the TDS payment voucher.

Let us print the TDS Challan for the transaction entered on **07-Feb-21** with **Payment Voucher Number 14** in TallyPrime.

- 1) To print, Go to **Gateway of Tally > Display More Reports > Daybook**.
- 2) Press **F2** and change the date to **07-Feb-21**
- 3) Select the Payment voucher with number **17** made to the government and press **Enter**.

The **Payment Voucher Alteration** screen appears as shown in Figure 2.74

Particulars	Amount
TDS Cur Bal: 8,000.00 Cr	3,788.00
TDS Cur Bal: 8,000.00 Cr	5,100.00
TDS Cur Bal: 8,000.00 Cr	45,375.00

Narration: 54,263.00

Figure 2.74 Payment Voucher Alteration screen

- 4) Press **Alt+P: Print** (In TallyPrime, we can print the vouchers, invoice and reports using Alt+P: Print option)
- 5) Select **Current** as shown in Figure 2.75

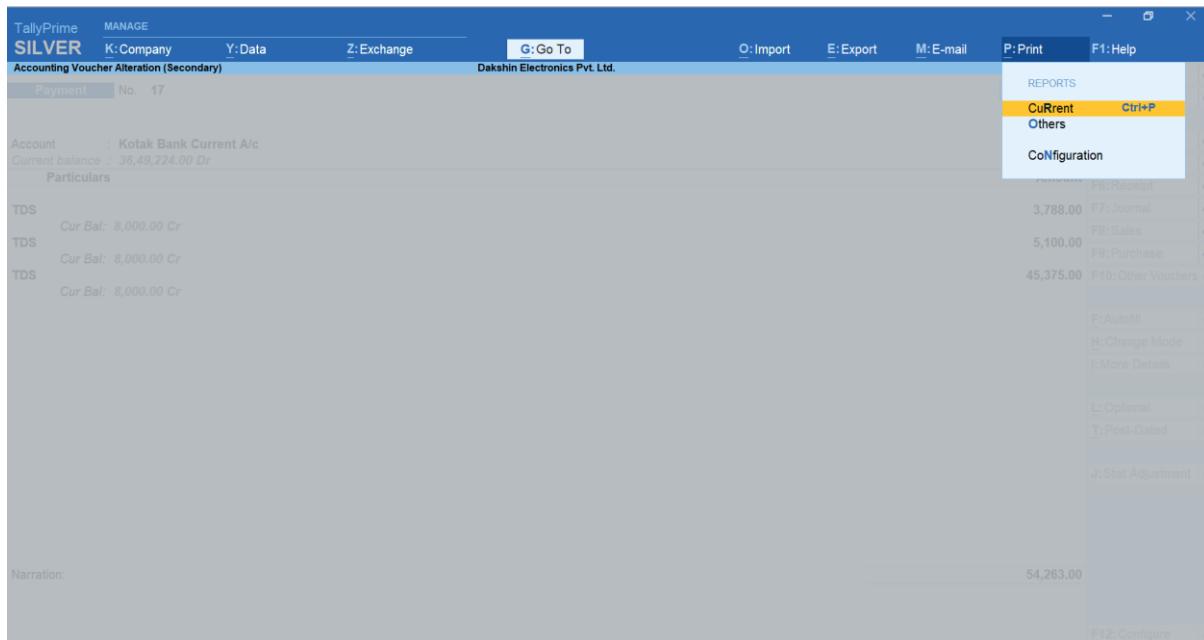


Figure 2.75 Print Menu – Current

- 6) Press **Enter**

The **Voucher Printing** screen will appear as shown in Figure 2.76

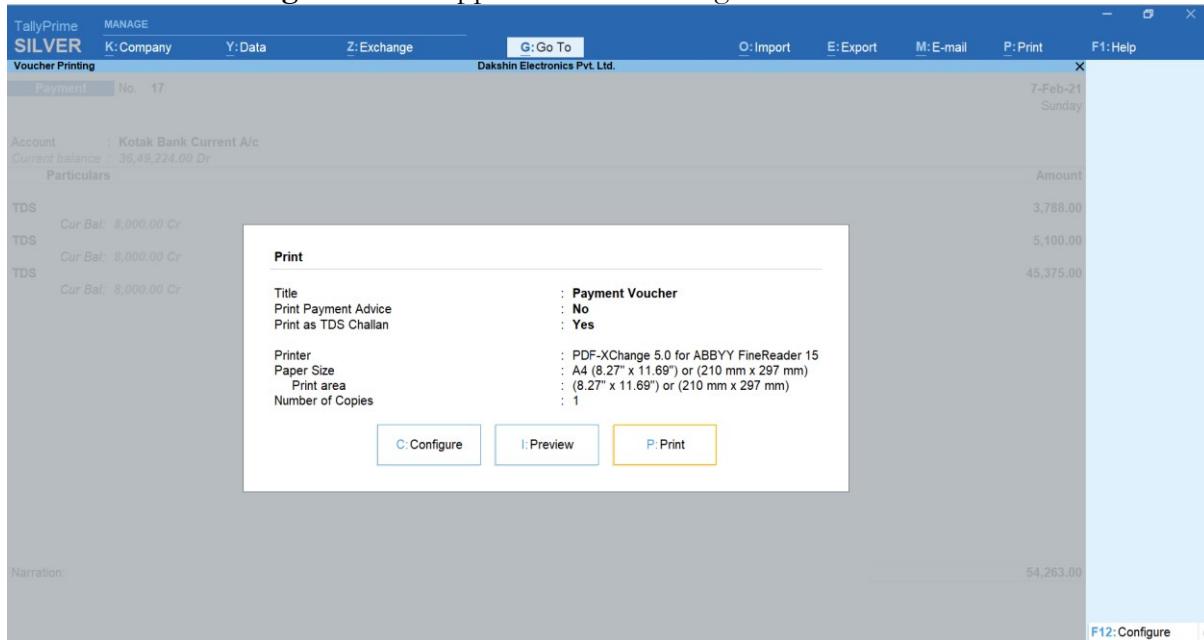


Figure 2.76 Voucher Printing screen

- 7) Click on **Preview**.
- 8) Press **Enter**, to get the TDS Challan preview
- 9) Press **F4** to **Zoom** or Press **Alt+Z** to view the TDS Challan in Zoom mode.

The **TDS Challan** preview screen appears as shown in Figure 2.77.

T.D.S. TAX CHALLAN		Single Copy (to be sent to ZAO)													
CHALLAN No./ITNS 281	<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p style="margin: 0;">Tax Applicable (Tick one)*</p> <p style="margin: 0;">TAX DEDUCTED AT SOURCE FROM</p> <p style="margin: 0;">(0020) COMPANY DEDUCTEES <input checked="" type="checkbox"/> (0021) NON-COMPANY DEDUCTEES <input type="checkbox"/></p> </div> <div style="width: 30%;"> <p style="margin: 0;">Assessment Year 2021-22</p> </div> </div>														
<p>Tax Deduction Account No. (T.A.N.).</p> <p>BLRD 56767 G</p>															
<p>Full Name</p> <p>DAKSHIN ELECTRONICS PVT.LTD.</p>															
<p>Complete Address with City & State</p> <p># 162, 9th Main, 15th A Cross,, Block A2, Techno Park,, Electronic City, Bengaluru.</p>															
<p>Karnataka</p>															
<p>Tel. No. 080-28529110</p>		<p>Pin: 560100</p>													
<p>Type of Payment</p>		<p>Code * 94 H</p>													
<p>TDS Payable by Taxpayer</p>		<p>(200) <input checked="" type="checkbox"/></p>													
<p>TDS Regular Assessment (Raised by I.T. Deptt.)</p>		<p>(400) <input type="checkbox"/></p>													
<p>DETAILS OF PAYMENTS</p>															
<p>Income Tax</p>		<p>Amount (in Rs. Only) 3,788.00</p>													
<p>Fee under sec. 234E</p>		<p><input type="text"/></p>													
<p>Surcharge</p>		<p><input type="text"/></p>													
<p>Education Cess</p>		<p><input type="text"/></p>													
<p>Interest</p>		<p><input type="text"/></p>													
<p>Penalty</p>		<p><input type="text"/></p>													
<p>Total</p>		<p>3,788.00</p>													
<p>Total (in words):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <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>Three</td> <td>Seven</td> <td>Eight</td> <td>Eight</td> </tr> </table>				CRORES	LACS	THOUSANDS	HUNDREDS	TENS	UNITS	Zero	Zero	Three	Seven	Eight	Eight
CRORES	LACS	THOUSANDS	HUNDREDS	TENS	UNITS										
Zero	Zero	Three	Seven	Eight	Eight										
<p>Paid in Cash/ Debit to A/c /Cheque No. <input type="text"/></p>		<p>Dated 7-Feb-21</p>													
<p>Drawn on <input type="text"/></p>		<p>(Name of the Bank and Branch)</p>													
<p>Date : 1-Jan-04</p>		<p>Signature of person making payment</p>													
<p>----- Tear Here -----</p>															
<p>Taxpayers Counterfoil (To be filled up by taxpayer)</p>															
<p>TAN BLRD 56767 G</p>															
<p>Received from DAKSHIN ELECTRONICS PVT.LTD.</p>															
<p>(Name)</p>															
<p>Cash/ Debit to A/c /Cheque No. <input type="text"/> For Rs. 3,788</p>															
<p>Rs.(in words) Three Thousand Seven Hundred Eighty Eight Only.</p>															
<p>Drawn on <input type="text"/></p>															
<p>(Name of the Bank and Branch)</p>															
<p>Company(0020) Deductees</p>															
<p>on account of Tax Deducted at Source (TDS) from 94 H for the Assessment Year 2021-22</p>															
<p>Rs. 3,788.00</p>															

Figure 2.77 TDS Challan -ITNS 281



Observe that the TDS amount of ₹ 3,788 appears in the TDS Challan along with other details. This challan is generated for the TDS Nature of Payment **Commission Or Brokerage** with **Payment Code 94C**.

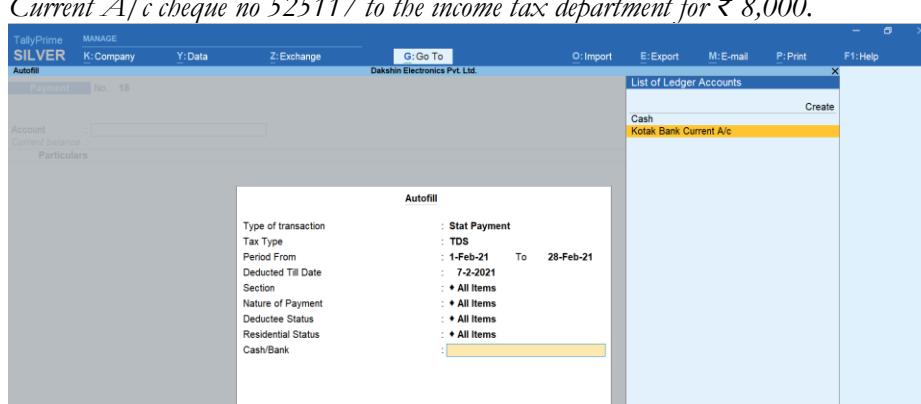
Press down arrow key on the keyboard to get the payment challan for code **94H-Payments to Contractors** TDS amount of ₹ 5,100 on the second page and **94C-Rent of Land, Building Or Furniture** TDS amount of ₹ 45,375 on the third page.

Note:

- **Financial Year:** In India, the Financial Year is the period from 1st April to 31st March, this period is called as financial year. **For example:** The current financial year is 1st April 2020 to 31st March 2021
- **Assessment Year:** The income which is earned in a financial year is assessed and taxed in this year called Assessment Year. The period starts from 1st April to 31st March. For example: If the financial year is 1st April 2020 to 31st March 2021, then the Assessment Year will be 1st April 2021 to 31st March 2022.

2.9.5 Interest Payment to Income Tax Department on Delayed Tax Payment

Activity: Record the following tax payment entry for TDS deducted in February 2021.

Date	Particulars
10 th March 2021	<p>Voucher: Payment</p> <p>Dakshin Electronics Pvt. Ltd, paid a TDS tax payment, vide Kotak Bank Current A/c cheque no 525117 to the income tax department for ₹ 8,000.</p> 



SILVER MANAGE
Accounting Voucher Creation

Payment No. 18

Account : Kotak Bank Current A/c
 Current balance : 36,41,224.00 Dr

Particulars

TDS	Cur Bal: 0.00 Dr Agst Ref JrnL / 13 / 80 Income Tax Surcharge Education Cess Secondary Education Cess	1,000.00 Dr 1,000.00 Dr	Amount 1,000.00
TDS	Cur Bal: 0.00 Dr Agst Ref JrnL / 15 / 84 Income Tax Surcharge Education Cess Secondary Education Cess	7,000.00 Dr 7,000.00 Dr	7,000.00

Narration:

Accept ?
Yes or No F12:Configure

Tips: In the **Bank Allocations** screen, enter the **Inst. no.** as **525117** and **Inst. date** as **10-Mar-21**.

Table 2.45

Dakshin Electronics Pvt. Ltd. has made TDS payment to the department. But, for February 2021, the TDS payment was made on 10th March 2021 which is delayed payment. As per law, the due date for payment is 7th of succeeding month.

In this case, Dakshin Electronics Pvt. Ltd. must pay the interest at 1.5% per month for late payment of tax.

Interest for late payment will be calculated for the period from the date on which TDS is deducted till the date when the TDS tax is paid to the government.

The calendar month is considered in calculating the interest on the delayed payments. Dakshin Electronics Pvt. Ltd. deducted the TDS from the party on 2nd February 2021 and 6th February 2021 and paid to the government on 10th March 2021. In this case, the company should pay the interest for February month.

Form 26Q – Resident : The total interest amount will be calculated as follows:

$1.5 \times 1 = 1.5\%$. The company should make a payment of interest on the total tax payment amount ₹ 8,000 (i.e., $1.5 \% \times 8,000 = 120$)

Activity: Referring to table 2.46 of JSM International Pvt. Ltd. create the Interest ledger.

1) From **Gateway of Tally > Create > under Accounting Masters > Ledger**

Ledger Name	Under	Is GST Applicable	Is TDS Applicable
Interest on TDS Late Payment	Indirect Expenses	Not Applicable	Not Applicable

Table 2.46

Step 1: Adding Interest amount to the TDS amount

1) Click **G: Go To > Ledger Vouchers > Select TDS ledger > Select the Payment Voucher recorded on 10th March 2021 > Voucher Number 18 > Amounted ₹ 8,000.**



- 2) Move the cursor to the last field and select **Interest on TDS Late Payment** ledger as shown in Figure 2.78

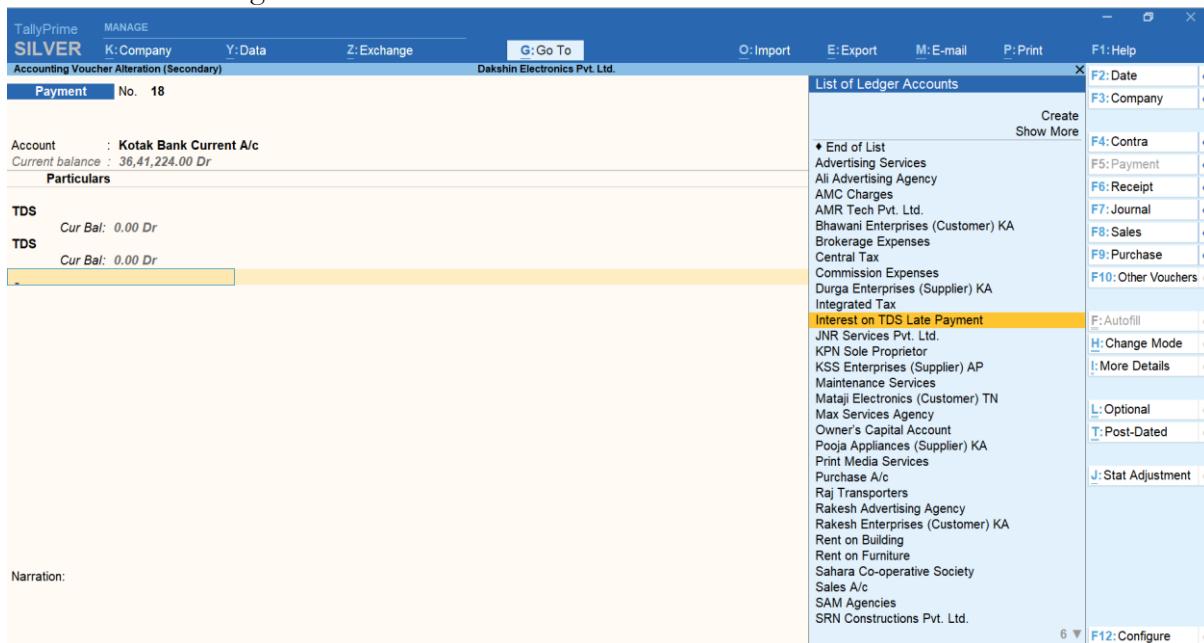


Figure 2.78 TDS Payment voucher alteration screen

- 3) Press **Enter** > In the **Types of Payment** screen, select **Interest** as shown in Figure 2.79

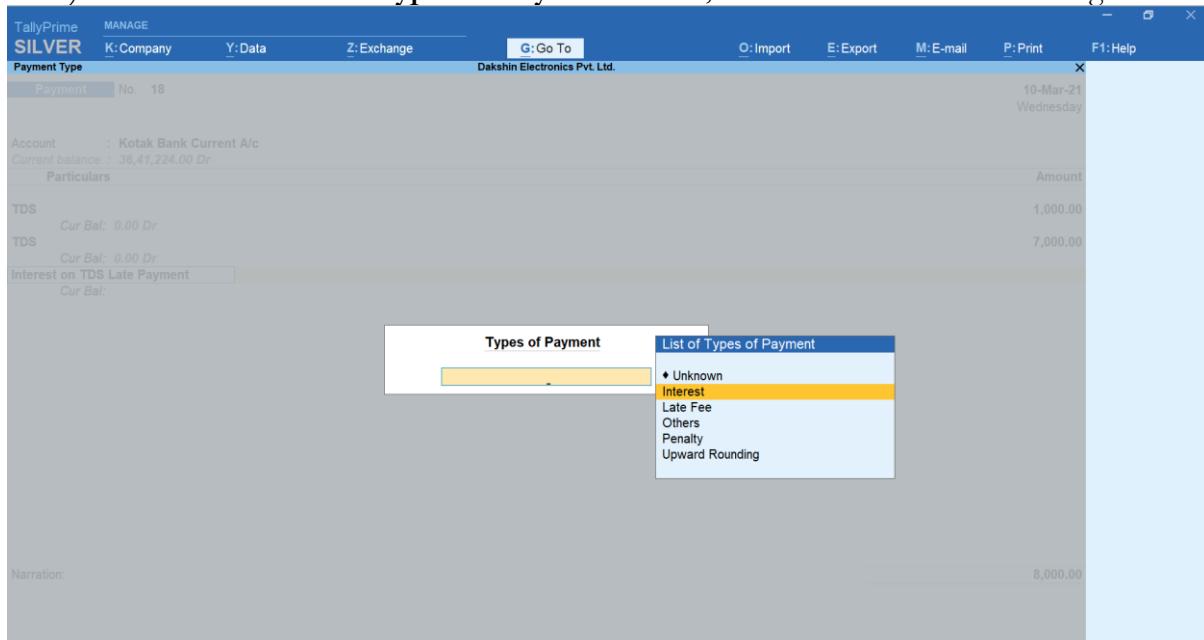


Figure 2.79 Payment Type screen

- 4) Press **Enter** > Enter the Amount for **Interest on TDS Late Payment** as ₹ 120 > Accept the screen

Step 2: Generate ITNS 281 Form

- 1) Click **G: Go To** > **Ledger Vouchers** > Select **TDS** ledger > Select the **Payment Voucher** recorded on 10th March 2021 > **Voucher Number 18** > **Amounted ₹ 8,000.**
- 2) Click **P: Print** > Select **Current** > set **Print as TDS Challan** to **Yes**
- 3) Click on **I: Preview** > **TDS Tax Challan ITNS 281** appears as shown in Figure 2.80



T.D.S. TAX CHALLAN		Single Copy (to be sent to ZAO)											
CHALLAN No./ ITNS 281	Tax Applicable (Tick one)* TAX DEDUCTED AT SOURCE FROM (0020) COMPANY DEDUCTEES <input type="checkbox"/> (0021) NON-COMPANY DEDUCTEES <input checked="" type="checkbox"/>	Assessment Year 2021-22											
Tax Deduction Account No. (T.A.N). BLRD 56767G													
Full Name DAKSHIN ELECTRONICS PVT.LTD.													
Complete Address with City & State # 162, 9th Main, 15th A Cross,, Block A2, Techno Park,, Electronic City, Bengaluru.													
State Karnataka													
Tel. No. 080-28529110		Pin: 560100											
Type of Payment TDS Payable by Taxpayer		Code * 94 H <input checked="" type="checkbox"/> FOR USE IN RECEIVING BANK											
TDS Regular Assessment (Raised by I.T. Deptt.)		(400) <input type="checkbox"/> Debit to A/c / Cheque credited on DD MM YY											
DETAILS OF PAYMENTS													
Income Tax Fee under sec. 234E Surcharge Education Cess Interest Penalty Total	Amount (in Rs. Only) 1,000.00 120.00 1,120.00	SPACE FOR BANK SEAL Rs. 1,120.00											
Total (in words): <table border="1" style="margin-left: auto; margin-right: auto;"> <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>One</td> <td>One</td> <td>Two</td> <td>Zero</td> </tr> </table>			CRORES	LACS	THOUSANDS	HUNDREDS	TENS	UNITS	Zero	Zero	One	One	Two
CRORES	LACS	THOUSANDS	HUNDREDS	TENS	UNITS								
Zero	Zero	One	One	Two	Zero								
Paid in Cash/ Debit to A/c /Cheque No. 525117		Dated 10-Feb-21											
Drawn on Kotak Bank Current A/c -Electronic City <small>(Name of the Bank and Branch)</small>		SPACE FOR BANK SEAL Rs. 1,120.00											
Date : 1-Jan-04			Signature of person making payment <small>Tear Here</small>										
Taxpayers Counterfoil (To be filled up by taxpayer)													
TAN BLRD 56767G													
Received from DAKSHIN ELECTRONICS PVT.LTD. <small>(Name)</small>													
Cash/ Debit to A/c /Cheque No. 525117		For Rs. 1,120											
Rs.(in words) One Thousand One Hundred Twenty Only.													
Drawn on Kotak Bank Current A/c -Electronic City <small>(Name of the Bank and Branch)</small> <u>Non Company(0021)</u> Deductees													
on account of Tax Deducted at Source (TDS) from 94 H for the Assessment Year 2021-22													
 Rs. 1,120.00													

Figure 2.80 TDS Tax Challan ITNS 281



Observation: We can observe that the TDS amount of ₹ 1,000 appears in the TDS Challan along with **Interest** amount of ₹ 120. This challan is generated for the TDS Nature of Payment **Commission Or Brokerage** with **Payment Code 94H**.

Press down arrow key on the keyboard to get the payment challan for code **4JA-Fees for Technical Services (other than Professional Services) or Royalty** TDS amount of ₹ 7,000 on the second page.

2.10 TDS Report

In TallyPrime we can generate the Form 26Q, Form 27Q, Reconcile TDS Challans and view other related reports.

To view the TDS Reports,

- 1) Go to **Gateway of Tally > Display More Reports > Statutory Reports > TDS Reports**

The **TDS Report** screen appears as shown in *Figure 2.81*

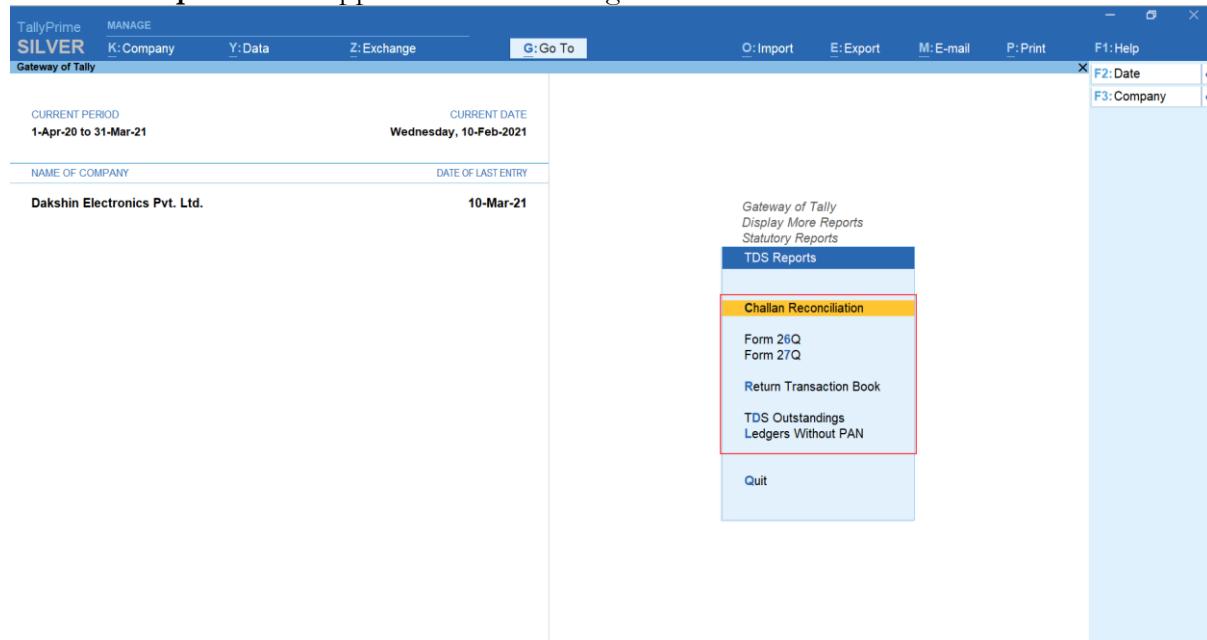


Figure 2.81 TDS Reports screen

We can generate Form 26Q, Form 27Q, Return Transaction book, challan reconciliation and check TDS outstanding report (we have explained TDS outstanding report during TDS tax payment to department section).

And also, we have checked how the Form 26Q report got updated as and when we have recorded the TDS transactions in the case of residents and Form 27Q in the case of non-residents

Note: We can also view form 26Q, Form 27Q, Challan Reconciliation and other reports which are shown in Figure 2.81 from **Go To** menu available in the top horizontal button bar from anywhere, this means in TallyPrime we can land to these reports directly at the time of the creation of ledger, voucher or from any other report screen. For example, in the previous sections, we have landed on to balance sheet, Form 26Q, Form 27Q directly from the voucher creation screen by using **Go To** option.



2.10.1 Challan Reconciliation

As per the income tax act, the details of payment of TDS are required to be furnished in the TDS certificate issued to the deductee. For this purpose, the challan details containing the information with respect to bank challan no. & date, bank name, BSR code etc., are required to be specified. TallyPrime allows us to enter all the required information as specified by the statutes, by using the challan reconciliation facility.

Before reconciling the payment voucher in the TDS outstandings report let us generate Form 26Q for the period January to March 2021 quarter.

- 1) Go to **Gateway of Tally > Display More Reports > Statutory Reports > TDS Reports > Form 26Q**

The **Form 26Q** – after recording tax payment entry will appear as shown in Figure 2.82

Dakshin Electronics Pvt. Ltd.									
Particulars		Assessable Value		Tax Deductable		Deducted		Balance Deductable	
Particulars	Prev. Period	Current Period	Total	Prev. Period	Current Period	Total	Prev. Period	Current Period	
Deduction at Normal Rate	10,46,000.00	10,46,000.00	54,263.00	54,263.00	54,263.00	54,263.00			
Deduction at Higher Rate	35,000.00	35,000.00	7,000.00	7,000.00	7,000.00	7,000.00			
Lower Rated Taxable Expense	50,000.00	50,000.00	1,000.00	1,000.00	1,000.00	1,000.00			
Zero rated Taxable Expense	2,60,000.00	2,60,000.00							
Under Exemption limit	20,000.00	20,000.00							
Exempt in lieu of PAN available									
Total Deducted						62,263.00			
Payment Details							1-Jan-21 to 31-Mar-21		
Included in return									
Uncertain Transactions								0	
Particulars							Paid Amount	Amount	
Balance Payable							62,263.00		

Figure 2.82 Form 26Q-After Tax Payment Entry

Observe that there are 2 payment transactions reflected under the head **Uncertain Transactions** and also the TDS payable amount is still reflecting under the head **Balance Payable**. To resolve this, we need to reconcile the voucher.

- 2) Press Enter on the head **Uncertain Transactions**, this will lead to the Form 26Q Payment Exceptions as shown in Figure 2.83



Figure 2.83 Form 26Q Payment Exception screen

We can observe that all the 2 payment transactions are further appearing under the head **Bank details are not available in payment voucher**, because we have not entered the bank details like challan number, date, BSR code etc while recording the tax payment entry.

We can reconcile the voucher even from Form 26Q, by following the above procedure and In TallyPrime, a separate TDS **Challan Reconciliation** option is also available in TDS Report.

- 1) Go to **Gateway of Tally > Display More Reports > Statutory Reports > TDS Reports > Challan Reconciliation.**
- 3) Click **F2: Period** > Set the period as **1-1-2021 to 7-2-2021**
- 4) Now press Enter on **Bank details are not available in payment voucher**, this will lead us to the **Form 26Q-Payment Exception Resolution** screen.

The **Form 26Q-Payment Exception Resolution** screen appears as shown in Figure 2.84

Figure 2.84 Form 26Q Payment Exception Resolution screen



- 5) Click **R: Reconcile > S: Update Details** button to fill in the challan details. Enter the details as shown below:

- **Quarter From Date** as **1-1-2021**
- **Quarter To Date** as **31-03-2021** (In these heads we need to provide for which quarter we are reconciling the voucher)
- **Bank Name** as **Kotak Bank Current A/c**
- **Branch Name** as **Electronic City**
- **BSR Code** will get auto captured as **2698657** (The BSR (Basic Statistical Returns) code is used for bank drafts, challan etc. it contains 7 characters and is given by RBI to the bank branch. Bank BSR code is different from the branch code)
- **Bank Challan number** as **769909**(Enter the challan number here)
- **Challan Date** as **07-02-21**

The **Set Challan Details** screen appears as shown in Figure 2.85

The screenshot shows the 'Set Challan Details' screen in TallyPrime. The main table lists three TDS entries with amounts 3,788.00, 5,100.00, and 45,375.00 respectively. A modal dialog titled 'Challan Details' is displayed, containing the following information:

Quarter From Date	:	1-1-2021
Quarter To Date	:	31-3-2021
Bank Name	:	Kotak Bank Current A/c
Branch Name	:	Electronic City
BSR Code	:	2698657
Bank Challan No.	:	769909
Challan Date	:	07-02-21

Figure 2.85 Set Challan Details screen

- 6) Press **Enter** to accept the **Challan Details**



The **TDS Challan Reconciliation** screen appears as shown in Figure 2.86

TDS Challan Reconciliation											Dakshin Electronics Pvt. Ltd.	
Date	Particulars	E-TDS Quarter Period	Section No.	Deductee Type	Resident Type	Cheque/DD No.	Cheque/DD Date	BSR Code	Challan No.	Challan Date	Vch No.	Amount
7-Feb-21	TDS	1-1-2021 31-1-2021 194H	Company	Resident		2698657	769909	7-2-2021	17	3,788.00		
		Bank Name : Kotak Bank Current A/c	Branch Name : Electronic City								F5	
7-Feb-21	TDS	1-1-2021 31-1-2021 194C	Company	Resident		2698657	769909	7-2-2021	17	5,100.00		
		Bank Name : Kotak Bank Current A/c	Branch Name : Electronic City								F6	
7-Feb-21	TDS	1-1-2021 31-1-2021 194I	Company	Resident		2698657	769909	7-2-2021	17	45,375.00		
		Bank Name : Kotak Bank Current A/c	Branch Name : Electronic City								F7	

Figure 2.86 TDS Challan Reconciliation screen

7) Enter the **Cheque/DD no.** and **Cheque/DD Date** as shown in Figure 2.87

TDS Challan Reconciliation											Dakshin Electronics Pvt. Ltd.	
Date	Particulars	E-TDS Quarter Period	Section No.	Deductee Type	Resident Type	Cheque/DD No.	Cheque/DD Date	BSR Code	Challan No.	Challan Date	Vch No.	Amount
7-Feb-21	TDS	1-1-2021 31-1-2021 194H	Company	Resident		525116	7-2-2021	2698657	769909	7-2-2021	17	3,788.00
		Bank Name : Kotak Bank Current A/c	Branch Name : Electronic City								F5	
7-Feb-21	TDS	1-1-2021 31-1-2021 194C	Company	Resident		525116	7-2-2021	2698657	769909	7-2-2021	17	5,100.00
		Bank Name : Kotak Bank Current A/c	Branch Name : Electronic City								F6	
7-Feb-21	TDS	1-1-2021 31-1-2021 194I	Company	Resident		525116	7-2-2021	2698657	769909	7-2-2021	17	45,375.00
		Bank Name : Kotak Bank Current A/c	Branch Name : Electronic City								F7	

Figure 2.87 TDS Challan Reconciliation screen

8) Accept the screen

Activity: Similarly reconcile the payment entry which was recorded on 10th Feb 2021 by referring to Figure 2.88



TallyPrime MANAGE
SILVER K: Company Y: Data Z: Exchange G: Go To Dakshin Electronics Pvt. Ltd.

1-Mar-21 to 31-Mar-21

(Reconciliation)												
Date	Particulars	E-TDS Quarter Period	Section No.	Deductee Type	Resident Type	Cheque/DD No.	Cheque/DD Date	BSR Code	Challan No.	Challan Date	Vch No.	Amount
10-Mar-21	TDS	1-2-2021 28-2-2021	194H	Non Company	Resident	525117	10-3-2021	2698657	998675	10-3-2021	18	1,000.00
10-Mar-21	TDS	1-2-2021 28-2-2021	194J	Non Company	Resident	525117	10-3-2021	2698657	998675	10-3-2021	18	7,000.00

F1:Help F2:Period F3:Company F4
F5 F6 F7 F8:Show All F9 F10
B:Basis of Values H:Change View J:Exception Reports
R:Reconcile S:Update Details
Accept ? Yes or No F12:Configure

Figure 2.88 Challan Reconciliation screen – 10-March-21

- Accept the screen

After reconciling the entries, go to **Gateway of Tally > Display More Reports > Statutory Reports > TDS Reports > Select Form 26Q**. Under **Payment Details** section payment transaction will be reflected under **Included in returns** field.

The **Form 26Q** screen appears as shown in Figure 2.89

TallyPrime MANAGE
SILVER K: Company Y: Data Z: Exchange G: Go To Dakshin Electronics Pvt. Ltd.

1-Jan-21 to 31-Mar-21

Particulars											
Total Vouchers Count 40											
Included in return 14											
Not Relevant in this Return 26											
Uncertain Transactions (Corrections needed) 0											
Particulars		Assessable Value		Tax		Deducted		Balance			
Prev. Period	Current Period	Total	Deductable	Prev. Period	Current Period	Total	Deductable	F8	F9	F10	
Deduction Details											
Deduction at Normal Rate 10,46,000.00 10,46,000.00 54,263.00 54,263.00 54,263.00											
Deduction at Higher Rate 35,000.00 35,000.00 7,000.00 7,000.00 7,000.00											
Lower Rated Taxable Expense 50,000.00 50,000.00 1,000.00 1,000.00 1,000.00											
Zero rated Taxable Expense 2,60,000.00 2,60,000.00											
Under Exemption limit 20,000.00 20,000.00											
Exempt in lieu of PAN available											
Total Deducted 62,263.00											
Payment Details 1-Jan-21 to 31-Mar-21											
Included in return 2											
Uncertain Transactions 0											
Particulars		Paid Amount		Amount							
Commission Or Brokerage 4,788.00											
Fees for Technical Services (other than Professional Services) or Royalty 7,000.00											
Payments to Contractors 5,100.00											
Rent of Land, Building Or Furniture 45,375.00											
Other payments (Interest, penalty, late fee, etc.) 120.00											
Total Paid 62,263.00											
Balance Payable 120.00											

B: Basis of Values H: Change View J: Exception Reports
B: Save Return H: Save as Revised J: TDS Deduction R: Remarks
S: Stat Payment W: Recompute
F12: Configure

Figure 2.89 Form 26Q Report screen – After Challan Reconciliation

Observation: Observe that the tax payment transactions which were appearing under the head **Uncertain Transactions** under **Payment Details** now after reconciliation, the same transactions are appearing under the head **Included in return**. And the Balance Payable at the end is nullified after challan reconciliation.

2.10.2 Form 26Q

As per the Income Tax Act, 1961, every corporate and government entity responsible for deduction of tax at source should furnish TDS returns containing details of deductee(s) and challan details relating to deposit of tax with the Income Tax Department.

Form 26Q is the Quarterly return of TDS in respect of all payments other than salaries. This applies to Residents.

Submission of Form 26Q

Form 26Q must be submitted every quarter and this contains the details of the total amount paid to payee/deductee for a particular quarter along with TDS deducted on such payments, which must be furnished in Form 26Q.

Due Dates for filing Form 26Q

Filing Due Dates for Form 26Q	
Periodicity (Quarter)	Government and Non-Government Entities
April to June	31 st July
July to September	31 st October
October to December	31 st January
January to March	31 st May

Table 2.47

Note:

- If the deductor does not submit Form 26Q within the due date, then the deductor will be subjected to a penalty.
- In this pandemic, the government has extended the deadline for filing IT returns from 31st July to 30th November 2020, for pandemic relief.

Let us generate **Form 26Q** and explore the available options in the form:

- 1) Go to **Gateway of Tally> Display More Reports > Statutory Reports > TDS Reports > Form 26Q**
- 2) Press **Alt+F2** and change the period **01-01-2021** to **31-03-2021**



The Form 26Q appears as shown in Figure 2.90

Particulars		Assessable Value	Tax	Deducted	Balance				
		Prev. Period	Current Period	Total	Deductable	Prev. Period	Current Period	Total	Deductable
Total Vouchers									
Included in return									14
Not Relevant in this Return									26
Uncertain Transactions (Corrections needed)									0
Deduction Details									
Deduction at Normal Rate		10,46,000.00	10,46,000.00	54,263.00	54,263.00	54,263.00	54,263.00	54,263.00	
Deduction at Higher Rate		35,000.00	35,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	
Lower Rated Taxable Expense		50,000.00	50,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	
Zero rated Taxable Expense		2,60,000.00	2,60,000.00						
Under Exemption limit		20,000.00	20,000.00						
Exempt in lieu of PAN available									
Total Deducted								62,263.00	
Payment Details									1-Jan-21 to 31-Mar-21
Included in return									
Uncertain Transactions									
Particulars						Paid Amount	Amount		
Commission Or Brokerage						4,788.00			
Fees for Technical Services (other than Professional Services) or Royalty						7,000.00			
Payments to Contractors						5,100.00			
Rent of Land, Building Or Furniture						45,375.00			
Other payments (Interest, penalty, late fee, etc.)								120.00	
Total Paid						62,263.00		120.00	
Balance Payable									F12: Configure

Figure 2.90 Form 26Q screen

Form 26Q is further divided into the following three sections.

- Total Vouchers
- Deduction Details
- Payment Details

Let us understand the same in details in the following sections

2.10.2.1 Total Voucher

Total Vouchers displays the total number of transactions pertaining to a period which are categorised as Included, Excluded and Uncertain Transactions. Let us check the statistics report from Form 26Q.

From Form 26Q, Enter on Total Vouchers, to view the statistics report as shown in Figure 2.91

Type of Voucher	Transactions			Type of Account	Total Accounts
	Total	Included	Excluded		
Contra	13	13			
Credit Note					
Debit Note					
Delivery Note					
Job Work In Order					
Job Work Out Order					
Journal	16	16			
Material In					
Material Out					
Memorandum					
Payment	2	1	1		
Physical Stock					
Purchase					
Purchase Order					
Receipt					
Receipt Note					
Rejections In					
Rejections Out					
Reversing Journal					
Sales	6	6			
Sales Order					
Stock Journal					
Total	40	14	26		

Figure 2.91 Form 26Q Statistics screen

We can observe that the Total number of vouchers is displaying as 33 i.e., It is inclusive of Included Transaction (14) + Excluded Transaction (18) + Uncertain Transaction (1) = Total Number of Voucher (33)

Let us further check the **Included in return** details

- **Included in return:** The vouchers available in this report will be a part of TDS forms as applicable.
 - To open this report, Press Enter on **Included in return** head from **Form 26Q**.

The **Form 26 Q - Included in Return** will appear as shown in Figure 2.92

Particulars	No. of Vouchers
Booking Voucher	4
Booking with Deduction Voucher	5
Deduction Voucher	7
Advance Payment to Party (with Deduction)	2
Reversal	0
Overridden by User	0
Total	14

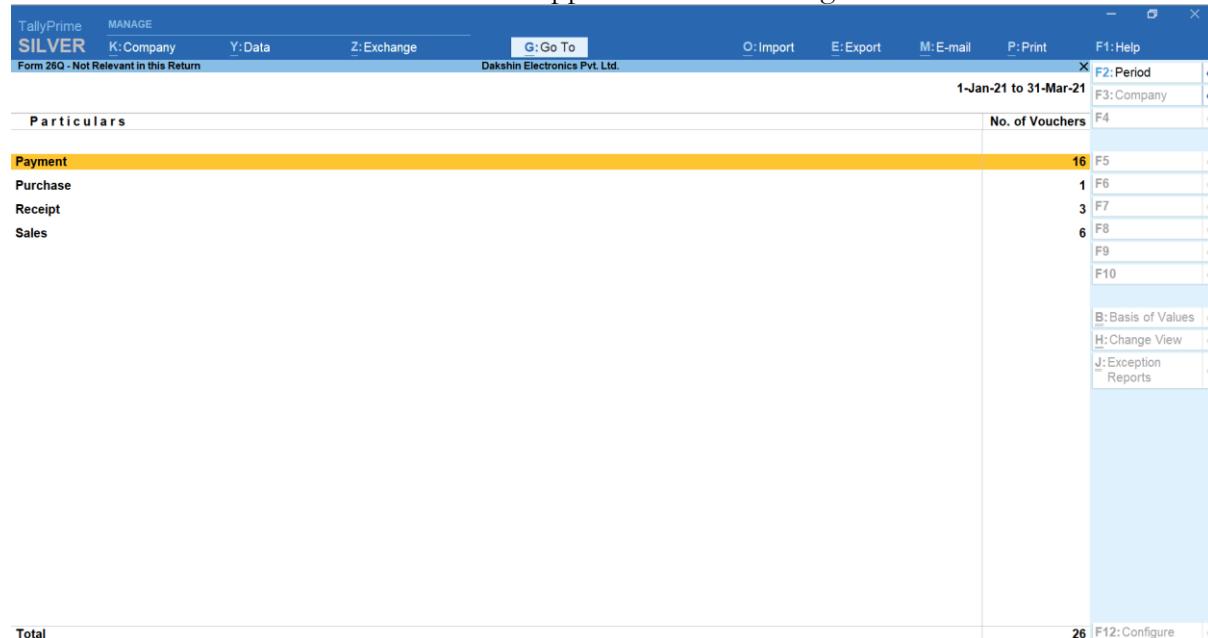
Figure 2.92 Form 26Q - Included in Return screen

- The Form 26 Q - Included in Return contains the following details of voucher falling under different particulars like:
 - **Booking Vouchers:** These contain the list of vouchers where we have booked the TDS expenses but not deducted the TDS in the same voucher.
These are the list of vouchers in which we have not deducted the TDS but just booked the expenses, if required press **Enter** on any entry and check TDS will not be deducted.
 - **Booking with deduction Voucher:** It will have the list of transactions in which we have booked the expenses and deducted the TDS.
 - **Deduction Voucher:** This will display the list of transactions in which we have just deducted the TDS.
 - **Advance Payment to Party (with Deduction):** This will display the list of advance payment transactions in which we have deducted the TDS, if you press enter further, you will get the details of Advance payment entry made to Mahi Transporters and TIM agencies
 - **Reversal:** This will display the list of vouchers (debit note) which was used to reverse the TDS transaction.
 - **Overridden by users:** This will display the details of the TDS voucher in which we have modified the TDS Assessable value. If you drill down, you will get the details of Advertising expenses.

Next, let us check the **Not Relevant in this Return**,

This section will display the count of transactions that are not a part of Form 26Q returns. To view this report, open Form 26Q and Enter on **Not Relevant in this Return** head.

The **Not Relevant in this Return** screen appears as shown in Figure 2.93



Particulars	No. of Vouchers
Payment	16
Purchase	1
Receipt	3
Sales	6
Total	26

Figure 2.93 Form 26Q- Not Relevant in this Return screen

The Not Relevant in this Return vouchers will display the transactions which are a part of Form 26Q and all other transactions which are not related to TDS, like payments made to parties, purchase transactions in which TDS is not configured, Receipt entry etc.

Uncertain Transactions (Corrections needed)

Displays the count of all vouchers with insufficient information. These vouchers contain TDS related information that is not included in the count of Included in return and Not relevant in this Return.

Now we do not have any uncertain transaction (Corrections needed) count because we solved it before making a tax payment to the government.

2.10.2.2 Payment Details

This section contains details of all TDS payment vouchers made to the government for the given period. This section displays the tax paid as per different Nature of Payments and also it will display the details of other payments like interest, penalty, late fee etc.



The Form 26Q – Payment Details screen appears as shown in Figure 2.94

Particulars		Assessable Value	Tax	Deducted	Balance		
		Prev. Period	Current Period	Total	Deductable		
Deduction Details							
Deduction at Normal Rate		10,46,000.00	10,46,000.00	54,263.00	54,263.00		
Deduction at Higher Rate		35,000.00	35,000.00	7,000.00	7,000.00		
Lower Rated Taxable Expense		50,000.00	50,000.00	1,000.00	1,000.00		
Zero rated Taxable Expense		2,60,000.00	2,60,000.00				
Under Exemption limit		20,000.00	20,000.00				
Exempt in lieu of PAN available							
Total Deducted				62,263.00			
Payment Details					1-Jan-21 to 31-Mar-21		
Included in return					2		
Uncertain Transactions					0		
Particulars		Paid Amount	Amount				
Commission Or Brokerage		4,788.00					
Fees for Technical Services (other than Professional Services) or Royalty		7,000.00					
Payments to Contractors		5,100.00					
Rent of Land, Building Or Furniture		45,375.00					
Other payments (Interest, penalty, late fee, etc.)			120.00				
Total Paid		62,263.00	120.00				
Balance Payable							

Figure 2.94 Form 26Q – Payment Details

Under **Particulars > Enter on Commission Or Brokerage > The Form 26Q Voucher Register** with TDS Payment Details will appear as shown in Figure 2.95

Date	Particulars	Vch No	Income Tax	Surcharge	Education Cess	Secondary Education Cess	Interest	Other	Late Fee	Paid Amount
7-2-2021	Max Services Agency	17	3,788.00							3,788.00
10-3-2021	AMR Tech Pvt. Ltd.	18	1,000.00				120.00			1,120.00

Figure 2.95 Form 26Q Voucher Register

Observation: Observe that we are getting the details of the TDS amount paid to the government along with the interest paid amount.



2.10.3 E-Return

With the automation of collection, compilation, and processing of TDS returns, the ITD notified electronic filing of returns of Tax Deducted at Source in the Scheme 2003.

Under this scheme,

- It is mandatory (w.e.f. June 1st, 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 National Securities Depository Ltd. (NSDL) is the e-TDS Intermediary body (appointed by ITD) to receive the e-TDS returns from the deductors, on behalf of ITD

2.10.3.1 Form 26Q

Form 26Q is a quarterly return for deduction of tax in respect of payments (other than salary) made to residents.

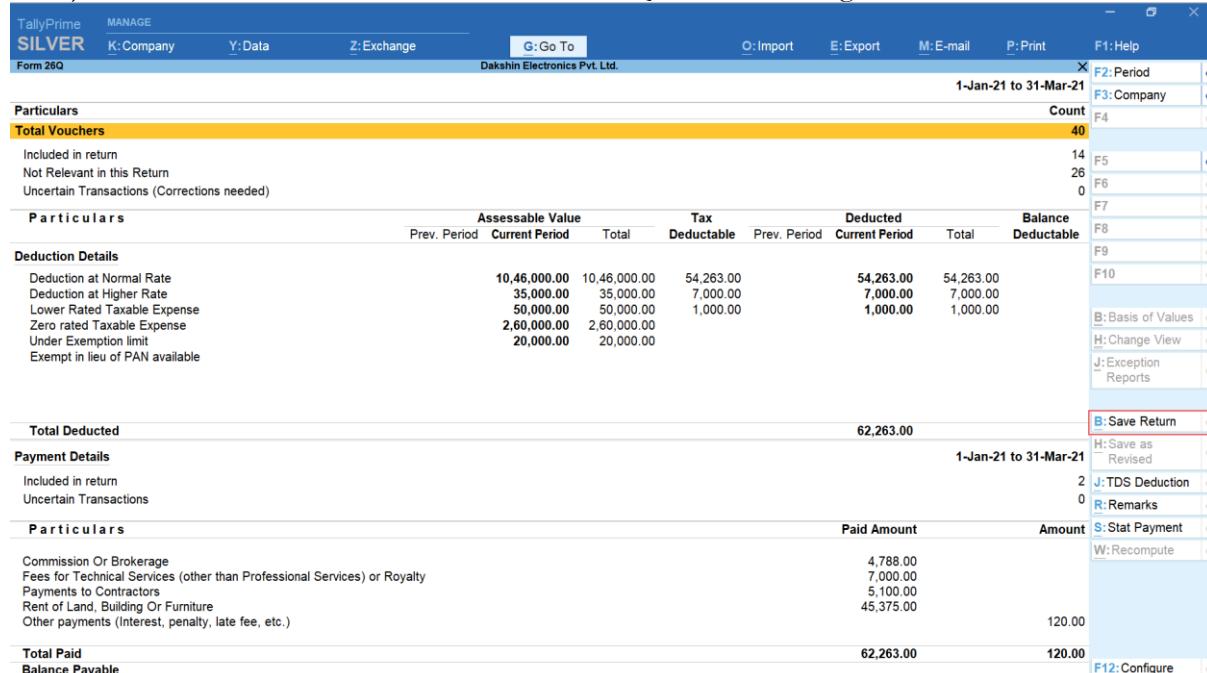
To Generate Form 26Q and File the e-Return,

- 1) Go to **Gateway of Tally > Display More Reports > Statutory Reports > TDS Reports > Form 26Q**.

Step 1: Save the Form 26Q return

Once after resolving the uncertain transaction, the next step is to save the Form 26Q, to save

- 1) Press **Alt+B: Save Return** from Form 26Q as shown in Figure 2.96



Particulars		Assessable Value		Tax Deductable		Deducted		Balance Deductable	
		Prev. Period	Current Period	Total	Deductable	Prev. Period	Current Period	Total	Deductable
Total Vouchers									
Included in return									
Not Relevant in this Return									
Uncertain Transactions (Corrections needed)									
Particulars		Assessable Value		Tax Deductable		Deducted		Balance Deductable	
Deduction Details		Prev. Period	Current Period	Total	Deductable	Prev. Period	Current Period	Total	Deductable
Deduction at Normal Rate		10,46,000.00	10,46,000.00	54,263.00	54,263.00	54,263.00	54,263.00	54,263.00	54,263.00
Deduction at Higher Rate		35,000.00	35,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00
Lower Rated Taxable Expense		50,000.00	50,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Zero rated Taxable Expense		2,60,000.00	2,60,000.00						
Under Exemption limit		20,000.00	20,000.00						
Exempt in lieu of PAN available									
Total Deducted								62,263.00	
Payment Details								1-Jan-21 to 31-Mar-21	
Included in return									
Uncertain Transactions									
Particulars		Paid Amount		Amount		S: Stat Payment		W: Recompute	
Commission Or Brokerage		4,788.00							
Fees for Technical Services (other than Professional Services) or Royalty		7,000.00							
Payments to Contractors		5,100.00							
Rent of Land, Building Or Furniture		45,375.00							
Other payments (Interest, penalty, late fee, etc.)								120.00	
Total Paid		62,263.00						120.00	
Balance Payable								F12: Configure	

Figure 2.96 Form 26 Q- Save Return

- 2) Click on **B: Save Return** button, we will get the following screen as shown in Figure 2.97



TallyPrime MANAGE
SILVER K: Company Y: Data Z: Exchange G: Go To Dakshin Electronics Pvt. Ltd. O: Import E: Export M: E-mail P: Print F1: Help
 Form 26Q 1-Jan-21 to 31-Mar-21
 F2: Date F3: Company
 Particulars Count 40
Total Vouchers
 Included in return 14
 Not Relevant in this Return 26
 Uncertain Transactions (Corrections needed) 0
 Particulars Assessable Value Tax Deducted Balance
 Prev. Period Current Period Total Deductible Prev. Period Current Period Total Deductible
 Deduction Details
 Deduction at Normal Rate 54,263.00 54,263.00
 Deduction at Higher Rate 7,000.00 7,000.00
 Lower Rated Taxable Expense 1,000.00 1,000.00
 Zero rated Taxable Expense
 Under Exemption limit
 Exempt in lieu of PAN available
 Total Deducted 62,263.00
 Payment Details 1-Jan-21 to 31-Mar-21
 Included in return 2
 Uncertain Transactions 0
 Particulars Paid Amount Amount
 Commission Or Brokerage 4,788.00
 Fees for Technical Services (other than Professional Services) or Royalty 7,000.00
 Payments to Contractors 5,100.00
 Total Paid 62,263.00
 Balance Payable 120.00
 Z ▾

Figure 2.97 Save Return screen

- 3) Press **Enter** (Alternatively, click **Yes**), we will go back to the **TDS Return** menu.
- 4) Once after saving the voucher, the details of the saved return can be viewed in **Return Transaction Book**
- 5) To view Return Transaction Book, from **TDS Reports** Menu > select **Return Transaction Book**.

The **TDS Return Transaction Book** screen appears as shown in Figure 2.98

TallyPrime MANAGE
SILVER K: Company Y: Data Z: Exchange G: Go To Dakshin Electronics Pvt. Ltd. O: Import E: Export M: E-mail P: Print F1: Help
 TDS Return Transaction Book 1-Apr-20 to 10-Feb-21
 F2: Period F3: Company F4
 Date From Date To Date Tax Type Is Modified Form Type
 10-Feb-21 1-Jan-21 31-Mar-21 TDS No 26Q
 F5
 F6
 F7
 F8: Show All
 F9
 F10
 B: Basis of Values
 H: Change View
 J: Exception Reports
 F12: Configure

Figure 2.98 TDS Return Transaction Book

Observation: We can observe that the return which we have saved has appeared here, this book will have all the returns which are save by using the key Alt+B from returns.



Note: Once after saving the return, if we make any changes in the TDS voucher then the return will come for recompute, we can either overwrite the previous return with the existing one or save a revised one. The saved return will be available in the return transaction book where you will get the details of the return along with the modification details.

Step 2: Exporting the Form 26 Q and validate TDS returns with File Validation Utility

- 1) Go to **Gateway of Tally > Display More Reports > Statutory Reports > TDS Reports > Form 26Q**
- 2) Click **F2: Period** and enter the date as **01-01-2021** to **31-03-2021**
- 3) Press **Alt+E: Export** as shown in Figure 2.99

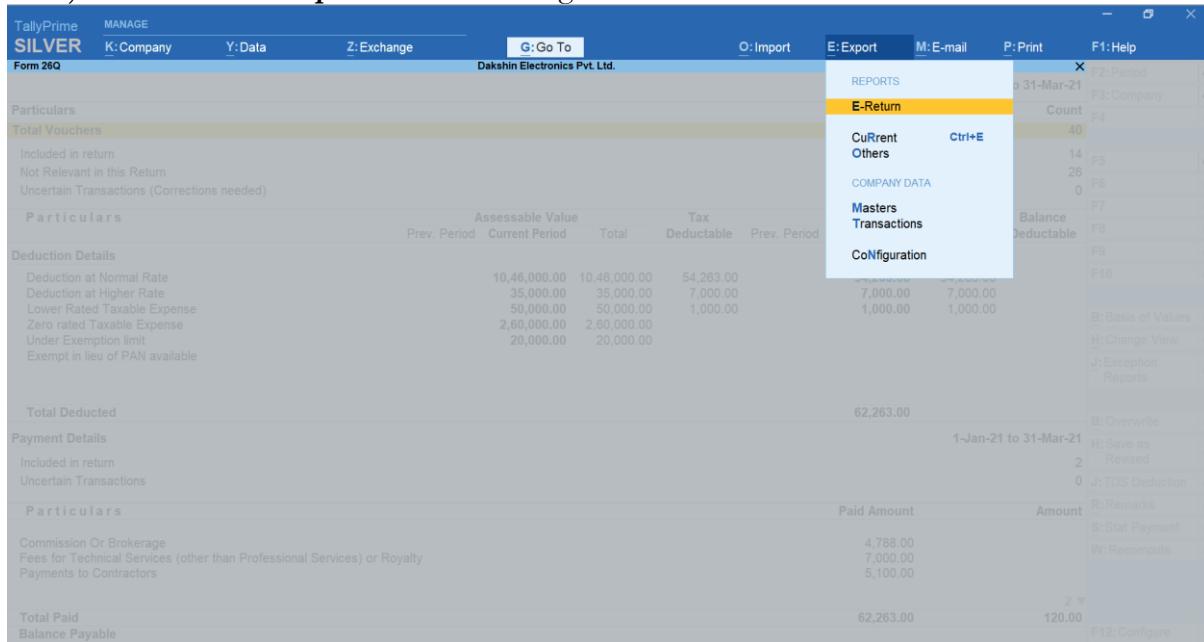


Figure 2.99 Form 26Q – Export Menu screen

- 4) Select **E-Return**, to export the file
- 5) **Date:** Let it be **10-03-2021**
- 6) Set **Is Regular Return filed for previous period** Set to **No**
- 7) By default, the **Language and Format** is pre-set as SDF (Fixed Width) respectively.
- 8) By default, the **Export to** is selected as **local drive**
- 9) By default, the **Folder Path** captures the TallyPrime folder as the location to export the file which can be changed if required.

Note: In the Folder Path field if required we can specify the path where we want to export the return, or we can also select from drive.

- 10) The **File Name** field appears the file name as **Tally.txt** > Change as **Form26Q_Q4.txt**



The Completed **Exporting E-TDS** form appears as shown in Figure 2.100

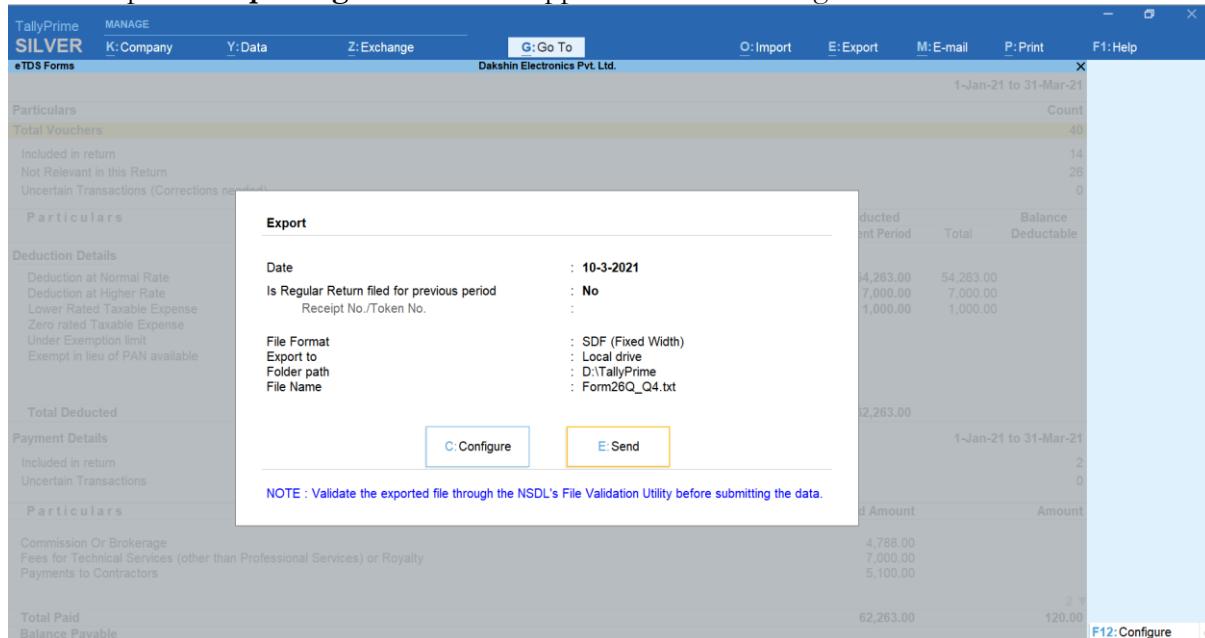


Figure 2.100 Exporting E-TDS Form screen

Note: We can also configure the TDS Report export details by clicking the option **F12:Configure** or clicking on the button **C: Configure**.

- 11) Click on the button **E: Send**
- 12) The Export location folder will get opened along with the .txt file i.e. **Form26Q_Q4.txt** as shown in Figure 2.101

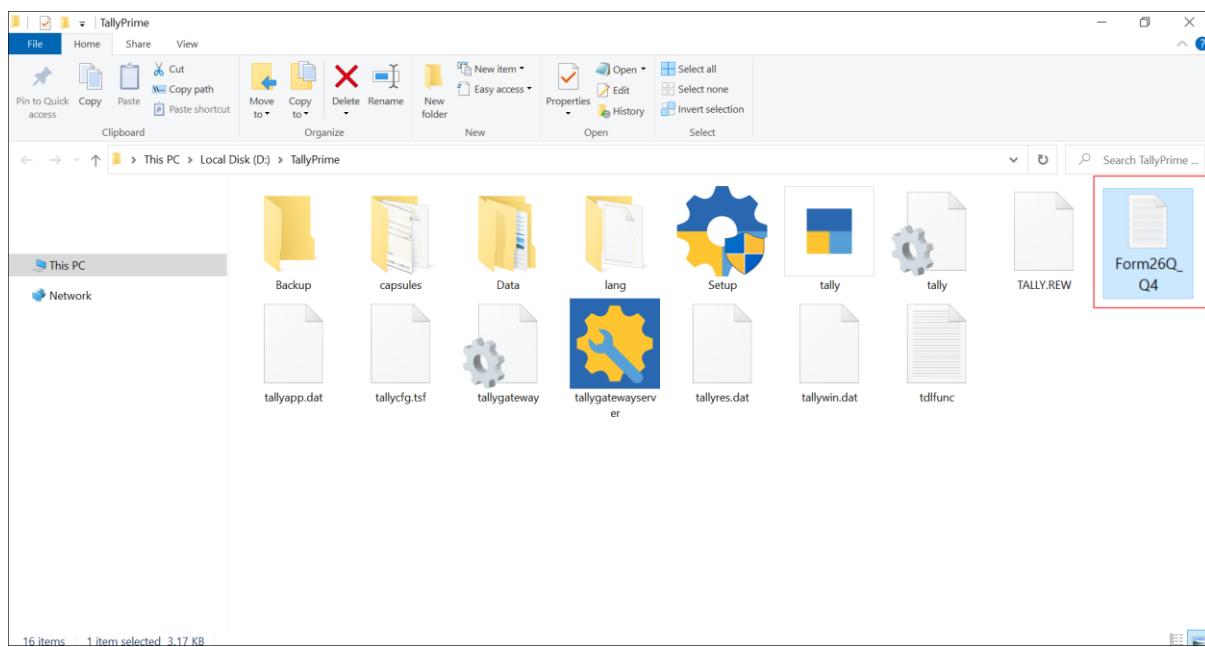


Figure 2.101 Export Location

The exported file (Form 26Q) is required to be validated with the File Validation Utility (a free downloadable utility from the NSDL website) and after validation, the returns should be submitted to the department in CD along with Form 27A in Physical Form.

Step 3: Validation TDS returns with File Validation Utility(FVU)

- 1) Login to NSDL website - [TIN \(tin-nsdl.com\)](#)
- 2) Download File Validation Utility

Note: The e-TDS/TCS FVU is a Java based utility. JRE (Java Run-time Environment) [versions: SUN JRE: 1.6 onwards] should be installed on the computer where the e-TDS/TCS FVU is being installed. Java is freely downloadable from <http://java.sun.com>.

- 3) Run the FVU file

The **TDS/TCS File Validation Utility** tool will appear as shown in Figure 2.102

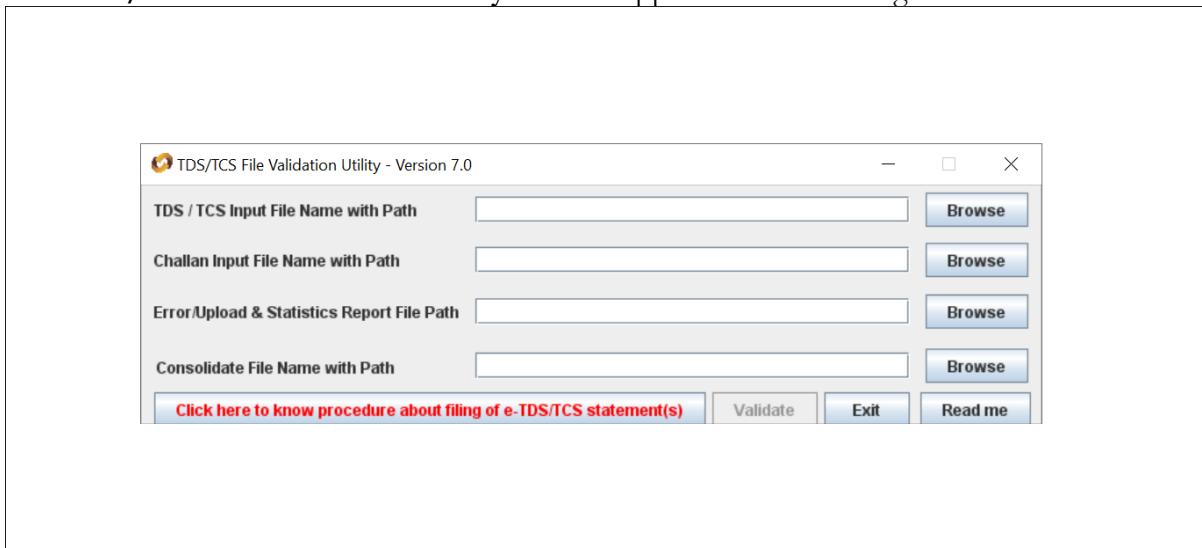


Figure 2.102 File Validation Utility Tool

- 4) Enter the following details
 - In **TDS/TCS Input File Name Path**: Enter the file name with .txt extension and mention the location where it is available.
 - In **Challan Input File Name with Path**: Enter the challan input file downloaded from NSDL website. for example, BLRD59867G100221.csi (first 10 digits are the TAN and next 6 digits indicate the date when the file was downloaded).
 - In **Error/Upload & Statistics report File Path**: Enter the path where the error or upload and statistics report files is to be saved.
 - In **Consolidate File Name with Path**: Do not enter the details.
- 5) Click on **Validate** option, an HTML file with the same name as that of the text file is generated in the TallyPrime installation folder.
- 6) After validation, the returns should be submitted to the department in CD along with Form 27A generated by TDS/TCS FVU (File Validation Utility) duly signed, along with the TDS/TCS statement(s).

2.11.3.1 TRACES Portal

TDS TRACES is an online portal of the IT Department and it stands for TDS Reconciliation Analysis and Correction Enabling System. It aids in connecting all stakeholders which are involved in the processing and application of TDS. It allows the taxpayers as well as the TDS deductors to perform various activities like downloading important tax documents such as Form 16, Form 16A, and Form 26AS.



Form 16A: It is the certificate issued for tax deducted at source other than salary, It is issued by the deductor on the TDS deducted from deductee on the income from other sources. We can download it from TRACES and issue it to the deductee.

Form 26AS: It is an annual consolidated credit statement that contains the details of tax deducted by the deductors i.e., Employer, Bank etc.

Form 16A contains the details of TDS deductions made by the deductor, We can compare and check these TDS deduction details using Form 26AS.

The TDS amount which is appearing in Form 16A and Form 26AS should always match. If there is any mismatch in Form 16A and Form 26AS, the IT department will consider the TDS amount as per Form 26AS. Hence in case of any discrepancies, we need to contact the deductor and find out the error and rectify it.

2.11 Changes in TDS rates from 1st April 2021

The TDS rate for Rent of Land Building and Furniture was 7.50% till 31-03-2021, with effective from 1st April 2021 onwards, the TDS rate is 10%.

If there are any changes in the rates of TDS, then the same can be defined in the TDS Nature of Payment Creation or Alteration screen by clicking on the option **I: More Details > select TDS Details (History)**.

The applicable Income Tax rates for payment of **Rent of Land, Building or Furniture to Company Resident - Deductee Type** is given in Table 2.48

Nature of Payment	Rate of TDS (14-05-2020 to 31-03-2021)	Rate of TDS (01-04-2021 onwards)
Rent of Land, Building or Furniture	7.50%	10%

Table 2.48

Updating the latest TDS Rates

- 1) Go to **Gateway of Tally > Alter >under Statutory Masters > select TDS Nature of Payments**
- 2) Select **Rent of Land, Building Or Furniture**
- 3) From the **TDS Nature of Payments Alteration** screen
- 4) Press **Enter** till the cursor moves to **Rate of Individuals/HUF with PAN** field, then alter the rate from **7.50%** to **10%** under **with PAN** field.
- 5) Press Enter and mention the rate as **10%** in **Rate for other deductee types > under with PAN** field.
- 6) Press Enter, cursor moves to **Threshold/exemption limit >** Do not make any changes.
- 7) Press Enter and in **Rate and Exemption Limit** screen enter the Applicable from date as **1-April-2021**
- 8) Press **Enter**



The **TDS Nature of Payments Alteration** screen with new TDS rate appears as shown in Figure 2.103

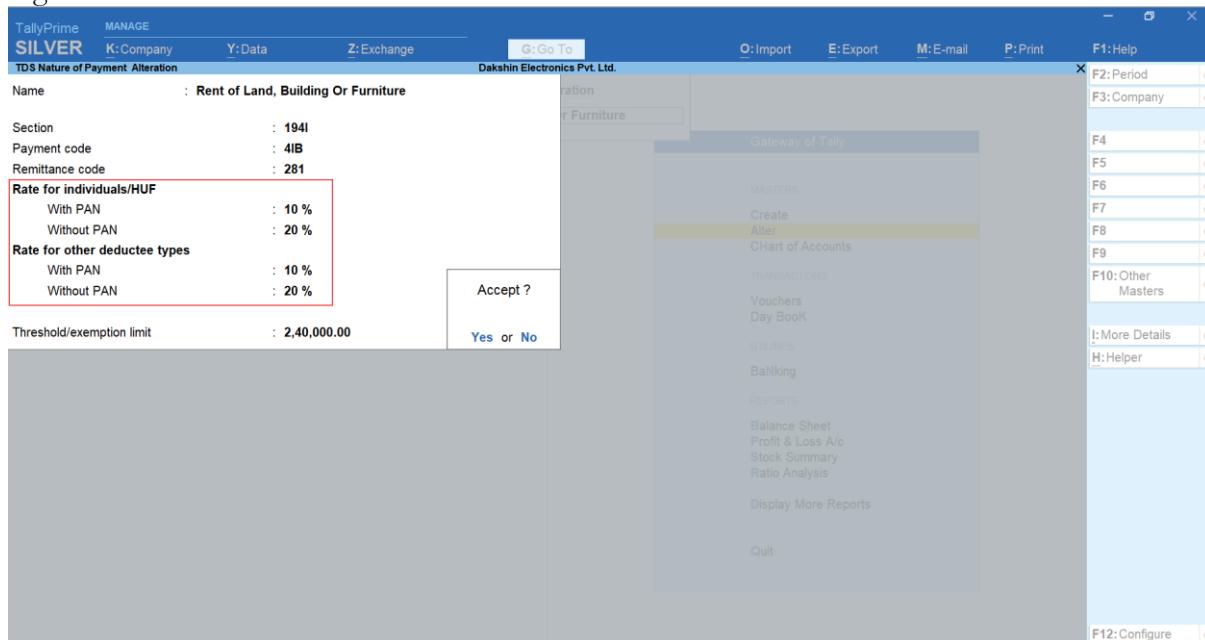


Figure 2.103 TDS Nature of Payments Alteration screen

9) **Accept** the screen

Observation: In TallyPrime, we have the option to enter the latest TDS rates whenever the government makes the changes. And also, we can view the TDS rate history defined in the company.

10) Press **Ctrl+A** twice and accept the screen.

Conclusion

In this chapter, we have understood the process of TDS, how TDS is deducted at the time of booking the expenses and then the Deducted TDS is paid to the government. We have also learnt to record different types of TDS transactions in different business circumstances like configuration of TDS at different levels, booking expenses in Journal and Purchase voucher, booking expenses partly subject to TDS, deducting TDS at zero rate, lower rate, higher rate, exempted, Booking of expenses and deducting TDS later etc. and also experienced how quickly/instantly these transactions reflect in the correct section in Form 26Q. In the end, we have made the TDS payment to the department and generated ITNS 281 challan and generated an accurate Form 26Q and did e-filing.

Key Takeaways

- Tax Deducted at Source is one of the modes of collecting Income Tax.
- Tax Deduction and Collection Account Number (TAN) is a ten-digit alphanumeric number issued by the Income Tax Department to the deductor.
- TDS Statutory Masters are of two types, i.e., Deductee Type and TDS Nature of Payments.
- TallyPrime gives you the option of booking expenses either using a Journal voucher or a Purchase voucher in accounting invoice mode.
- TDS payment is done in two ways - Manual bill selection and Auto-fill using TDS Helper



- TDS payment voucher is printed as a TDS Challan ITNS 281.
- The buyer and receiver of income will have to file annual returns electronically.
- The reconciliation of challan payments made to the bank for TDS accounts can be done from the Form 26Q report.
- From the Form 26Q report, we will get the list of vouchers with errors under uncertain vouchers. Even from the Form 26Q report you can record, the adjustment entry as well as make a payment to the government.

Shortcut Keys

Short Cut Key Combination	Description
Alt+ F5	<ul style="list-style-type: none"> • From TDS Reports • To view reports in Detailed mode
Ctrl+H	<ul style="list-style-type: none"> • From Accounting Voucher Creation screen • To change the mode of voucher
Ctrl+I	<ul style="list-style-type: none"> • From Journal and Purchase Voucher Creation screen • To check the TDS-Tax Analysis
Alt+R	<ul style="list-style-type: none"> • From TDS Challan Reconciliation screen • To Reconcile the Challan
Alt+S	<ul style="list-style-type: none"> • From TDS Challan Reconciliation screen • To Update the Challan details
Alt+J	<ul style="list-style-type: none"> • From Form 26Q screen • To book TDS Deductions using Journal Voucher
Alt+B	<ul style="list-style-type: none"> • From Form 26Q screen • To Save the Return for E-Return purpose
Alt+E	<ul style="list-style-type: none"> • From Form 26Q • To Export the E-Return of Form 26Q
Ctrl+F	<ul style="list-style-type: none"> • From Payment Voucher Creation screen • For autofill to record Stat Payment for the Tax Type TDS

Practice Exercises

- 1) The system of deduction of tax, at the point of generation of income, is called _____.
 a) Tax Collected at Source
 b) Goods and Services Tax
 c) Tax Deducted at Source
 d) Customs Duty
- 2) _____ is issued by the deductor on the TDS deducted from deductee on the income from other sources (other than salary).
 a) Form 16
 b) Form 18C
 c) Form 26Q
 d) Form 16A



- 3) In TallyPrime., we can configure TDS at the accounting group level
a) TRUE
b) FALSE
- 4) We can view the TDS details in Tax Analysis while recording the Journal voucher in TallyPrime.
a) TRUE
b) FALSE
- 5) In TallyPrime, **Allow modification of tax details for TDS** option is available in _____ voucher.
a) Sales
b) Receipt
c) Contra
d) Journal
- 6) TK Traders received a bill of ₹2,00,000 from an SP AD Agency(Company) out of which ₹ 1,50,000 is towards the advertisement services received and the remaining ₹50,000 is other expenses on which TDS is not applicable. TK Traders need to deduct the TDS @ 1.5% before making the payment to SP AD Agency as the amount is crossing the TDS exemption limit. Find out what is amount to be paid to the SP AD Agency and the TDS amount to be deducted.
a) Amount to be paid to SP AD Agency is ₹ 1,99,000 and TDS deducted @ 1.5% is 1,000
b) Amount to be paid to SP AD Agency is ₹ 92,500 and TDS deducted @ 1.5% is 7,500
c) Amount to be paid to SP AD Agency is ₹ 2,00,000 and TDS deducted @ 1.5% is 7,500
d) Amount to be paid to SP AD Agency is ₹ 1,97,750 and TDS deducted @ 1.5% is 2,250
- 7) What is the rate of TDS if PAN is not available with the deductee?
a) 2%
b) 20%
c) 5%
d) 10%
- 8) Zero Deduction comes under sub-section (1) of section _____ of the income tax act.
a) 197A
b) 197B
c) 197
d) 187A
- 9) Lower Deduction comes under sub-section (1) of section _____ of income tax act.
a) 197A
b) 197B
c) 197
d) 187A



- 10) TDS deduction at zero rate can be done by submitting a declaration in form _____.
a) 14C
b) 14G
c) 14H
d) 15G
- 11) Who issues the certificate for lower rate deduction of TDS?
a) Assessing Officer
b) Non-Government
c) NSDL
d) Government
- 12) When PAN is not available with the party from whom we are procuring the service then TDS will get deducted a _____ rate.
a) Lower
b) Higher
c) Zero
d) Exempted
- 13) What will be the consequences of not reconciling the payment challan in the Form26Q report?
a) The Tax Payment entries will get captured in the head Not included Transaction under Payment Details section of Form 26Q
b) The Tax Payment entries will get captured in the head included Transaction under Payment Details section of Form 26Q
c) The Tax Payment entries will get captured in the head Uncertain Transaction in Form 27Q
d) The Tax Payment entries will get captured in the head Uncertain Transaction in Form 26Q
- 14) Form 26Q contains the TDS Transactions related to residents.
a) TRUE
b) FALSE
- 15) The exported file (Form 26Q) is required to be validated with the File Validation Utility.
a) TRUE
b) FALSE
- 16) If the TDS is deducted from the resident company on January 21, then what will be the due date to make a tax payment to the government.
a) 07th of February 21
b) 10th of February 21
c) 31st of January 21
d) 15th of February 21
- 17) It is not possible to generate ITNS 281 Challan from TallyPrime.
a) TRUE
b) FALSE



Chapter 3

Management of Business Data

Learning Objectives

- Introduction
- Exporting of Data in available formats
- Export and Import of Data
- Export and Import of Masters from one company to another in XML format
- Export Reports in MS Excel
- Export Reports in PDF
- Open Database Connectivity (ODBC)
- Printing of Company Logo on Vouchers, Invoices and Reports.



3.1 Introduction

With TallyPrime, you can not only store your business data but also share it in a jiffy. Your business data will be saved in the form of masters and transactions and tracked in the form of reports. You can easily import or export the required information.

You don't have to move out of your ongoing work in TallyPrime to export the reports. You can very well do it from the screen on which you are working. You can also import and export masters and transactions from anywhere in the product.

TallyPrime allows us to export the data in different formats such as ASCII, Excel, HTML, JPEG, PDF, and XML. Any report in TallyPrime can be exported in these formats to meet the requirement of today's business world.

Importance of Export of Data

- 1) It is very important to keep a track of receivables and we also need to keep reminding the customers about their outstanding amount by sending the reminder letters, the same can be generated and exported in the required format in TallyPrime.
- 2) Bankers, lenders and investors are interested in knowing the financial position of the company before investing in the company, in this case, a company can export the balance sheet to any format like Excel, PDF, HTML etc.
- 3) Management requires data like cash flow report, balance sheet, profit and loss account for decision making, instead of sending the complete data, you can export the required reports in any format.

3.2 Exporting of data in available formats

You can export data or a report from TallyPrime in any one of the standard formats available. You can select the required format before exporting the data, and based on the format selected, you need to specify the resolution, page size, and formatting.

You can also export the data in non-editable formats, such as JPEG and PDF. The JPEG format has a dual facility, where the user can store the file in a printable format or as an image.

The formats in which we can export the data are as shown in Chart 3.1.

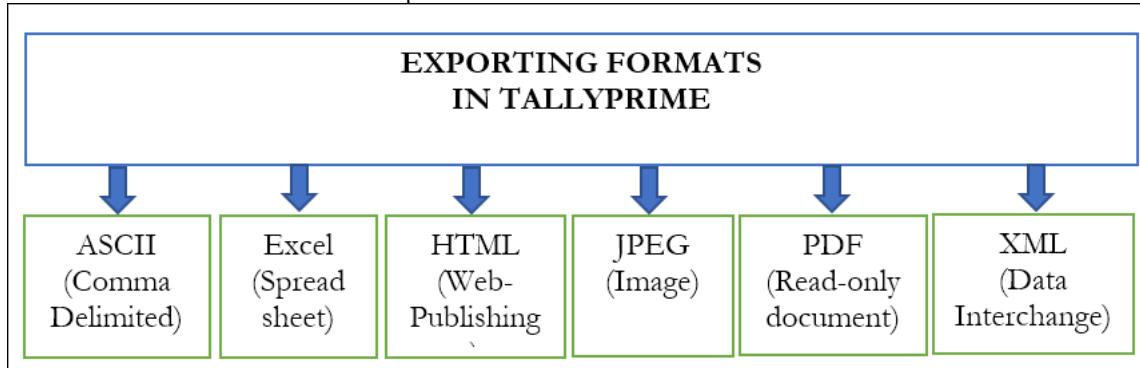


Chart 3.1 Exporting Formats

**Explanation of the chart items:**

- 1) **ASCII (Comma Delimited):** By selecting the ASCII (Comma Delimited) format, you can export all the reports or data from TallyPrime. The data exported is converted to plain text separated with commas and stored in a file with the extension **.txt**. This file format is widely used for sending data using e-mail.
The full form of ASCII is **American Standard Code for Information Interchange**.
- 2) **Microsoft Excel (Spread Sheet):** You can export data and reports generated in TallyPrime to Excel by selecting the Excel (Spreadsheet) format. The data is put in columns and the file is saved with the extension **.xlsx**. You can also export data with the formatting and background colour as it appears in TallyPrime. You can set the formatting and background colour in the Export Report screen. The Excel file can be sent as an attachment and also used to generate graphs for better presentation.
- 3) **HTML (Web Publishing):** On selecting the HTML (Web Publishing) format, TallyPrime exports the data in HTML format, retaining the colours and formatting. The filename has an extension **.htm**. It can be sent as an attachment and read using an internet browser. It is recommended that you choose a higher resolution for better quality output. The full form of HTML is **Hyper Text Markup Language**.
- 4) **JPEG (Image):** On selecting this format the specified report is exported as an image file that is stored with an extension **.jpg** in the specified folder. The image file generated is non-editable, platform-independent, and supports the highest level of compression. You need to specify the paper orientation and paper size. If you are opting to store the report on customised paper size, you need to specify the page width and height in millimetres. This image file can be mailed as an attachment to a recipient, viewed using an image viewer, and printed. The full form of JPEG is **Joint Photographic Experts Group**.
- 5) **PDF (Read-only document):** Using Portable Document Format (PDF) format, you can export data and reports generated in TallyPrime to PDF by selecting the (PDF read only document) format. The data is put in PDF and the file is saved with the extension **.pdf**.
- 6) **XML (Data Interchange): Extensible Markup Language** (XML) is an extension of HTML. An XML file from TallyPrime has an XML envelope and formatted with XML tags to enable import from other company. The destination system requires re-formatting of XSLT (XML Style Sheets) based on the inherent style used in TallyPrime before importing the data. When two computers are running different versions of TallyPrime, XML data can be directly imported using the import menu option, without re-formatting.



3.3 Export and Import of Data

In TallyPrime, we can export the data like masters and transactions from one company to another company within Tally in XML format. You have to export the masters first and then the transactions. We have to also ensure that the company features (F11) of the exporting and the importing company are the same.

The Export of Data can be done as shown in Chart 3.2.

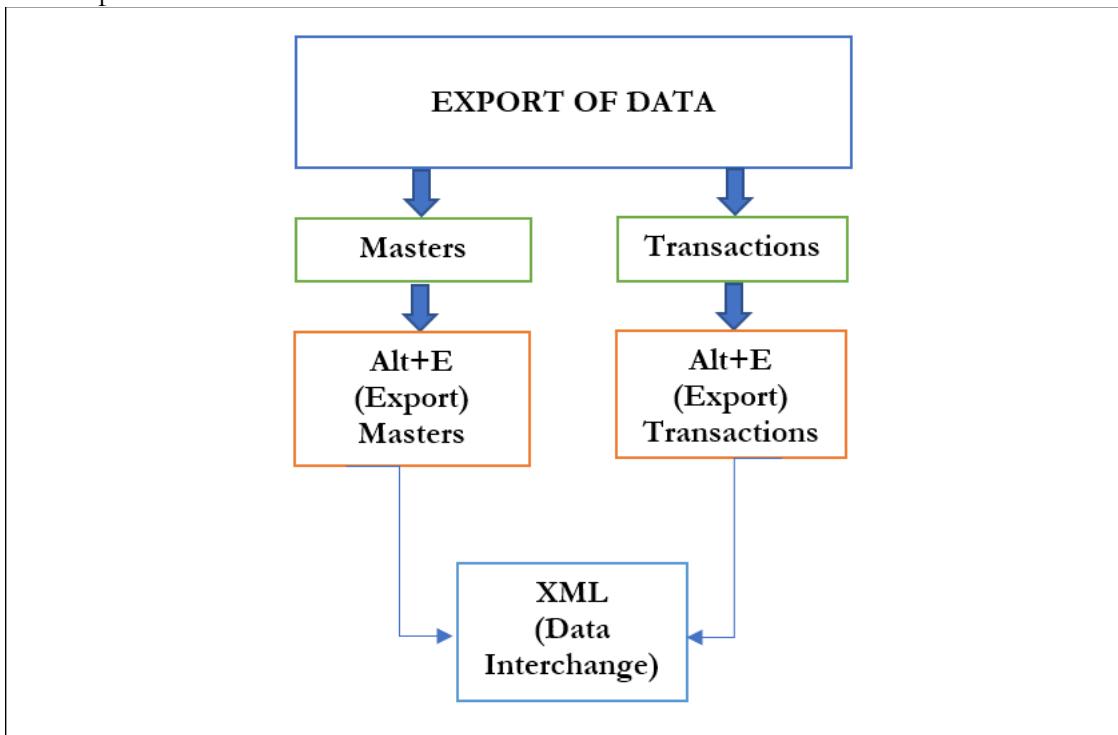


Chart 3.2 Export of Data

Business Scenario

Mr. Chandan, Accountant of Dakshin Electronics Pvt. Ltd wants to transfer all the Ledger masters from Dakshin Electronics Pvt. Ltd to the existing company Dakshin Furniture Pvt. Ltd. This is done so that there is no need for creating the same ledgers again in Dakshin Furniture Pvt. Ltd.

3.3.1 Export and Import of Masters from one company to another in XML format

Export Masters

You can export masters created in a company, in different formats. You can also choose the type of masters to export. Masters exported in XML format can be imported into TallyPrime using the Import Masters option.

Exporting the data in XML format

The XML format is used to export and import the data from one company to another which is maintained in TallyPrime.

In TallyPrime, we can export the Masters like Accounting Ledgers, Accounting Groups, Stock Groups, Stock Categories, Stock Item, Unit of measure etc. from one company to another using the **Export** option from the **Top Menu** and also we have the option to export the closing balance as opening in the new company.



Before exporting the Masters, let us view the existing masters available in Dakshin Electronics Pvt. Ltd. To do so,

- 1) Load the company **Dakshin Electronics Pvt. Ltd.** (The company from which the masters are getting exported)

- 2) From **Gateway of Tally > Chart of Accounts >** under **Accounting Masters > Ledgers.**

The **Chart of Accounts** screen with **List of Ledgers** appears as shown in Figure 3.1

The screenshot displays the 'Chart of Accounts' screen in TallyPrime. The main window shows a tree structure of ledger categories. The 'Assets' category is expanded, showing sub-categories like 'Current Assets' (Bank Accounts, Cash-in-Hand, Deposits (Asset), Loans & Advances (Asset), Stock-in-Hand, Sundry Debtors), 'Fixed Assets', 'Investments', and 'Misc. Expenses (ASSET)'. The 'Liabilities' category is also expanded, showing 'Branch / Divisions', 'Capital Account', 'Current Liabilities', 'Duties & Taxes', 'Provisions', and 'Sundry Creditors'. The 'Expenses' and 'Income' categories are partially visible at the bottom. The top menu bar includes 'MANAGE', 'K: Company', 'Y: Data', 'Z: Exchange', 'G: Go To' (set to 'Dakshin Electronics Pvt. Ltd.'), 'O: Import', 'E: Export', 'M: E-mail', 'P: Print', 'F1: Help', and various function keys (F2: Period, F3: Company, F4, F5: Ledger View, F6, F7, F8, F9, F10: Other Masters, F11: Basis of Values, F12: Change View, F13: Exception Reports, H: Multi-Masters). The status bar at the bottom indicates '29 Group(s) and 39 Ledger(s)'.

Figure 3.1 Chart of Accounts screen- List of Ledgers

Note: Similarly, to check the other masters such as Groups, Stock Groups, Stock Items, Stock Categories, click **F10: Other Masters.**



To export the Masters from one company to another,

- 1) From **Gateway of Tally > Chart of Accounts > under Accounting Masters > Ledgers**
- 2) Click **E: Export**

The **Export** table appears as shown in Figure 3.3

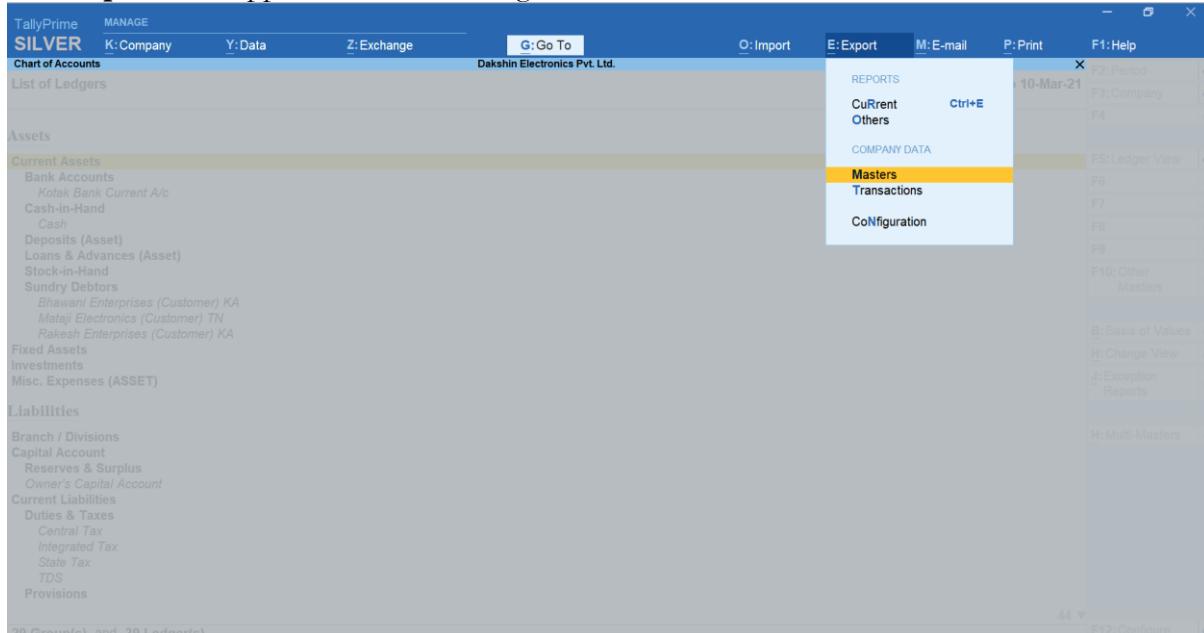


Figure 3.2 Export table screen

- 3) Enter on **Masters**.

The **Export** screen appears as shown in Figure 3.3

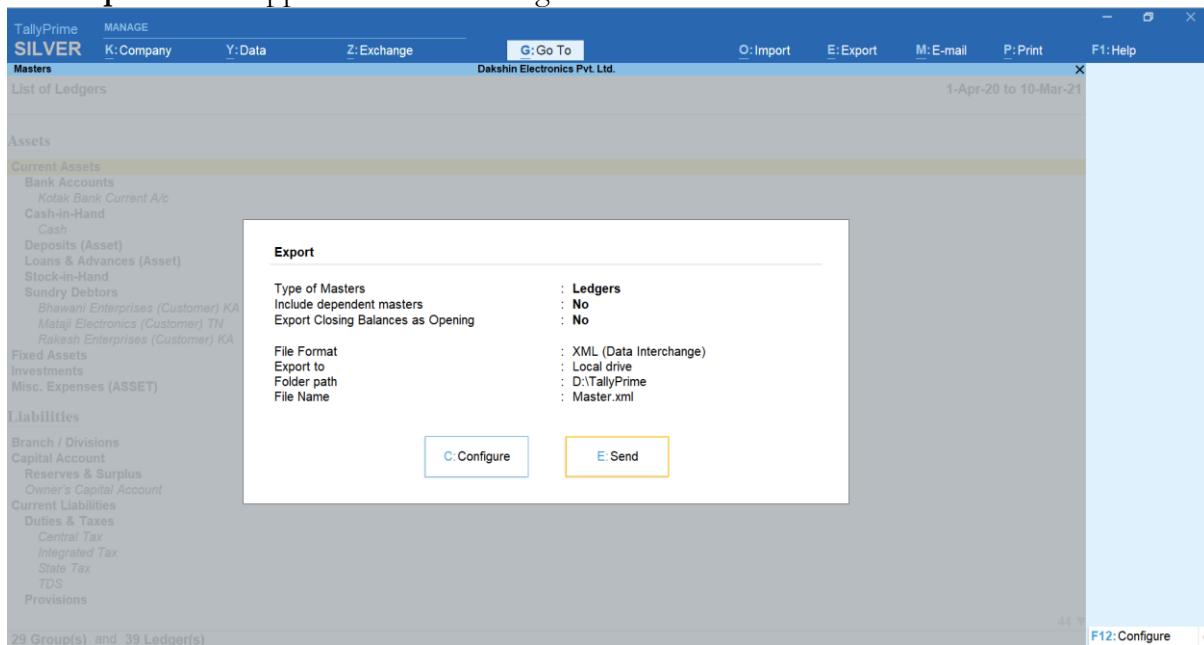


Figure 3.3 Export screen

- 4) Click on **C: Configure**.



In the **Export Configuration** screen, click **Show More** and select the details as shown in Figure 3.1

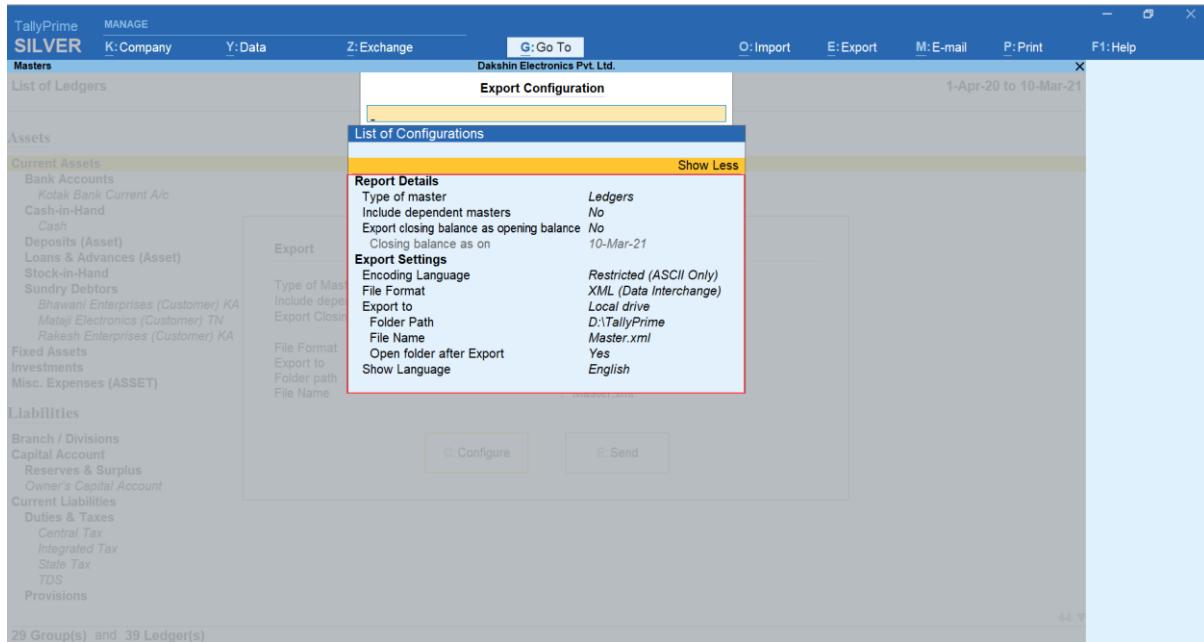


Figure 3.4 Export Configuration screen

Note: To change the **List of Configurations**, press **Enter** on the table options. **For Example:** Enter on **Type of master**, you will get the **Report Details** screen to select the **Type of Master** (*All Masters, Stock Items, All Accounting Masters, All Inventory Masters, All Statutory Masters etc.*)

- 5) Under **Export Settings**> Enter on **Folder Path**> **Specify Path**> Enter the path as **D:\TallyPrime\Export & Import**

Note: By specifying the path as *D:\TallyPrime\Export & Import*, a new folder will get created inside the *Tally* folder.

- 6) You will get a message as ‘D:\TallyPrime\Export & Import’ does not exist. Do you want to create? > Click on **Yes** or Press **Y**
- 7) Select the **Folder path** as **D:\TallyPrime\Export & Import**
- 8) Press **Ctrl+A** to **Accept** the screen



The **Export** screen appears as shown in Figure 3.5.

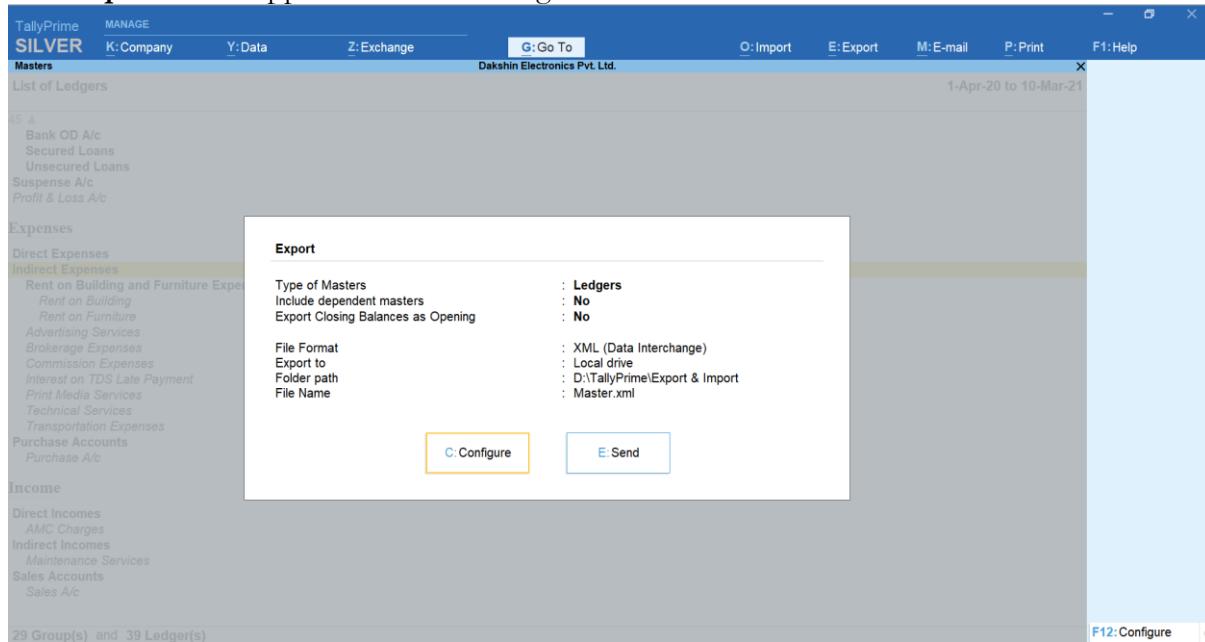


Figure 3.5 Export screen

Note: *Dakshin Furniture Pvt. Ltd.* company needs all the ledger masters created in *Dakshin Electronics Pvt. Ltd.*, Hence we have selected **Ledgers** and exporting. As a user, you can select the required option while exporting from TallyPrime.

9) Click on **E: Send**.

10) Once exporting, the XML file will be available in the location as shown in Figure 3.6.

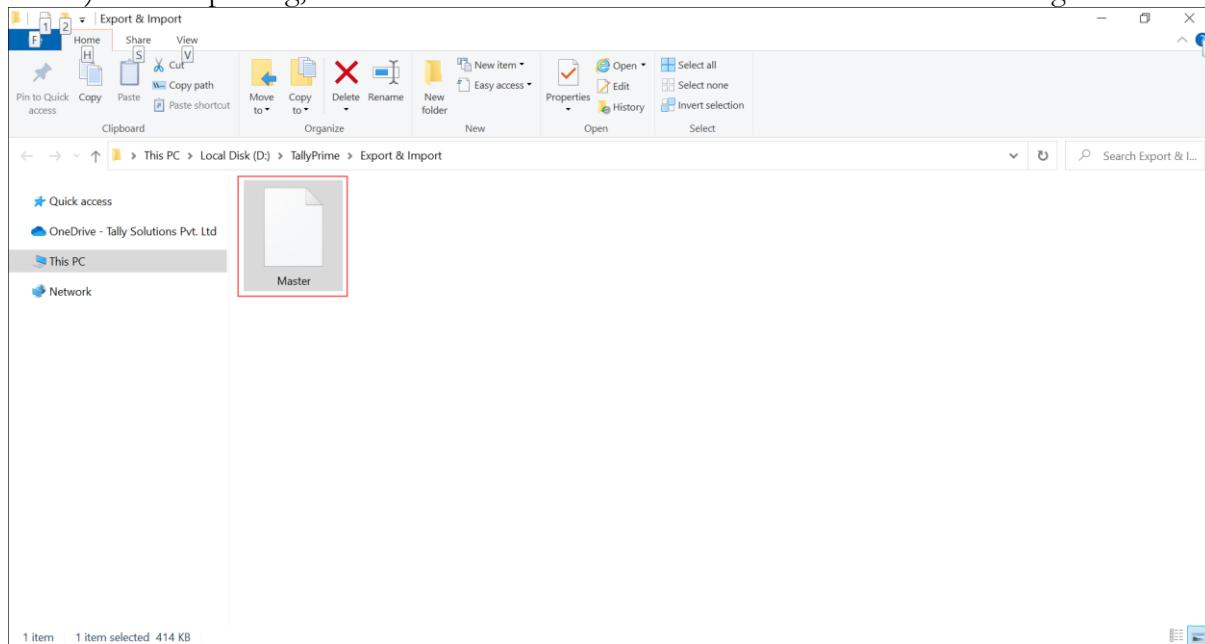


Figure 3.6 Location of Exported file – Master.xml

Import Masters

You can import the masters which are exported from TallyPrime in XML format. Masters exported in XML format can be imported into TallyPrime using the Import Masters option.

Importing of Masters from One Company to Another company

Step 1: Load the company to which the masters to be Imported.

- 1) Load **Dakshin Furniture Pvt. Ltd** (the company in which you want to import the data)
- 2) To do so, From Dakshin Electronics Pvt. Ltd. **Gateway of Tally > K: Company > Select (Alt+ F3)**
- 3) The **List of Companies** screen, Select **Dakshin Furniture Pvt. Ltd.**
- 4) After selecting the companies in the **Gateway of Tally** screen, the companies loaded screen appears as shown in Figure 3.7.

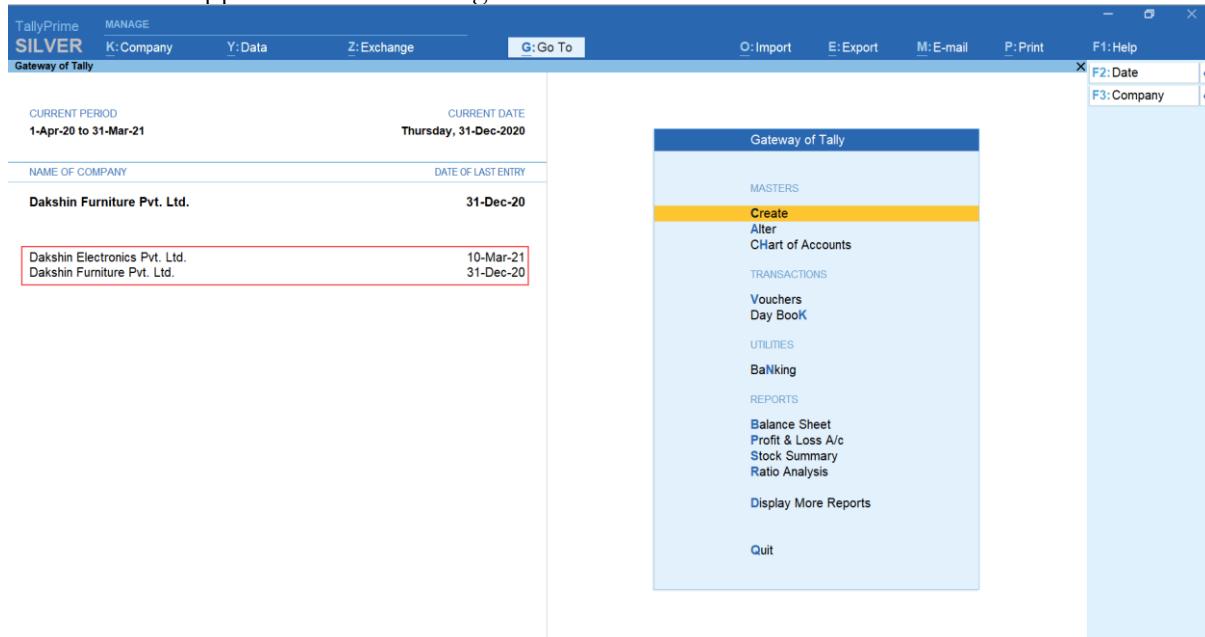


Figure 3.7 Gateway of Tally Screen loaded companies

Observation: The Company which is appearing in **Bold** is the company to which the masters will get Imported (**Dakshin Furniture Pvt. Ltd.**)

Before importing the masters, let us view the existing **Dakshin Furniture Pvt. Ltd** company to view the existing masters.

- 1) From **Gateway of Tally > Chart of Accounts > Under Accounting Masters > Ledgers**
- 2) Click **F5: Ledger View**



The **Chart of Accounts** screen with **List of Ledgers** appears as shown in Figure 3.8

The screenshot shows the TallyPrime Chart of Accounts screen. The top menu bar includes options like K: Company, Y: Data, Z: Exchange, G: Go To, O: Import, E: Export, M: E-mail, P: Print, and F1: Help. The main area displays a table of ledgers with columns for Sl. No., Name of Ledger, Under, State Name, GST Registration Type, GSTIN/UN, and Opening Balance. The ledger list includes various categories such as Sundry Debtors, Cash-in-Hand, Direct Expenses, Duties & Taxes, Indirect Expenses, etc. A context menu on the right side of the screen provides various options like Period, Company, Group, etc.

Sl. No.	Name of Ledger	Under	State Name	GST Registration Type	GSTIN/UN	Opening Balance
1	Bhoomi Furnitures (Customer) KA	Sundry Debtors	Karnataka	Composition	29	1
2	Cash	Cash-in-Hand				
3	Central Tax	Direct Expenses				
4	Central Tax @ 0.5%	Duties & Taxes				
5	GST @1%	Indirect Expenses				
6	Integrated Tax	Direct Expenses				
7	JP Enterprises (Supplier) KA	Sundry Creditors	Karnataka	Regular	29	J
8	Kotak Bank Current A/c	Bank Accounts	Karnataka	Regular	29	F
9	MM Furniture Store (Customer) KA	Sundry Debtors	Karnataka	Regular	29	L
10	Owner's Capital A/c	Capital Account	Karnataka	Regular	33	3
11	PG Agencies (Customer) KA	Sundry Debtors	Karnataka	Regular		
12	PK Furnitures (Supplier) TN	Sundry Creditors	Tamil Nadu	Regular		
13	Profit & Loss A/c	♦ Primary				
14	Purchase A/c	Purchase Accounts				
15	Sales A/c	Sales Accounts				
16	State Tax	Direct Expenses				
17	State Tax @ 0.5%	Duties & Taxes				

Figure 3.8 List of Ledgers

Note: Similarly, to check the other masters such as Groups, Stock Groups, Stock Items, Stock Categories, click **F10: Other Masters**.

Step 2: Importing the Masters for the existing company.

- 1) From **Gateway of Tally** > Click **O: Import**
- 2) The **Import** table appears as shown in Figure 3.9.

The screenshot shows the TallyPrime Gateway of Tally screen. The top menu bar includes options like K: Company, Y: Data, Z: Exchange, G: Go To, O: Import, E: Export, M: E-mail, P: Print, and F1: Help. The main area displays current period information (1-Apr-20 to 31-Mar-21), current date (Thursday, 31-Dec-2020), and company details (Dakshin Furniture Pvt. Ltd.). A context menu is open over the **O: Import** button, listing options like COMPANY DATA, Masters, Transactions, Bank Details, Configuration, Create, Alter, Chart of Accounts, Vouchers, Day Book, Banking, Balance Sheet, Profit & Loss A/c, Stock Summary, Ratio Analysis, and Display More Reports.

Figure 3.9 Import table screen

- 3) Enter on **Masters**.
- 4) The **File path** will pick the Tally Application installed path i.e, **D:\TallyPrime**
- 5) Under **File to import (XML)** > Select **Export & Import** folder from the list.
- 6) Under the **File to import (XML)** > select **Master.xml**.



The **Import Masters** screen appears as shown in Figure 3.10.

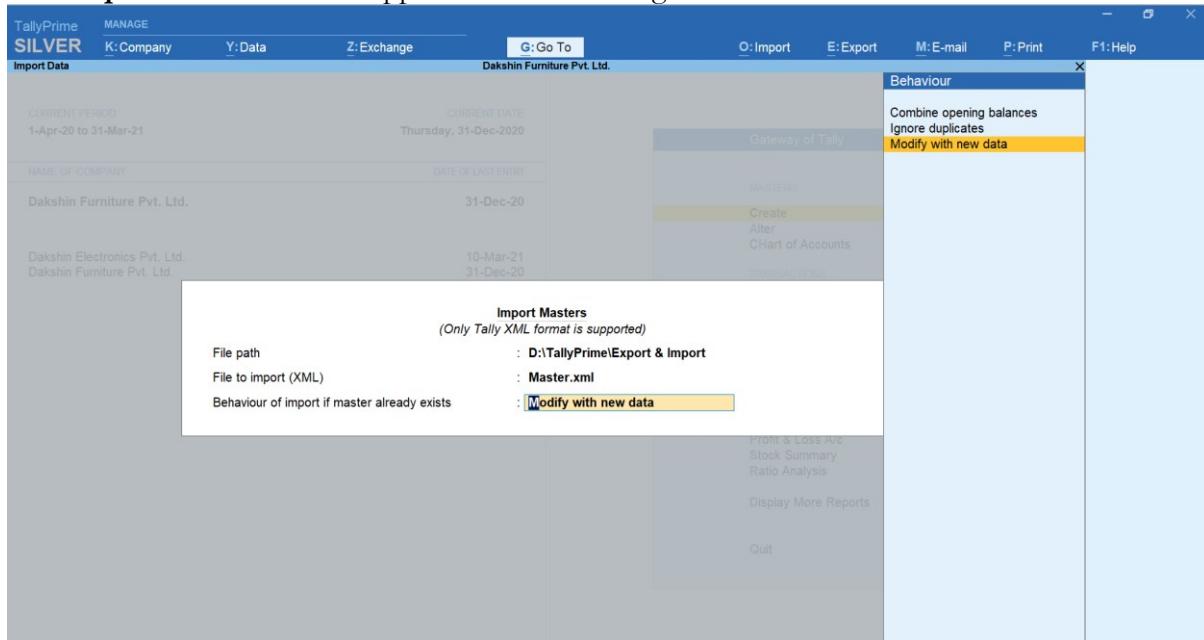


Figure 3.10 Import of Masters screen

- 7) In the **Behaviour** field, select **Ignore duplicates**

The **Import Masters Behaviour** is explained in Chart 3.3

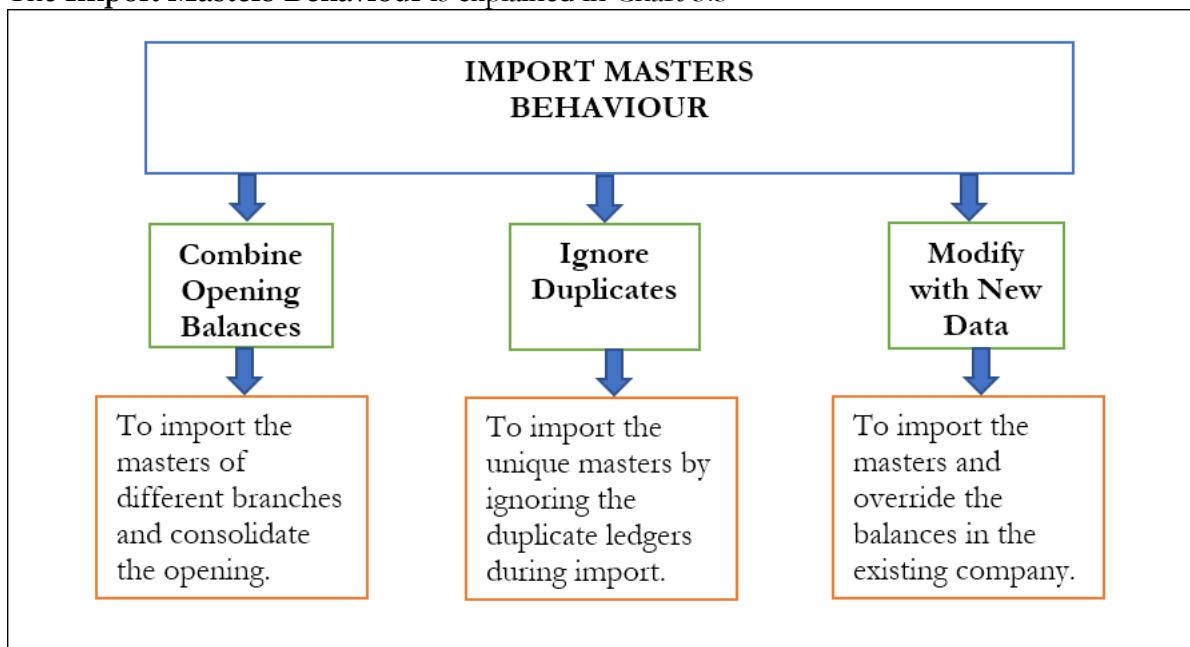


Chart 3.3 Importing Masters Behaviour

- **Combine Opening Balances:** In **Behaviour of import if master already exists** field, we can select **Combine Opening Balances** to import the masters of different branches and consolidate the opening balances.
- **Ignore Duplicates:** In **Behaviour of import if master already exists** field, we can select **Ignore Duplicates** to import the unique masters by ignoring the duplicate ledgers during import.
- **Modify with New Data:** In **Behaviour of import if master already exists** field, we can select **Modify with New Data** to import the masters and replace the existing balances in the imported company and override the balance available in the existing company.



- 8) Press **Enter**.

The **Import Data** screen appears as shown in Figure 3.11.

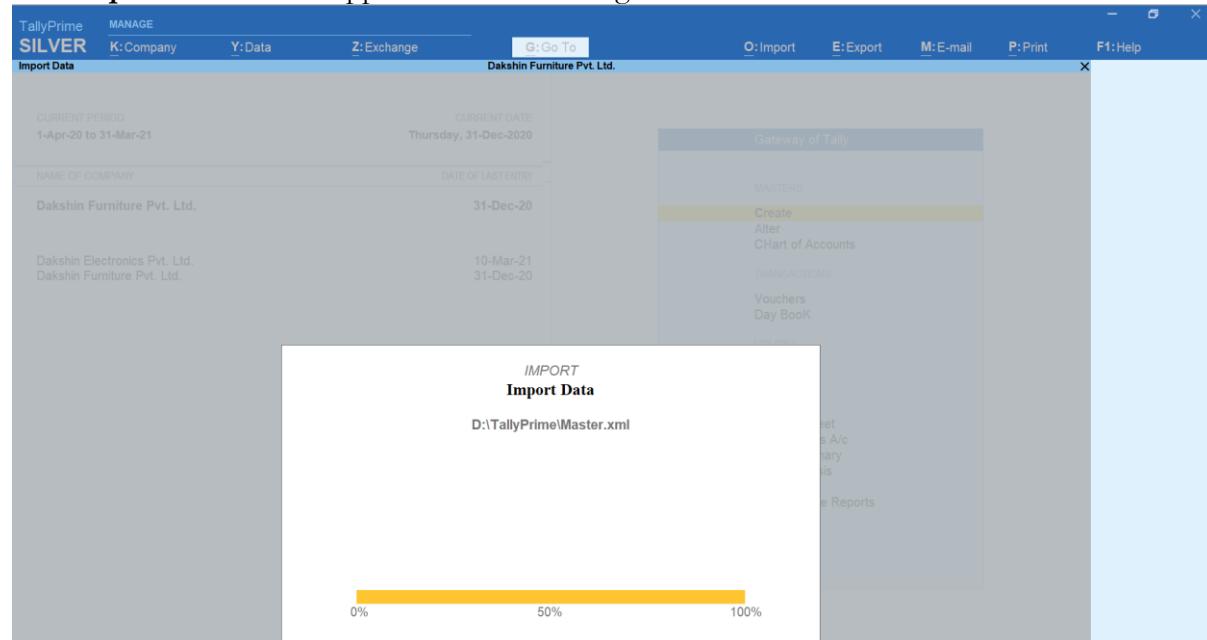


Figure 3.11 Import Data screen

- 9) The Ledgers will be imported successfully.

Step 3: View Chart of Accounts after importing the Masters

You can check the Ledgers available in **Dakshin Furniture Pvt. Ltd.** To do so,

- 1) From **Gateway of Tally > Chart of Accounts > Under Accounting Masters > Ledgers**
- 2) Click **F5: Ledger View**

The **Chart of Accounts** screen with **List of Ledgers** appears as shown in Figure 3.12

Chart of Accounts							Dakshin Furniture Pvt. Ltd.		F1:Help	
Sl. No.	Name of Ledger	Under	State Name	GST Registration Type	GSTIN/UN	Opening Balance			F4: Group	
1	Ali Advertising Agency	Sundry Creditors	Karnataka						F5: Group View	
2	AMC Charges	Direct Incomes							F6	
3	Bhawani Enterprises (Customer) KA	Sundry Debtors	Karnataka	Regular	29.				F7	
4	Bhoomi Furnitures (Customer) KA	Sundry Debtors	Karnataka	Composition	29	1			F8	
5	Cash	Cash-In-Hand							F9	
6	Central Tax	Direct Expenses							F10: Other Masters	
7	Central Tax @ 0.5%	Duties & Taxes							B: Basis of Values	
8	Durga Enterprises (Supplier) KA	Sundry Creditors	Karnataka	Regular	29.	J			H: Change View	
9	GST @1%	Indirect Expenses							J: Exception Reports	
10	Integrated Tax	Direct Expenses							H: Multi-Masters	
11	Interest on TDS Late Payment	Indirect Expenses								
12	JNR Services Pvt. Ltd.	Sundry Creditors	Karnataka							
13	JP Enterprises (Supplier) KA	Sundry Creditors	Karnataka	Regular	29.	J				
14	Kotak Bank Current A/c	Bank Accounts	Karnataka							
15	KPN Sole Proprietor	Sundry Creditors	Karnataka							
16	KSS Enterprises (Supplier) AP	Sundry Creditors	Andhra Pradesh	Regular	37.	V				
17	Maintenance Services	Indirect Incomes								
18	Mataji Electronics (Customer) TN	Sundry Debtors	Tamil Nadu	Regular	33.	3				
19	Max Services Agency	Sundry Creditors	Karnataka							
20	MM Furniture Store (Customer) KA	Sundry Debtors	Karnataka	Regular	29.					
21	Owner's Capital A/c	Capital Account	Karnataka	Regular						
22	PG Agencies (Customer) KA	Sundry Debtors	Karnataka	Regular	29.					
23	PK Furnitures (Supplier) TN	Sundry Creditors	Tamil Nadu	Regular	33.	3				
24	Pooja Appliances (Supplier) KA	Sundry Creditors	Karnataka	Regular	29.	J				
25	Profit & Loss A/c	♦ Primary								
26	Purchase A/c	Purchase Accounts								
27	Raj Transporters	Sundry Creditors	Karnataka							
28	Rakesh Advertising Agency	Sundry Creditors	Karnataka							
29	Rakesh Enterprises (Customer) KA	Sundry Debtors	Karnataka	Regular	29.	1				
30	Sales A/c	Sales Accounts								
31	SAM Agencies	Sundry Creditors	Karnataka							
32	SRN Constructors Pvt. Ltd.	Sundry Creditors	Karnataka							
33	State Tax	Direct Expenses								
34	State Tax @ 0.5%	Duties & Taxes								
35	Tamara Agencies (Supplier) KA	Sundry Creditors	Karnataka	Regular	29.	L				
36	TDS	Duties & Taxes								
37	ZLX Advertising Agency	Sundry Creditors	Karnataka							

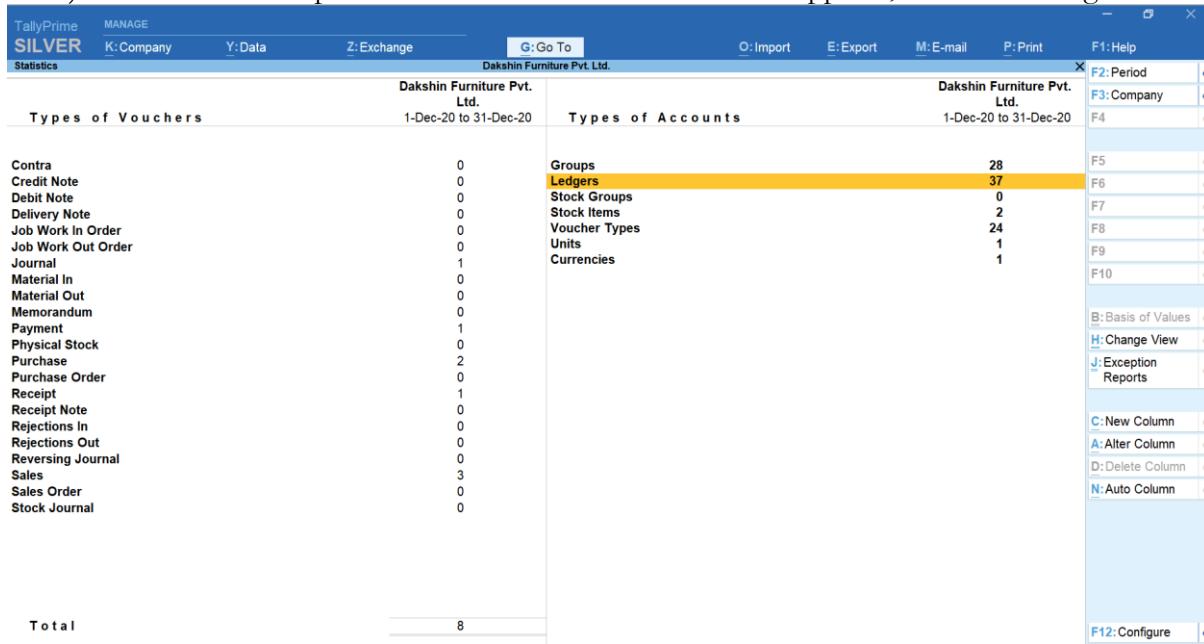
Figure 3.12 List of Ledgers



Observation: In Figure 3.12, we can observe that all the Ledgers are imported successfully with the total accounting ledgers 37. Before importing the masters, in **Dakshin Furniture Pvt. Ltd.**, there were 17 ledgers as shown in *Figure 3.8*.

You can view the **Statistics** once the import process is complete. To view the statistics report,

- 1) Click **G: Go To >** In the **Search** field, type as **statistics** > under **Common Reports** > select **Statistics**.
- 2) The Statistics report of **Dakshin Furniture Pvt. Ltd.** appears, as shown in Figure 3.13



Types of Vouchers		Dakshin Furniture Pvt. Ltd.		Types of Accounts		Dakshin Furniture Pvt. Ltd.	
		1-Dec-20 to 31-Dec-20		1-Dec-20 to 31-Dec-20		1-Dec-20 to 31-Dec-20	
Contra	0	Groups	28			F5	
Credit Note	0	Ledgers	37			F6	
Debit Note	0	Stock Groups	0			F7	
Delivery Note	0	Stock Items	2			F8	
Job Work In Order	0	Voucher Types	24			F9	
Job Work Out Order	0	Units	1			F10	
Journal	1	Currencies	1				
Material In	0						
Material Out	0						
Memorandum	0						
Payment	1						
Physical Stock	0						
Purchase	2						
Purchase Order	0						
Receipt	0						
Receipt Note	1						
Rejections In	0						
Rejections Out	0						
Reversing Journal	0						
Sales	3						
Sales Order	0						
Stock Journal	0						
Total		8					

Figure 3.13 Statistics Report

3.3.2 Export and Import of Transactions from one company to another in XML format

You can export and import the entire data to a newly created company. We can export the transactions and the dependant masters can be exported along with the transactions.

*Note: Ensure that **F11: Features** of the exporting and the importing company are the same.*

Step 1: Exporting Transactions:

To Export the Transactions with dependant masters in TallyPrime,

- 1) From **Gateway of Tally> Click **E: Export> Transactions****
- 2) The **Export** screen appears, Click **C: Configure**.
- 3) In the **Export Configuration** screen select the details as given in Table 3.1

Against the field	Action to be performed
Transaction Options	
Type of Voucher Entries	Select as All Vouchers
Include dependent master	Select as Yes
Period	1-Apr-20 to 31-Dec-20
Export Settings	
File Format	Select as XML (Data Interchange)
Export to	Select as Local drive



Folder Path	By default, it is D:\TallyPrime. You can change the folder path as D:\TallyPrime\Export & Import
File Name	By default, it is Transaction.xml (You can change the file name if required with the extension as .xml)
Accept the screen	

Table 3.1

Step 2: Importing Transactions

To Import the Transactions with dependant masters in TallyPrime,

- 1) From **Gateway of Tally**>Click **Q: Import**> **Transactions**.
- 2) File Path D:\TallyPrime will appear as the Tally application is installed in the same path.
Change the path as **D:\TallyPrime\Export & Import**
- 3) In the **File to import (XML)** path, Select **Transactions.xml** > Press **Enter**.
- 4) The transactions will get imported successfully.

Note: As **Dakshin Furniture Pvt. Ltd** is a newly started company, there are no transactions to be imported from another company **Dakshin Electronics Pvt. Ltd** hence only masters are imported.

3.3.3 Exporting Reports to MS Excel

In this section, we will export the Trial Balance of **Dakshin Electronics Pvt. Ltd** from TallyPrime to MS Excel.

To export the **Trial Balance**,

- 1) Load **Dakshin Electronics Pvt. Ltd.** company in TallyPrime and Shut **Dakshin Furniture Pvt. Ltd.**
- 2) From **Gateway of Tally** > **Display More Reports** > **Trial Balance**
- 3) Press **Alt+F5** for **Detailed Trial Balance**.
- 4) Click **E: Export** or Press **Alt+E** > Enter on **Current**
- 5) Click **C: Configure** > Click **Show More**
- 6) Set the **File Format** as **Excel (Spreadsheet)**
- 7) Set the **Folder Path** as **D:\TallyPrime\Export & Import**

Note: We can set the default folder path for export/import files. To do so, click **E: Export** > **Configuration** > under **General** > **Location of Import/Export files**.

- 8) **Accept** the screen.



The **Export** screen appears as shown in Figure 3.14

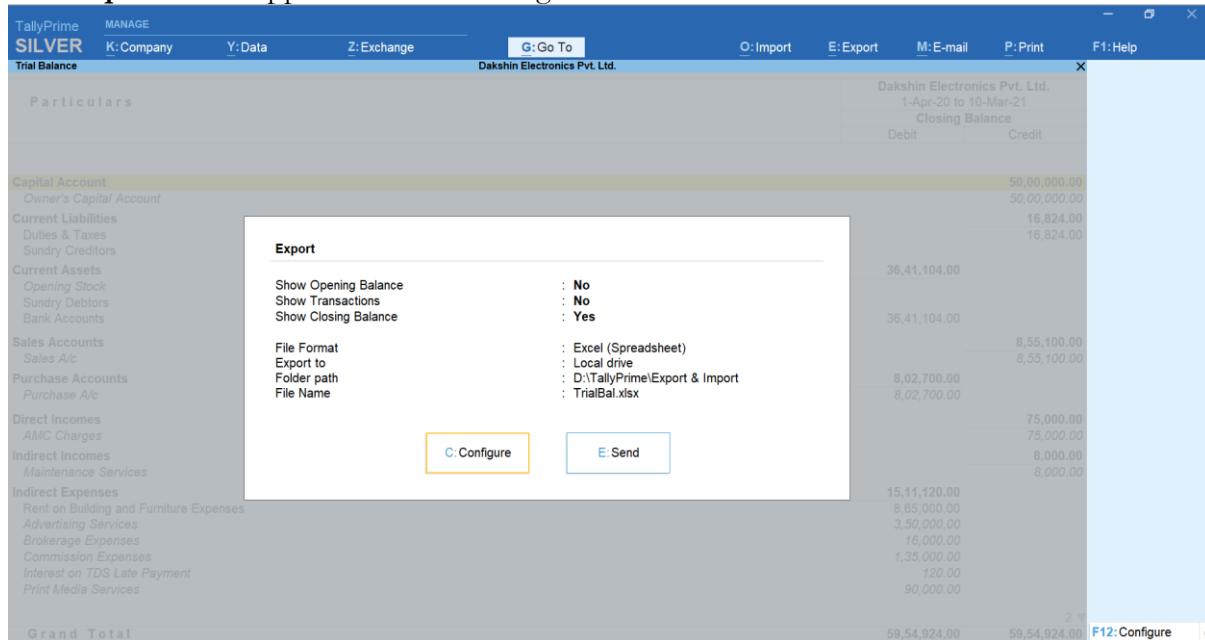


Figure 3.14 Export screen

9) Click on **E: Send**

10) The Trial Balance gets exported to MS Excel and the file gets opened automatically.

The exported **Trial Balance report in MS Excel** appears as shown in Figure 3.15.

The figure shows a Microsoft Excel spreadsheet titled 'Dakshin Electronics Pvt. Ltd.'. The data is identical to the Trial Balance report shown in Figure 3.14, including the header information, account details, and totals.

Particulars	Debit	Credit
Capital Account	50,00,000.00	
Owner's Capital Account	50,00,000.00	
Current Liabilities	16,824.00	
Duties & Taxes	16,824.00	
Sundry Creditors		
Current Assets		50,00,000.00
Opening Stock	36,41,104.00	
Sundry Debtors		8,55,100.00
Bank Accounts		8,55,100.00
Sales Accounts	8,02,700.00	
Sales A/c	8,02,700.00	
Purchase Accounts		8,02,700.00
Purchase A/c		8,02,700.00
Direct Incomes		75,000.00
AMC Charges		75,000.00
Indirect Incomes		8,000.00
Maintenance Services		8,000.00
Indirect Expenses		8,000.00
Rent on Building and Furniture Expenses		8,000.00
Advertising Services		8,000.00
Brokerage Expenses		8,000.00
Commission Expenses		8,000.00
Interest on TDS Late Payment		8,000.00
Print Media Services		8,000.00
Technical Services		8,000.00
Transportation Expenses		8,000.00
Grand Total	59,54,924.00	59,54,924.00

Figure 3.15 Trial Balance Report in MS Excel



Note: Similarly, you can export all other reports from TallyPrime.

3.3.4 Exporting Reports to PDF

In this section, we will export the Sales Register of **Dakshin Electronics Pvt. Ltd** from TallyPrime to PDF.

- 1) From **Gateway of Tally > Display More Reports > Account Books > Sales Register**
- 2) Enter on **January** > Press **Alt+F5** for Detailed view.
- 3) Click **E: Export** or Press **Alt+E** > Enter on **Current**
- 4) Click **C: Configure**
- 5) Set **Show Inventory Details** to **Yes**
- 6) Set **File Format** as **PDF (Read-only document)**
- 7) Set the **Folder Path** as **D:\TallyPrime\Export & Import**
- 8) Enter **File Name** as **Sales Register.pdf** > Accept the screen.

The **Export** screen appears as shown in Figure 3.16

Figure 3.16 Export screen

- 9) Click **E: Send**.
- 10) The Sales Register gets exported to PDF and the file will be located inside the Tally folder (**D:\TallyPrime\Export & Import**).



The exported **Sales Register** report in PDF appears as shown in Figure 3.17

Dakshin Electronics Pvt. Ltd.						
# 162, 9th Main, 15th A Cross, Block A2, Techno Park, Electronic City, Bengaluru.						
Sales Register						
1-Jan-21 to 31-Jan-21						
Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount	Page 1
5-Jan-21	Bhawani Enterprises (Customer) KA Sales A/c	Sales	9	42,480.00		
	Samsung 32 Inches LED Smart TV	1 Nos 19,000.00/Nos	19,000.00		36,000.00	
	Nokia C3	2 Nos 8,500.00/Nos	17,000.00			
	Central Tax				3,240.00	
	State Tax				3,240.00	
8-Jan-21	Rakesh Enterprises (Customer) KA Sales A/c	Sales	10	48,262.00		
	Samsung J7	3 Nos 10,800.00/Nos	32,400.00			
	Nokia C3	1 Nos 8,500.00/Nos	8,500.00			
	Central Tax				3,681.00	
	State Tax				3,681.00	
10-Jan-21	Mataji Electronics (Customer) TN Sales A/c	Sales	11	82,080.00		
	LG Washing Machine	1 Nos 16,000.00/Nos	16,000.00			
	Philips Wet Grinder	1 Nos 13,000.00/Nos	13,000.00			
	Sony 43 Inches LED Smart TV	1 Nos 38,000.00/Nos	38,000.00			
	Integrated Tax				15,080.00	
13-Jan-21	Rakesh Enterprises (Customer) KA Sales A/c	Sales	12	94,188.00		
	Samsung J7	2 Nos 10,800.00/Nos	21,600.00			
	Nokia C3	2 Nos 8,500.00/Nos	17,000.00			
	Sony 43 Inches LED Smart TV	1 Nos 38,000.00/Nos	38,000.00			
	Central Tax				8,794.00	
	State Tax				8,794.00	
15-Jan-21	Bhawani Enterprises (Customer) KA Sales A/c	Sales	13	55,860.00		
	LG Washing Machine	1 Nos 16,000.00/Nos	16,000.00			
	Philips Wet Grinder	1 Nos 13,000.00/Nos	13,000.00			
	Samsung 32 Inches LED Smart TV	1 Nos 19,000.00/Nos	19,000.00			
	Central Tax				3,930.00	
	State Tax				3,930.00	
16-Jan-21	Kotak Bank Current A/c AMC Charges Central Tax State Tax	Sales	14	88,500.00		
					75,000.00	
					6,750.00	
					6,750.00	
Total: 4,11,370.00						

Figure 3.17 Sales Register in PDF

Note: Similarly, you can export the reports from any screen in TallyPrime in PDF format.



3.4 Open Database Connectivity (ODBC)

Using the ODBC feature, you can extract the data in MS Excel. It allows other programs to use data from TallyPrime directly. Thus, MS Excel which is ODBC compliant can use data from TallyPrime.

Data connectivity is dynamic, which means that any update in TallyPrime is reflected in real-time in other ODBC compliant software. The user can also extract data from TallyPrime and design their report formats in other ODBC compliant software.

When you have to share your data with your clients or superiors using Excel, you can extract data from ledgers and stock items.

Business Scenario

Mr. Chandan, the accountant of Dakshin Electronics Pvt. Ltd. wants to export the Customers and Suppliers details which are created in TallyPrime to Microsoft Excel. Using the ODBC feature, we can export customer's/supplier's details to Microsoft Excel.

Step 1: Activating ODBC in TallyPrime.

- 1) Load **Dakshin Electronics Pvt. Ltd.** Company.
- 2) From **Gateway of Tally > Click F1: Help > Enter on Settings > Enter on Connectivity.**
- 3) Enter on **Client/Server configuration** and configure the details as shown in Figure 3.18.

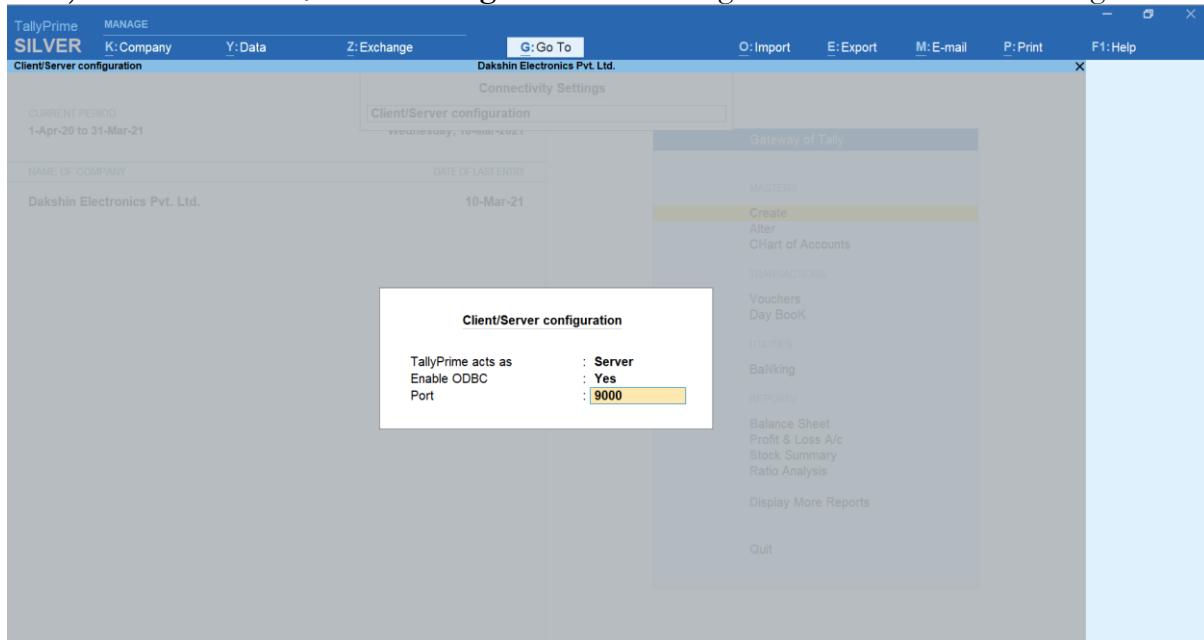


Figure 3.18 ODBC configuration

- 3) Accept the screen
- 4) The screen appears with the message “**Restart TallyPrime to apply the changes**” Click on **Yes**. The Tally application gets restarted.
- 5) Select **Dakshin Electronics Pvt. Ltd** company from the **List of Companies** screen.

**Step 2: Extract Ledger details to Microsoft Excel using ODBC**

- 1) Open Microsoft Excel on your system.
- 2) Click **Data > Get Data > From Other Sources > From Microsoft Query** as shown in Figure 3.19

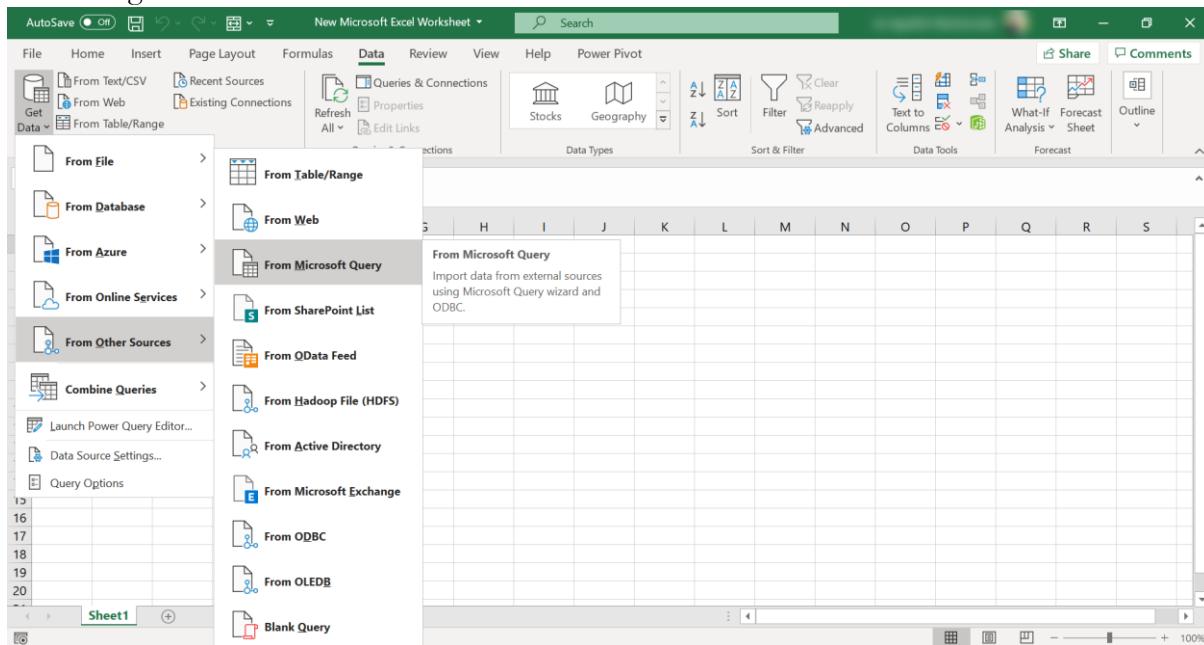


Figure 3.19 ODBC configuration in MS Excel

- 3) Select **TallyODBC64_9000***, as ODBC is enabled on the server 9000 as shown in Figure 3.20

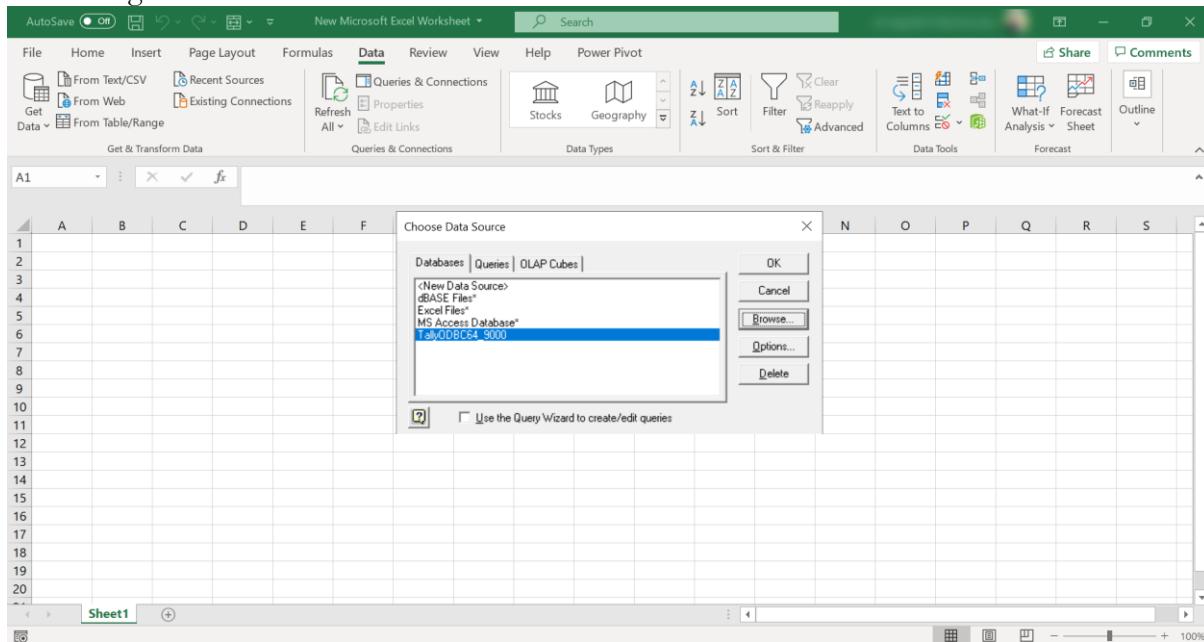


Figure 3.20 TallyODBC in Excel

- 4) Click **OK**.



The Query Wizard – Choose Columns screen appears as shown in Figure 3.21.

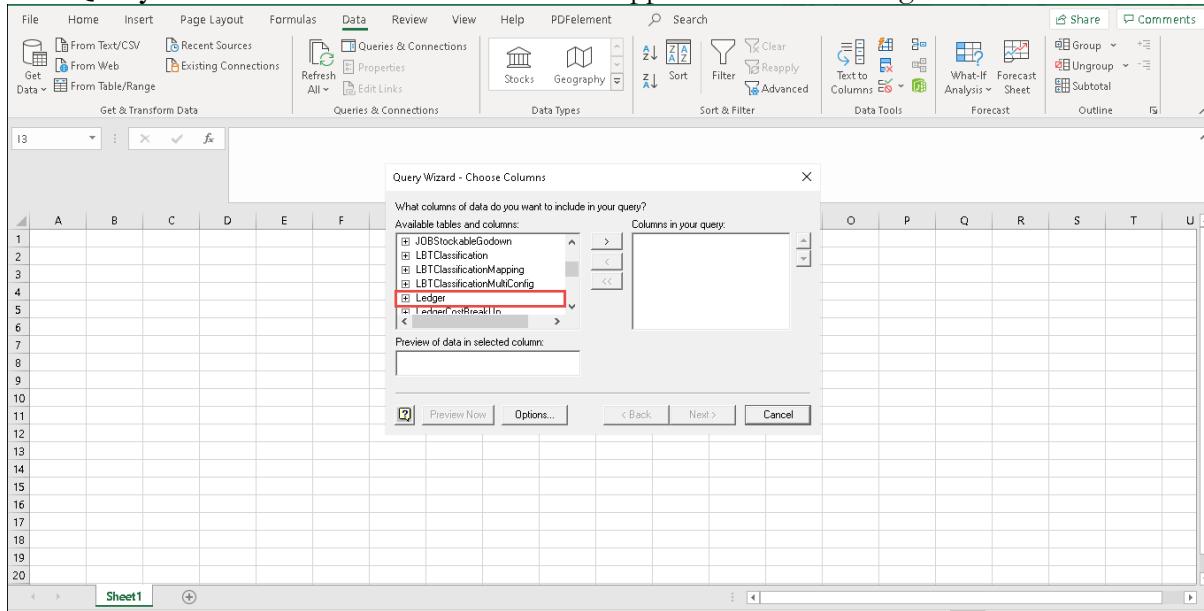


Figure 3.21 Selecting Ledger in Excel

- 5) Select **Ledger** from the list of **Available tables and columns**
- 6) **Expand** or click on the **Plus** Symbol next to the ledger in the list to select the details as given by placing the cursor on the respective option and **double click** to select it in the next column that is in **Columns in your query**.
 - \$Name
 - \$Address
 - \$GSTRegistrationType
 - \$CountryName
 - \$MailingName
 - \$ClosingBalance
 - \$IntegratedTax
 - \$CentralTax
 - \$StateTax

Note: We have explored only selected options based on the user requirement list that can be selected to filter.

- 7) Click **Next**.
- 8) The Query Wizard – Filter Data screen with the column names appears as shown in Figure 3.22.

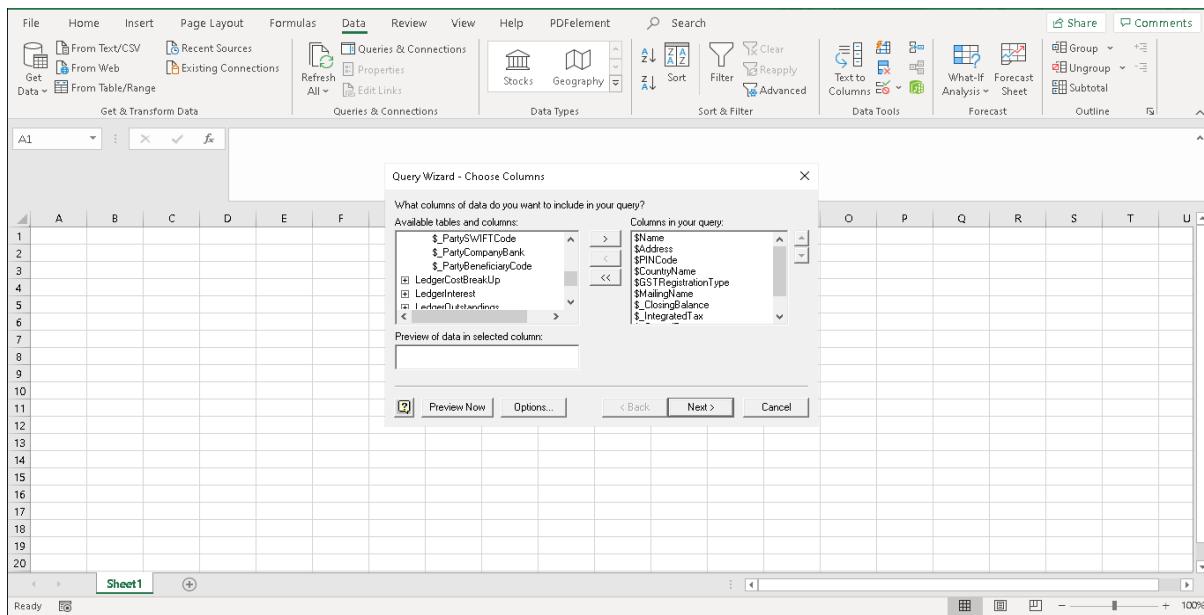


Figure 3.22 Query wizard selection columns

9) Click on **Next**.

The **Query Wizard –Filter Data** screen appears as shown in Figure 3.23.

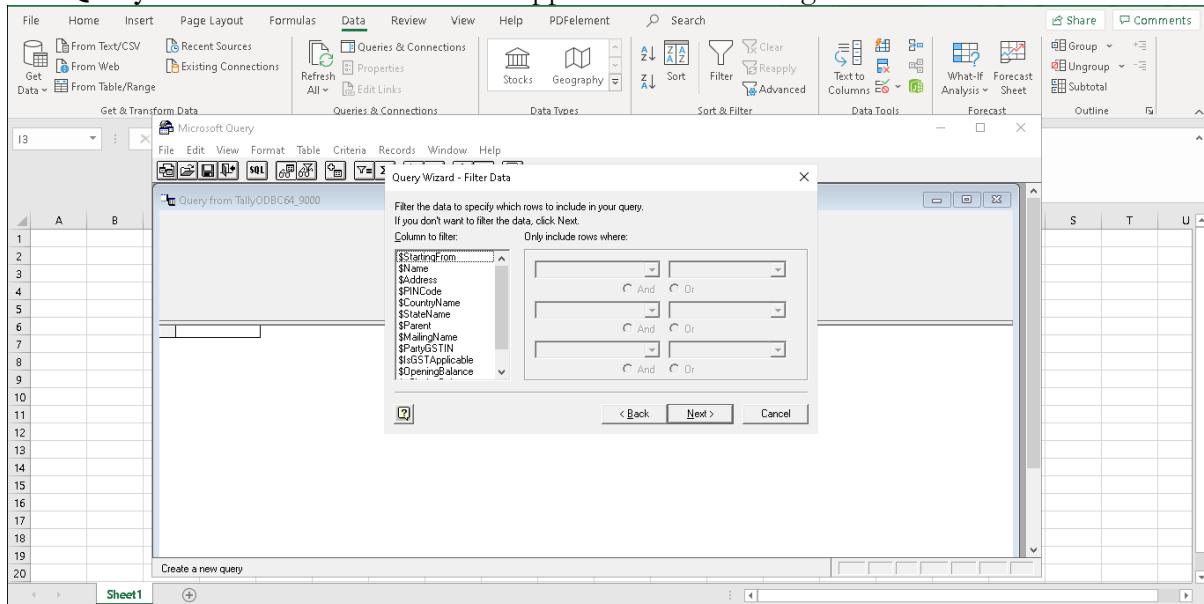


Figure 3.23 Query Wizard –Filter Data

10) Click **Next**.

11) Select the list of details in **Ascending** or **Descending** for each drop-down list under Sort by, as required.

12) After selecting the Query Wizard- Filter Data screen appears as shown in Figure 3.24.

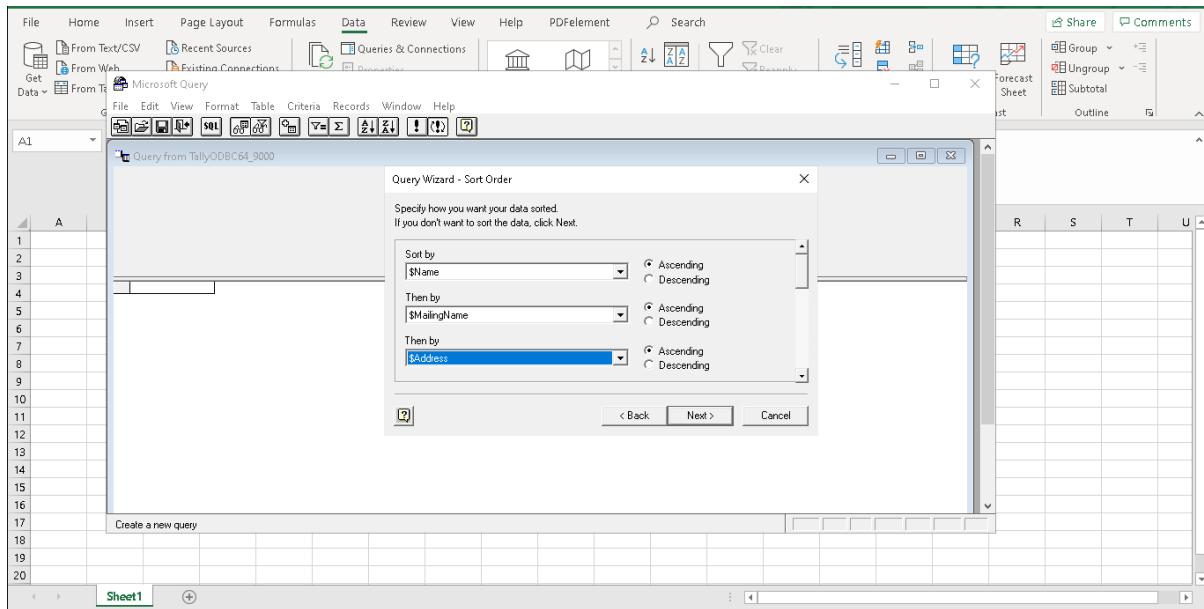


Figure 3.24 Selection of Ascending order and Descending order

13) Click Next.

The Query Wizard – Finish screen appears as shown in Figure 3.25

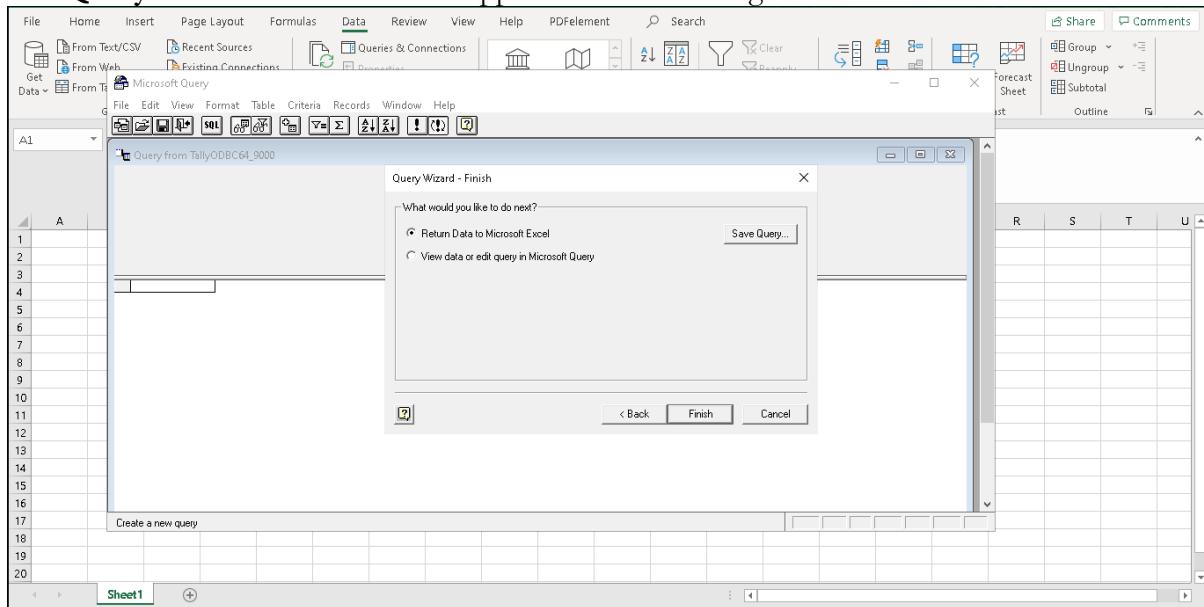


Figure 3.25 Finish Query Wizard Screen

14) Click on Finish.



The **Import Data** screen appears as shown in Figure 3.26.

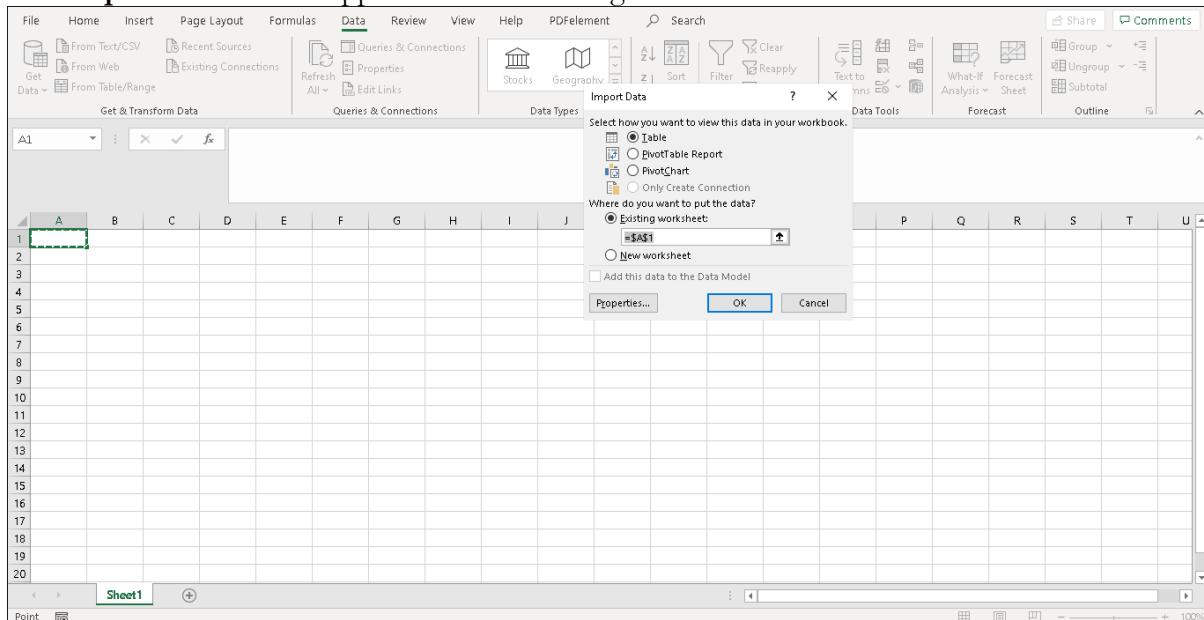


Figure 3.26 Import of Data screen

15) Click on **OK**.

The **Microsoft Excel** sheet with the imported data appears as shown in Figure 3.27.

Ledger.'\$Name'	Ledger.'\$Address'	Ledger.'\$PINCode'	Ledger.'\$Country'	Ledger.'\$GSTRegist'	Ledger.'\$MailingNa	Ledger.'\$_Closing	Ledger.'\$_Integrati	Ledger.'\$_Centra	Ledger.'\$_StateTa
Advertising Services						-25000 18	9	9	
Bhawani Enterprises (Cu #23, Hosur Main Road, 560821	India	Regular	Bhawani Enterprises (C			-288340			
Capital A/c	India	Regular	Capital A/c			1000000			
Cash						-18290			
Central Tax						-5878			
Durga Enterprises (Suppl #35, Block 1, RM Tech 560105	India	Regular	Durga Enterprises (Sup			0			
Integrated Tax						15080			
Kotak Bank Current A/c	India		Kotak Bank Current A/c			-769142			
KSS Enterprises (Supplie #105, SatyanarayanaP 520011	India	Regular	KSS Enterprises (Suppl			205200			
Maintenance Services						8000 18	9	9	
Mataji Electronics (Custo # 21, Mahatma Gandhi 600003	India	Regular	Mataji Electronics (Cust			-300120			
Pooja Appliances (Suppl#43, Vivekananda Circ 560104	India	Regular	Pooja Appliances (Supp			471966			
Profit & Loss A/c						35400			
Purchase A/c						-802700			
Rakesh Enterprises (Cust#113, 10th Main, 2nd C 560108	India	Regular	Rakesh Enterprises (Cu			-369498			
Sales A/c						855100			
State Tax						-5878			
Tamara Agencies (Suppli # 9/23, Kaveri Nilaya, 560103	India	Regular	Tamara Agencies (Supp			29500			

Figure 3.27 Ledger Details after extracting

Similarly, any data can be extracted from Tally by using the Microsoft Excel Query Wizard.

Note: Any changes/modification in the Ledger details in TallyPrime can be instantly updated in MS Excel by clicking on the **Refresh** option under **Data** Menu.



3.5 Printing of Company Logo on Vouchers, Invoices & Reports.

A company logo is a symbol or design accepted by an organization to identify its product in the market. In TallyPrime, we can take a print of the company logo in vouchers, invoices and reports.

The company logo format should be either BMP (Bitmap) or JPEG. The recommended logo size is 96 pixels in width and 80 pixels in height.

The Company Logo can be printed on the selected Vouchers, Invoices and Reports as shown in Chart 3.4

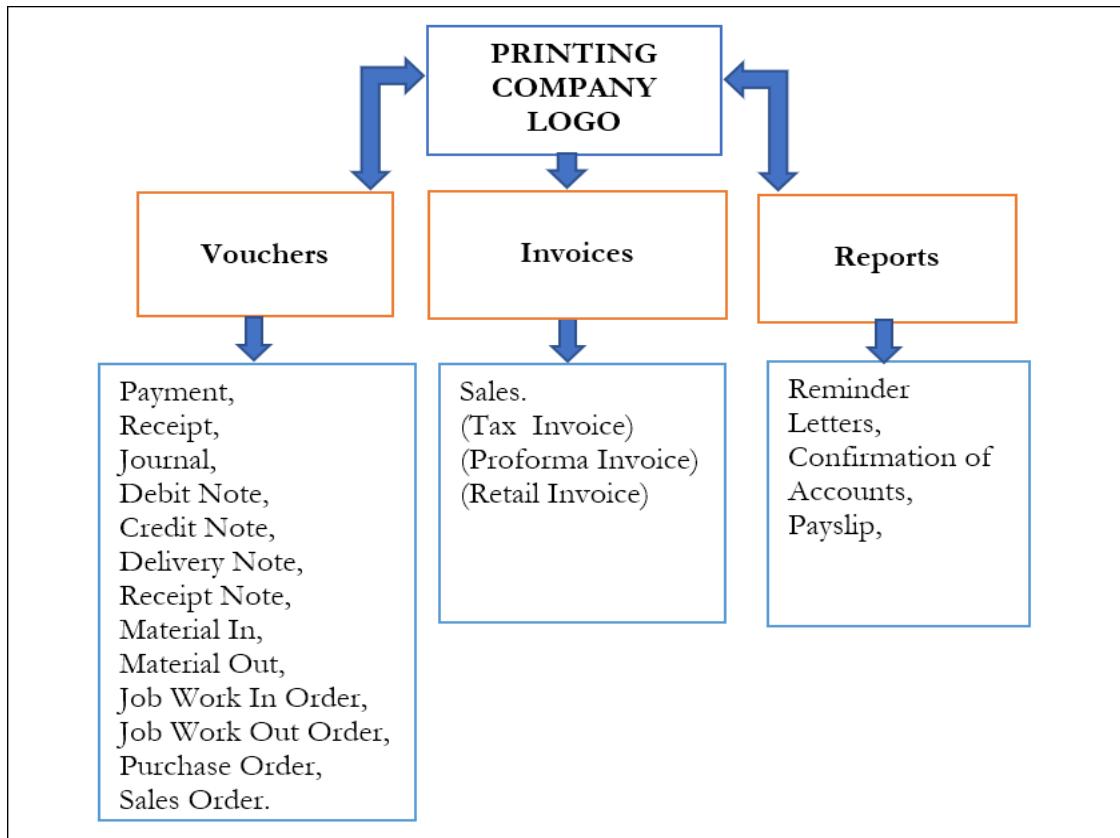


Chart 3.4 Printing Company Logo

Business Scenario

Dakshin Electronics Pvt. Ltd., has created a company logo and they wanted the logo to be printed on the outgoing documents such as Sales Invoice, Credit Note and Confirmation of Accounts. The company logo is available inside the Tally folder **D:\TallyPrime**.



The Company Logo of Dakshin Electronics Pvt Ltd. appears as shown in Figure 3.28



Figure 3.28 Company Logo

Step 1: Configuring Company Logo

- 1) Load **Dakshin Electronics Pvt. Ltd.**, company.
- 2) From **Gateway of Tally** > Click **E: Export** > **Configuration**

The **Export Configuration** screen appears as shown in Figure 3.29

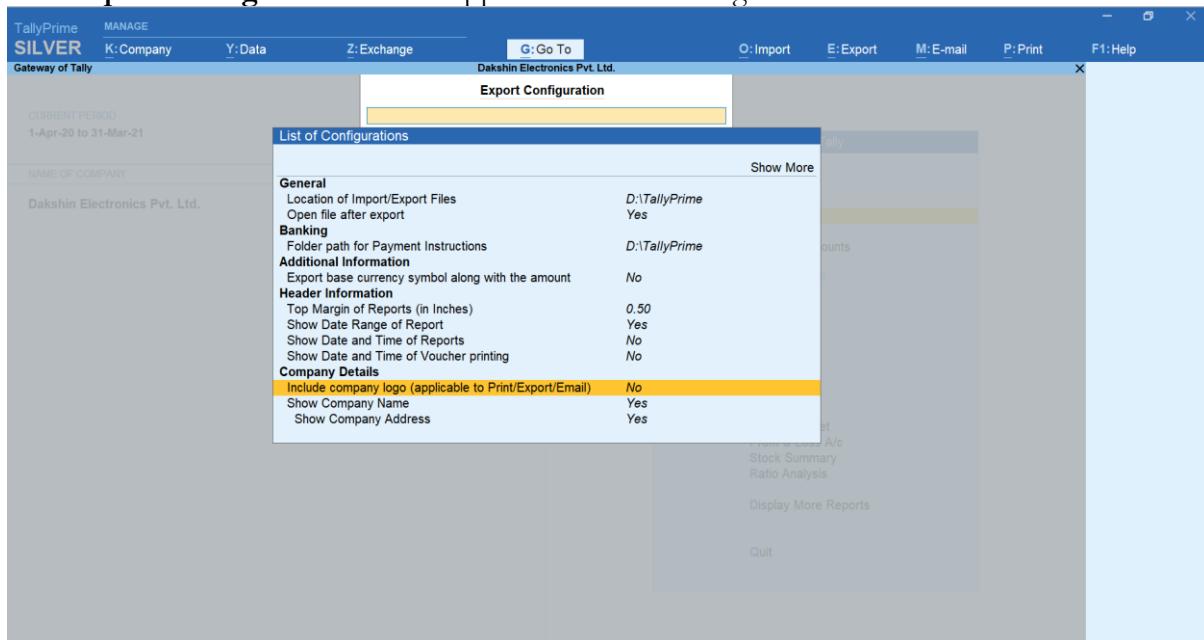


Figure 3.29 Export Configuration screen

- 3) Under **Company Details** > Enter on **Include company logo (applicable to Print/Export/Email)**.
- 4) In the **Company Details** screen, Set **Include company logo (applicable to Print/Export/Email)** to **Yes**.
- 5) In the **Image Path** field, by default **D:\TallyPrime** will appear (Application path where Tally is installed).
- 6) In the **Image File Name** field, select the company logo path from the file selection (Company Logo which is already available inside the TallyFolder).

Note: The company logo format supported in TallyPrime are BMP and JPEG format only.



The **Company Logo** screen appears as shown in Figure 3.30.

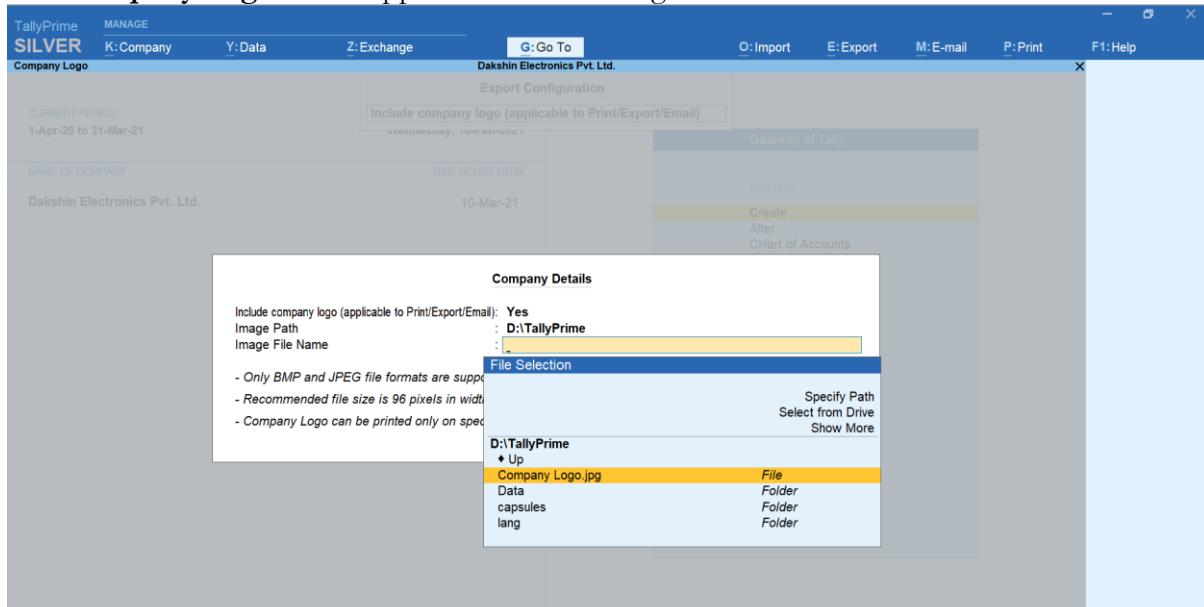


Figure 3.30 Configuring Company Logo Path

Note: In the Image File Name, the logo file path should be with the extension of either **.bmp** or **.jpg**.

- 7) Accept the **Company Details** screen.
- 8) Accept the **Export Configuration** screen.

Step 2: Printing Sales Invoice with Company Logo.

To print the company logo in the sales invoice,

- 1) From **Gateway of Tally > Display More Reports >Day Book**.
- 2) Click **F2: Date > Change Date to 12-10-2021**.
- 3) Select the **Sales Voucher** with the Voucher number **1** > Press **Enter**.
- 4) From the Sales Voucher Alteration screen, Click **P: Print > Current**
- 5) Click **C: Configure > Click Show More >under Company Details > Set Show Company Logo to Yes.**



The **Print Configuration** screen appears as shown in Figure 3.31

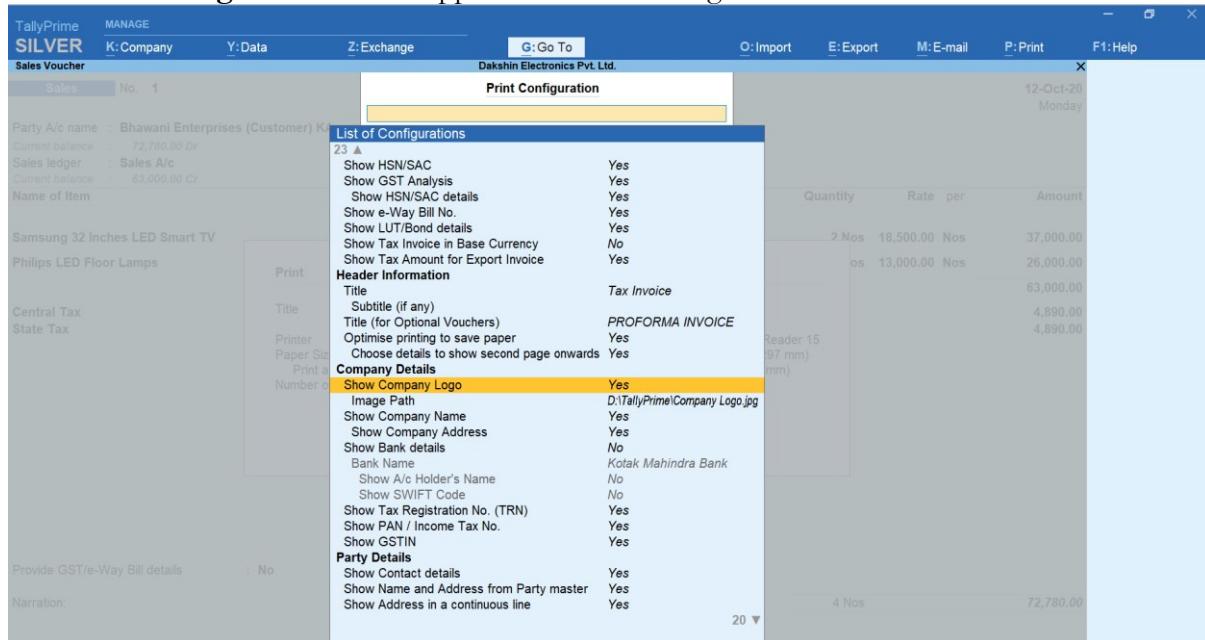


Figure 3.31 Print Configuration screen

Observation: In the **Image Path** field, the company logo path will get capture as per the file selected in the **Company Logo Configuration** made in **E: Export > Configuration**.

- 6) Press **Ctrl+A** and Accept the Print Configuration.
- 7) In the Voucher Printing screen, Click **I: Preview**.



The Tax Invoice with Company Logo screen appears as shown in Figure 3.32.

Tax Invoice																																								
 Dakshin Electronics Pvt. Ltd. # 162, 9th Main, 15th A Cross, Block A2, Techno Park, Electronic City, Bengaluru. GSTIN/UIN: 29/..... State Name : Karnataka, Code : 29 E-Mail : dakshinelectronics@gmail.com		Invoice No. e-Way Bill No. Dated 1 594864576878 12-Oct-20 Delivery Note Mode/Terms of Payment Reference No. & Date. Other References Buyer's Order No. Dated Dispatch Doc No. Delivery Note Date Dispatched through Destination Terms of Delivery																																						
Buyer (Bill to) Bhawani Enterprises #23, Hosur Main Road, Global Tech Park, Bengaluru GSTIN/UIN : 29/..... F State Name : Karnataka, Code : 29 Contact : 9863898060																																								
SI No.	Description of Goods	HSN/SAC	GST Rate	Quantity	Rate per	Amount																																		
1	Samsung 32 Inches LED Smart TV Rate of Duty: 18%	85287219	18 %	2 Nos	18,500.00 Nos	37,000.00																																		
2	Philips LED Floor Lamps Rate of Duty: 12%	9405	12 %	2 Nos	13,000.00 Nos	26,000.00																																		
						63,000.00																																		
						4,890.00																																		
						4,890.00																																		
	Total			4 Nos		₹ 72,780.00																																		
Amount Chargeable (in words) E. & O.E																																								
INR Seventy Two Thousand Seven Hundred Eighty Only																																								
Company's PAN : ASDFG3345Q		<table border="1"> <thead> <tr> <th rowspan="2">HSN/SAC</th> <th rowspan="2">Taxable Value</th> <th colspan="2">Central Tax</th> <th colspan="2">State Tax</th> <th rowspan="2">Total Tax Amount</th> </tr> <tr> <th>Rate</th> <th>Amount</th> <th>Rate</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>85287219</td> <td>37,000.00</td> <td>9%</td> <td>3,330.00</td> <td>9%</td> <td>3,330.00</td> <td>6,660.00</td> </tr> <tr> <td>9405</td> <td>26,000.00</td> <td>6%</td> <td>1,560.00</td> <td>6%</td> <td>1,560.00</td> <td>3,120.00</td> </tr> <tr> <td>Total</td> <td>63,000.00</td> <td></td> <td>4,890.00</td> <td></td> <td>4,890.00</td> <td>9,780.00</td> </tr> </tbody> </table>							HSN/SAC	Taxable Value	Central Tax		State Tax		Total Tax Amount	Rate	Amount	Rate	Amount	85287219	37,000.00	9%	3,330.00	9%	3,330.00	6,660.00	9405	26,000.00	6%	1,560.00	6%	1,560.00	3,120.00	Total	63,000.00		4,890.00		4,890.00	9,780.00
HSN/SAC	Taxable Value	Central Tax		State Tax		Total Tax Amount																																		
		Rate	Amount	Rate	Amount																																			
85287219	37,000.00	9%	3,330.00	9%	3,330.00	6,660.00																																		
9405	26,000.00	6%	1,560.00	6%	1,560.00	3,120.00																																		
Total	63,000.00		4,890.00		4,890.00	9,780.00																																		
Tax Amount (in words) : INR Nine Thousand Seven Hundred Eighty Only																																								
<u>Declaration</u> We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.		for Dakshin Electronics Pvt. Ltd. Authorised Signatory																																						
This is a Computer Generated Invoice																																								

Figure 3.32 Tax invoice with Company Logo

Note: Similarly, you can print the company logo in Payment, Receipt, Journal, Debit Note, Credit Note, Delivery Note, Receipt Note, Material In, Material Out, Job Work In Order, Job Work Out Order, Purchase Order, Sales Order.

**Step 3: Printing Confirmation of Accounts Company Logo**

We can print the company logo on Confirmation of Accounts and Reminder Letters in TallyPrime.

To Print Confirmation Accounts,

- 1) From **Gateway of Tally > Display More Reports > Account Books > Ledger**
- 2) Select **Ali Advertising Agency**
- 3) The Ledger Vouchers screen will appear > Click **P: Print** or Press **Ctrl+P** > select **Current**
- 4) In the Print screen, click **C: Configure**
- 5) The Print Configuration screen appears, enter on **Report Type** > In the Report Details, select the **Report Type** as **Confirmation of Accounts** > Accept the screen
- 6) The Print Configuration screen appears as shown in Figure 3.33.

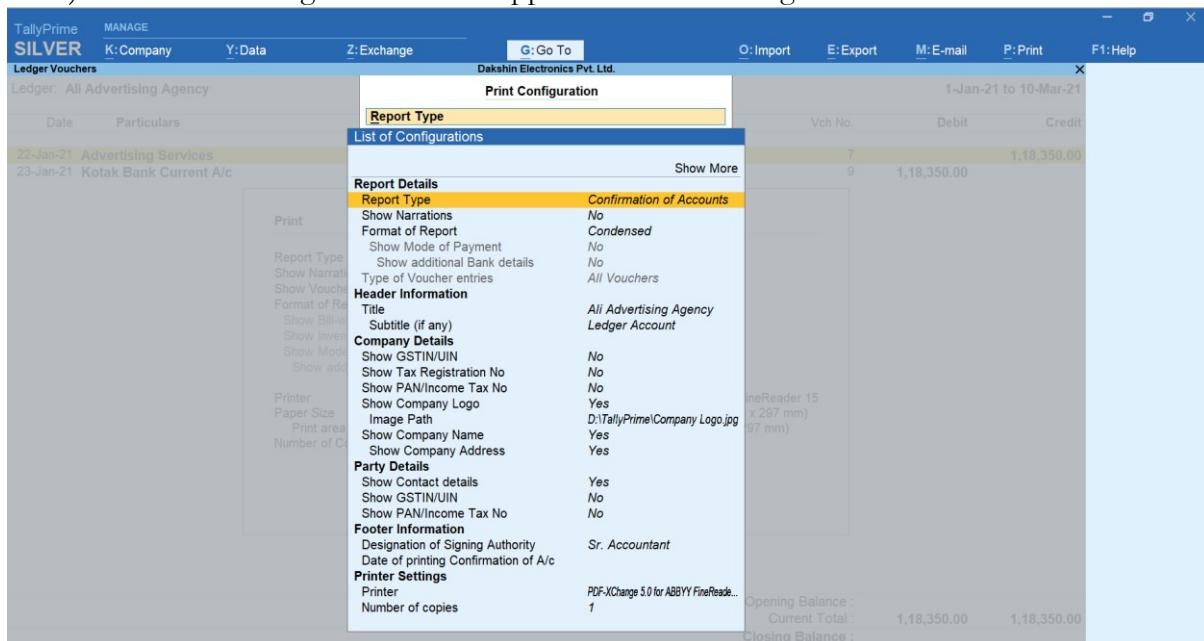


Figure 3.33 Print Configuration screen

- 7) Accept the **Print Configuration** screen
- 8) In the Ledger Vouchers Print screen, Click **I: Preview**.



The Confirmation of Accounts with Company Logo appears as shown in Figure 3.34.

																											
To : Ali Advertising Agency	From: Dakshin Electronics Pvt. Ltd. # 162, 9th Main, 15th A Cross, Block A2, Techno Park, Electronic City, Bengaluru.																										
Dear Sir/Madam,		Date :																									
Sub: Confirmation of Accounts <u>1-Jan-21 to 10-Mar-21</u>																											
Given below is the details of your Accounts as standing in my/our Books of Accounts for the above mentioned period.																											
Kindly return 3 copies stating your I.T. Permanent A/c No., duly signed and sealed, in confirmation of the same. Please note that if no reply is received from you within a fortnight, it will be assumed that you have accepted the balance shown below.																											
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 2px;">Date</th> <th style="text-align: left; padding: 2px;">Particulars</th> <th style="text-align: right; padding: 2px;">Debit Amount</th> <th style="text-align: left; padding: 2px;">Date</th> <th style="text-align: left; padding: 2px;">Particulars</th> <th style="text-align: right; padding: 2px;">Credit Amount</th> <th></th> </tr> </thead> <tbody> <tr> <td style="text-align: left; padding: 2px;">23-Jan-21</td> <td style="text-align: left; padding: 2px;">Bank</td> <td style="text-align: right; padding: 2px;">1,18,350.00</td> <td style="text-align: left; padding: 2px;">22-Jan-21</td> <td style="text-align: left; padding: 2px;">Advertising Services</td> <td style="text-align: right; padding: 2px;">1,18,350.00</td> <td></td> </tr> <tr> <td colspan="3" style="text-align: right; padding: 2px;"><u>1,18,350.00</u></td> <td colspan="3" style="text-align: right; padding: 2px;"><u>1,18,350.00</u></td> <td></td> </tr> </tbody> </table>							Date	Particulars	Debit Amount	Date	Particulars	Credit Amount		23-Jan-21	Bank	1,18,350.00	22-Jan-21	Advertising Services	1,18,350.00		<u>1,18,350.00</u>			<u>1,18,350.00</u>			
Date	Particulars	Debit Amount	Date	Particulars	Credit Amount																						
23-Jan-21	Bank	1,18,350.00	22-Jan-21	Advertising Services	1,18,350.00																						
<u>1,18,350.00</u>			<u>1,18,350.00</u>																								
I/We hereby confirm the above			Yours faithfully,																								
			Sr. Accountant																								

Figure 3.34 Confirmation of Accounts

Conclusion

In this chapter, we have learnt the importance of export, how to export and import the masters and transactions using XML format. We have also exported the reports to export to Microsoft Excel and PDF. In ODBC, we have learnt how to extract the ledger details in Excel. We have also learnt how to configure the company logo and print the logo in invoice and reports.

Shortcut Keys

Short Cut Key Combination	Description
Alt + E	<ul style="list-style-type: none"> From Anywhere of Tallyscreen To Export invoices and Reports
Alt+ P	<ul style="list-style-type: none"> From Anywhere of Tallyscreen To Print invoices and Reports
Alt+ I	<ul style="list-style-type: none"> From Print screen of invoice or report To view the Preview of the invoice or report
F1	<ul style="list-style-type: none"> From Top Menu screen To Enable ODBC



Key Takeaways

- Tally allows exporting of data in ASCII, EXCEL, HTML, JPEG, PDF and XML.
- Data can be exported from any report with a click of a button.
- Alt+P is the key combination to take the print from TallyPrime
- Alt+E is the key combination to export the invoices and reports from TallyPrime
- Invoices can be printed with the company logo in TallyPrime.
- Using ODBC, you can extract ledger data to Microsoft Excel and generate the required reports.
- The company logo can be printed on Reminder Letters and Confirmation of Accounts.

Practice Exercises

- 1) Which of the following format is not supported in TallyPrime for the Export of Vouchers and Reports?
 - a) XML
 - b) HTML
 - c) PDF
 - d) MS WORD
- 2) While importing masters from one company to another, it is possible to convert closing balances into opening balance.
 - a) TRUE
 - b) FALSE
- 3) Which of the following formats is supported for data exchange between two companies through Export and Import in TallyPrime?
 - a) HTML
 - b) PDF
 - c) EXCEL
 - d) XML
- 4) Company Logo cannot be printed on which of the following vouchers in Tally?
 - a) Receipt
 - b) Payment
 - c) Purchase
 - d) Debit note
- 5) Company Logo can be printed on Reminder Letter and Confirmation of Accounts.
 - a) TRUE
 - b) FALSE
- 6) Using the ODBC feature in Tally, we can extract ledger details to Microsoft Excel and generate the required reports.
 - a) TRUE
 - b) FALSE



Chapter 4

Moving to the Next Financial Year

Learning Objectives

- Introduction
- Changing the current period and continue voucher entry in the same company data
- Company data handling through export and import of data
- Split company data
- Create a new company and maintain books of accounts for the new financial year.
- Creating group company data
- Comparative yearly report of two companies



4.1 Introduction

In Tally, we can quickly close the books of accounts of a financial year, and move the company data to the next financial year. We can achieve this in multiple ways, let us understand these methods in detail.

Different methods of moving to the next financial year are given in Chart 4.1

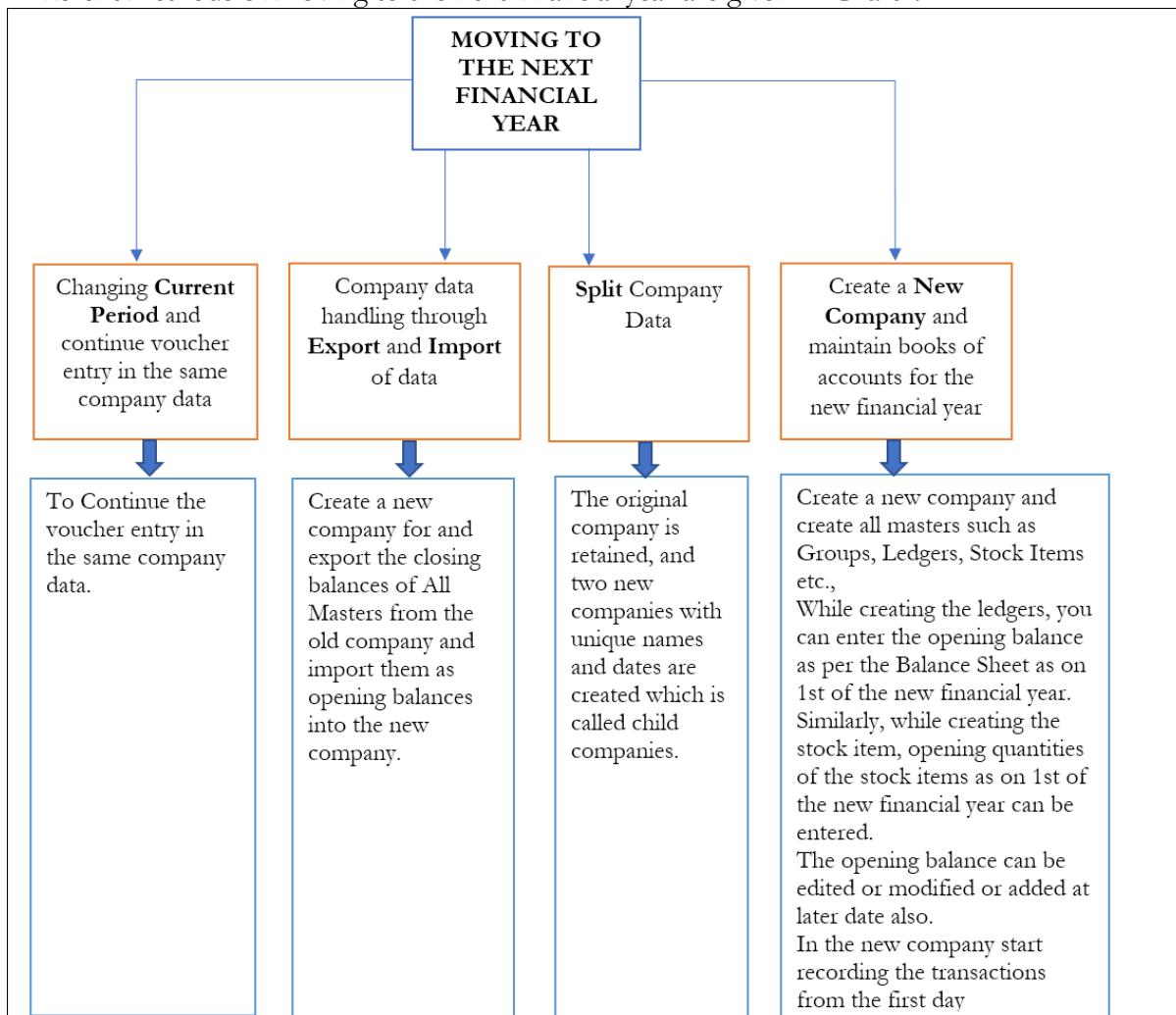


Chart 4.1 Methods of Moving to the next Financial Year

Note: We will be continuing **Dakshin Electronics Pvt. Ltd.** company for this chapter.

4.2 Changing Current Period and continue voucher entry in the same company data

The benefits of changing the current period from the existing company are:

- Continue the voucher entry in the same company data.
- Carry forward all ledger balances without creating a new company.
- Compare the reports from different financial years.

Note: When the Current Period is changed, the balances from the previous financial year are carried forward.

In this company, we have seen transactions being recorded for the financial year 01-04-2020 to 31-03-2021. Assume that we have completed recording transactions for the financial year 2020-21 and now want to record the transactions for the new Financial year 2021-22, without changing the financial year we will not be able to record the transactions from April 2021.

Step 1: Recording transactions in the existing company for the Financial Year 2021-22

- 1) Open Tally, Load **Dakshin Electronics Pvt. Ltd.** Company.
- 2) From **Gateway of Tally > Vouchers**
- 3) In the Voucher creation screen, Press **F2: Date**, and change the date to **01-04-2021**, we will get an error message as the **Date cannot be above the current period** as shown in Figure 4.1.

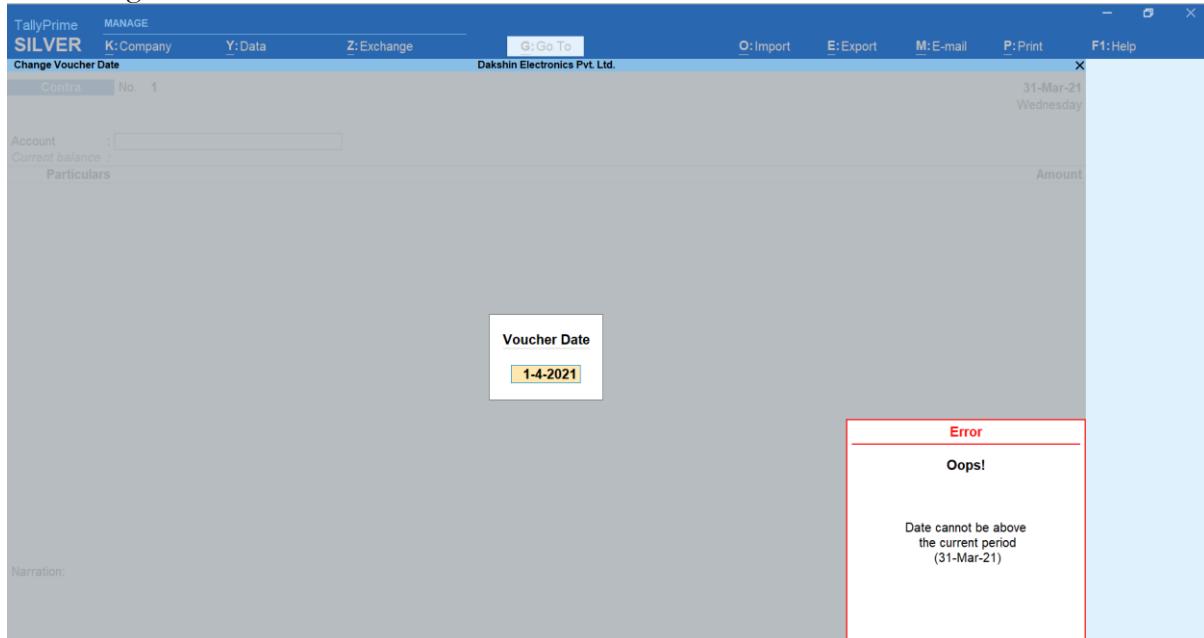


Figure 4.1 Error Message screen

Observation: You can observe in Figure 4.1, we will not be able to record the transactions from April 2021. Hence getting an error- “**Date cannot be above the current period(31-Mar-21)**”

- 4) Press **Escape** and come to **Gateway of Tally**.

Step 2: Change the Current Period (Financial Year)

- 1) From **Gateway of Tally > Press Alt+F2: Period** > Enter the period from **1-4-2021** to **31-3-2022**
- 2) The **Gateway of Tally** with new **Financial Year** appears as shown in Figure 4.2

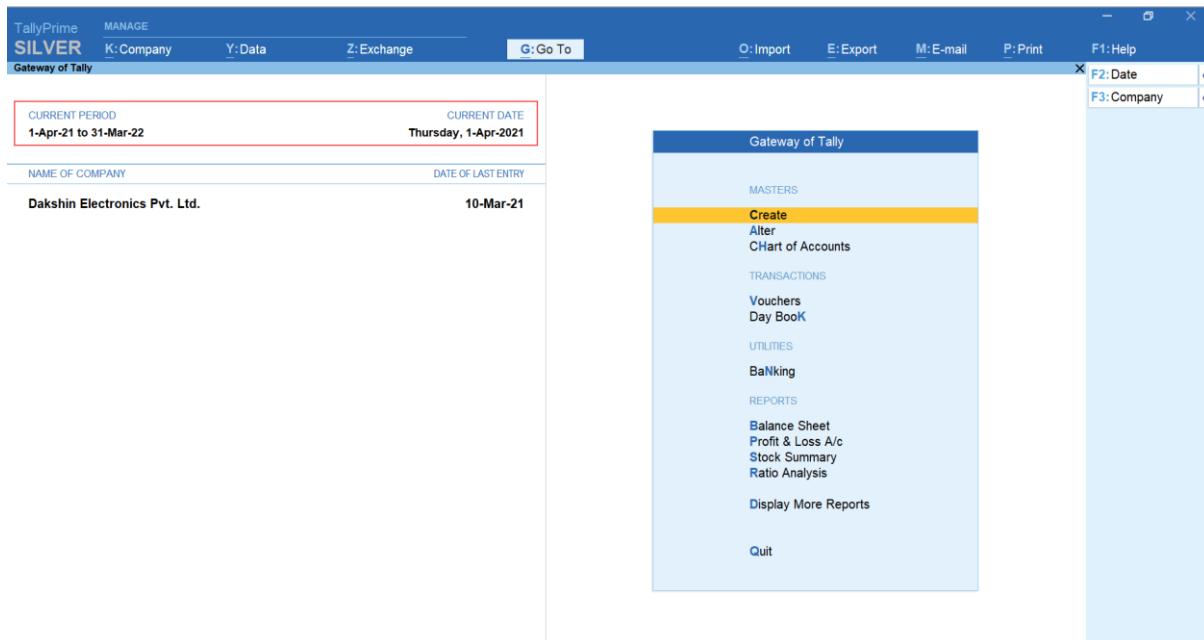


Figure 4.2 Gateway of Tally -Financial Year 2021-22

Note: Financial Year is the year in which you will earn the income and the Assessment year is the year in which the incomes taxed. After changing the current period, we will be able to record the transactions for the new financial year 2021-22.

4.3 Company data handling through Export and Import of data

To close the books of accounts, we can create a new company for maintaining the data separately and export the closing balances of the ledgers and stock items of the old company and import them as opening balances into the new company.

Step 1: Creation of a company with the same F11: Features

- 1) Load the company **Dakshin Electronics Pvt. Ltd.**
- 2) From **Gateway of Tally > Click K: Company > Create**
- 3) The **Company Creation** screen appears, Create the company with the name **Dakshin Electronics Pvt. Ltd. (2021-2022)** > Enter the company details as shown in Figure 4.3



Company Data Path : D:TallyPrime\Company

Company Name : Dakshin Electronics Pvt. Ltd. (2021-2022)

Mailing Name : Dakshin Electronics Pvt. Ltd.

Address : # 162, 9th Main, 15th A Cross, Block A2, Techno Park, Electronic City, Bengaluru.

Financial year beginning from : 1-Apr-21

Books beginning from : 1-Apr-21

State : Karnataka

Country : India

Pincode : 560100

Telephone : 080-28529110

Mobile : 9880236555

Fax :

E-mail : dakshinelectronics@gmail.com

Website : www.dakshinicity.com

Base Currency symbol : ₹

Formal name : INR

Accept ?

Yes or No

F12: Configure

Figure 4.3 Company Creation screen

- 4) Accept the screen
- 5) Accept the Company Features Alteration screen

The **Gateway of Tally** appears as shown in Figure 4.4

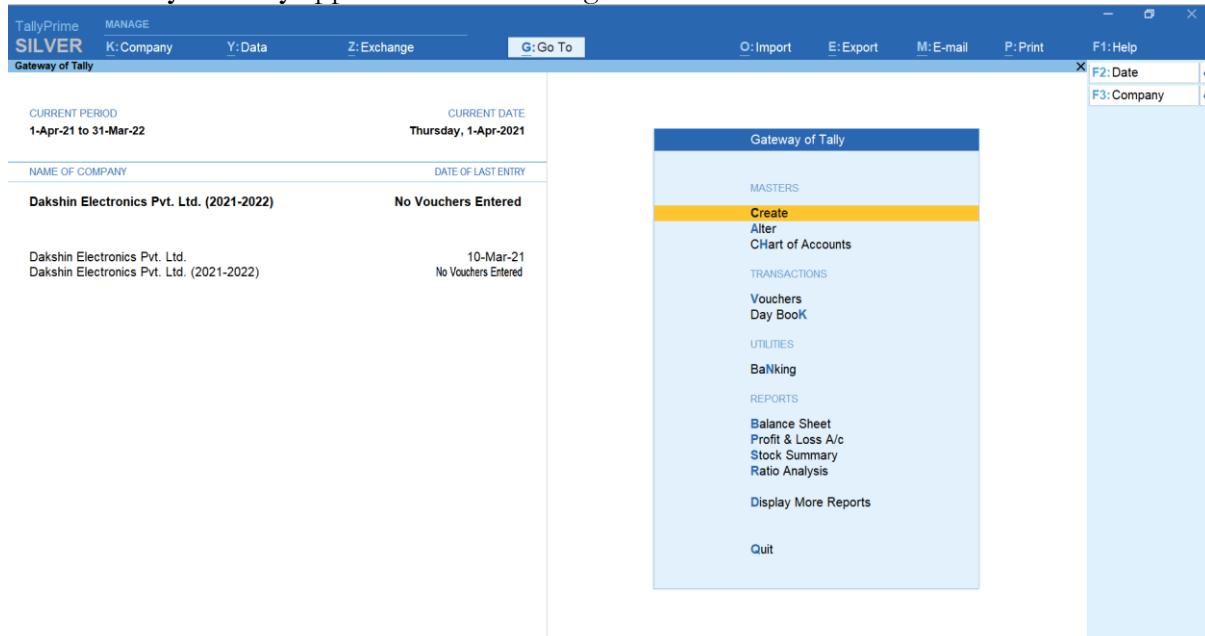


Figure 4.4 Gateway of Tally screen

Step 2: Exporting Masters from the old company in XML format

The XML format is used to export and import the data from one company to another which is maintained in TallyPrime.

- 1) Click F3: Company > Select **Dakshin Electronics Pvt. Ltd.**
- 2) From **Gateway of Tally** > Click **E: Export** > **Masters**



The **Export** screen appears as shown in Figure 4.5.

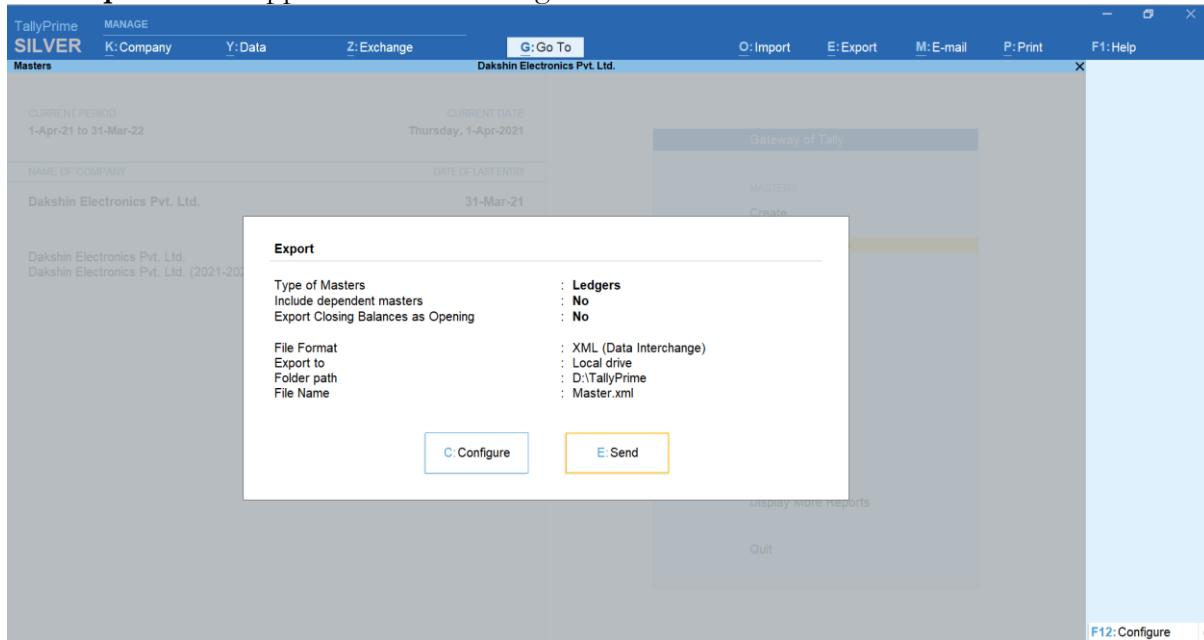


Figure 4.5 Export screen

3) Click on C: Configure

In the **Export Configuration** screen, select the details as shown in Figure 4.6

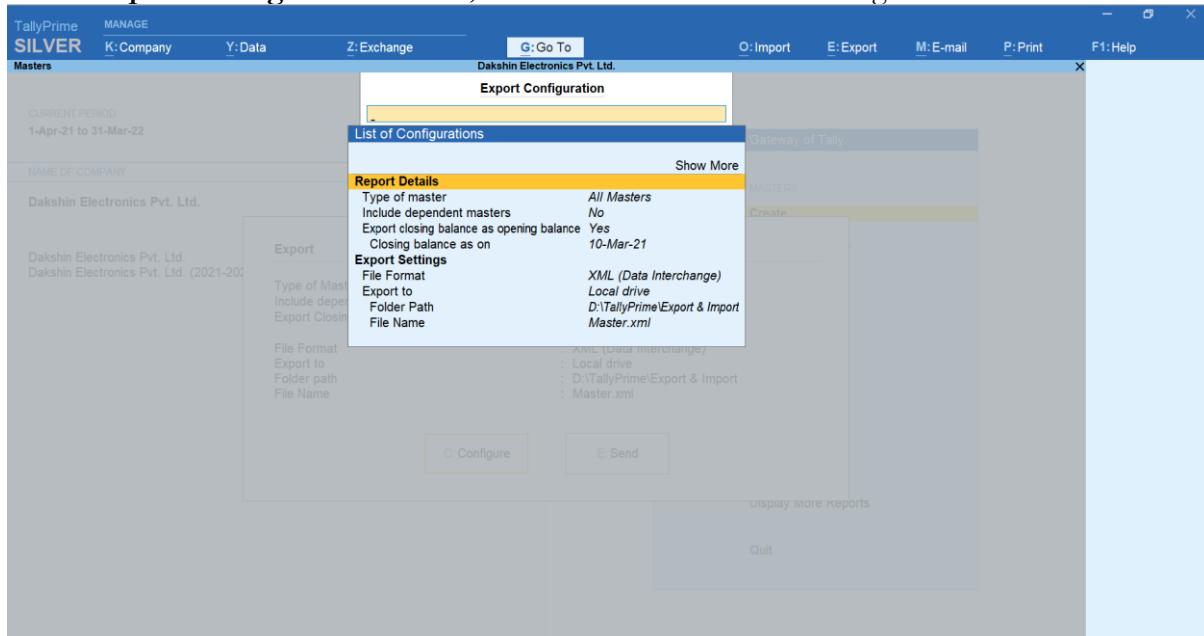


Figure 4.6 Export Configuration screen

Note: To change the **List of Configurations**, press **Enter** on the table options. **For Example:** Enter on **Type of master**, you will get the **Report Details** screen to select the **Type of Master** as **All Masters**.

- 4) Make sure the option **Export closing balance as opening balance** is set to **Yes**
- 5) Under **Export Settings**> Enter on **Folder Path**> Select as **D:\TallyPrime\Export & Import**
- 6) Press **Ctrl+A** to **Accept** the screen



The **Export** screen appears as shown in Figure 4.7

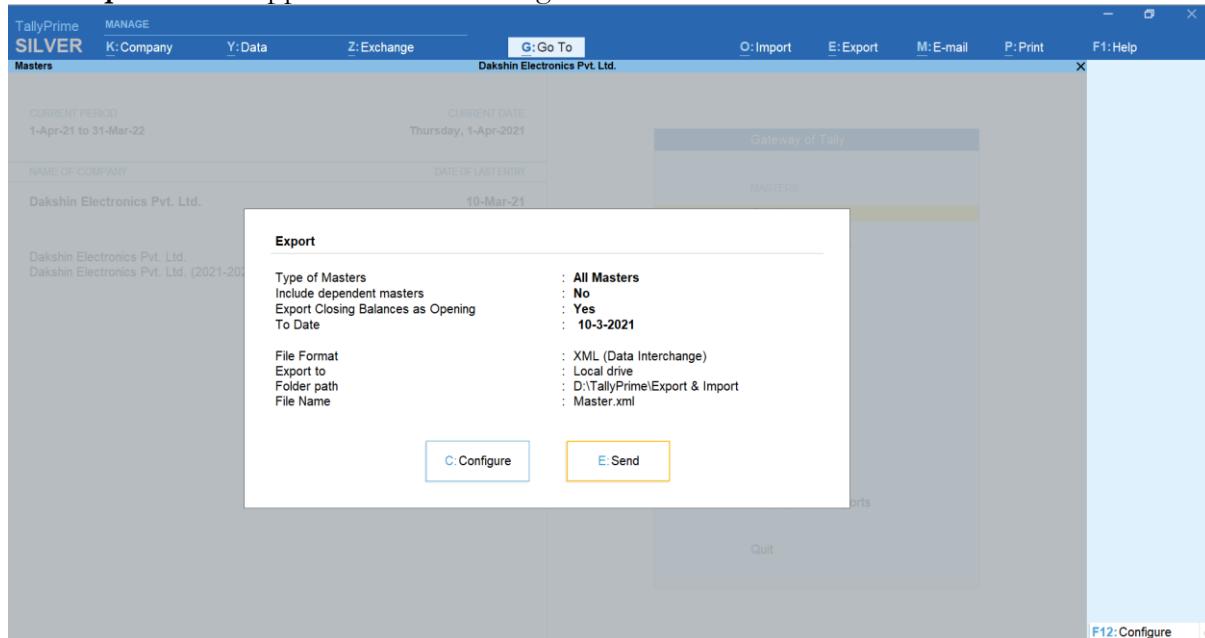


Figure 4.7 Export screen

- 7) Click on **E: Send**. (If you are getting a message to **Overwrite Master.xml**, click **Yes**)
- 8) Once exporting, the XML file will be available in the location as shown in Figure 4.8

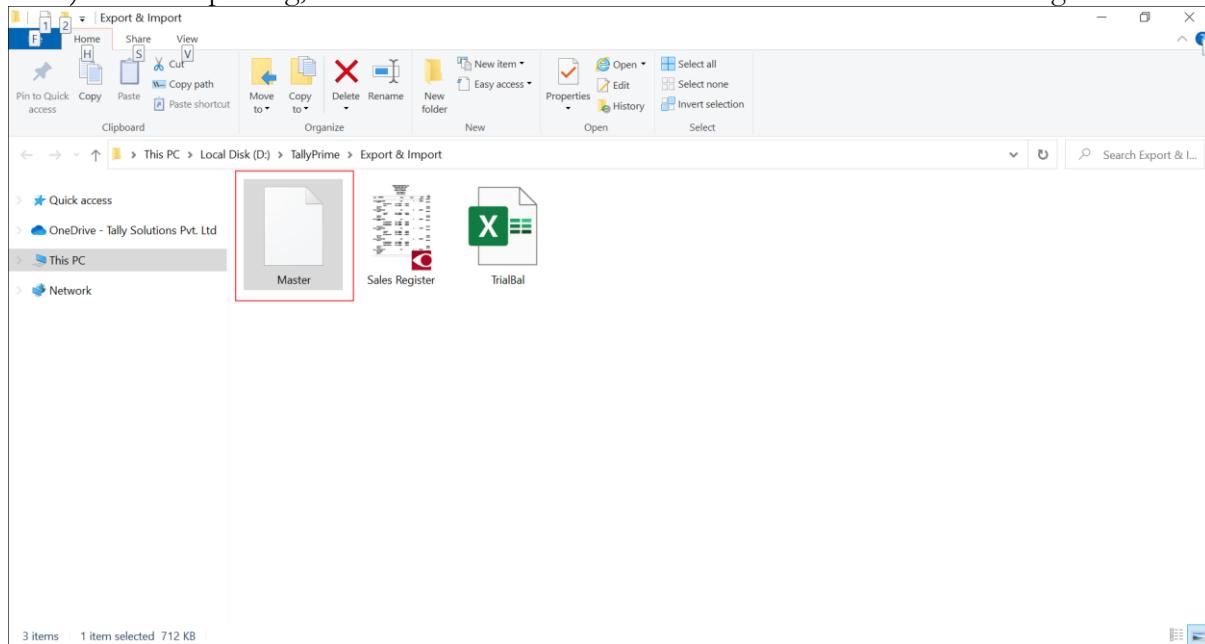


Figure 4.8 Location of Exported file – Master.xml

Step 3: Importing masters in a new company

You can import the masters which are exported from TallyPrime in XML format. Masters exported in XML format can be imported into TallyPrime using the Import Masters option.

To Import all masters,

- 1) Load the company to which the masters to be Imported > Click **F3: Company** > Select **Dakshin Electronics Pvt. Ltd. (2021-2022)**
- 2) After selecting the companies in the **Gateway of Tally** screen of **Dakshin Electronics Pvt. Ltd. (2021-2022)** appears.
- 3) Click **O: Import** > **Masters**



- 4) The **File path** will pick the Tally Application installed path i.e, **D:\TallyPrime**
- 5) Under **File to import (XML)** > Select **Export & Import** folder from the list.
- 6) Under the **File to import (XML)** > select **Master.xml**.

The **Import Masters** screen appears as shown in Figure 4.9

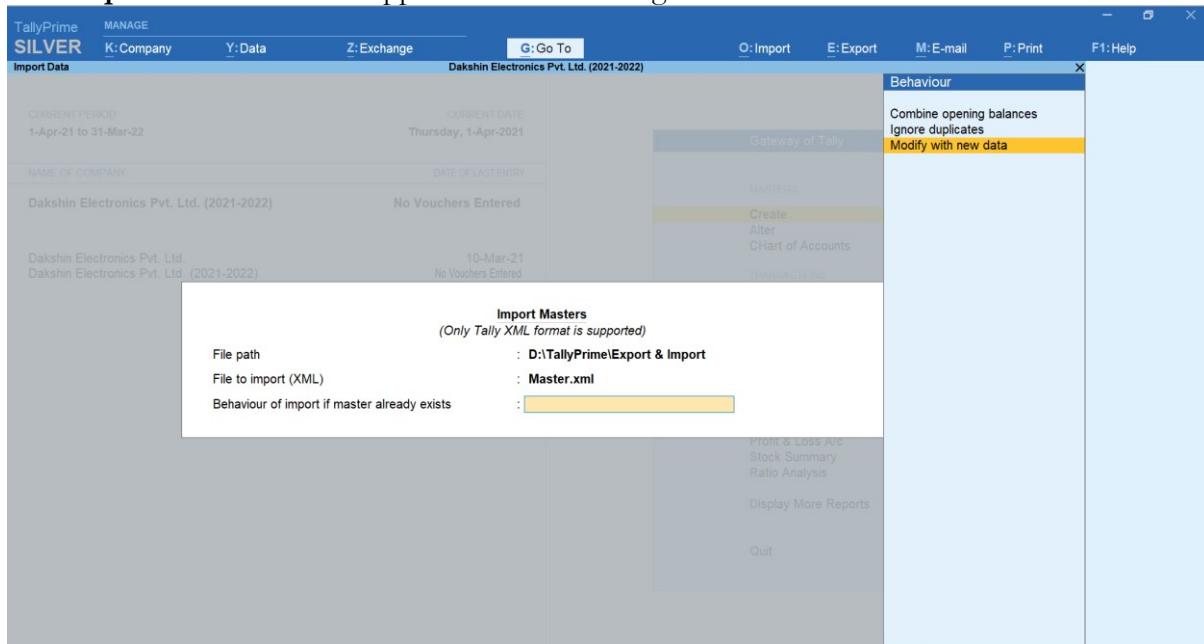


Figure 4.9 Import of Masters screen

- 7) In the **Behaviour** field, select **Modify with new data**

- **Combine Opening Balances:** In **Behaviour of import if master already exists** field, we can select **Combine Opening Balances** to import the masters of different branches and consolidate the opening balances.
- **Ignore Duplicates:** In **Behaviour of import if master already exists** field, we can select **Ignore Duplicates** to import the unique masters by ignoring the duplicate ledgers during import.
- **Modify with New Data:** In **Behaviour of import if master already exists** field, we can select **Modify with New Data** to import the masters and replace the existing balances in the imported company and override the balance available in the existing company.

- 8) Press **Enter**.
- 9) The **Masters** will be imported successfully.

Step 4: View Statistics after importing the Masters

You can check the Ledgers available in **Dakshin Electronics Pvt. Ltd. (2021-2022)**. To do so,

- 1) Click **G: Go To** > In the **Search** field, type as **statistics** > under **Common Reports** > select **Statistics**.
- 2) The **Statistics** report of **Dakshin Electronics Pvt. Ltd. (2021-2022)**. appears, as shown in Figure 4.10

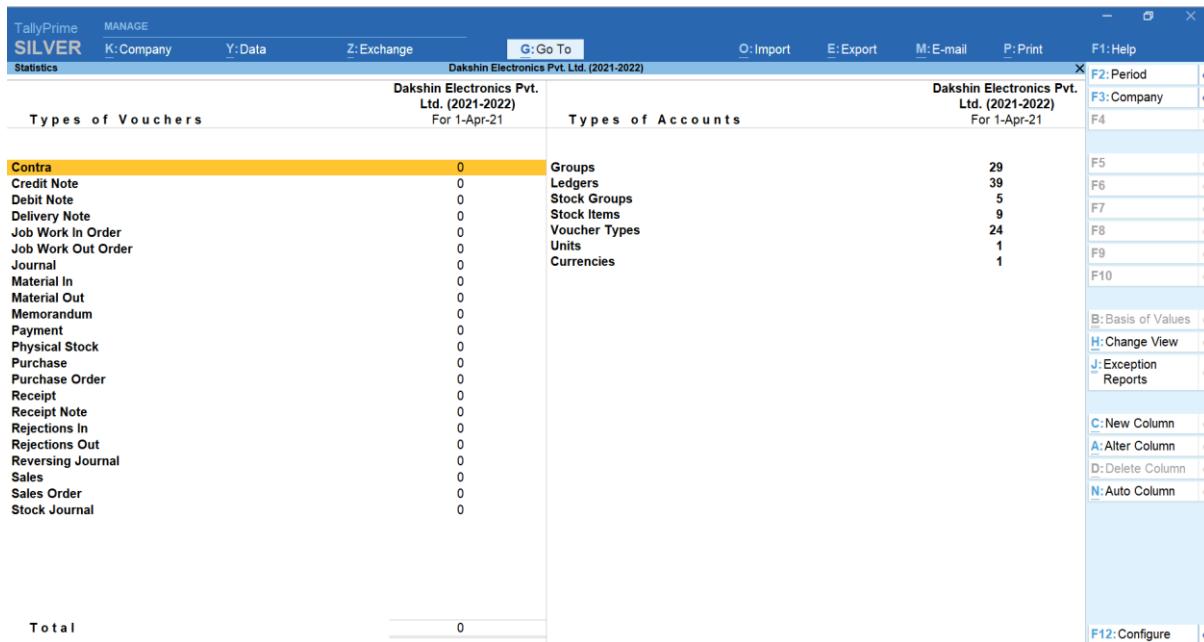


Figure 4.10 Statistics Report

- 3) Click **C: New Column** > In the **Name of Company** field, select **Dakshin Electronics Pvt. Ltd.** > Select **From 1-Apr-20 To 31-March-21** > Accept the screen

The Comparative Statistics report appears, as shown in Figure 4.10

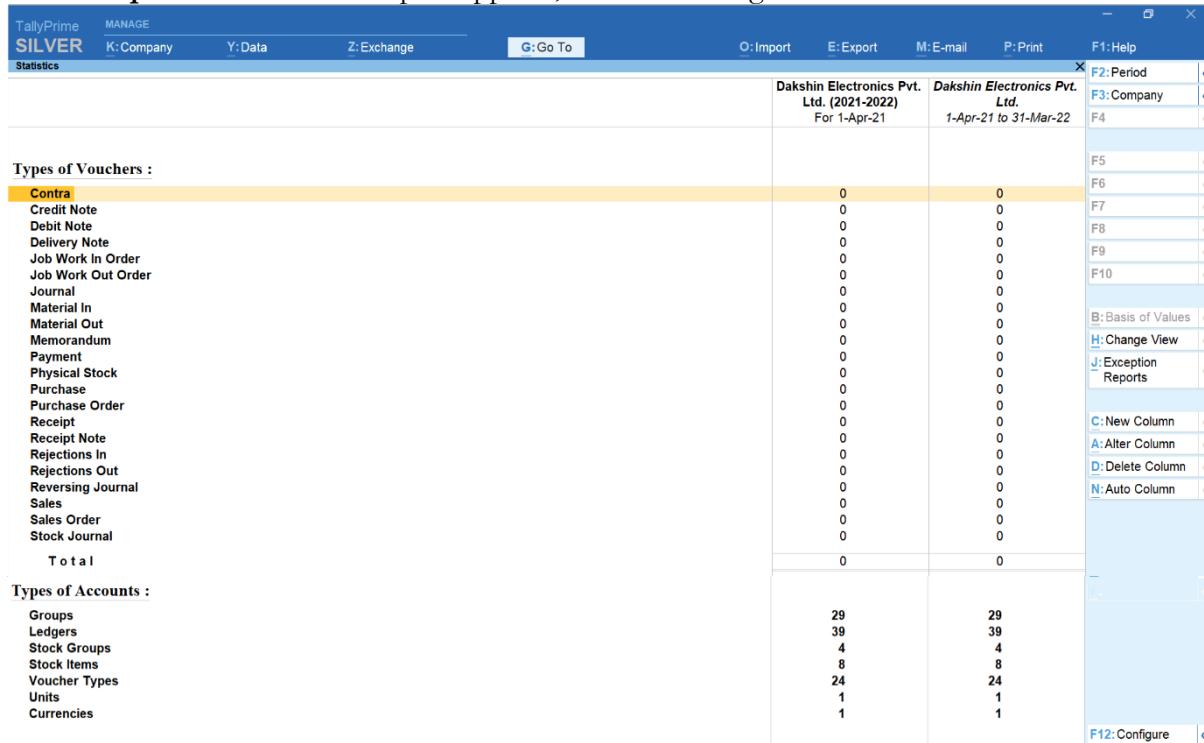


Figure 4.11 Comparative Statistics Report

Observation: You can observe that the Type of Accounts – Groups, Ledgers, Stock Groups, Stock Items, Voucher Types, Units and Currencies are matching in both the companies. That means, all the masters from Dakshin Electronics Pvt. Ltd. has imported to Dakshin Electronics Pvt. Ltd. (2021-2022).

Now, transactions can be recorded in **Dakshin Electronics Pvt. Ltd. (2021-2022)** company for the financial year 2021-2022.



4.4 Split Company Data

Splitting company data is another method of closing the financial year.

When we split the data, the original data is retained, and it is called parent company and two new companies with unique names and dates are created which is called child companies. We can rename the split company as required and save the original data in another location.

Advantages /Importance of Splitting of data

- Reduce data size. Multiple year Tally data will tends to make Tally working slow. Splitting of data will reduce data size and increase the speed.
- Secure old data and start work in a different folder. Splitting of data will ensure the security of data of the previous year. Maintain separate folders for each financial year.
- After Splitting, new number series for tax invoice can be started. If anyone wants to change the number series for billing in the New Year, then he can do that from 1st April. The new number series should be started on 1st April.
- Unwanted or not used Accounting Masters & Inventory Masters can be deleted in the new split company.
- Security setup will be automatically carried forward in the new split company.

Before Splitting the data, the following points must be considered

- Ensure that the books of accounts are finalised.
- Adjust all the unadjusted forex gains/loss if any.
- If there are any pending purchase and sales bills, adjust them.

Step 1: Verify Company Data before the split.

- 1) Load **Dakshin Electronics Pvt. Ltd** company (Ensure that the Data Backup is taken before splitting the company data)
- 2) From **Gateway of Tally** > Click **Y: Data** > Enter on **Split**.

The **Split options** appear as shown in Figure 4.12.

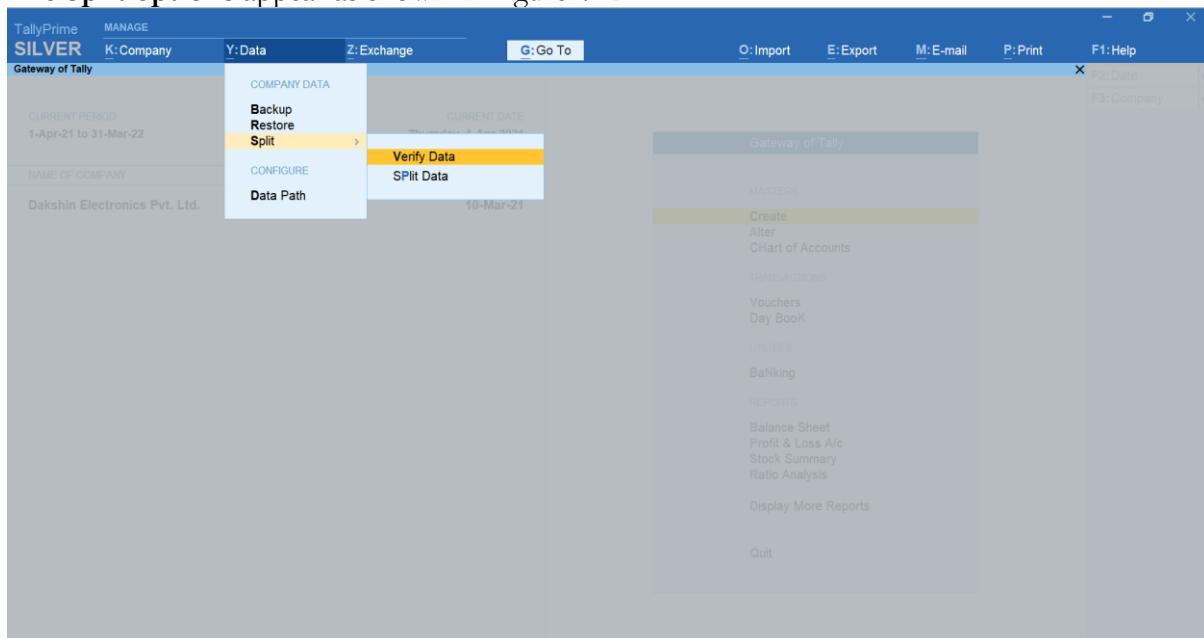


Figure 4.12 Split Options screen



- 3) Click on **Verify Data** > select the **Company Name Dakshin Electronics Pvt. Ltd.** > press **Enter** to view the Possible Errors screen.

The **List of Errors** screen appears as shown in Figure 4.13

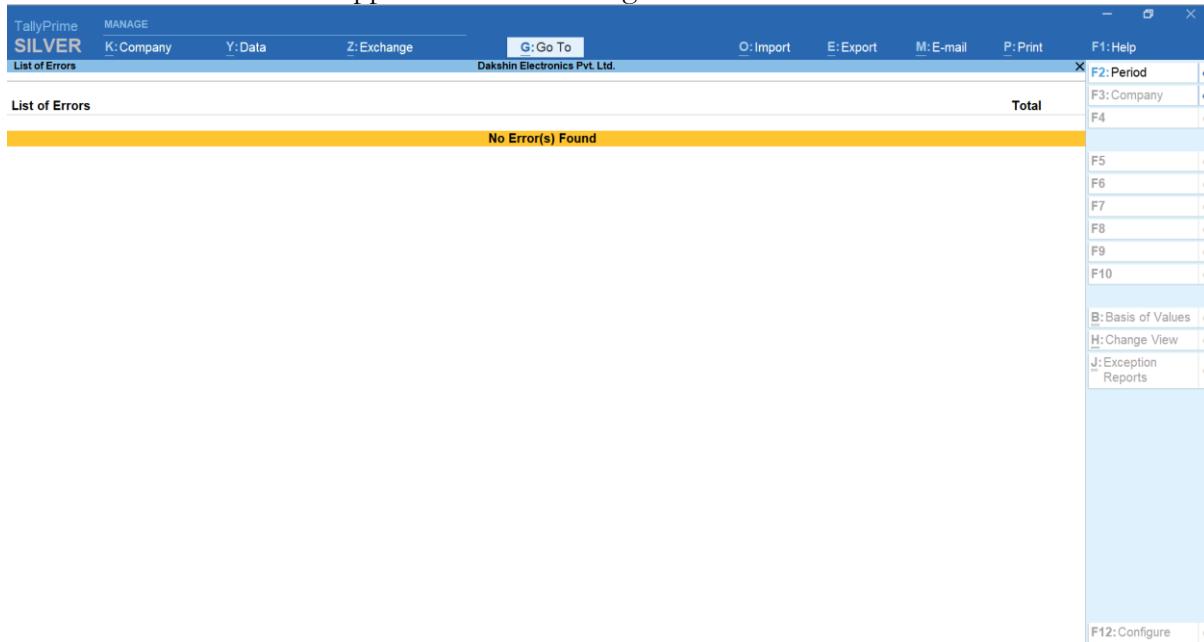


Figure 4.13 List of Errors screen

Note: In the List of Errors, if there are any errors, then we must rectify the errors before proceeding to split the data, if there is no error found, we can continue to split the data. **Dakshin Electronics Pvt. Ltd** does not have any errors, so the company is ready to split.

To split the company data into the new financial year,

- 1) From **Gateway of Tally** > Click **Y: Data** > Enter on **Split** > Enter on **Split Data**
- 2) Select **Dakshin Electronics Pvt. Ltd.** in the **Company Name** field.
- 3) **Enter as 1-Apr-21** in the **Split from** field (Enter the required date from which you wish to split data)
- 4) Press **Enter**



The **Split Company Data** screen appears as shown in Figure 4.14.

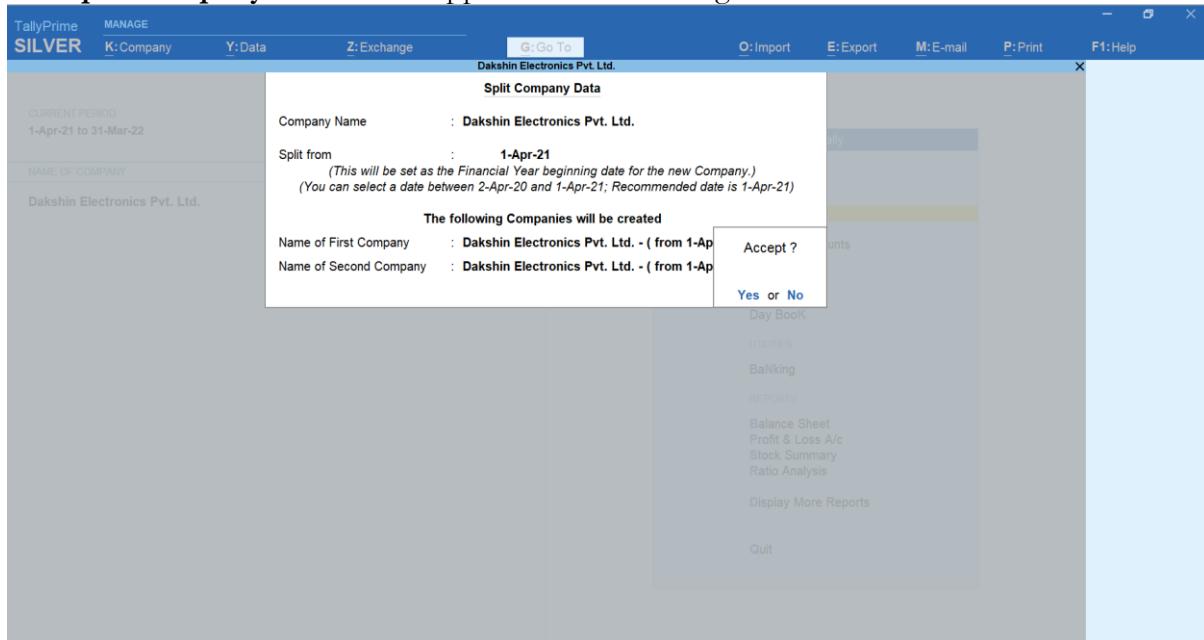


Figure 4.14 Split Company screen

5) The Pop-up message appears as shown in Figure 4.15.

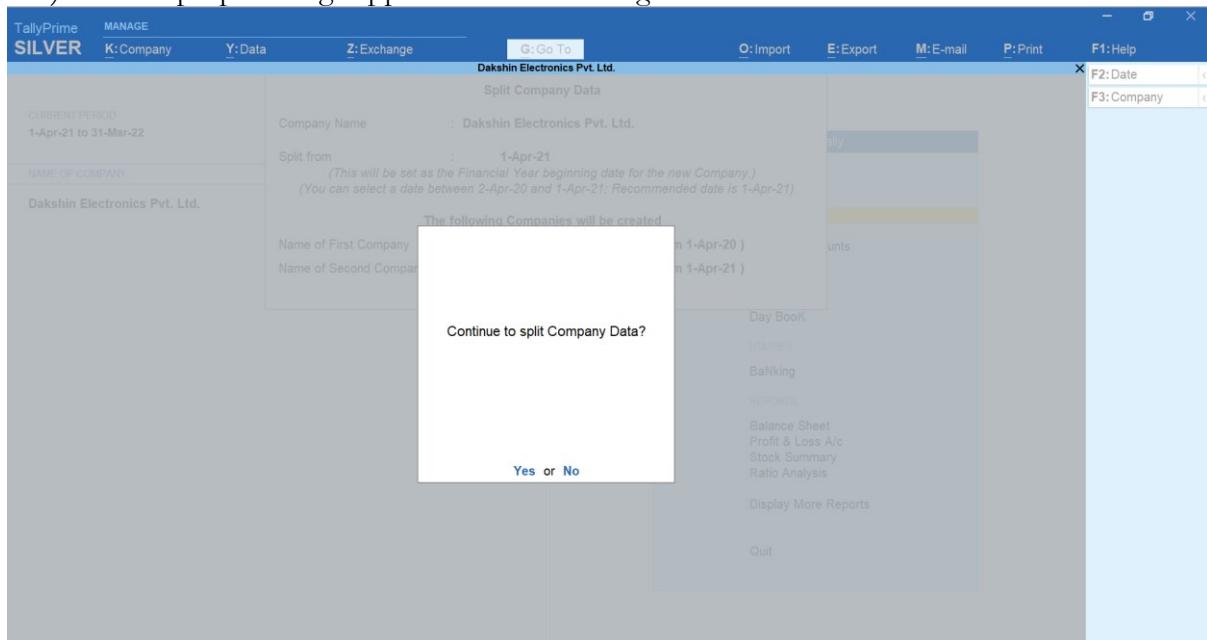


Figure 4.15 Pop-up message

6) Set **Yes** to continue to split company data.



The **Splitting Data in Progress** screen appears as shown in Figure 4.16.

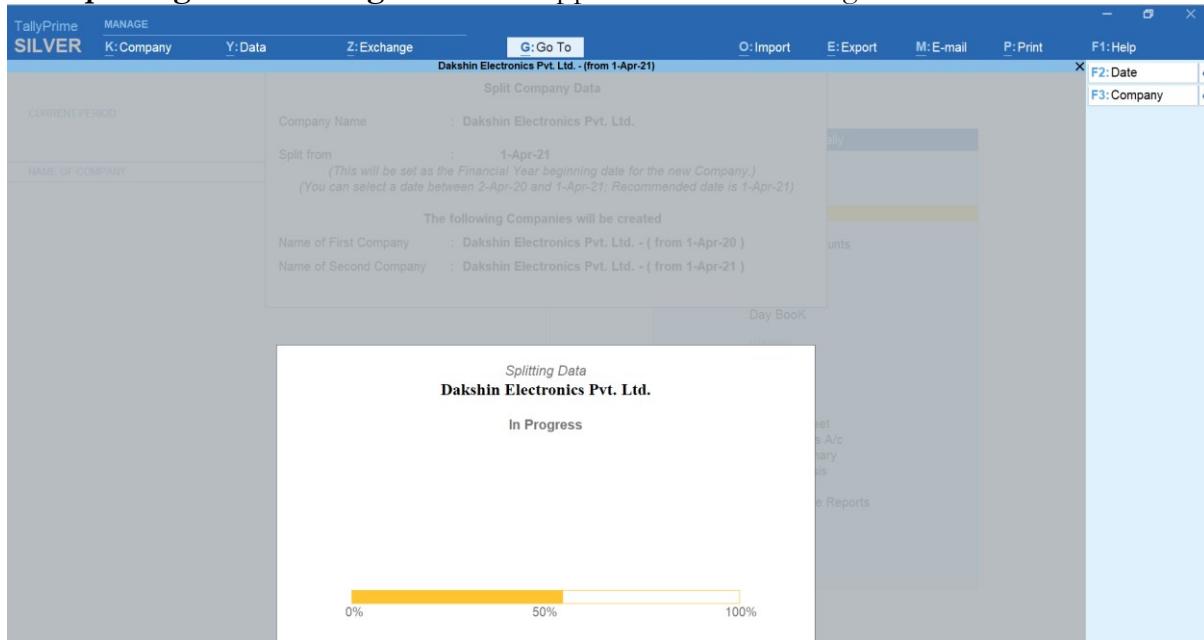


Figure 4.16 Splitting of Data

Observation: After splitting the company data, the original data will be retained in the parent company and two child companies will get created, we can rename the child companies and continue recording the transactions, the new transactions recorded in the child company will not have an impact on the parent company.

- 7) After splitting the company data, the **Gateway of Tally** screen will appear as shown in Figure 4.17

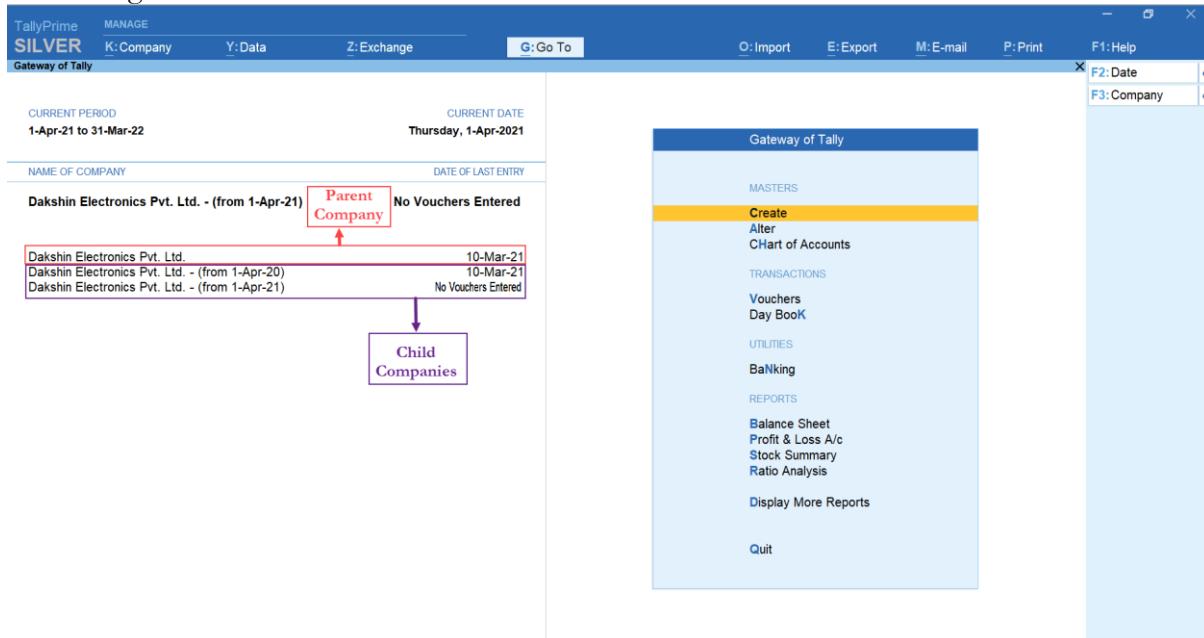


Figure 4.17 Gateway of Tally after Splitting the Company Data

Observation: You can observe that **Dakshin Electronics Pvt. Ltd.** is the **parent company**, **Dakshin Electronics Pvt. Ltd. - (from 1-Apr-20)**, and **Dakshin Electronics Pvt. Ltd. - (from 1-Apr-21)** are the **two child companies** which are created.



Note: Tally recommends the split from date to be based on the existing data. It is recommended that the split from date is set as the beginning of the current financial year, even though Tally permits any date. The user needs to alter the names of the two new freshly created companies according to their requirement. The user can display or print financial reports such as Trial Balance, Balance Sheet, Profit & Loss, Stock Summary etc., for each of the companies for the relevant periods and compare them for accuracy.

4.5 Create a new company and maintain books of accounts for the new financial year

If we do not want to follow any of the above year-end processes for the new financial year, we can create a new company and create all masters such as Accounting Groups, Ledgers, Stock Items etc., and start recording the transactions even without entering the opening balances for the ledgers.

Once the previous year's accounts are finalized, the final Balance Sheet balances of the respective ledgers can be entered at any later date. Similarly, while creating the stock item, opening quantities of the stock items as on 1st of the new financial year can be entered. The opening balance can be edited or modified or added at later date also. In the new company start recording the transactions from the first day

To create a new company and start a new Financial Year,

- 1) From **Gateway of Tally** > Click **K: Company** > **Create**, The Company creation screen appears
- 2) In the company creation screen, we can enter the Company Name, Mailing Name and Address, Contact Details, > Enter the **Financial year begins from** as **1-Apr-21** > **Books beginning from** as **1-Apr-21** > **Accept** the screen > Accept the **Company Features Alteration** screen.

4.6 Creating Group Company Data

The books of accounts of different companies belonging to the same management or owners are required to be consolidated to present the financial position of the group of companies. This is mandatory in many developed countries and current shareholders would rather know the performance of the group as a whole and not the performance of individual constituent companies.

Tally simplifies the task of consolidation of accounts. We can consolidate the accounts of any number of companies as well as keep them separate.

Note: *Group Company is the parent company under which we will have individual Companies.*

Business Scenario

The Director of **Dakshin Electronics Pvt. Ltd** wants to generate the consolidated report of both **Dakshin Electronics Pvt. Ltd** and **Dakshin Enterprises Pvt. Ltd**.

By generating the consolidated report of both companies, the company can take better management decisions.



To create a group company, follow the below steps:

- 1) Open **TallyPrime** >
- 2) From the **Select Company** screen > Select **Create Company**
- 3) The **Company Creation** screen appears, click **R: Group Company** from the Right Button bar

The **Group Company Creation** screen appears as shown in Figure 4.18

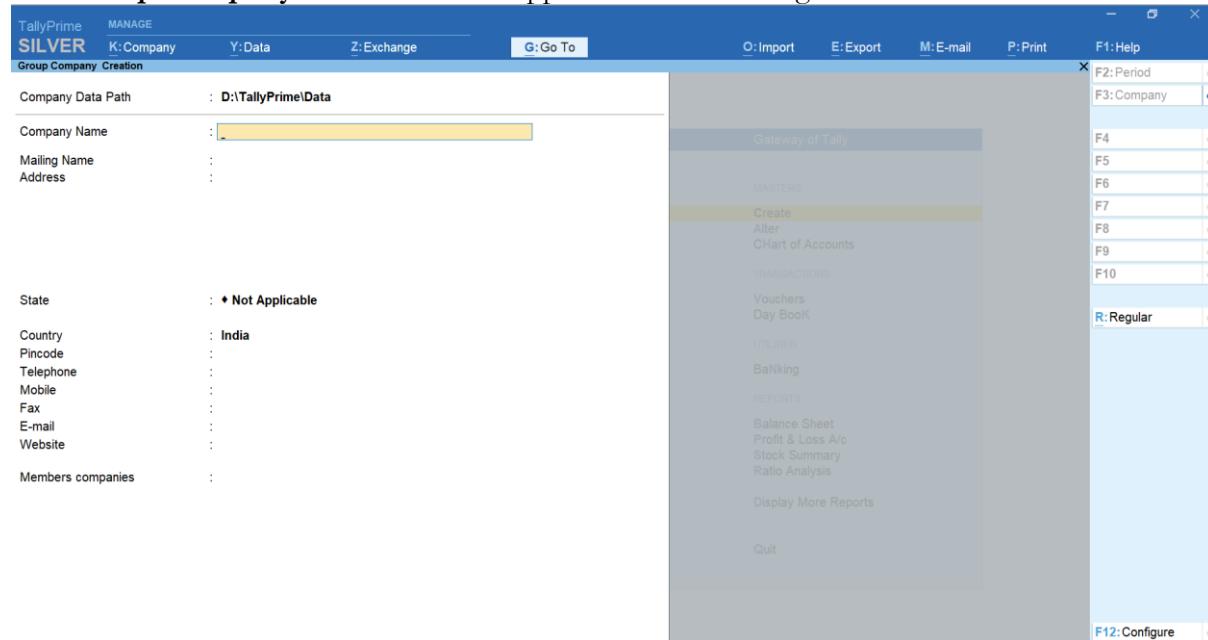


Figure 4.18 Group Company Creation screen

- 4) Enter the **Group Company** details as shown in Table 4.1

Dakshin Group of Companies	
Against the field	Action to be performed
Company Data Path	By default, the TallyPrime application path will be displayed. D:\TallyPrime\Data However, you can press Backspace and Specify Path in which you want the data to be stored or can Select from Drive .
Company Name	Enter the company name as Dakshin Group of Companies
Mailing Name	Dakshin Group of Companies appears by default. We can alter the name if required and the name specified here will be used in Invoice Printing and Reports.
Address	Enter the address as below: # 162, 9 th Main, 15th A Cross, Block A2, Techno Park, Electronic City, Bengaluru.
State	Select as Karnataka
Country	By default, India will appear in this field because we have selected the state as Karnataka .
Pincode	Enter as 560100
Telephone	Enter as 080-28529110
Mobile	Enter as 9880236555
Fax	Keep it Blank
E-mail	Enter as <u>dakshinelectronics@gmail.com</u>
Website	Enter as <u>www.dakshinecity.com</u>



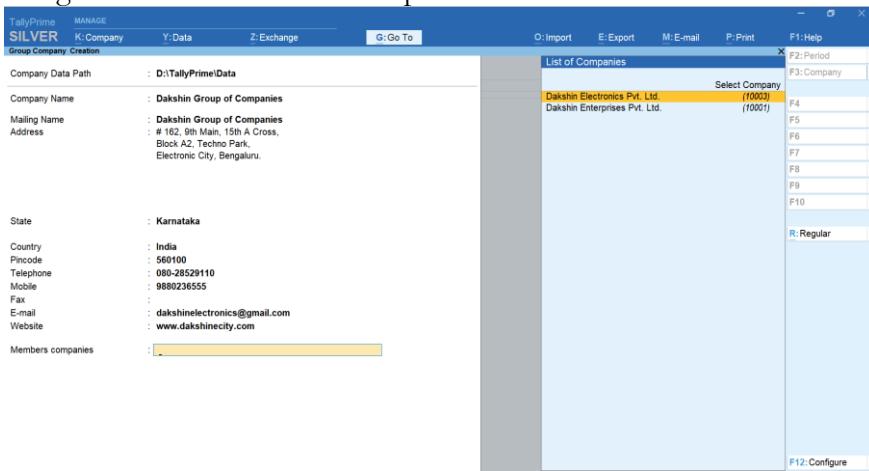
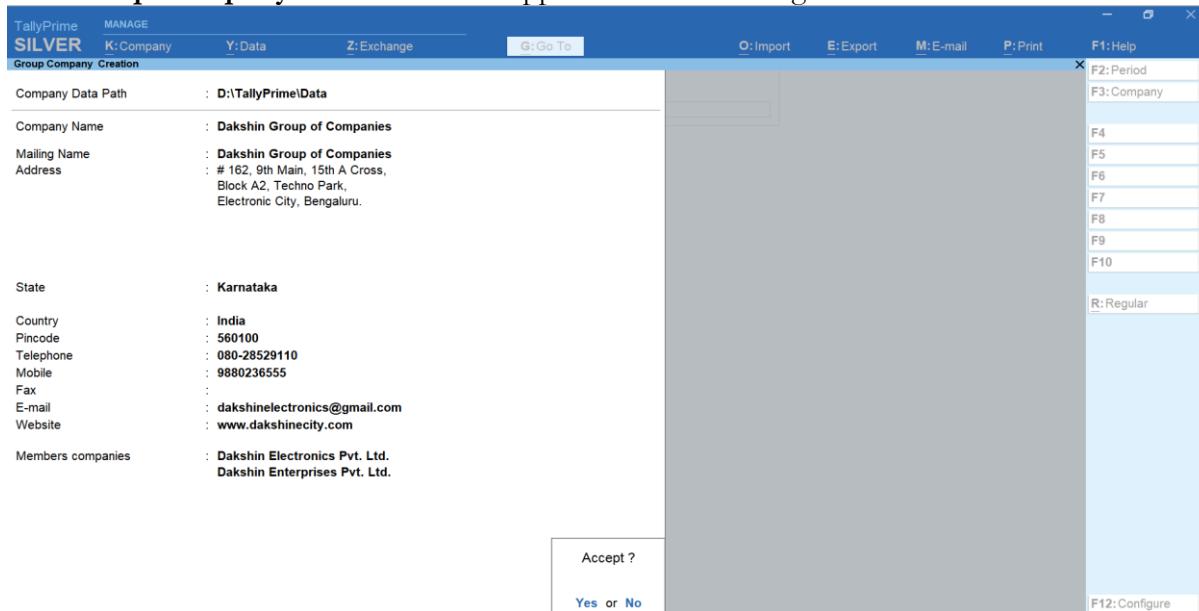
Members Companies	<p>Dakshin Electronics Pvt. Ltd and Dakshin Enterprises Pvt. Ltd. will get listed in the List of Companies</p>  <p>Select both the companies Dakshin Electronics Pvt. Ltd and Dakshin Enterprises Pvt. Ltd.</p>
--------------------------	--

Table 4.1

Note: In TallyPrime, you can easily **Select Company** using **Specify Path** and **Select from Drive**. You can browse the data located anywhere in the system and select the required companies to create the **Group Company**.

The **Group Company Creation** screen appears as shown in Figure 4.19.



The screenshot shows the **TallyPrime SILVER** interface with the **Group Company Creation** window open. The company details entered are:

- Company Data Path: D:\TallyPrime\Data
- Company Name: Dakshin Group of Companies
- Mailing Name: Dakshin Group of Companies
- Address: # 162, 9th Main, 15th A Cross, Block A2, Techno Park, Electronic City, Bengaluru.
- State: Karnataka
- Country: India
- Pincode: 560100
- Telephone: 080-28529110
- Mobile: 9880236555
- Fax:
- E-mail: dakshinelectronics@gmail.com
- Website: www.dakshinecity.com
- Members companies: Dakshin Electronics Pvt. Ltd. (F0003), Dakshin Enterprises Pvt. Ltd. (F0001)

A confirmation dialog box is displayed in the center of the screen with the text "Accept ?" and buttons "Yes" and "No".

Figure 4.19 Group Company Creation screen

- 5) **Accept** the screen.

Note: The loaded companies are displayed under **List of Companies**. Select the member companies from the **List of Companies** and accept to create the group company.

- 6) In the **Gateway of Tally**, **Dakshin Group of Companies** and the member companies gets listed.
- 7) **Shut** the member companies **Dakshin Electronics Pvt. Ltd** and **Dakshin Enterprises Pvt. Ltd** by pressing **Alt+F1**, so that only the Group Company **Dakshin Group of Companies** is displayed in the **Gateway of Tally**.

The **Gateway of Tally** screen will appear as shown in Figure 4.20.

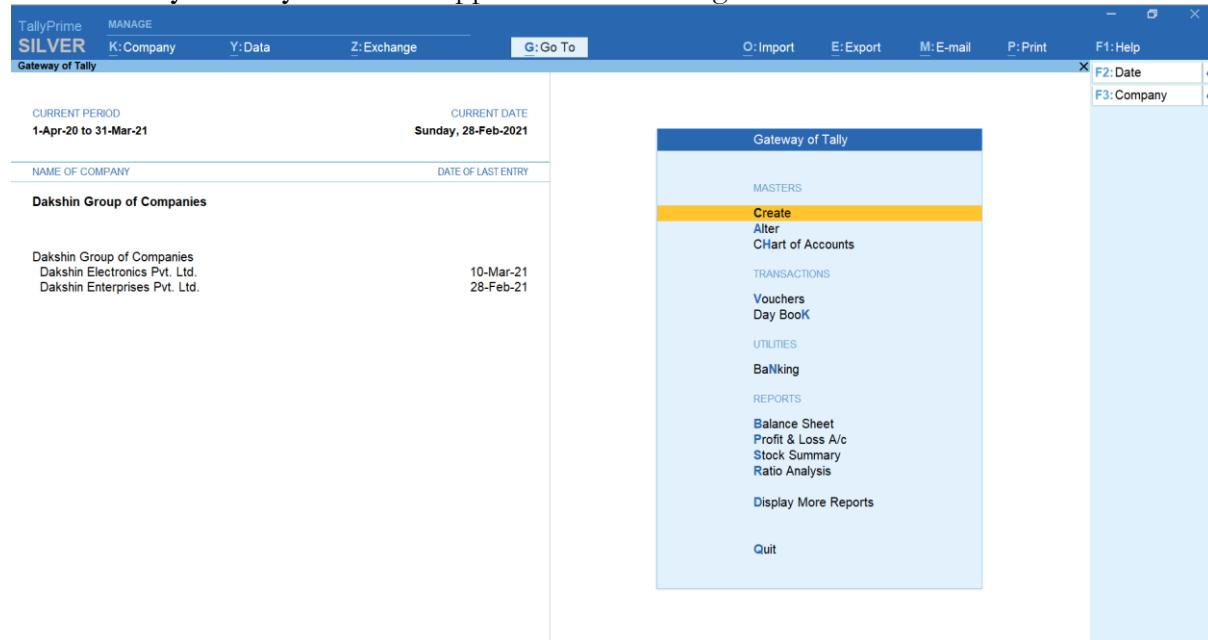


Figure 4.20 Gateway of Tally screen – Group Company

Note:

- Entering a **Transaction** is not possible in a **Group Company** that is, in **Dakshin Group of Companies**. We must enter the transaction in a member company only.
- The **Group Company** will give the summary (report) level consolidation and not transaction (voucher) level consolidation.
- The member companies of a **Group Company** should have the same Base Currency Symbol and Formal Name (We cannot group a company with \$ as a currency symbol with another company having ₹ as the currency symbol).

How to check the Consolidated Reports in the Group Company

In TallyPrime, we can check the consolidated reports in the group company.

Consolidated Balance Sheet

To generate a consolidated Balance Sheet, follow the steps given below:

- 1) From **Gateway of Tally > Balance Sheet > Click F5: Detailed**
- 2) You will get the consolidated report of Branch Companies as shown in Figure 4.21



TallyPrime		MANAGE		G: Go To		O: Import	E: Export	M: E-mail	P: Print	F1: Help
SILVER	K: Company	Y: Data	Z: Exchange	Dakshin Group of Companies						
Balance Sheet										
				Dakshin Group of Companies	as at 10-Mar-21	Assets		Dakshin Group of Companies	as at 10-Mar-21	
Liabilities										
Capital Account				60,00,000.00		Current Assets			46,70,604.00	
Owner's Capital A/c				10,00,000.00		Closing Stock		12,000.00		
Owner's Capital Account				50,00,000.00		Sundry Debtors		1,09,760.00		
Loans (Liability)						Cash-in-Hand				
Current Liabilities				16,824.00		Bank Accounts		45,48,844.00		
Duties & Taxes										
Sundry Creditors						Profit & Loss A/c		13,46,220.00		
						Opening Balance				
						Current Period		13,46,220.00		
Total				60,16,824.00		Total			60,16,824.00	F12: Configure

Figure 4.21 Consolidated Balance Sheet

Consolidated Profit & Loss A/c

To generate the consolidated Profit & Loss A/c, follow the steps given below:

- 1) From **Gateway of Tally > Profit & Loss A/c > Click F5: Detailed**
- 2) You will get the consolidated report of Branch Companies as shown in Figure 4.22

TallyPrime		MANAGE		G: Go To		O: Import	E: Export	M: E-mail	P: Print	F1: Help
SILVER	K: Company	Y: Data	Z: Exchange	Dakshin Group of Companies						
Profit & Loss A/c										
				Dakshin Group of Companies	1-Apr-20 to 10-Mar-21	Particulars		Dakshin Group of Companies	1-Apr-20 to 10-Mar-21	
Particulars										
Opening Stock						Sales Accounts			18,72,600.00	
Mahendra 1HP Water Pump						Sales A/c		18,72,600.00		
Purchase Accounts				18,02,700.00		Direct Incomes		75,000.00		
Purchase A/c						AMC Charges		75,000.00		
Gross Profit c/o				1,56,900.00		Closing Stock		12,00,000.00		
						Mahendra 1HP Water Pump		12,000.00		
				19,59,600.00				19,59,600.00		
Indirect Expenses				15,11,120.00		Gross Profit b/f		1,56,900.00		
Rent on Building and Furniture Expenses				8,65,000.00		Indirect Incomes		8,000.00		
Advertising Services				3,50,000.00		Maintenance Services		8,000.00		
Brokerage Expenses				16,000.00		Nett Loss		13,46,220.00		
Commission Expenses				1,35,000.00						
Interest on TDS Late Payment				120.00						
Print Media Services				90,000.00						
Technical Services				35,000.00						
Transportation Expenses				20,000.00						
Total				15,11,120.00		Total			15,11,120.00	F12: Configure

Figure 4.22 Consolidated Profit and Loss A/c

- 3) To compare the group company Profit & Loss A/c report to the other two branch companies, > Click **N: Auto Column** > Select **Member Companies** > Accept the screen.

The **Comparative Profit and Loss A/c** will appear as shown in Figure 4.23

TallyPrime		MANAGE		
SILVER	K: Company	Y: Data	Z: Exchange	G: Go To
Profit & Loss A/c		F2: Period		
Particulars		Dakshin Electronics Pvt. Ltd. 1-Apr-20 to 10-Mar-21	Dakshin Enterprises Pvt. Ltd. 1-Apr-20 to 28-Feb-21	F3: Company
Trading Account:		F4	F5	
Sales Accounts		8,55,100.00	10,17,500.00	F6
Sales A/c		8,55,100.00	10,17,500.00	F7
Direct Incomes		75,000.00	10,17,500.00	F8: Valuation
AMC Charges		75,000.00	9,88,000.00	F9
Cost of Sales :		9,30,100.00	10,17,500.00	F10
Opening Stock		9,30,100.00	9,88,000.00	B: Basis of Values
Add: Purchase Accounts		8,02,700.00	10,00,000.00	H: Change View
Less: Closing Stock		8,02,700.00	12,000.00	J: Exception Reports
Gross Profit :		1,27,400.00	29,500.00	C: New Column
Income Statement:				A: Alter Column
Indirect Incomes		8,000.00	29,500.00	D: Delete Column
Maintenance Services		8,000.00	29,500.00	N: Auto Column
Indirect Expenses		1,35,400.00	15,11,120.00	
Rent on Building and Furniture Expenses		1,35,400.00	15,11,120.00	
Advertising Services		8,65,000.00		
Brokerage Expenses		3,50,000.00		
Commission Expenses		16,000.00		
Interest on TDS Late Payment		1,35,000.00		
Print Media Services		120.00		
Technical Services		90,000.00		
Transportation Expenses		35,000.00		
		20,000.00		
Nett Profit :		(-)13,75,720.00	29,500.00	
				F12: Configure

Figure 4.23 Comparative Profit and Loss A/c

Observation: You can observe that from this report, we can know the Sales, Cost of Sales, Expenses, Incomes, Gross Profit and Nett Profit of the individual companies and the consolidated values of both the companies.

4.7 Comparative Final Accounts Reports of Two Companies

It is possible to view the comparative Final Accounts Reports of multiple companies on a single page using TallyPrime.

To prepare comparative Trial Balance, Balance Sheet, and Profit & Loss A/c in TallyPrime, one need to select multiple companies.

Business Scenario

The Managing Director of both **Dakshin Electronics Pvt. Ltd.** and **Dakshin Enterprises Pvt. Ltd.** can compare his entities by using column based on vertical totals will enable him to view the final account report of two entities at a time.

To view a **Comparative Trial Balance** of both the companies,

- 1) Load **Dakshin Electronics Pvt. Ltd.** and **Dakshin Enterprises Pvt. Ltd.** companies in TallyPrime.
 - 2) From **Gateway of Tally > Display More Reports > Trial Balance**
 - 3) Press **Alt+F5** for **Detailed Trial Balance**.
 - 4) Click **N: Auto Column > In Auto Repeat Columns** screen, under **Auto Column >** select Member **Companies** > Set **Show Total column** to **Yes** > **Accept** the screen.



The Comparative Trial Balance appears as shown in Figure 4.24.

Particulars	Total		Dakshin Electronics Pvt. Ltd. 1-Apr-20 to 10-Mar-21		Dakshin Enterprises Pvt. Ltd. 1-Apr-20 to 28-Feb-21	
	Closing Balance		Closing Balance		Closing Balance	
	Debit	Credit	Debit	Credit	Debit	Credit
Capital Account		60,00,000.00		50,00,000.00		10,00,000.00
Owner's Capital A/c	10,00,000.00					10,00,000.00
Owner's Capital Account	50,00,000.00			50,00,000.00		
Current Liabilities		16,824.00		16,824.00		
Duties & Taxes		16,824.00		16,824.00		
Sundry Creditors						
Current Assets		46,58,604.00		36,41,104.00		10,17,500.00
Opening Stock						
Sundry Debtors	1,09,760.00				1,09,760.00	
Bank Accounts	45,48,844.00		36,41,104.00		9,07,740.00	
Sales Accounts		18,72,600.00		8,55,100.00		10,17,500.00
Sales A/c		18,72,600.00		8,55,100.00		10,17,500.00
Purchase Accounts		18,02,700.00		8,02,700.00		10,00,000.00
Purchase A/c		18,02,700.00		8,02,700.00		10,00,000.00
Direct Incomes		75,000.00		75,000.00		
AMC Charges		75,000.00		75,000.00		
Indirect Incomes		8,000.00		8,000.00		
Maintenance Services		8,000.00		8,000.00		
Indirect Expenses		15,11,120.00		15,11,120.00		
Rent on Building and Furniture Expenses		8,65,000.00		8,65,000.00		
Advertising Services		3,50,000.00		3,50,000.00		
Brokerage Expenses		16,000.00		16,000.00		
Commission Expenses		1,35,000.00		1,35,000.00		
Interest on TDS Late Payment		120.00		120.00		
Print Media Services		90,000.00		90,000.00		
Technical Services		35,000.00		35,000.00		
Transportation Expenses		20,000.00		20,000.00		
Grand Total		79,72,424.00		59,54,924.00		20,17,500.00
						20,17,500.00

Figure 4.24 Comparative Trial Balance

Similarly, you can generate a comparative Balance Sheet and Profit and Loss A/c.

To view a Comparative Balance Sheet of both the companies,

- 1) From Gateway of Tally > Balance Sheet
- 2) Click F2: Period and Change Period to 1-4-2020 to 31-03-2021
- 3) Press Alt+F5 for Detailed Balance Sheet.
- 4) Click N: Auto Column > In Auto Repeat Columns screen, under Auto Column > select Member Companies > Accept the screen.

The Comparative Balance Sheet appears as shown in Figure 4.25

Sources of Funds:	Dakshin Electronics Pvt. Ltd. as at 31-Mar-21		Dakshin Enterprises Pvt. Ltd. as at 31-Mar-21	
	50,00,000.00		10,00,000.00	
	50,00,000.00		10,00,000.00	
Capital Account				
Owner's Capital A/c				
Owner's Capital Account				
Loans (Liability)				
Current Liabilities				
Duties & Taxes				
Sundry Creditors				
Profit & Loss A/c				
Opening Balance				
Current Period				
Total				
Application of Funds:				
Current Assets				
Closing Stock				
Sundry Debtors				
Cash-in-Hand				
Bank Accounts				
Total				

Figure 4.25 Comparative Balance Sheet

To view a **Comparative Profit and Loss A/c** of both the companies,

- 1) From **Gateway of Tally > Profit & Loss A/c**
 - 2) Click **F2: Period** and Change Period to **1-4-2020 to 31-03-2021**
 - 3) Press **Alt+F5** for **Detailed Profit and Loss A/c.**
 - 4) Click **N: Auto Column** > In **Auto Repeat Columns** screen, under **Auto Column** > select Member **Companies** > **Accept** the screen.

The **Comparative Profit and Loss A/c** appears as shown in Figure 4.26.

Figure 4.26 Comparative Profit and Loss A/c

Conclusion

In this chapter we understood how quick and easy it is to handle the year-end process and move to the new financial year, by changing the Current Period, Export and Import of Data, Split Company, and Create New Company. We have also learnt, how to create a Group Company and generate comparative Final Accounts reports in TallyPrime.

Shortcut Keys

Short Cut Key Combination	Description
Alt + F5	<ul style="list-style-type: none"> • From Tally Reports • To view the reports in detailed mode
Alt+ R	<ul style="list-style-type: none"> • From Company Creation • To Create Group Company
Alt+ F3	<ul style="list-style-type: none"> • From Gateway of Tally • To Shut the Company
Alt+ N	<ul style="list-style-type: none"> • From Tally Reports • To view the report in Periodicity (Daily, Weekly, Monthly, Quarterly, Yearly)
Alt+ E	<ul style="list-style-type: none"> • From Gateway of Tally • To Export the Masters and Transactions
Alt+ O	<ul style="list-style-type: none"> • From Gateway of Tally • To Import the Masters and Transactions



Key Takeaways

- There are four different methods of moving to the next financial year in TallyPrime.
- When the Current Period is changed from Gateway of Tally, the balances from the previous financial year are carried forward.
- To close the books of accounts, we can create a new company and export the closing balances of all masters and import them as opening balances into the new company.
- After splitting the data original data will be retained in the parent company and two child companies will get created
- Verify Data is a feature in TallyPrime that can detect possible errors that occur while splitting the data and also provides the user with possible solutions.
- Group Company is the parent company under which we will have individual member companies.
- It is possible to view the comparative Final Accounts Reports of multiple companies on a single page using TallyPrime.

Practice Exercises

- 1) While importing the masters in a new company, it is possible to import the data with the opening balance.
 - a) TRUE
 - b) FALSE
- 2) In TallyPrime, Split Data means _____.
 - a) Splitting company data for a different period
 - b) Splitting Company Reports
 - c) Splitting Company Masters
 - d) Splitting of Transactions
- 3) Group company means consolidating more than one company, used only for viewing reports in TallyPrime.
 - a) TRUE
 - b) FALSE
- 4) In TallyPrime, we can consolidate the Balance Sheet of different companies in the Group Company.
 - a) TRUE
 - b) FALSE
- 5) In TallyPrime, the 'Verify Data' option is used to automatically detect possible errors which may occur during the Data Split process.
 - a) TRUE
 - b) FALSE



TallyEssential Addendum

TallyPrime 1.1.4

Learning Objectives

- Introduction to e-invoice Sandbox Experience
- Register on the e-invoice Sandbox Portal
- Enable Sandbox access in TallyPrime
- Generating e-invoice using e-invoice Sandbox in TallyPrime
- Quick access to Tax analysis and Stock Query
- Enhanced Print, and Export Experience
- Day-Wise breakup for Voucher Register

1.1 Introduction to e-Invoice Sandbox experience

If you are a GST-registered dealer eligible for e-Invoicing, then the e-Invoice Sandbox system, also known as the e-Invoice trial portal, will enable you to experience e-Invoicing using TallyPrime before you go on to generate e-Invoice on the live Invoice Registration Portal (IRP).

we can experience e-invoice generation through the e-invoice Sandbox system, here is all you need;

- TallyPrime Release 1.1.4 should be installed on your computer
- A client ID – AACCT29GSPB5H8G, which is required during the e-Invoice Sandbox registration
- A one-time registration on the e-Invoice Sandbox portal to generate your Sandbox Username and Password.

After generating your Username and Password on the e-Invoice Sandbox portal, you can try the feature in TallyPrime by enabling Sandbox access. As a recommended practice, you should try this feature using dummy Company data so that your live data remains unaltered.

You can also try this feature in Educational Mode with the only limitation that you can record transactions only for 1, 2, and 31 dates of a month.

Once you have experienced e-Invoicing through the Sandbox system, you can disable the feature in TallyPrime and then generate an e-Invoice on the live IRP.

What is e-Invoice Sandbox?

e-Invoice Sandbox is an e-Invoice trial portal or system that enables you to experience e-Invoicing using TallyPrime before you go on to generate e-Invoice on the live IRP.

e-Invoicing through the Sandbox system makes you familiar with the live process of e-Invoicing using TallyPrime. Having tried e-Invoice on this e-Invoice trial portal ensures that you do not face any difficulty when you go on to generate an e-Invoice on the live IRP.



What is the eligibility for generating e-Invoice Sandbox?

You can register on the e-Invoice sandbox portal if you are a GST-registered dealer eligible for e-Invoicing. Your turnover as per the department determines your eligibility for e-Invoicing. If your turnover is more than 50 Crore as per the department, then you will be eligible to register on the e-Invoice trial portal or say, the sandbox portal.

You will also get to know your eligibility for e-Invoicing on the e-Invoice Sandbox portal during the registration process. If your GSTIN fulfils the eligibility criteria, the registration will be successful.

1.1.1 Register on the e-Invoice Sandbox Portal

You will need to register on the e-Invoice Sandbox portal to generate your **Username** and **Password**. If you have already generated the Sandbox credentials using Tally as a GSP, then you can skip the registration step and experience the e-Invoice trial feature in TallyPrime Release 1.1.4.

For e-Invoice Sandbox registration, follow the steps given.

- 1) Navigate to the e-Invoice Sandbox registration page.
- 2) Open the e-Invoice Sandbox login page on the browser i.e., <https://einv-apisandbox.nic.in/einvapiclient/Login.aspx>

The **E-way Bill and E-Invoice API Access Mechanism** screen appears as shown in Figure 1.131

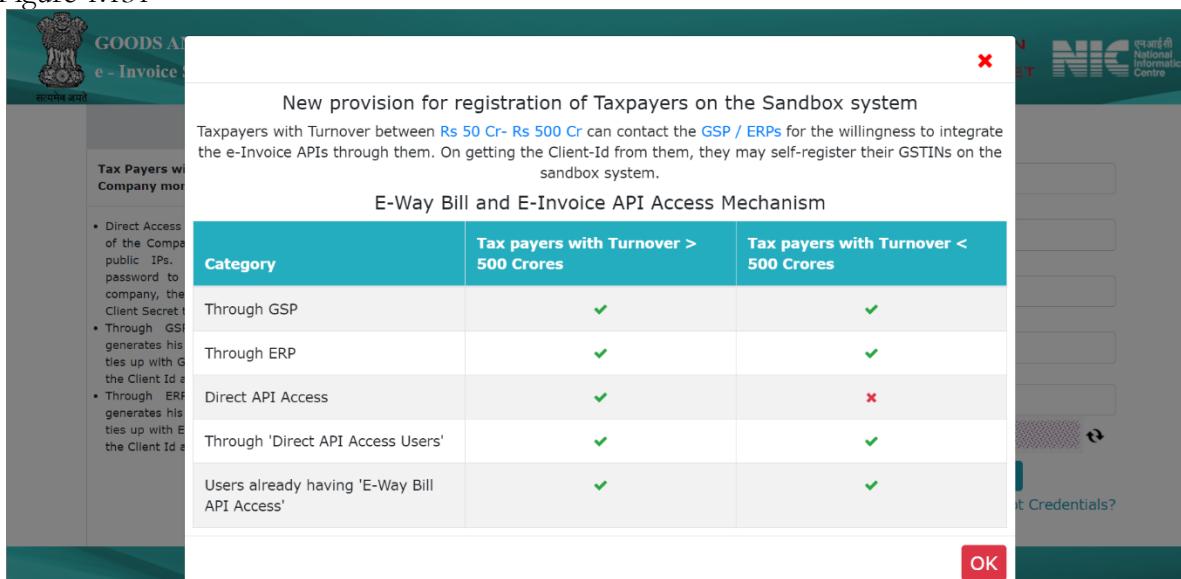
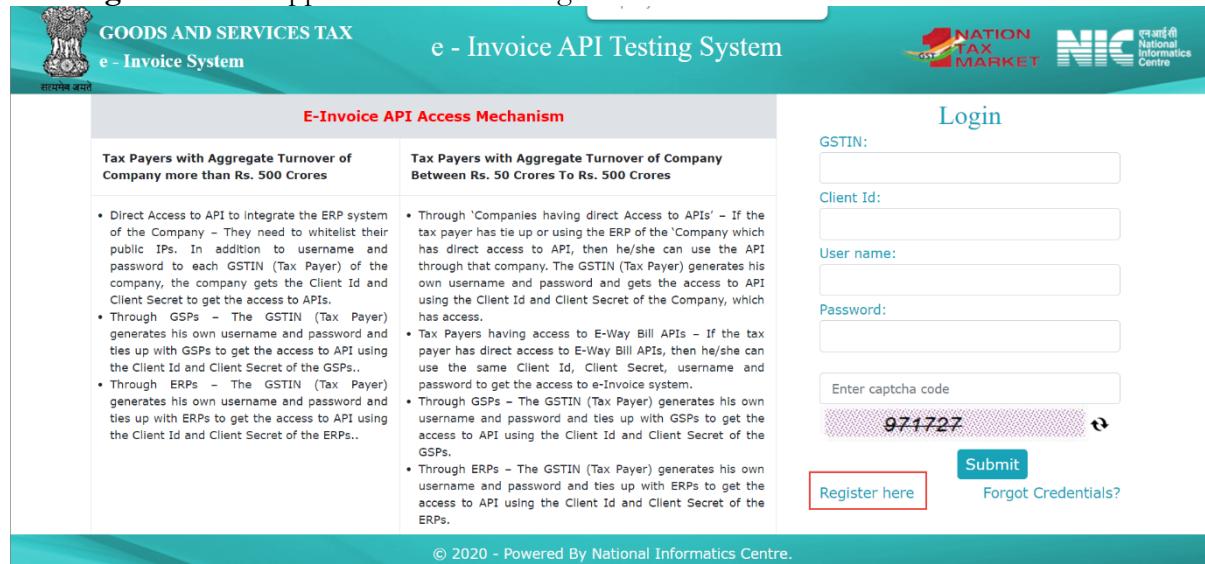


Figure 1.131 e-Invoice Sandbox Portal

- 3) Press **OK**.
- 4) Click **Register here**.



The **Register** screen appears as shown in Figure 1.132.

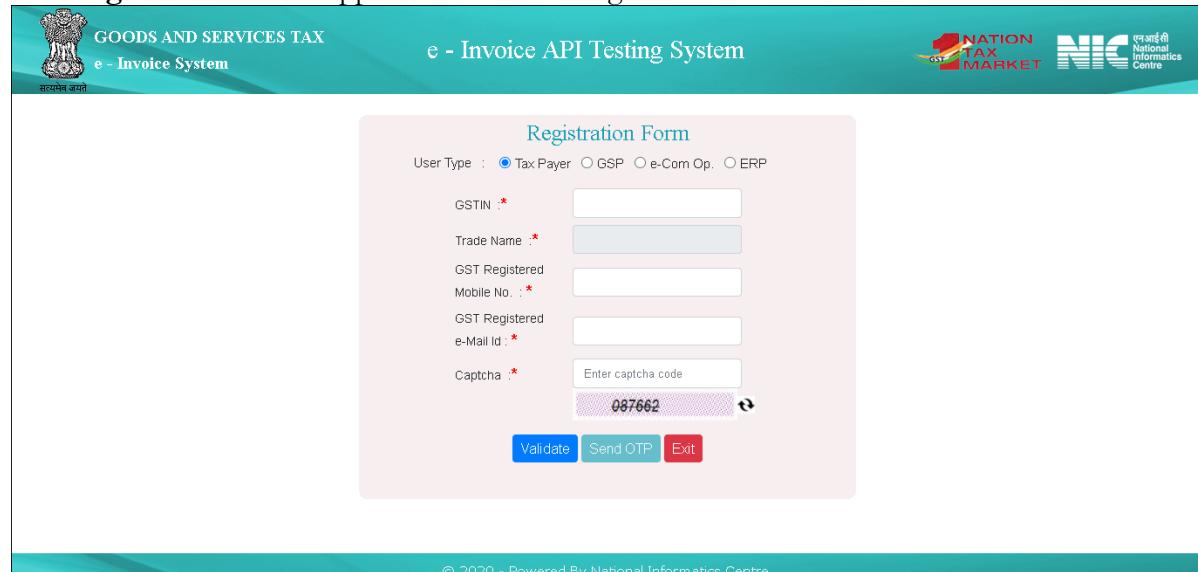


E-Invoice API Access Mechanism	
Tax Payers with Aggregate Turnover of Company more than Rs. 500 Crores <ul style="list-style-type: none"> • Direct Access to API to integrate the ERP system of the Company – They need to whitelist their public IPs. In addition to username and password to each GSTIN (Tax Payer) of the company, the company gets the Client Id and Client Secret to get the access to APIs. • Through GSPs – The GSTIN (Tax Payer) generates his own username and password and ties up with GSPs to get the access to API using the Client Id and Client Secret of the GSPs.. • Through ERPs – The GSTIN (Tax Payer) generates his own username and password and ties up with ERPs to get the access to API using the Client Id and Client Secret of the ERPs.. 	Tax Payers with Aggregate Turnover of Company Between Rs. 50 Crores To Rs. 500 Crores <ul style="list-style-type: none"> • Through 'Companies having direct Access to APIs' – If the tax payer has tie up or using the ERP of the Company which has direct access to API, then he/she can use the API through that company. The GSTIN (Tax Payer) generates his own username and password and gets the access to API using the Client Id and Client Secret of the Company, which has access. • Tax Payers having access to E-Way Bill APIs – If the tax payer has direct access to E-Way Bill APIs, then he/she can use the same Client Id, Client Secret, username and password to get the access to e-Invoice system. • Through GSPs – The GSTIN (Tax Payer) generates his own username and password and ties up with GSPs to get the access to API using the Client Id and Client Secret of the GSPs. • Through ERPs – The GSTIN (Tax Payer) generates his own username and password and ties up with ERPs to get the access to API using the Client Id and Client Secret of the ERPs.

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Figure 1.132 e-Invoice Sandbox Registration screen

The **Registration Form** appears as shown in Figure 1.133.



Registration Form	
User Type : <input checked="" type="radio"/> Tax Payer <input type="radio"/> GSP <input type="radio"/> e-Com Op. <input type="radio"/> ERP	
GSTIN *	<input type="text"/>
Trade Name *	<input type="text"/>
GST Registered	<input type="text"/>
Mobile No. *	<input type="text"/>
GST Registered	<input type="text"/>
e-Mail Id *	<input type="text"/>
Captcha *	<input type="text"/> Enter captcha code 
<input type="button" value="Validate"/> <input type="button" value="Send OTP"/> <input type="button" value="Exit"/>	

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Figure 1.133 e-Invoice Sandbox Registration Form

Provide all the required details in the **Registration Form**.

- 1) Under **User Type**, select **Taxpayer**.
- 2) Under **GSTIN**, enter the GSTIN of your business.

Note: Based on the GSTIN you will provide under the GSTIN field, the e-Invoice Sandbox portal will determine your eligibility for e-Invoicing.

- 3) Under **Trade Name**, enter the Company name registered with the department.
- 4) Enter the mobile number that you have registered on the live GST portal, under **GST Registered Mobile Number**.
- 5) Under **GST Registered e-Mail Id**, enter the e-mail ID that you have registered on the live GST portal.
- 6) Enter the **Captcha**.



After mentioning the details, the **Registration Form** screen appears as shown in Figure 1.134.

The registration form is titled "Registration Form". It includes fields for User Type (Tax Payer selected), GSTIN, Trade Name, GST Registered Mobile No., GST Registered e-Mail Id, and Captcha (481516). Buttons for Validate, Send OTP, and Exit are at the bottom. The footer says "© 2020 - Powered By National Informatics Centre."

Figure 1.134 e-Invoice Sandbox Completed Registration Form

- 7) Click on **Send OTP**.
- 8) You will receive an OTP on the GST Registered Mobile Number that you entered in the form.
- 9) Validate through Mobile OTP.
- 10) Click **Validate**.
- 11) Under Mobile OTP, enter the OTP that you received on your number.

Note: If you do not receive OTP in some time, you may click on Click Here to Resend OTP.

- 12) Click **Submit**.

The **Create Account** screen appears as shown in Figure 1.135.

The create account form is titled "Create Account". It includes fields for Your GSTIN, Registration through (GSP selected), Company, Email, ClientId, Enter Username, Enter Password, and Confirm Password. Buttons for Create and Exit are at the bottom. The footer says "© 2020 - Powered By National Informatics Centre."

Figure 1.135 e-Invoice Sandbox Create Account screen

- 13) Provide all the required details in the Create Account form through which you will generate your Username and Password for the Sandbox system.
 - Under **Your GSTIN**, enter the GSTIN of your business.
 - Select **GSP** while choosing **Registration through**.
- 14) Under Company, select **Tally (India) Private Ltd**.
- 15) Enter your e-mail ID under **Email**.



- 16) Now, under ClientId, enter **AACCT29GSPB5H8G**.
- 17) Under **Enter Username**, provide the username using which you can log in to the Sandbox.
- 18) Under **Enter Password**, provide the password using which you can log in to the Sandbox.
- 19) Enter the password again, under the **Confirm Password** field.
- 20) Press **Create**.

Once you generate your Username and Password, you can use them to experience e-Invoicing from within TallyPrime.

1.1.2 Enable Sandbox access in TallyPrime

To experience the e-Invoice Sandbox feature in TallyPrime, it is recommended that you take a copy of your company's data or use different data. Using different data or dummy data will ensure that the data that you will be using for e-Invoicing on the live environment or IRP will remain unaltered.

However, if you use your live data without backup, you will need to cancel the e-Invoice generated on the sandbox before generating it on the live IRP. To avoid this inconvenience, it is important to use a copy of your Company's data or take a backup before trying this Sandbox feature in TallyPrime.

To experience e-Invoicing through Sandbox, you need to enable the Sandbox access in TallyPrime. It is a one-time setup.

Note: We will be continuing the sandbox access feature in TallyPrime with the existing GST Data i.e., **Dakshin Electronics Pvt. Ltd** which is used for TallyEssential Level -3 Chapter-1.

After loading the company in TallyPrime. Follow the steps as suggested:

- 1) From **Gateway of Tally >Press F11 for Company Features Alteration**
- 2) Press **Ctrl+I: More Details**

The **Company Features Alteration** screen appears as shown in Figure 1.136.

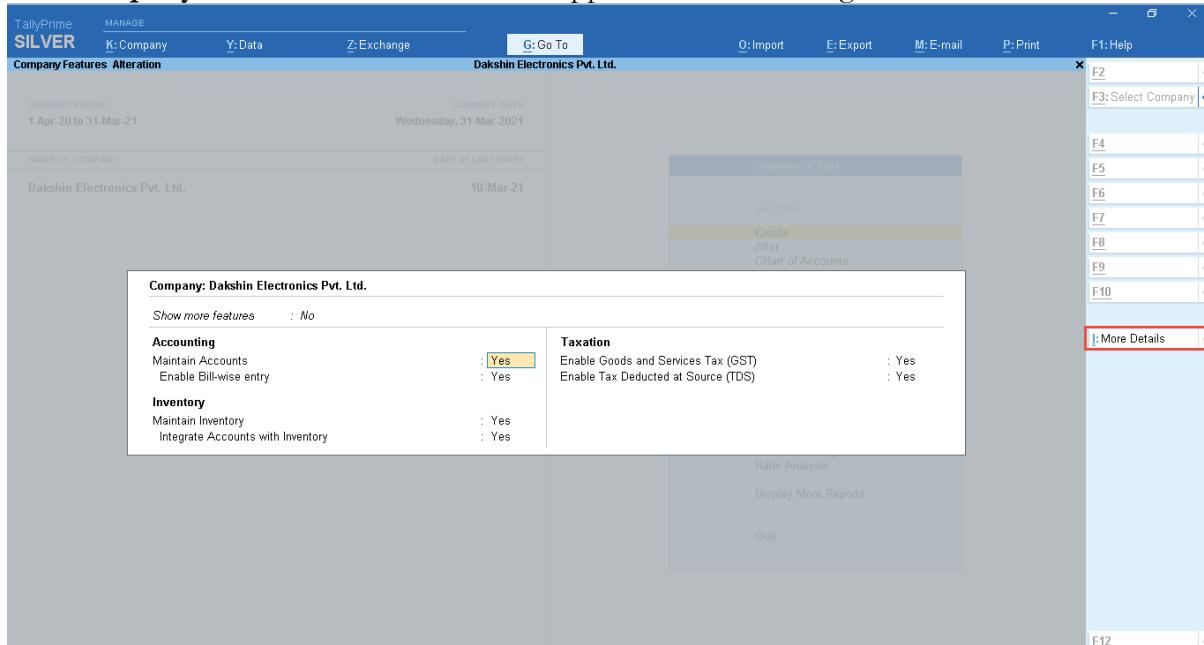


Figure 1.136 Company Features Alteration screen



- 3) Click on **Show More** > Click on **Show Inactive**.

The **List of Company Details** appears as shown in Figure 1.137.

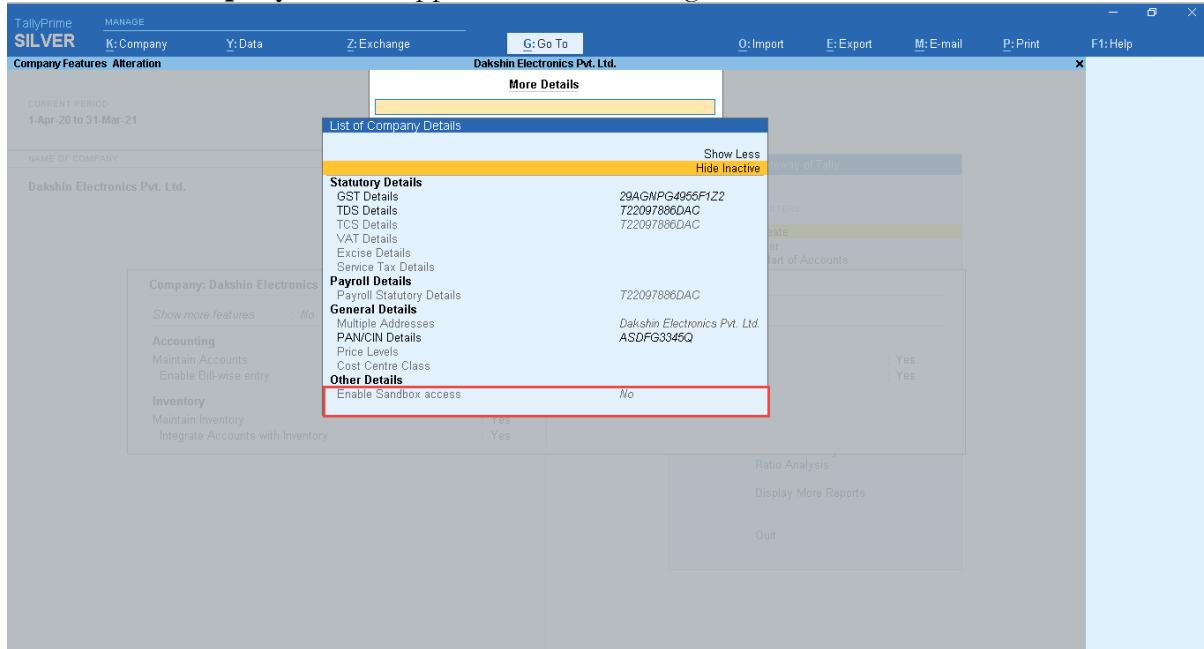


Figure 1.137 More Details screen

- 4) Press **Enter** on **Enable Sandbox access**, which is under **Other Details**.
- 5) Set **Enable Sandbox access** to **Yes**.

The **Sandbox Access** screen appears as shown in Figure 1.138.

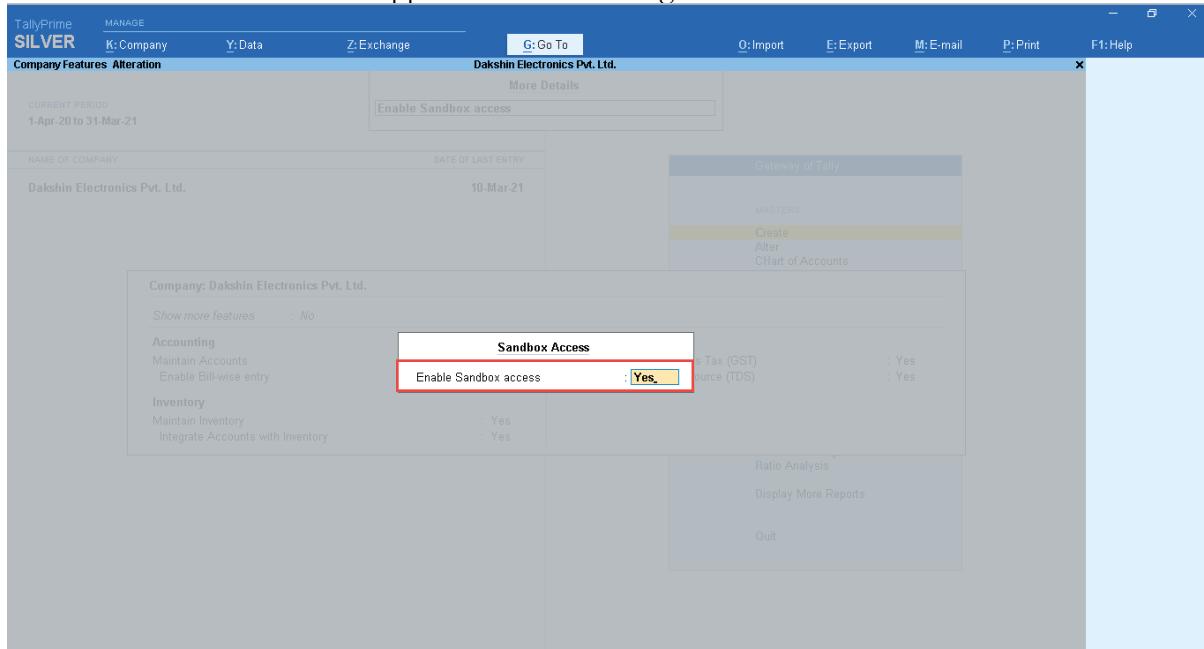


Figure 1.138 Sandbox Access screen

- 6) Accept the screen.

Note: If you are using the same company data for generating e-Invoice in the live environment, you will need to disable the feature using the same navigation. The option will be available under **More Details** without a need to press Enter on **Show More** and **Show Inactive**. You can then set **Enable Sandbox access** to **No**.



1.1.3 Generating e-Invoice using e-Invoice Sandbox in TallyPrime

Once you have enabled Sandbox access in TallyPrime, you can enjoy the benefits of this feature and generate e-invoices to experience e-Invoicing in TallyPrime through the e-Invoice portal.

Note:

- Ensure that **Enable Goods and Services Tax (GST)** is set to Yes in **F11 Company Features Alteration**, and in the **GST Details** screen, **e-Invoicing applicable** is set to Yes.
- As we have selected the existing company to explore the feature, we will not be recording any transactions in TallyPrime.

Step: 1 To generate e-invoice using e-invoice Sandbox.

- 1) Load the **Dakshin Electronics Pvt. Ltd.** Company.
- 2) From **Gateway of Tally > DayBook**
- 3) Press **F2: Date** > Change the date to **05-Jan-21**
- 4) Press **Enter** on **Sales Voucher** with voucher number **9**
- 5) In the **Sales Voucher Alteration** screen, set **Provide e-Invoice details** to **Yes** as shown in Figure 1.139.

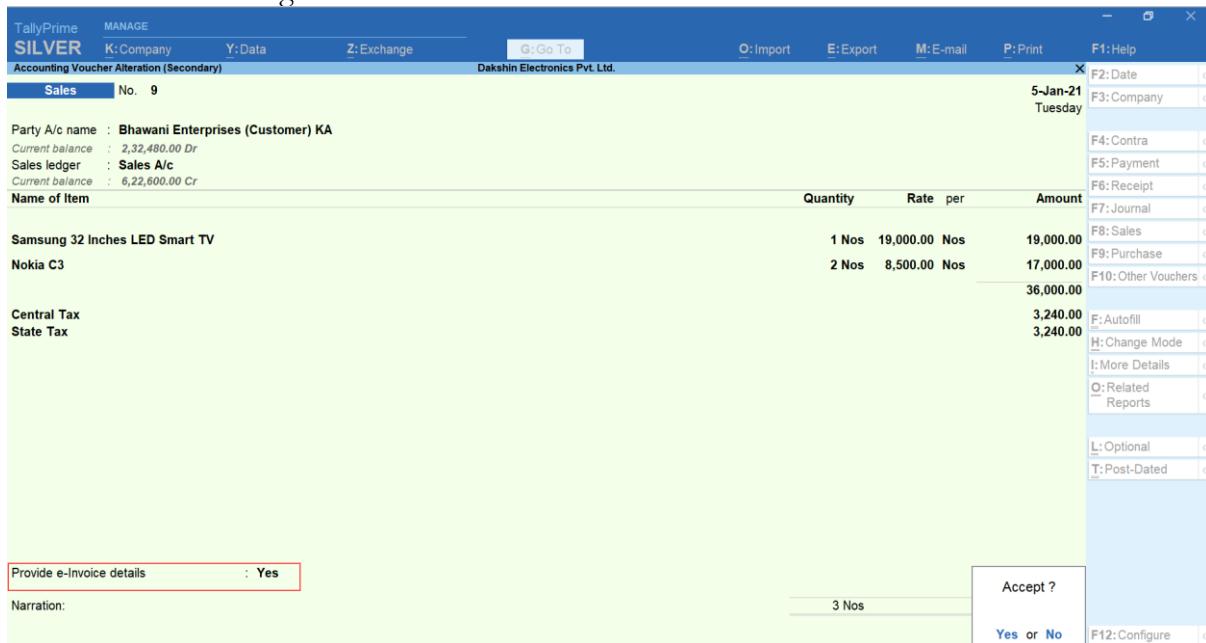


Figure 1.139 Sales Voucher Alteration screen

- 6) Accept the **e-Invoice Details** screen
- 7) Accept the **Sales Voucher Alteration** screen
- 8) **Do you want to generate e-invoice?** Set the option to **Yes**
- 9) **e-Invoice Sandbox Login** screen appears, enter the **Username** and **Password** to Login as shown in Figure 1.140

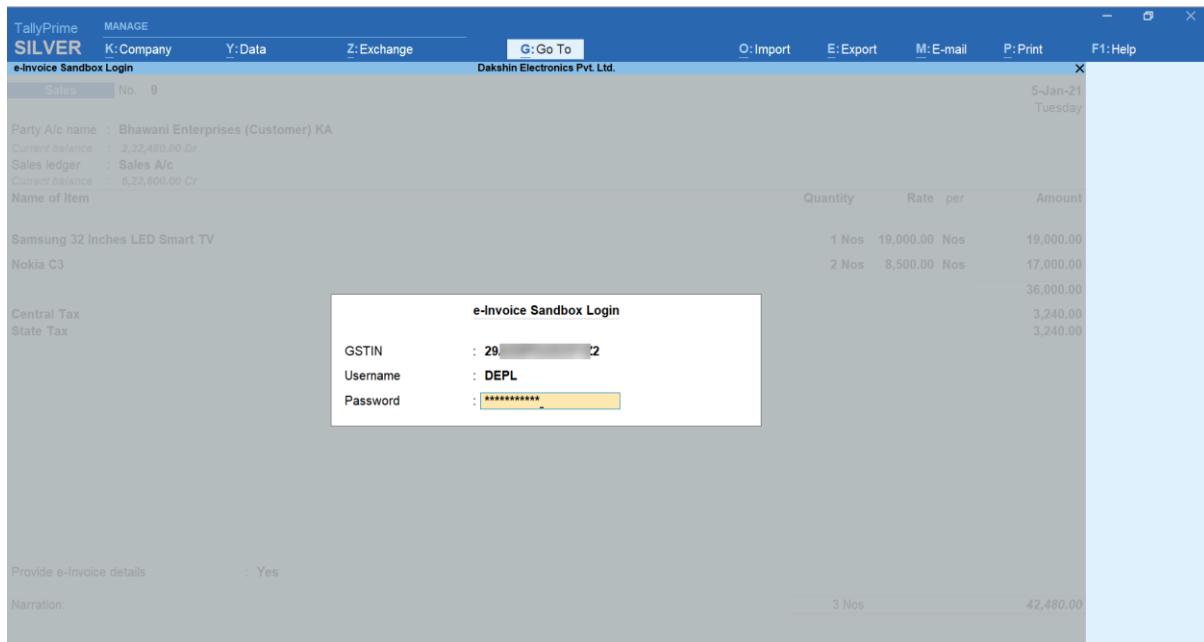


Figure 1.140 e-Invoice Sandbox Login screen

Note: Use your Sandbox credentials in the e-Invoice Sandbox Login screen.

- Under Username, enter the username that you had generated during the e-Invoice Sandbox registration.
- Under Password, enter the password you had generated during the e-Invoice Sandbox registration.

10) Press **Enter**

11) The IRN details will be download and updated in the transaction.

12) You can print the transaction with e-Invoice details such as IRN, Ack. No., and Ack. Date, and the QR Code as shown in Figure 1.141.



Tax Invoice						
				e-Invoice		
IRN : ea2a9860845e1fb26b5423743bf49b6932671e5c8c313- 771b5b5c65c970b1741 Ack No. : 112110074047114 Ack Date : 5-Jan-21						
Dakshin Electronics Pvt. Ltd. # 162, 9th Main, 15th A Cross, Block A2, Techno Park, Electronic City, Bengaluru. GSTIN/UIN: 29. State Name : Karnataka, Code : 29 E-Mail : dakshinelectronics@gmail.com		Invoice No.		Dated		
		9		5-Jan-21		
		Delivery Note		Mode/Terms of Payment		
		Reference No. & Date.		Other References		
		Buyer's Order No.		Dated		
		Dispatch Doc No.		Delivery Note Date		
Bhawani Enterprises #23, Hosur Main Road, Global Tech Park, Bengaluru GSTIN/UIN : 29. State Name : Karnataka, Code : 29		Dispatched through		Destination		
		Terms of Delivery				
Buyer (Bill to) Bhawani Enterprises #23, Hosur Main Road, Global Tech Park, Bengaluru GSTIN/UIN : 29. State Name : Karnataka, Code : 29						
Sl. No.	Description of Goods		HSN/SAC	Quantity	Rate per	Amount
1	Samsung 32 Inches LED Smart TV		85287219	1 Nos	19,000.00	Nos
2	Nokia C3		8517	2 Nos	8,500.00	Nos
		<i>Central Tax</i>				19,000.00
		<i>State Tax</i>				17,000.00
						36,000.00
						3,240.00
						3,240.00
		Total		3 Nos		₹ 42,480.00
Amount Chargeable (in words) E. & O.E INR Forty Two Thousand Four Hundred Eighty Only						
HSN/SAC <hr/> 85287219 8517		Taxable Value <hr/> 19,000.00 17,000.00	Central Tax <hr/> Rate 9% 9%	Amount <hr/> 1,710.00 1,530.00	State Tax <hr/> Rate 9% 9%	Total <hr/> Tax Amount 3,420.00 3,060.00
		Total	36,000.00	3,240.00	3,240.00	6,480.00
Tax Amount (in words) : INR Six Thousand Four Hundred Eighty Only						
Company's PAN : for Dakshin Electronics Pvt. Ltd. <u>Declaration</u> We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.						
Authorised Signatory						
This is a Computer Generated Invoice						

Figure 1.141 Tax Invoice Print screen



Once you have experienced the complete process of e-Invoice generation through the e-Invoice Sandbox portal, you can enjoy the benefits of the e-Invoicing facility in TallyPrime to generate e-Invoices on the live e-Invoicing system or IRP.

Note:

- You can also generate e-Invoice for bulk transactions. From any screen in TallyPrime, press **Alt+Z (Exchange)> Send for e-Invoicing > Select the transactions > Click on Send.**
- The e-Invoice Sandbox portal does not support offline e-Invoicing on uploading JSON files. So, if you press X (Offline Export), then TallyPrime will display a warning message stating that e-Invoice Sandbox does not allow you to upload JSON.

1.2 Quick access to Tax Analysis and Stock Query

You can now navigate to Tax Analysis and Stock Query reports from transactions using the Related Reports button. This will lead to easy discoverability and quick access.

To experience the feature in TallyPrime, Follow the steps given.

- 1) Load the company **Dakshin Electronics Pvt. Ltd.** in TallyPrime.
- 2) From **Gateway of Tally > Day Book > Click F2: Date** and Enter the date as **5-Oct-20**
- 3) **Enter on Purchase Voucher number 1.**
- 4) Click on **Q: Related Reports** as shown in Figure 1.142.

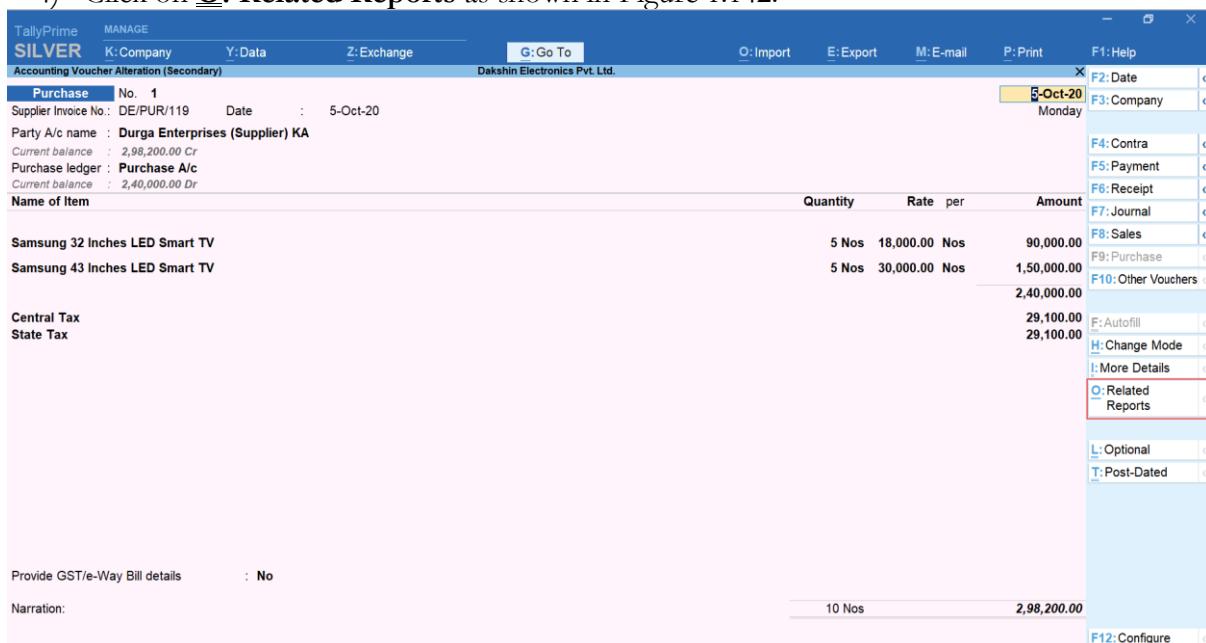


Figure 1.142 Purchase Voucher Alteration screen



The **List of Reports** screen appears as shown in Figure 1.143.

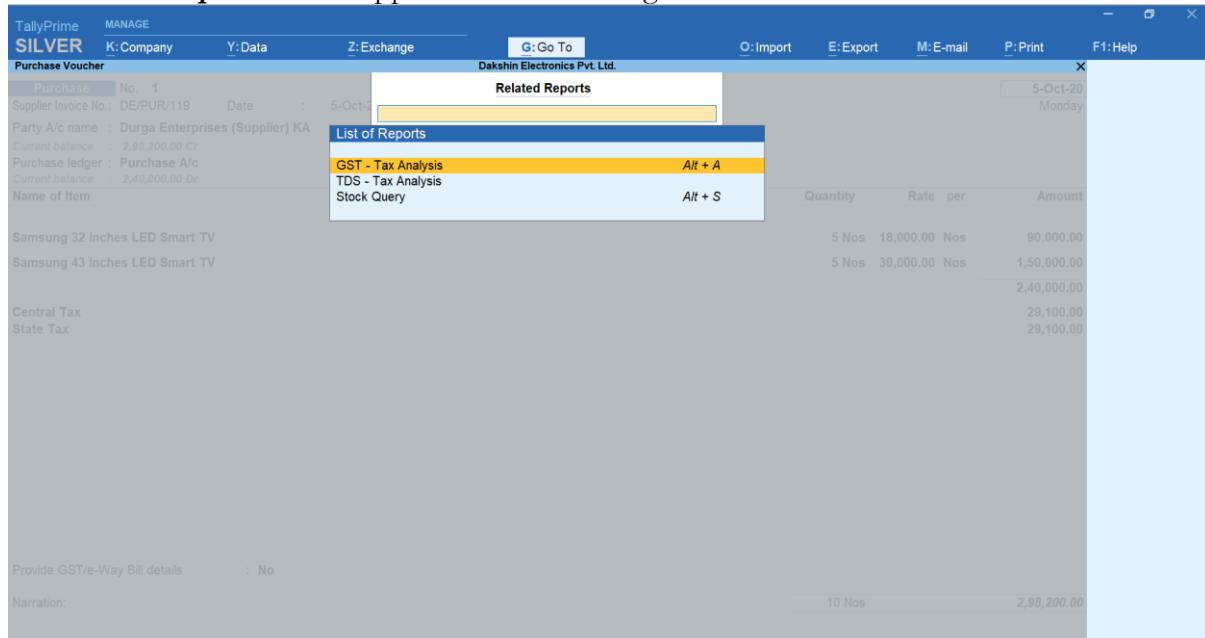


Figure 1.143 Related Reports screen

Based on the features activated in TallyPrime the reports will get listed on the above screen. You can select any of the reports and view the detailed information about the transaction.

1.3 Enhanced Print, and Export Experience

1.3.1 Preview before Printing

You can now set Preview as default instead of printing directly so that you will:

- Always see a Preview of the voucher.
- Prevent accidental printing.
- Identify errors and make corrections, if any.
- Save overall time, paper, and cost of printing erroneous vouchers.

To explore the Preview before Printing all the invoices, Follow the steps given.

- 1) Load the company **Dakshin Electronics Pvt. Ltd.** in TallyPrime.
- 2) From **Gateway of Tally > Click on P: Print > Enter on Configuration.**
- 3) In the **List of Configuration > Under Printer Settings > Set Preview as default to Yes** as shown in Figure 1.144.

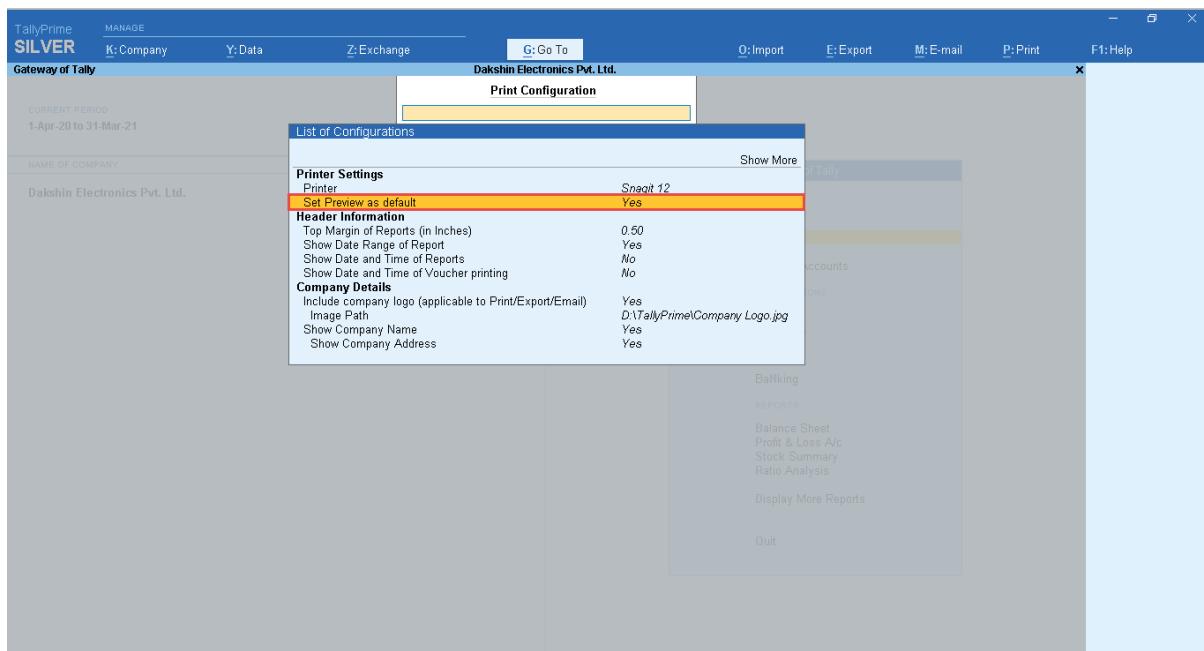


Figure 1.144 Print Configuration screen

By setting the option **Set Preview as default** to **Yes**, While printing the vouchers if we give the Print command first it will display the preview of the voucher and print the invoice.

1.3.2 Right button bar for quick configuration

With the newly introduced right button bar for **Print** and **Export**, you can easily find the frequently used configurations, thereby saving a great deal of time.

To explore the above option, follow the steps given:

- 1) Load the company **Dakshin Electronics Pvt. Ltd.** in TallyPrime.
- 2) From **Gateway of Tally > Day Book >** Click **F2: Date** and Enter the date as **12-Oct-20**
- 3) **Enter on Sales Voucher number 1.**
- 4) Click on **P: Print >Current (Ctrl+P)**.

The **Voucher Printing** screen appears as shown in Figure 1.145.

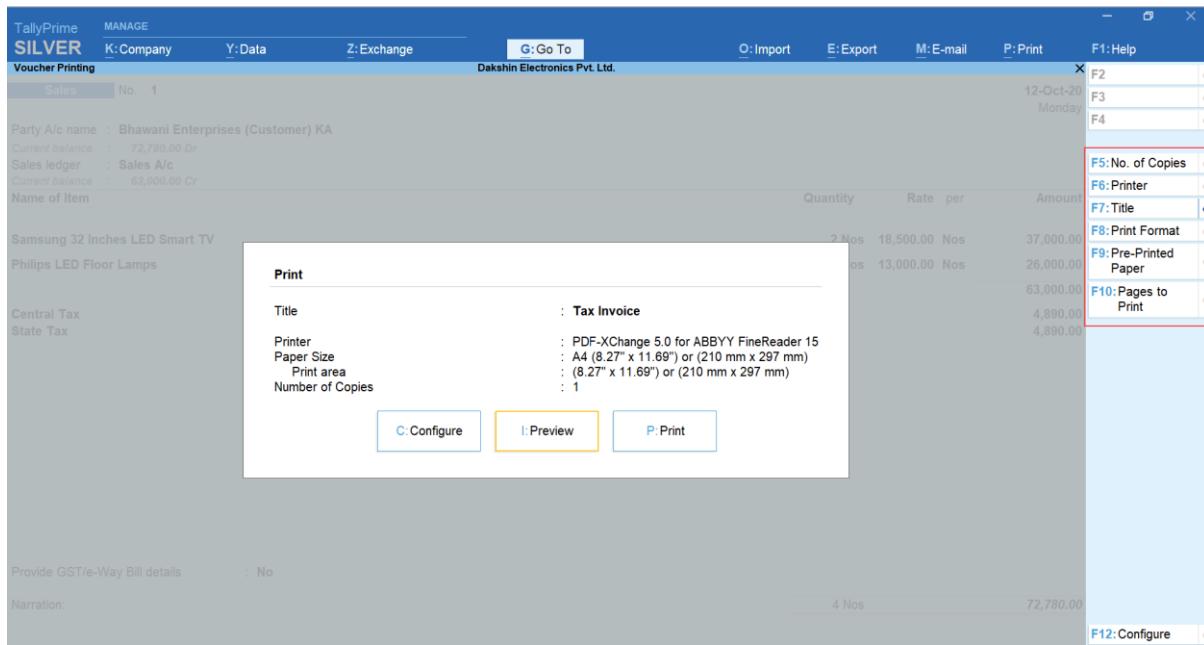


Figure 1.145 Voucher Printing screen

By referring the Figure 1.145 we can observe that the **Right Buttons** can be configured for Printing and Exporting features in TallyPrime. The user can make the required changes as per his requirement.

1.4 Day-Wise breakup for Ledgers

In Ledger reports, we can view day-wise breakup, which will help you to:

- Track changes in daily balance.
- Perform day-wise analysis.

To view the Ledger-wise breakup, follow the steps given:

- 1) Load the company **Dakshin Electronics Pvt. Ltd.** in TallyPrime.
- 2) From **Gateway of Tally > Display More Reports > Accounts Book > Ledger** > Enter on **Rakesh Advertising Agency**.
- 3) Mention the Period as **1-Apr 20 to 31-Mar-21**.
- 4) Click on **H: Change View > Enter on Daily Breakup** as shown in Figure 1.146.

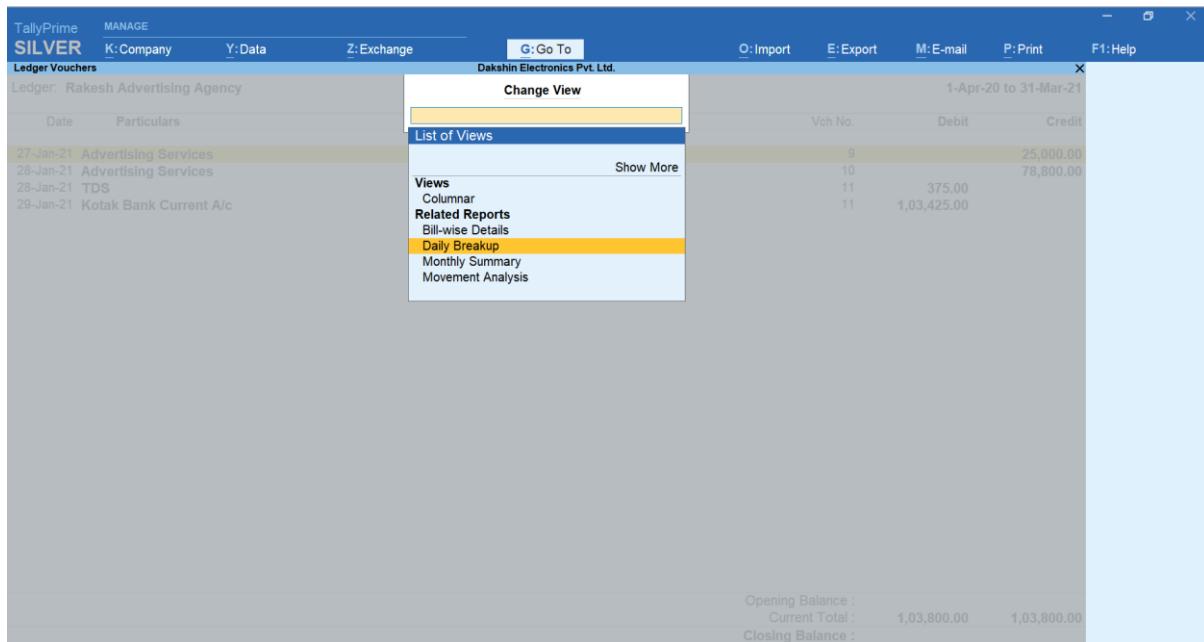


Figure 1.146 Ledger Vouchers Change View screen

- 5) You can enter on the **Daily Breakup** and view the ledger transactions daily as shown in Figure 1.147.

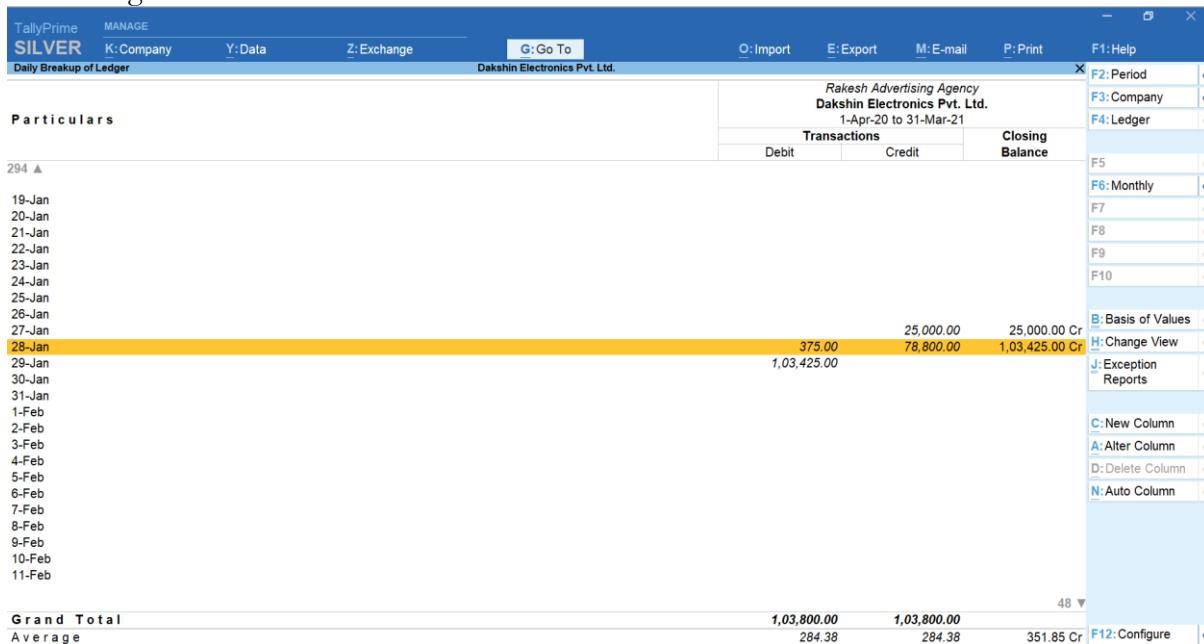


Figure 1.147 Daily Breakup of Ledger screen



TallyEssential Addendum

TallyPrime 2.0

Learning Objectives

- Introduction to Connected e-Way Bill in TallyPrime
- Creation of e-Way Bill Profile on the Portal
- Generating e-Way Bill online from TallyPrime
- Generating E-Way Bill Report
- Update e-Way Bill Part B details
- Introduction to Save View Reports in TallyPrime
- Create Save Views of a Report
- Manage Saved Views

1.1 Connected and Complete E-Way bill System in TallyPrime

1.1.1 Introduction to e-Way Bill

Electronic Waybill (e-Way bill) is an electronic document generated on the GST portal for evidencing the movement of goods. It is a unique reference number generated for the specific consignment which involves the movement of goods. If the invoice value is ₹ 50,000 or above, all registered dealers must generate an e-Way Bill for the interstate movement of goods.

The e-Way bill needs to be generated for all types of movement of goods interstate and intrastate.

If a registered dealer is shipping material worth more than ₹ 50,000, then he should generate an e-Way Bill from the portal by entering necessary information such as the details of the buyer, the quantity and HSN code of the goods, transporter ID, and so on. After he upload these details, an e-Way Bill number will be generated for this particular transaction. He must print the e-Way Bill number and other details along with the invoice, and furnish them on the way, as needed. For example, an assessing officer might inspect the shipment on the way, and they might verify the e-Way Bill information with the actual goods being transported.

In TallyPrime e-Way Bill solution is simple and is based on regular invoicing activity. You only have to record the sales transactions as usual, and your e-Way Bill requirement will be covered in the same flow. Important details will be updated in the vouchers automatically, and you can proceed to print them. TallyPrime also provides you with the flexibility to generate e-Way Bill in bulk for multiple invoices.

If you do not want to generate the e-Way Bill while recording the transaction, then you can select one or more transactions from the Exchange menu and generate the e-Way Bill number at your convenience.

All the requests for online e-Way Bill generation will pass through Tally GSP (TIPL), which has been awarded ISO 27001:2013 certificate for its stringent security policies. The best part is that you will not need any additional software or plugins to enjoy the benefits of e-Way Bill in TallyPrime.



1.1.2 Creation of e-Way Bill Profile on the Portal

To get started with e-Way Bill, firstly, you must register your business on the e-Way Bill portal, and then create an API user profile by selecting Tally India Pvt Ltd as your GSP.

To **Register** on e-Way Bill portal,

- 1) Open the e-Way Bill portal. i.e. <https://ewaybillgst.gov.in> > click on **Registration** > **e-Way Bill Registration**
- 2) Enter the **GSTIN** of your business in the **e-Way Bill Registration Form** > Enter the **CAPTCHA** code > click on **Go**.
- 3) The business details will appear as per the GSTIN entered as shown in Figure 1.148

The screenshot shows the 'E-Way Bill Registration Form' interface. At the top, there is a field labeled 'Enter GSTIN' with the value 'GS5559'. Below it is a CAPTCHA field with the code 'SP923' and buttons for 'Go' and 'Exit'. The form is divided into sections for 'Applicant Name' and 'Trade Name', both of which have large redacted input fields. Under 'II. Address', there are fields for 'Line 1' (containing '6'), 'Line 2', 'City', 'PIN', and 'State' (set to 'TAMIL NADU'). Below these are fields for 'Mail ID' and 'Mobile' (containing '*****2543'). A note at the bottom states: 'Note: If the details shown above have changed or incorrect then click on 'Update from GST Common Portal' button or click on 'Send OTP'.' At the bottom are two buttons: 'Send OTP' and 'Update from GST Common Portal'.

Figure 1.148 e-Way Bill Registration Form

- 4) Click on **Send OTP** > Enter the code received on your registered mobile number and click **Verify OTP**.
- 5) After verifying the OTP, you will be asked to enter a **username** and **password** to create your login credentials > Confirm and save the details.

After registering on the e-Way Bill portal, the next step is to **Create API User Profile**.

- 1) Open the e-Way Bill portal. i.e. <https://ewaybillgst.gov.in> > click on **Login** > Enter the **username** and **password** > Enter the **CAPTCHA** code > click on **Login**
- 2) **E-Way Bill Dashboard** appears, Click on **Registration** > click on **For GSP** as shown in Figure 1.149

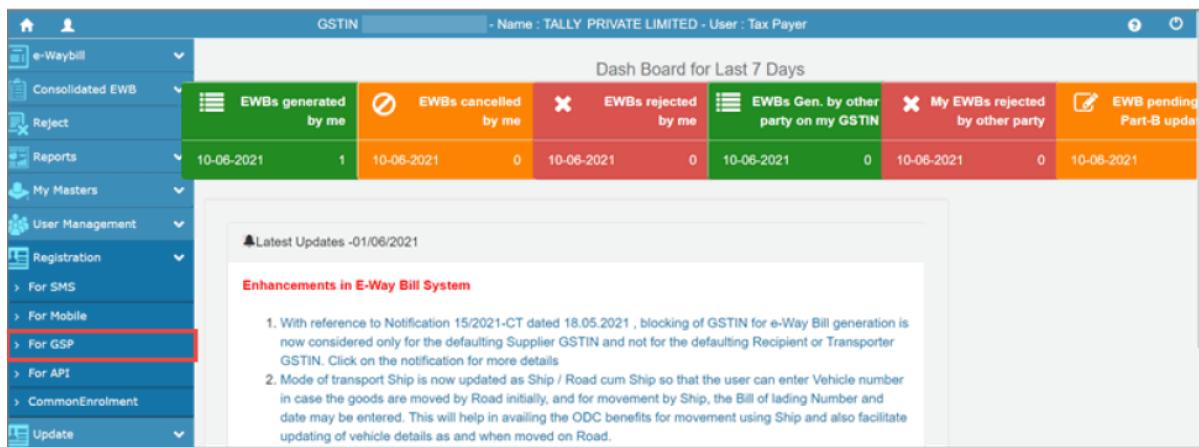


Figure 1.149 GST Registration screen

- 3) **Register your GST Suvidha Provider** screen appears with pre-filled e-mail ID and mobile number > Click on **Send OTP** > Enter the code received on your registered mobile number and click **Verify OTP**.
- 4) Once the OTP is verified, **Register your GST Suvidha Provider** screen appears where you can add your preferred GSP > Click on **Add/New** > Under **GSP Name**, select **Tally (India) Private Limited** as shown in Figure 1.150

Figure 1.150 Register GST Suvidha Provider screen

- 5) Enter your preferred **username** and **password** > click **Add** to save the details.

Note: The API user credential is different from your e-Way Bill credential. You have to use these API credentials in TallyPrime to log in to the e-Way Bill System and perform online e-Way Bill-related activities from TallyPrime.

1.1.3 Generating e-Way Bill online from TallyPrime

TallyPrime provides you with an online e-Way Bill solution that fits right into your regular invoicing process. TallyPrime also supports e-Way Bill for POS, debit notes, and credit notes along with receipts and journal vouchers when they are used for sales.

Now, one can easily generate the e-Way Bill number while saving your invoice and print the QR code and other details. Later, if you want to update the details of your transaction, then you can easily cancel the current e-Way Bill number and get a fresh one for your updated invoice.

In TallyPrime, you have the choice of generating the e-Way Bill along with your e-invoice, or even generate the e-invoice without the e-Way Bill, if required.



Prerequisites

Before you proceed with online e-Way Bill generation, ensure that:

- You are connected to the internet.
- You are logged in with your e-Way Bill credentials.
- You have enabled e-Way Bill in TallyPrime.

Note: We will be continuing the e-Way feature in TallyPrime with the existing GST Data i.e., **Dakshin Electronics Pvt. Ltd.** which is used for TallyEssential Level -3

GST e-Way details are already activated in **Dakshin Electronics Pvt. Ltd.**, to check the same, follow the procedure as below:

- 1) From **Gateway of Tally** > press **Alt+F2** and **Change Period** as **1-4-2021** to **31-3-2022** > **Accept** the screen
- 2) From **Gateway of Tally** > press **K: Company** > select **Features (F11)**
- 3) Click **I: More Details** > Enter on **GST Details**
- 4) **e-Way Bill applicable** is set to **Yes** (If disabled, Set it to Yes) > Set **Print e-Way Bill with Invoice** to **Yes**
- 5) Accept the **Company GST Details** screen > Accept the **Company Features Alteration** screen.

Activity: Record the intrastate inward supply of goods with GST referring to Table 1.98

Date	Particulars							
1 st July 2021	Voucher: Purchase <i>As on 1st July 2021, Dakshin Electronics Pvt. Ltd. purchased the following goods from Durga Enterprises, Karnataka on credit with Supplier Invoice Number DE/21/1.</i>							
Name of Item Quantity Rate per (₹) Amount (₹)								
<i>Sony 32 Inches LED Smart TV</i> <i>5 Nos</i> <i>20,000</i> <i>1,00,000</i>								
<i>Sony 43 Inches LED Smart TV</i> <i>5 Nos</i> <i>35,000</i> <i>1,75,000</i>								
Tips: Select Central Tax and State Tax duty Ledgers > Set Provide GST/e-Way Bill details to No								

Table 1.98

Illustration 1: Accounting interstate outward supply of goods with GST and generating Tax Invoice with e-Way Bill in TallyPrime.

Date	Particulars							
21 st July 2021	Voucher: Sales <i>As on 21st July 2021, Dakshin Electronics Pvt. Ltd. sold the following goods to Mataji Electronics, Tamil Nadu on credit with Sale Bill No.1.</i>							
Name of Item Quantity Rate per (₹) Amount (₹)								
<i>Sony 32 Inches LED Smart TV</i> <i>3 Nos</i> <i>21,000</i> <i>63,000</i>								
<i>Sony 43 Inches LED Smart TV</i> <i>3 Nos</i> <i>38,000</i> <i>1,14,000</i>								

Table 1.99

Activity: To experience the connected e-Way Bill feature in TallyPrime, we are deactivating e-Invoice feature. Press **F11** for **Company Features Alteration** > Press **Ctrl+I: More Details** > Enter on **GST Details** > In the **GST Details** screen, Set **e-Invoicing applicable** to **No**.

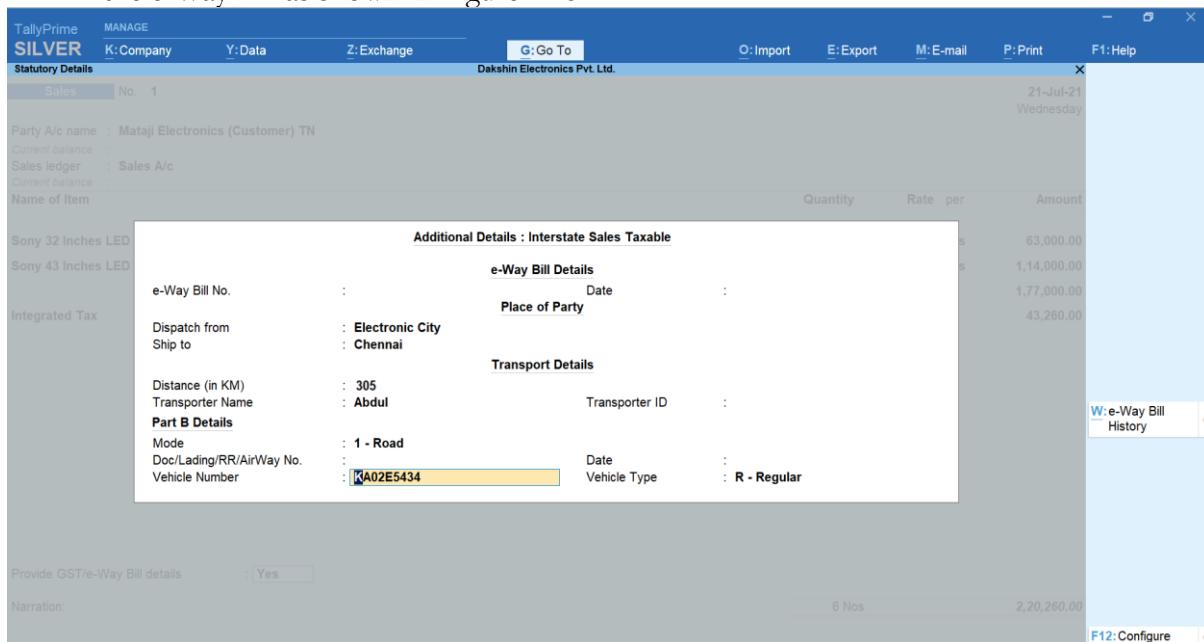
Step 1: Recording Interstate Outward Supplies and generating e-Way Bill Online

To record interstate outward supply of goods,

- 1) From **Gateway of Tally** > **Vouchers** > **F8: Sales**
- 2) Click **H: Change Mode** (Alternatively, Press **Ctrl+H**) > Select **Item Invoice**
- 3) Click **F2: Date** and change the date to **21-July-21**.



- 4) Select **Mataji Electronics (Customer) TN** in the **Party A/c name** field. (Accept the **Dispatch Details** and **Party Details** as it is)
- 5) Select the **Sales A/c** ledger in the **Sales ledger** field.
- 6) Under **Name of Item** field, select **Sony 32 Inches LED Smart TV** > Enter **Quantity** as **3 Nos**> Enter **Rate** as **₹ 21,000** > **Amount ₹ 63,000** will capture automatically.
- 7) Select **Sony 43 Inches LED Smart TV** > Enter **Quantity** as **3 Nos**> Enter **Rate** as **₹ 38,000** > **Amount ₹ 1,14,000** will capture automatically.
- 8) Select the **Integrated Tax** ledger.
- 9) Set **Provide GST/e-Way Bill** to **Yes**
- 10) The **Statutory Details** screen appears, Enter the mandatory details required for generating the e-Way Bill as shown in Figure 1.151



The screenshot shows the TallyPrime Statutory Details screen for a Sales transaction. The main table lists items: Sony 32 Inches LED Smart TV (Quantity 3, Rate 63,000), Sony 43 Inches LED Smart TV (Quantity 3, Rate 114,000), and Integrated Tax (Quantity 1, Rate 43,260). A modal dialog box titled "Additional Details : Interstate Sales Taxable" is open, containing sections for "e-Way Bill Details" and "Transport Details". In "e-Way Bill Details", fields include e-Way Bill No. (empty), Date (empty), Place of Party (empty), Dispatch from (Electronic City), Ship to (Chennai), Transporter Name (Abdul), Transporter ID (empty), Distance (in KM) (305), and Vehicle Number (KA02E5434). In "Transport Details", fields include Date (empty), Vehicle Type (R - Regular), and Mode (1 - Road). At the bottom of the dialog, there is a checkbox "Provide GST/e-Way Bill details" which is checked, and a button "F12: Configure" which is highlighted.

Figure 1.151 Statutory Details screen

Note: To display the Consignor and Consignee details, from the Statutory Details screen, Click **F12: Configure**>Set **Show Consignor Details (From) and Consignee Details (To)** to **Yes** > **Accept** the screen

- 11) Accept the **Statutory Details** screen.
- 12) Press **Enter** > The Sales Voucher Creation screen appears.
- 13) Click **Q: Related Reports** > Select **GST-Tax Analysis** (Alternatively, press Alt+A)> Click **F5: Detailed** (Alternatively, press Alt+F5) to view the tax implication in this transaction.
- 14) Press **Esc** to go back to the **Accounting Voucher Creation** screen.
- 15) In the **Bill-wise Details for** screen, select **New Ref** and **Accept**
- 16) Enter the **Narration** if required.
- 17) **Accept** the screen.
- 18) TallyPrime will automatically ask for **Generating e-Way Bill** > Click on **Yes** > **e-Way Bill Login** screen appears as shown in Figure 1.152

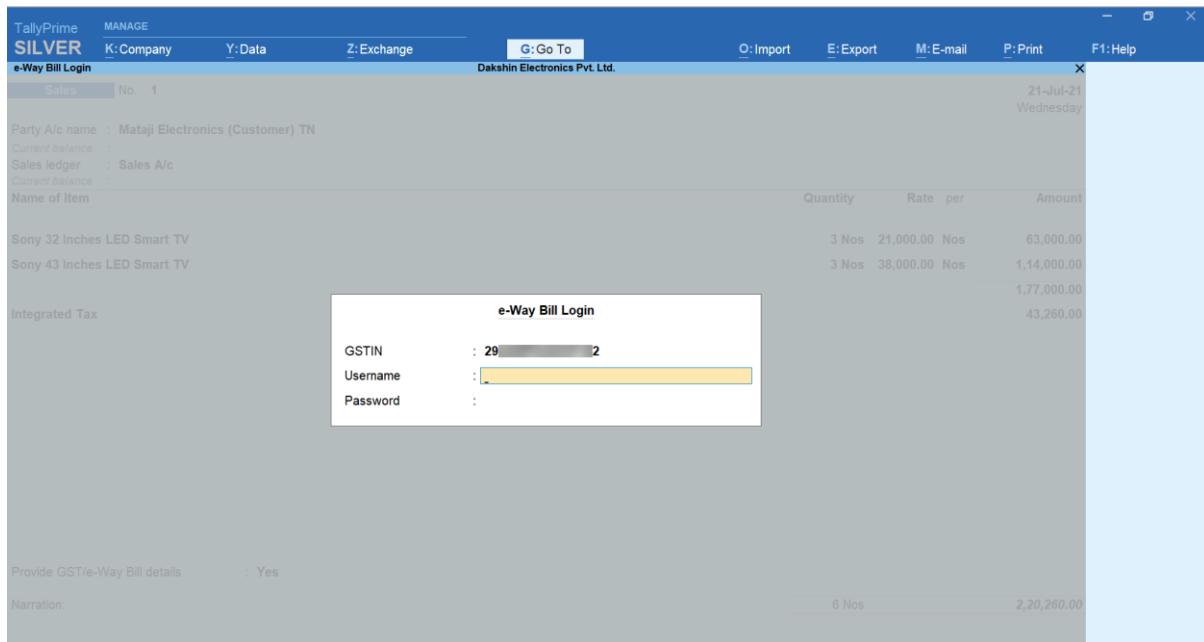


Figure 1.152 e-Way Bill Login screen

19) Enter the valid **Username** and **Password** > Press **Enter**.

Note: You will remain logged in for the next six hours, provided you do not turn off the computer or reset your credentials.

20) The Status of Upload screen appears with a message – **Exchanging data with e-Way Bill system For Generation** as shown in Figure 1.153

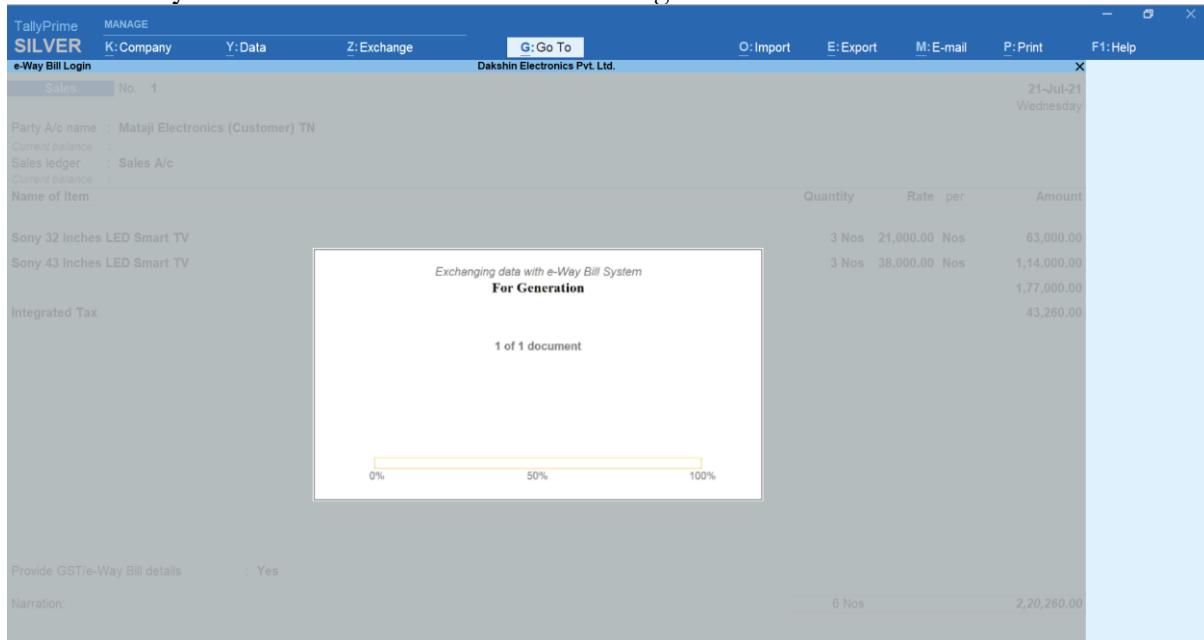


Figure 1.153 e-Way Bill Generation screen

Note: The **Username** and **Password** of the live portal must be entered. If the entered username and password entered in the e-Way Bill Login screen is wrong, then on accepting the e-Way Bill Login screen, you will get an error as – **Incorrect user id/User does not exist**.

21) Once the invoice is uploaded to e-Way Bill Portal, the e-Way Bill number and Date will be updated in the voucher, and a success message **e-Way Bill generated successfully. The details are updated in the transaction**

22) Press **Enter** to continue


Step 2: Printing Tax Invoice with e-Way bill details.

Since Dakshin Electronics Pvt. Ltd. supplying taxable goods, to another registered dealer, they have generated the Tax Invoice with e-Way Bill and issued it to Mataji Electronics, Tamil Nadu.

To print the Tax Invoice with e-Invoice details,

- 1) Click **G: Go To** > under **Common Reports** > **Daybook** > Enter on the **Sales Voucher** with **Voucher Number 1** dated **21-July-21**.
- 2) In the **Sales Voucher Alteration** screen, Click **P: Print** > Select **Current** (Alternatively, press **Ctrl+P**)
- 3) From the **Tax Invoice** Print screen, Click on **I: Preview** > Press **F4** for **Zoom**.
- 4) The First page prints the Tax Invoice with e-Way Bill Number and Date as shown in Figure 1.154

Tax Invoice																															
 <p>Dakshin Electronics Pvt. Ltd. # 162, 9th Main, 15th A Cross, Block A2, Techno Park, Electronic City, Bengaluru. GSTIN/UIN: 29 [REDACTED] 2 State Name : Karnataka, Code : 29 E-Mail : dakshinelectronics@gmail.com</p> <p>Buyer (Bill to) Mataji Electronics # 21, Mahatma Gandhi Road, Chennai GSTIN/UIN : 33/ [REDACTED] 3 State Name : Tamil Nadu, Code : 33 Contact : 9977898060</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">Invoice No.</td> <td style="width: 33%;">e-Way Bill No.</td> <td style="width: 33%;">Dated</td> </tr> <tr> <td>1</td> <td>381002646707</td> <td>21-Jul-21</td> </tr> <tr> <td colspan="2">Delivery Note</td> <td>Mode/Terms of Payment</td> </tr> <tr> <td colspan="2">Reference No. & Date.</td> <td>Other References</td> </tr> <tr> <td colspan="2">Buyer's Order No.</td> <td>Dated</td> </tr> <tr> <td colspan="2">Dispatch Doc No.</td> <td>Delivery Note Date</td> </tr> <tr> <td colspan="2">Dispatched through</td> <td>Destination</td> </tr> <tr> <td colspan="3">Terms of Delivery</td> </tr> </table>							Invoice No.	e-Way Bill No.	Dated	1	381002646707	21-Jul-21	Delivery Note		Mode/Terms of Payment	Reference No. & Date.		Other References	Buyer's Order No.		Dated	Dispatch Doc No.		Delivery Note Date	Dispatched through		Destination	Terms of Delivery		
	Invoice No.	e-Way Bill No.	Dated																												
	1	381002646707	21-Jul-21																												
	Delivery Note		Mode/Terms of Payment																												
	Reference No. & Date.		Other References																												
	Buyer's Order No.		Dated																												
	Dispatch Doc No.		Delivery Note Date																												
Dispatched through		Destination																													
Terms of Delivery																															
SI No.	Description of Goods	HSN/SAC	GST Rate	Quantity	Rate per	Amount																									
1	Sony 32 Inches LED Smart TV Rate of Duty: 18%	85287219	18 %	3 Nos	21,000.00 Nos	63,000.00																									
2	Sony 43 Inches LED Smart TV Rate of Duty: 28%	85287219	28 %	3 Nos	38,000.00 Nos	1,14,000.00																									
						1,77,000.00																									
						43,260.00																									
	Total			6 Nos		₹ 2,20,260.00																									
Amount Chargeable (in words) E. & O.E INR Two Lakh Twenty Thousand Two Hundred Sixty Only																															
HSN/SAC				Taxable Value	Integrated Tax		Total Tax Amount																								
				Rate	Amount																										
85287219				63,000.00	18%	11,340.00	11,340.00																								
85287219				1,14,000.00	28%	31,920.00	31,920.00																								
Total				1,77,000.00		43,260.00	43,260.00																								
Tax Amount (in words) : INR Forty Three Thousand Two Hundred Sixty Only Company's PAN : ASDFG3345Q																															
<u>Declaration</u> We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.				for Dakshin Electronics Pvt. Ltd. Authorised Signatory																											
This is a Computer Generated Invoice																															

Figure 1.154 Tax Invoice screen

- 5) In the second page, e-Way Bill gets printed as shown in Figure 1.155



Document No. : Tax Invoice 1 Date : 21-Jul-21	e-Way Bill 															
1. e-Way Bill Details e-Way Bill No.: 381002646707 Mode : Generated By: 29 Approx Distance: 305 KM Generated Date : -21 5:09 PM Supply Type : Outward-Supply Valid Upto : Transaction Type: Bill From - Dispatch From																
2. Address Details <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> From Dakshin Electronics Pvt. Ltd. 29/22 Karnataka Dispatch From # 162, 9th Main, 15th A Cross, Block A2, Techno Park, Electronic City. Bengaluru. </td> <td style="width: 50%; vertical-align: top;"> To Mataji Electronics 33/3 Tamil Nadu Ship To # 21, Mahatma Gandhi Road, Chennai </td> </tr> </table>		From Dakshin Electronics Pvt. Ltd. 29/22 Karnataka Dispatch From # 162, 9th Main, 15th A Cross, Block A2, Techno Park, Electronic City. Bengaluru.	To Mataji Electronics 33/3 Tamil Nadu Ship To # 21, Mahatma Gandhi Road, Chennai													
From Dakshin Electronics Pvt. Ltd. 29/22 Karnataka Dispatch From # 162, 9th Main, 15th A Cross, Block A2, Techno Park, Electronic City. Bengaluru.	To Mataji Electronics 33/3 Tamil Nadu Ship To # 21, Mahatma Gandhi Road, Chennai															
3. Goods Details <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">HSN Code</th> <th style="width: 60%;">Product Name & Desc</th> <th style="width: 15%;">Quantity</th> <th style="width: 15%;">Taxable Amt</th> <th style="width: 10%;">Tax Rate (%)</th> </tr> </thead> <tbody> <tr> <td>85287219</td> <td>Sony 32 Inches LED Smart TV</td> <td>3 Nos</td> <td>63,000.00</td> <td>18 %</td> </tr> <tr> <td>85287219</td> <td>Sony 43 Inches LED Smart TV</td> <td>3 Nos</td> <td>1,14,000.00</td> <td>28 %</td> </tr> </tbody> </table>		HSN Code	Product Name & Desc	Quantity	Taxable Amt	Tax Rate (%)	85287219	Sony 32 Inches LED Smart TV	3 Nos	63,000.00	18 %	85287219	Sony 43 Inches LED Smart TV	3 Nos	1,14,000.00	28 %
HSN Code	Product Name & Desc	Quantity	Taxable Amt	Tax Rate (%)												
85287219	Sony 32 Inches LED Smart TV	3 Nos	63,000.00	18 %												
85287219	Sony 43 Inches LED Smart TV	3 Nos	1,14,000.00	28 %												

Figure 1.155 e-Way Bill Format

Observation: You can observe that the e-Way Bill Details, QR code is capturing automatically along with the e-Way Bill number. In TallyPrime, without following multiple steps to generate e-Way Bill and, a one-step solution is provided to generate the e-Way Bill.

The same details will also capture in the Sales Voucher. Go to the sales voucher alteration screen > set **Provide GST/e-Way Bill** to Yes > You will get the e-Way Bill Details filled with e-Way Bill number and Date.

Since the recorded transactions are outward supplies, the tax implication of this transaction can be viewed in **GSTR-1 & GSTR-3B**.

To view **GSTR-1**,

- 1) Click **G: Go To** > In the **Search** field, Type as **GSTR** > Enter on **GSTR-1**
- 2) Click **F2: Period** > Enter **1-7-2021 to 31-7-2021**.
- 3) The details will get captured in **B2B Invoices – 4A, 4B, 4C, 6B, 6C**.

To view **GSTR-3B**,

- 1) Click **G: Go To** > In the **Search** field, Type as **GSTR** > Enter on **GSTR-3B**
- 2) Click **F2: Period** > Enter **1-7-2021 to 31-7-2021**.
- 3) The details will get captured in **3.1 Outward supplies and inward supplies liable to reverse charge**.



1.1.4 Generating e-Invoice with e-Way Bill in TallyPrime

GST e-Invoicing feature can be activated for the company in TallyPrime and can send e-Way details with e-Invoice. To do so, follow the procedure as below:

- 1) From **Gateway of Tally > press K: Company > select Features (F11)**
- 2) Click **I: More Details > Enter on GST Details**
- 3) Set **e-Invoicing applicable to Yes > Set Send e-Way details with e-Invoice (Applicable for sales transactions) to Yes**
- 4) Accept the **Company GST Details screen > Accept the Company Features Alteration screen.**

Illustration 2: Accounting intrastate outward supply of goods with GST and generating e-Invoice with e-Way Bill in TallyPrime.

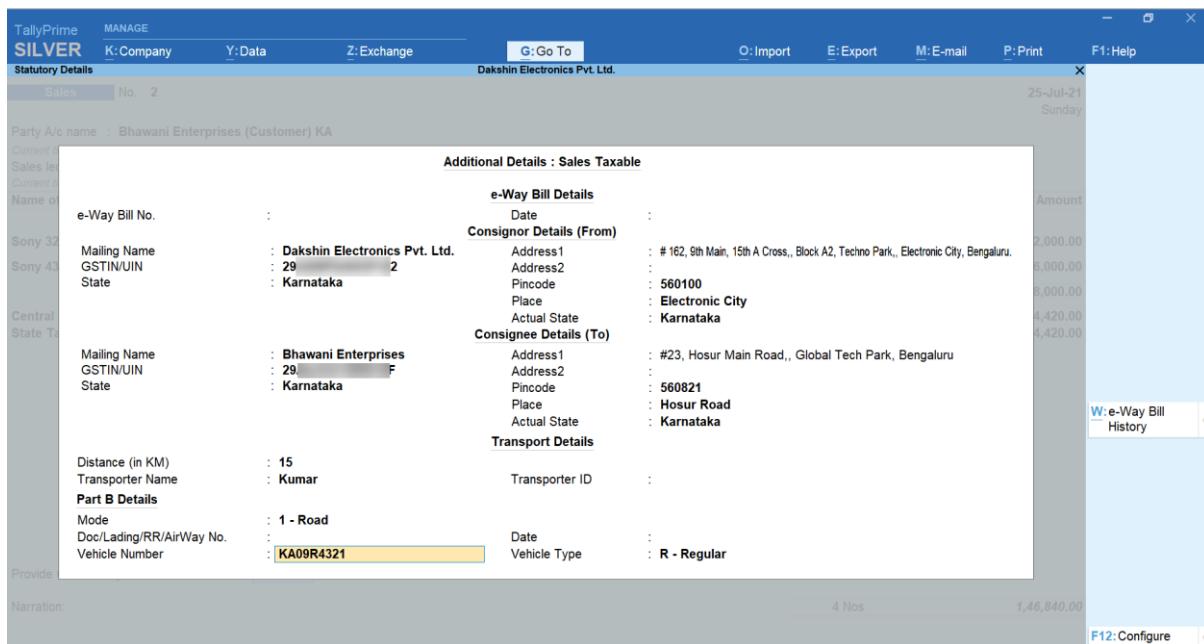
Date	Particulars			
25 th July 2021	Voucher: Sales As on 25 th July 2021, Dakshin Electronics Pvt. Ltd. sold the following goods to Bhawani Enterprises , Karnataka on credit with Sale Bill No.2.			
	Name of Item	Quantity	Rate per (₹)	Amount (₹)
	Sony 32 Inches LED Smart TV	2 Nos	21,000	42,000
	Sony 43 Inches LED Smart TV	2 Nos	38,000	76,000

Table 1.100

Step 1: Recording Intrastate Outward Supplies

To record intrastate outward supply of goods,

- 1) From **Gateway of Tally > Vouchers > F8: Sales**
- 2) Click **H: Change Mode (Alternatively, Press Ctrl+H) > Select Item Invoice**
- 3) Click **F2: Date** and change the date to **25-July-21**.
- 4) Select **Bhawani Enterprises (Customer) KA** in the **Party A/c name** field. (Accept the **Dispatch Details** and **Party Details** as it is)
- 5) Select the **Sales A/c ledger** in the **Sales ledger** field.
- 6) Under **Name of Item** field, select **Sony 32 Inches LED Smart TV** > Enter **Quantity** as **2 Nos** > Enter **Rate** as **₹ 21,000** > **Amount ₹ 42,000** will capture automatically.
- 7) Select **Sony 43 Inches LED Smart TV** > Enter **Quantity** as **2 Nos** > Enter **Rate** as **₹ 38,000** > **Amount ₹ 76,000** will capture automatically.
- 8) Select the **Central Tax** and **State Tax** ledger.
- 9) Set **Provide GST/e-Way Bill/e-Invoice details** to **Yes**
- 10) The **Statutory Details** screen appears, Click **F12: Configure** > Set **Show Consignor Details (From) and Consignee Details (To)** to **Yes** > **Accept** the screen
- 11) Enter the mandatory details required for generating the e-Way Bill as shown in Figure 1.156

The screenshot shows the 'Statutory Details' screen in TallyPrime. The main area displays 'Additional Details : Sales Taxable' and 'e-Way Bill Details'. It lists the Mailing Name, GSTIN/UIN, and State for both the sender ('Dakshin Electronics Pvt. Ltd.') and receiver ('Bhawani Enterprises'). The receiver's address is listed as '#162, 9th Main, 15th A Cross,, Block A2, Techno Park., Electronic City, Bengaluru'. The distance is noted as 15 KM. Transporter details include a transporter ID and vehicle number ('KA09R4321'). The date of issue is 25-Jul-21, and the vehicle type is 'R - Regular'. The total amount is 1,46,840.00. The status bar at the bottom right shows 'F12: Configure'.

Figure 1.156 Statutory Details screen

- 12) Accept the **Statutory Details** screen.
- 13) The **Statutory Details** screen appears to enter the **e-Invoice details**. Enter the **Bill to place** and **Ship to place** as **Hosur Road**
- 14) Press **Enter** > The Sales Voucher Creation screen appears.
- 15) Click **O: Related Reports** > Select **GST-Tax Analysis** (Alternatively, press **Alt+A**)> Click **F5: Detailed** (Alternatively, press **Alt+F5**) to view the tax implication in this transaction.
- 16) Press **Esc** to go back to the **Accounting Voucher Creation** screen.
- 17) In the **Bill-wise Details for** screen, select **New Ref** and **Accept**
- 18) Enter the **Narration** if required.
- 19) **Accept** the screen.
- 20) TallyPrime will automatically ask for **Generating e-Invoice and e-Way Bill**
- 21) Click on **Yes** > **e-Invoice Login** screen appears
- 22) Enter the valid **Username** and **Password** > Press **Enter**.
- 23) The Status of Upload screen appears with a message – **Exchanging data with e-invoicing system**
- 24) Once the invoice is uploaded to IRP (Invoice Registration Portal), the IRN (Invoice Registration Number) details along with the e-Way Bill number and Date will be updated in the voucher, with a success message **e-Invoice and e-Way Bill generated successfully. The details are updated in the transaction.**
- 25) Press **Enter** to continue

Step 2: Printing Tax Invoice with e-Invoice and e-Way bill details.

Since Dakshin Electronics Pvt. Ltd. supplying taxable goods, to another registered dealer, they have generated the e-invoice with e-Way Bill and issued it to Bhawani Enterprises, Karnataka.

To print the Tax Invoice with e-Invoice details,

- 1) Click **G: Go To** > under **Common Reports** > **Daybook** > Enter on the **Sales Voucher** with **Voucher Number 2** dated **25-July-21**.
- 2) In the **Sales Voucher Alteration** screen, Click **P: Print** > Select **Current**(Alternatively, press **Ctrl+P**)
- 3) From the **Tax Invoice** Print screen, Click on **I: Preview** > Press **F4** for **Zoom**.
- 4) The First page prints the e-Invoice. In the second page, e-Way Bill gets printed

Observation: You can observe that the e-Way Bill Details, QR code is capturing automatically along with the e-Way Bill number. In TallyPrime, without following multiple steps to generate e-Way Bill and, a one-step solution is provided to generate the e-Invoice with e-Way Bill.

The same details will also capture in the Sales Voucher. Go to the sales voucher alteration screen > set **Provide GST/e-Way Bill/e-Invoice details** to **Yes** > You will get the e-Way Bill Details filled with e-Way Bill number and Date > Accept > Immediately, you will get e-Invoice details filled with IRN, Acknowledgement number and date.

1.1.5 E-Way Bill Report in TallyPrime

The e-Way Bill Report in TallyPrime displays the invoices that have e-Way Bill number and date. To generate the **E-Way Bill** report, follow the steps given below:

- 1) From **Gateway of Tally** > **Display More Reports** > **Statutory Reports** > **GST Reports** > **e-Way Bill** > Click **F2: Period** > Enter as **01-04-2021 31-07-2021**.

The **e-Way Bill** report appears as shown in Figure 1.54

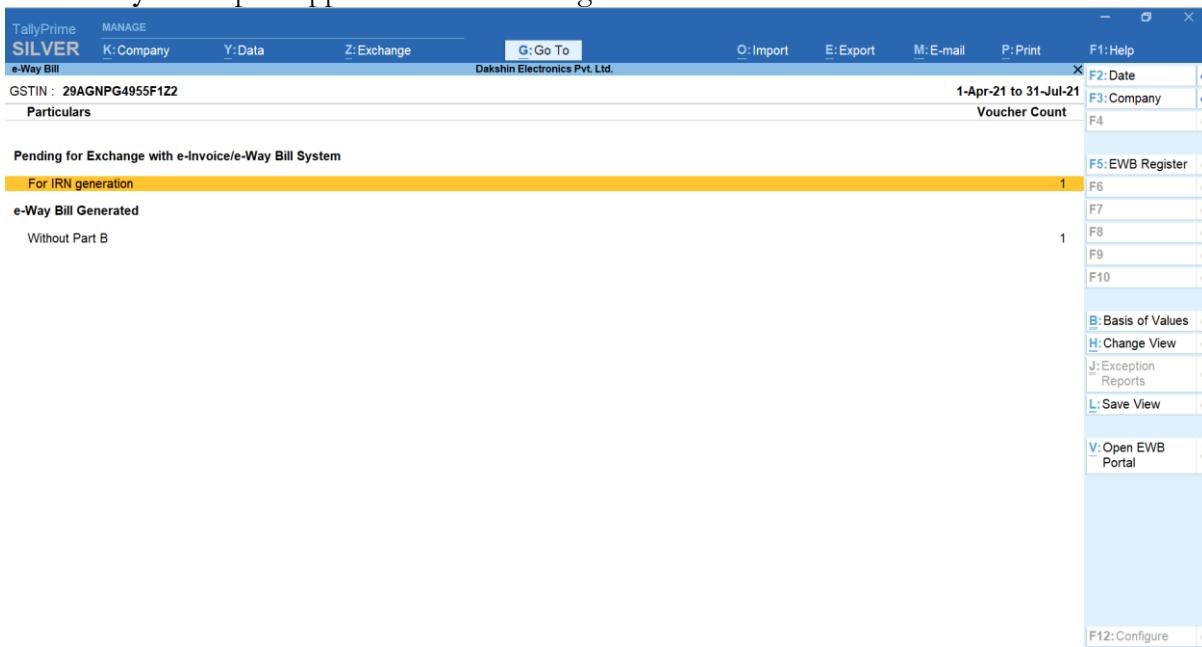
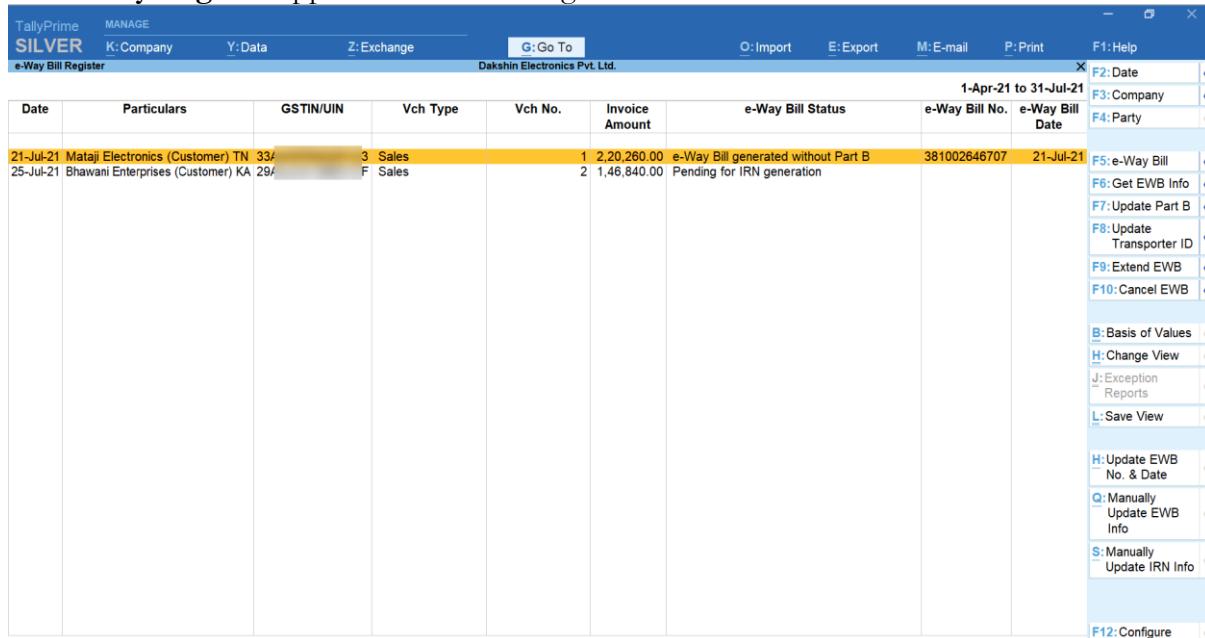


Figure 1.157 e-Way Bill Report

- 2) Click **F5: EWB Register** > Click **F2: Period** > Enter as **01-04-2021 31-07-2021**.
- 3) From the e-Way Bill report, we can find out how many invoices are pending For e-Way Bill generation and e-Way Bill Generated report.



The **e-Way Register** appears as shown in Figure 1.158



Date	Particulars	GSTIN/UIN	Vch Type	Vch No.	Invoice Amount	e-Way Bill Status	e-Way Bill No.	e-Way Bill Date	
21-Jul-21	Mataji Electronics (Customer) TN 33/	3	Sales		1 2,20,260.00	e-Way Bill generated without Part B	381002646707	21-Jul-21	F2: Date
25-Jul-21	Bhawani Enterprises (Customer) KA 29/	F	Sales		2 1,46,840.00	Pending for IRN generation			F3: Company

Figure 1.158 e-Way Bill Register

You can perform the following actions from the e-Way Bill Register

- **Cancel e-Way Bill** - There may be situations where the e-Way Bill is generated for a particular voucher, but you might have to cancel it. To do so, click **F10: Cancel EWB** > Select the **Reason for cancellation** > enter the **Remarks** > **Accept** the screen
- **Undo EWB Cancellation** - In certain situations, you may have cancelled the e-Way Bill for a particular voucher in TallyPrime, but you may want to undo this cancellation. To do so, Press **Alt+F10: Undo Cancellation**. When you undo e-Way Bill cancellation for a voucher, it will remove the details of the cancellation, such as the Cancelled status, the Reason for cancellation, and the Remarks, and move the voucher to its original section in the e-Way Bill report.
- **Get EWB Information** – When you have generated or cancelled the e-Way Bill for vouchers in the offline mode using TallyPrime or some other software (or directly on the portal), and you may want to import the e-Way Bill information for those vouchers in TallyPrime. You can do so using **F6: Get EWB Info** option which will import the latest e-Way Bill number and other details from the portal to the vouchers.
- **Extend e-Way Bill** – You can extend the validity of an e-Way Bill in TallyPrime using **F9: Extend EWB**, in case there is an unexpected delay in the delivery of goods. This might happen due to vehicle breakdown or some other obstacle. Accordingly, you can extend the e-Way Bill, considering it is still active and about to expire in 8 hours.
- **Undo EWB Extension** - You may have extended the validity of an e-Way Bill in TallyPrime, due to an unexpected delay in the delivery of goods. However, if the obstacles are cleared and the goods are delivered on time, then TallyPrime also provides you with the option to undo this extension using **Alt+F9: Undo Extension** option.



1.1.6 Update e-Way Bill Part B

If we have generated the e-Way Bill without Part B for transactions, TallyPrime provides you with the option to update these details from the e-Way Bill report, whenever it is convenient for you.

To update the e-Way bill Part B details,

- 1) From **Gateway of Tally > Display More Reports > GST Reports > e-Way Bill > Click F5: EWB Register > Click F2: Period > Enter as 01-4-2021 31-7-2021**
- 2) Under **e-Way Bill Generated** > select **Without Part B**
- 3) **e-Way Bill – Voucher Register** screen appears > Click **F7: Update Part B**
- 4) **Part B Updation Details** screen appears. We can fill in the details as shown in Figure 1.57

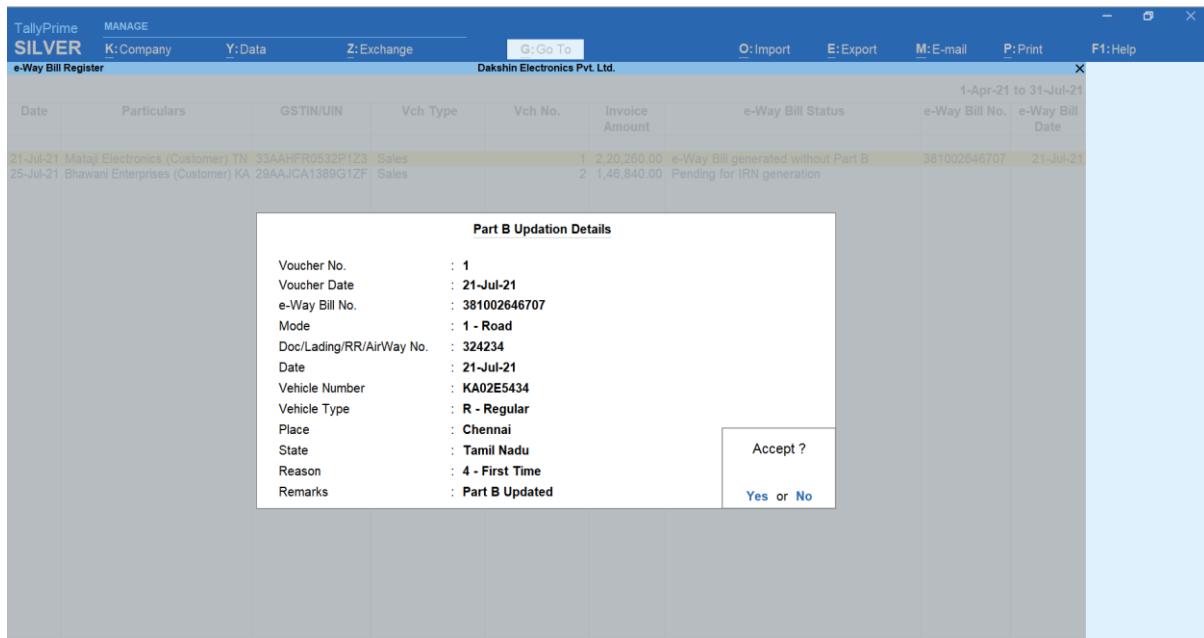


Figure 1.159 Part B Updation screen

- 5) Accept the screen.

1.1.7 Generate e-Way Bill in Bulk

If we do not want to generate the e-Way Bill while recording the transaction, then we can do it from the Exchange menu.

To generate bulk for multiple invoices,

- 1) From **Gateway of Tally > click Z: Exchange > select Send for e-Way Bill > Press Alt+F2: Period > Enter 1-4-2021 to 31-7-2021.**
- 2) Send for e-Way bill screen appears with all the vouchers pending for generation
- 3) Select the **Vouchers** by pressing **Space Bar** > Click **S: Send**
- 4) **Send for e-Way Bill** screen appears, Click **Yes** > **e-Way Bill Login** screen appears.
- 5) Enter the valid **Username** and **Password** > Press **Enter**.
- 6) TallyPrime will start exchanging information with the e-Way Bill system with a message – **Exchanging data with e-Way Bill system.**
- 7) Once the invoice is uploaded to e-Way Bill system, the e-Way Bill Number and Date details will be updated in the voucher

Note: After uploading generating the e-Way Bills, you will get an idea of how many e-Way Bills were generated or rejected by the portal, or if any transactions could not be uploaded due to technical difficulties.

1.2 Save View of Business Reports in TallyPrime

1.2.1 Introduction to Save View Feature

The Save View feature in TallyPrime enables to save the view of a report for future references. It provides flexibility to build the different views and data by setting up the configurations of the reports as per the need.

Report Save feature makes the Tally reporting even more Personalized. It is not required to remember how to configure the report. This feature in TallyPrime allows to save the configurations done in a report and access it instantly, without spending more time in configuring it every time.

With the new capability of TallyPrime, we can create and save multiple views of the same report.

- Ability to save the view as default view for a report.
- Restrict users from creating or deleting views.
- Easily manage the views with the ability to ‘modify’, ‘delete’ or ‘reset’ the default views.
- Ability to save the report configurations - columns and filters and more as a view and retains the same settings.
- Ability to save the view with specific master (item, ledger, group, cost centre, etc.) or for a specific period.

Business Scenario

Dakshin Electronics Pvt. Ltd. deals with different types of Stock Items and may often need to refer to specific accounting and inventory reports on a regular basis, hence they wanted to **Save Views of Reports** in TallyPrime.

1.2.2 Create Save View of a Report

In a business, it is necessary to refer to specific reports on a regular basis, **Dakshin Electronics Pvt. Ltd.** might be configuring the reports to view specific details as per their needs. Starting TallyPrime we can save the view of a report and refer back to it with the latest details when required. We can also create comparative reports and save them.

Note: We can save a view of a report with the following details enabled or disabled with **F12: Configure** options like, **Columnar options**, Comparisons using **New Column/Auto Column**, and other right button bar actions.

Illustration 3: Generating and creating the Save View of Profit and Loss A/c Report.

Step 1: Generate Profit and Loss A/c and enable Save View Reports option.

- 1) Load the company **Dakshin Electronics Pvt. Ltd.**
- 2) From **Gateway of Tally** > press **Alt+F2** and **Change Period** as 1-4-2020 to 31-3-2021 > **Accept** the screen
- 3) From **Gateway of Tally** > Select **Profit and Loss A/c**
- 4) Press **F12: Configure** > Set the following options to **Yes**
 - Set **Show Percentages** to **Yes**
 - Set **Exclude Accounts with zero Closing Balance** to **Yes**
 - Select **Format of Report** as **Detailed**
 - Set **Show Gross Profit** to **Yes**
 - Accept the configuration screen.



The Profit and Loss A/c report appears as shown in Figure 1.160

TallyPrime		MANAGE		G: Go To	O: Import	E: Export	M: E-mail	P: Print	F1: Help
SILVER	K: Company	Y: Data	Z: Exchange	Dakshin Electronics Pvt. Ltd.	Dakshin Electronics Pvt. Ltd.	Dakshin Electronics Pvt. Ltd.	Dakshin Electronics Pvt. Ltd.	Dakshin Electronics Pvt. Ltd.	
Profit & Loss A/c									
Particulars				Dakshin Electronics Pvt. Ltd. 1-Apr-20 to 31-Mar-21	Particulars				Dakshin Electronics Pvt. Ltd. 1-Apr-20 to 31-Mar-21
Purchase Accounts	8,02,700.00	93.87 %	Sales Accounts		8,55,100.00	100 %			F2: Period
Purchase A/c	8,02,700.00		Sales A/c		8,55,100.00				F3: Company
Gross Profit c/o	1,27,400.00	14.90 %	Direct Incomes		75,000.00	8.77 %			F4
	9,30,100.00		AMC Charges		75,000.00				
Indirect Expenses	15,11,120.00	176.72 %	Gross Profit b/f		9,30,100.00				
Rent on Building and Furniture Expenses	8,65,000.00		Indirect Incomes		1,27,400.00	14.90 %			
Advertising Services	3,50,000.00		Maintenance Services		8,000.00	0.94 %			
Brokerage Expenses	16,000.00		Nett Loss		13,75,720.00	160.88 %			
Commission Expenses	1,35,000.00								B: Basis of Values
Interest on TDS Late Payment	120.00								H: Change View
Print Media Services	90,000.00								J: Exception Reports
Technical Services	35,000.00								L: Save View
Transportation Expenses	20,000.00								C: New Column
									A: Alter Column
									D: Delete Column
									N: Auto Column
Total	15,11,120.00		Total		15,11,120.00				F12: Configure

Figure 1.160 Profit and Loss A/c

Observation: You can observe that the Profit and Loss A/c is appearing based on the configuration.

5) To Save View, click **L: Save View** as shown in Figure 1.161

TallyPrime		MANAGE		G: Go To	O: Import	E: Export	M: E-mail	P: Print	F1: Help
SILVER	K: Company	Y: Data	Z: Exchange	Dakshin Electronics Pvt. Ltd.	Dakshin Electronics Pvt. Ltd.	Dakshin Electronics Pvt. Ltd.	Dakshin Electronics Pvt. Ltd.	Dakshin Electronics Pvt. Ltd.	
Profit & Loss A/c									
Particulars				Dakshin Electronics Pvt. Ltd. 1-Apr-20 to 31-Mar-21	Particulars				Dakshin Electronics Pvt. Ltd. 1-Apr-20 to 31-Mar-21
Purchase Accounts	8,02,700.00	93.87 %	Sales Accounts		8,55,100.00	100 %			
Purchase A/c	8,02,700.00		Sales A/c		8,55,100.00				
Gross Profit c/o	1,27,400.00	14.90 %	Direct Incomes		75,000.00	8.77 %			
	9,30,100.00		AMC Charges		75,000.00				
Indirect Expenses	15,11,120.00	176.72 %	Gross Profit b/f		9,30,100.00				
Rent on Building and Furniture Expenses	8,65,000.00		Indirect Incomes		1,27,400.00	14.90 %			
Advertising Services	3,50,000.00		Maintenance Services		8,000.00	0.94 %			
Brokerage Expenses	16,000.00		Nett Loss		13,75,720.00	160.88 %			
Commission Expenses	1,35,000.00								
Interest on TDS Late Payment	120.00								
Print Media Services	90,000.00								
Technical Services	35,000.00								
Transportation Expenses	20,000.00								
Total	15,11,120.00		Total		15,11,120.00				

Save View

Name	: Profit & Loss A/c - My View
Set this as default view for the report	: No
Show additional configuration	: No

Figure 1.161 Profit and Loss A/c Save View screen

- 6) Under **Name** field, TallyPrime prefills this field with the report name as Profit & Loss A/c - My View. We can change the name as per user convenience. Enter **Name** as **Profit & Loss A/c – View 1**
- 7) Enable **Set this as default view for the report** as **Yes**. This option is enabled to view and display the report by default whenever we open the report.
- 8) Set **Show additional configuration** to **Yes** > **Save view for**, select **This Company**.

**Note:**

- If you retain Show additional configuration option as No, the view will be saved for All Companies by default.
 - **All Companies (On This Computer):** Saving a view for all companies by default allows users to access these views from other companies that are loaded in the same application.
 - **This Company:** Saving a view at the company level provides the flexibility to easily share data with multiple users, when needed.
- 9) Set **Save with the selected period** to Yes. This option is enabled to refer to a report for a specific period – for a date, or quarter, and so on.

The **Save View** screen appears as shown in Figure 1.162

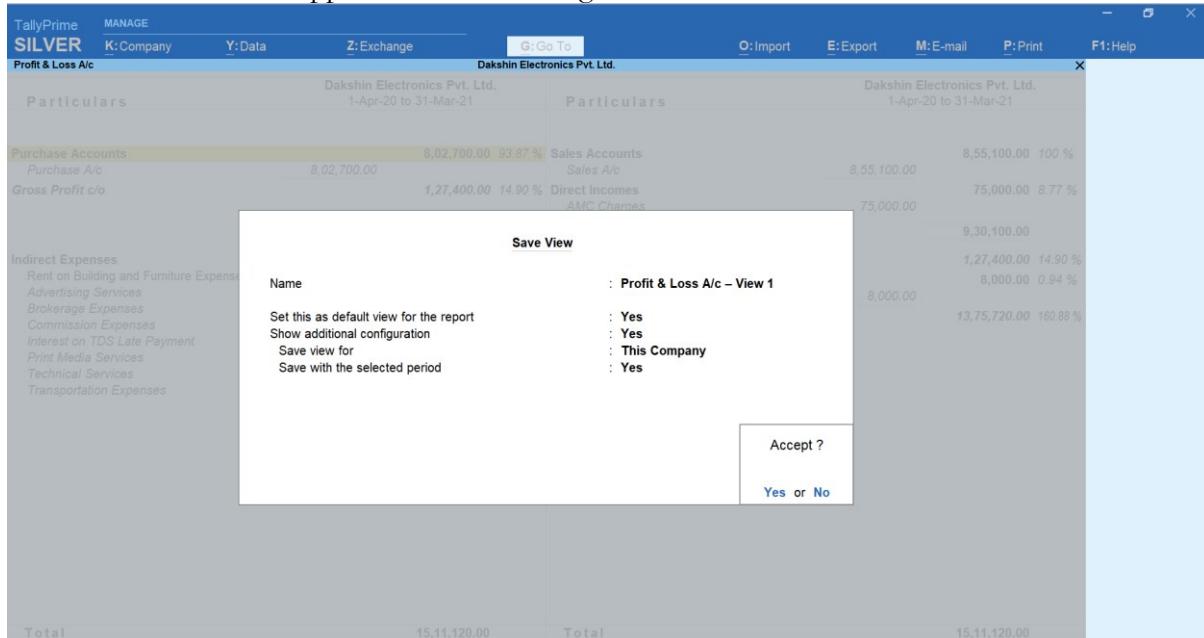


Figure 1.162 Profit and Loss A/c – Save View screen

- 10) Accept the screen

Step 2: Generate Profit and Loss A/c – View 1

- 1) From **Gateway of Tally** > Select **Profit and Loss A/c**

Observation: You can observe that the **Profit and Loss A/c** will get displayed as per the configuration made and saved using Save View option.

- 2) Click **H: Change View** (Alternatively, press **Ctrl+H**)
 3) The Saved Views will be available as shown in Figure 1.163

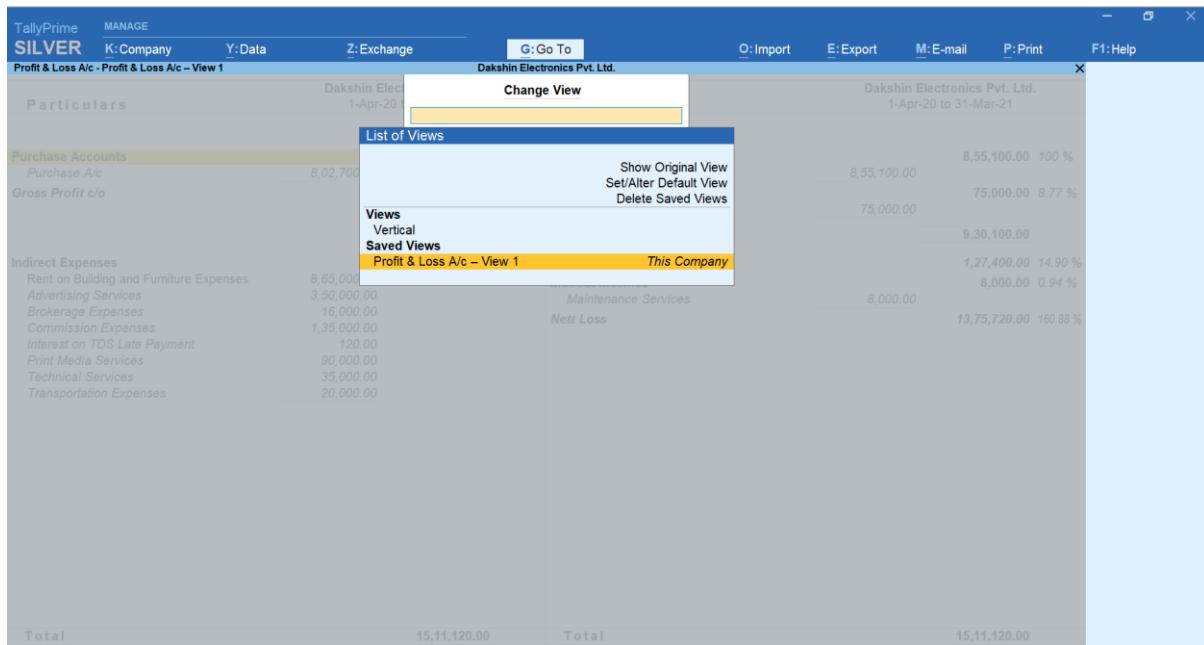


Figure 1.163 Change View screen

- 4) Click on **Show Original View** to display the Profit and Loss A/c in its original format without configuration.

Note: You can Modify and Delete the Saved Views from the Change View screen

Activity 1: Save View of Ratio Analysis

- From **Gateway of Tally** > Select **Ratio Analysis** > Click **F12: Configure** > Set **Show Explanation** to **No** > Set **Show Vertical Analysis** to **Yes** and **Accept** the screen.
- Click **L: Save View** (Alternatively, press **Ctrl+L**) > **Name** - **Ratio Analysis - View 1** > **Set this as default view for the report as Yes** > **Show additional configuration to No** > **Accept** the screen

Activity 2: Save View of Day Book

- From **Gateway of Tally** > Select **Day Book** > Click **F12: Configure** > Set **Format of Report** to **Detailed** > Set **Show Inventory details** to **Yes** and **Accept** the screen.
- Click **L: Save View** (Alternatively, press **Ctrl+L**) > **Name** - **Day Book - View 1** > **Set this as default view for the report as Yes** > **Show additional configuration to Yes** > **Save view for select All Companies** > Set **Save with the selected period as No** > **Accept** the screen

1.2.3 Manage the Saved Views of a Report

All the saved views for any report are easily available through the Go To menu in TallyPrime. You can open the views saved for a particular report from the Change View option of the respective report.

All the views saved for All companies, or This company will be listed under Saved Views.

- 1) From **Gateway of Tally** > Click **G: Go To** (Alternatively, press **Alt+G**)
- 2) The Saved Views appears as shown in Figure 1.164

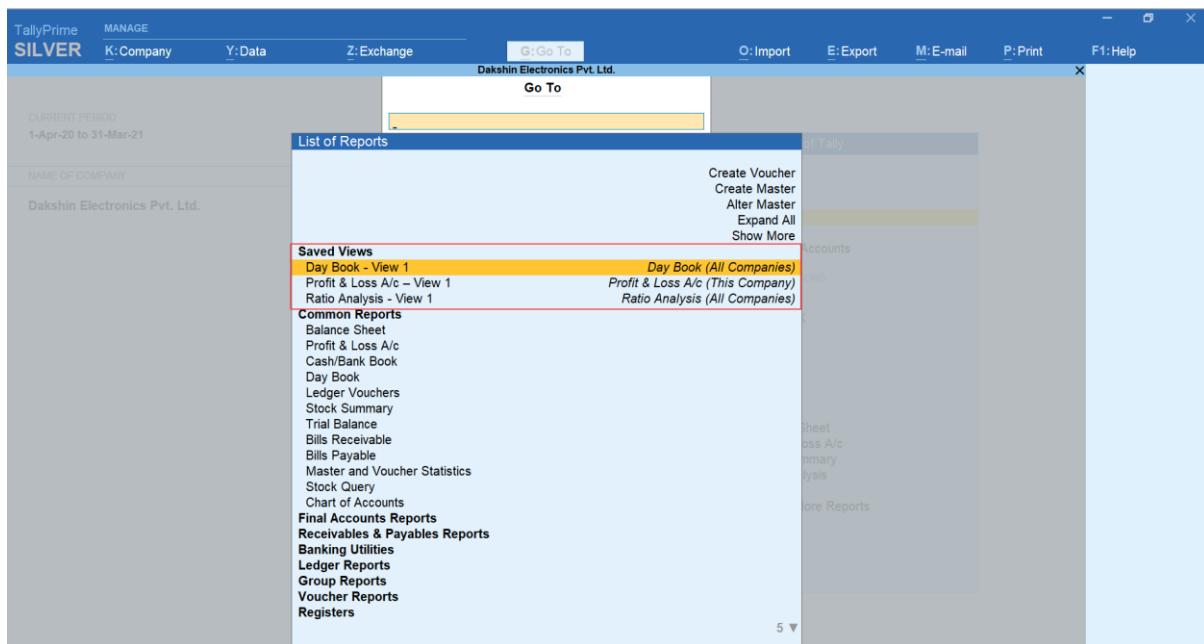


Figure 1.164 Go To screen Saved Views

Display the Original View

The company has saved the views of the reports, very often the company requires to view the original reports for real time information. Hence, the company decided to switch to original report of the report.

- 1) From **Gateway of Tally > Profit and Loss A/c**
- 2) Press **Ctrl+H Change View > Show Original View** option appears as shown in Figure 1.165

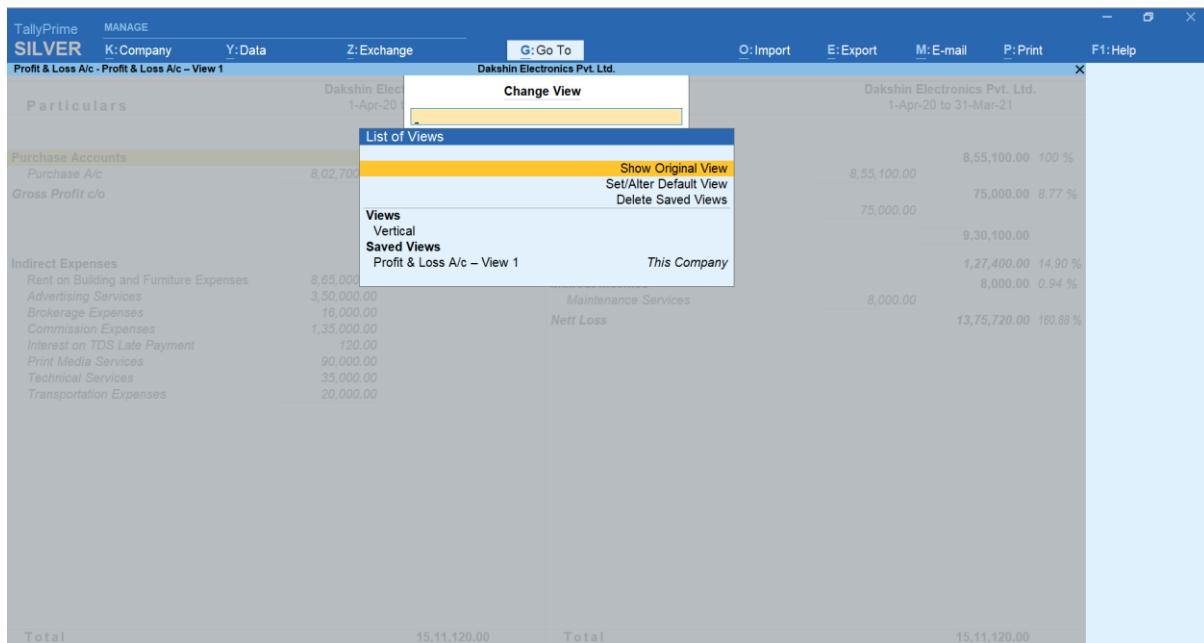


Figure 1.165 Profit and Loss A/c Change View screen

- 3) Enter on **Show Original View**
- 4) You can observe that the Profit and Loss A/c will appear in original format.



Alter Default View

Once after saving the views of a report, the view can be set as default, this will make easy to view the same information every time you open that report.

- 1) From **Gateway of Tally > Click G: Go To** (Alternatively, press Alt+G)
- 2) Select **Ratio Analysis-View 1**
- 3) Press **Ctrl+H Change View > Enter on Set/Alter Default View** as shown in Figure 1.166

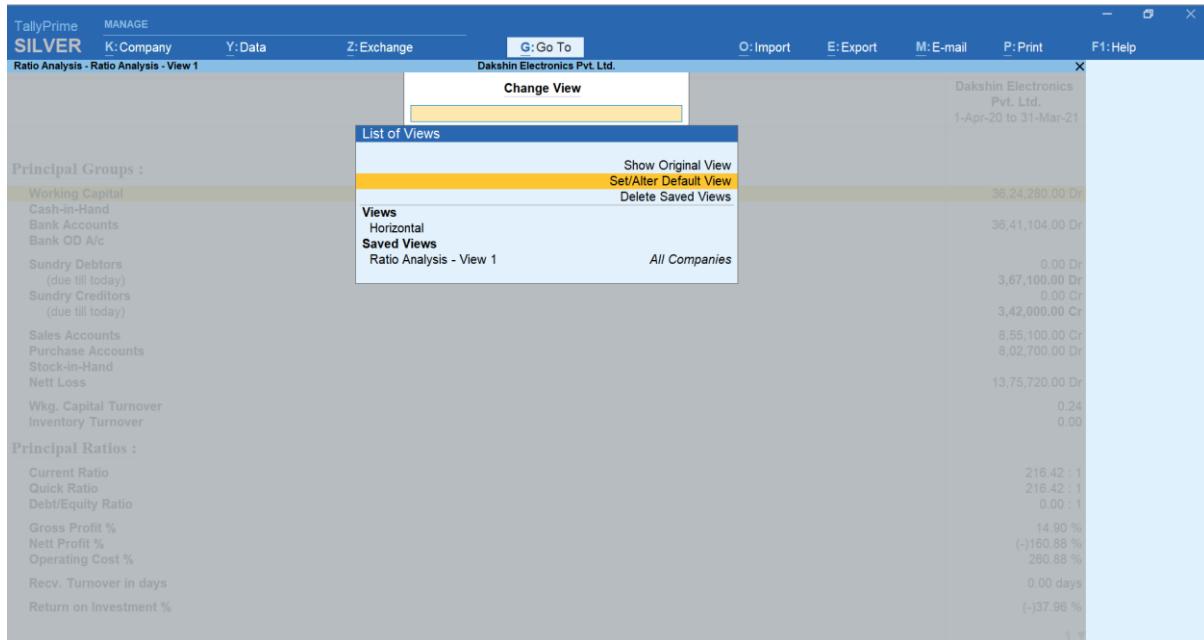


Figure 1.166 Ratio Analysis Change View screen

- 4) Enter on **Ratio Analysis – View 1** from the List of Saved Views > **Accept** the screen
- 5) Next time when you open the Ratio Analysis report, you can observe that the Ratio Analysis will appear in condensed format, as the Horizontal mode.

Delete Saved Views

If the company has taken the required Print of the reports and has finalized the books of Accounts, now the company does not require to view the required report details which is configured under the Save View option. We can delete it as required.

- 1) From **Gateway of Tally > Ratio Analysis**
- 2) Press **Ctrl+H Change View > Select Delete Saved Views > Enter on Ratio Analysis – View 1** from the List of Saved Views > Press **Enter**
- 3) Delete message appears. Set as **Yes**. The Saved View of Ratio Analysis will be deleted.
- 4) To delete all the views that are saved under All Companies or This Company, click **F1 Help > Troubleshooting**
- 5) Under **Application, Delete Views Saved for All Companies** will appear.
- 6) Under **Company Data, Delete Views Saved for This Companies** will appear.
- 7) You can perform the delete action based on the requirement.



Key Answers for Practice Exercises

Chapter 1: Goods and Services Tax		
Sl No.	Questions	Key Answers
1)	Intrastate transactions attract what type of tax?	Central Tax and State Tax
2)	Interstate transactions attract what type of tax?	Integrated Tax
3)	In TallyPrime, we cannot generate an e-Way Bill for the intrastate supply of goods.	FALSE
4)	In GSTR-1, report what type of details will be captured?	Outward Supply
5)	GSTR-3B is an annual return.	FALSE
6)	GSTR-9 is an annual return.	TRUE
7)	In TallyPrime, _____ voucher is recorded to adjust the Available ITC with the Tax Liability.	Journal
8)	From _____ onwards, GST e-Invoice is applicable for those businesses with turnover more than 100 Crore?	1st January 2021
9)	Form EWB-01, PART - A cannot be edited or modified once generated.	TRUE
10)	Form EWB-01, PART - B contains Vehicle details/ RR/Airway Bill.	TRUE
11)	IRP is known as the Invoice Registration Portal. This portal validates the authenticity of the GST invoices and generates e-Invoice.	TRUE
12)	It is possible to record the outward supply of goods and generate an e-Invoice with e-Way Bill in TallyPrime.	TRUE
13)	The GST CMP-08 report displays details of all inward supplies made by a GST composition dealer in a given period.	TRUE
14)	The GSTR-4 report must be generated by the regular dealer under GST.	FALSE
15)	It is possible to record the Debit Note voucher for accounting purchase returns of goods with GST and check the GSTR-3B report instantly in TallyPrime.	TRUE



Chapter 2: Tax Deducted at Source		
Sl No.	Questions	Key Answers
1)	The system of deduction of tax, at the point of generation of income, is called _____.	Tax Deducted at Source
2)	_____ is issued by the deductor on the TDS deducted from deductee on the income from other sources (other than salary).	Form 16A
3)	In TallyPrime., we can configure TDS at the accounting group level	TRUE
4)	We can view the TDS details in Tax Analysis while recording the Journal voucher in TallyPrime.	TRUE
5)	In TallyPrime, Allow modification of tax details for TDS option is available in _____ voucher.	Journal
6)	TK Traders received a bill of ₹2,00,000 from an SP AD Agency(Company) out of which ₹ 1,50,000 is towards the advertisement services received and the remaining ₹50,000 is other expenses on which TDS is not applicable. TK Traders need to deduct the TDS @ 1.5% before making the payment to SP AD Agency as the amount is crossing the TDS exemption limit. Find out what is amount to be paid to the SP AD Agency and the TDS amount to be deducted.	Amount to be paid to SP AD Agency is ₹ 1,97,750 and TDS deducted @ 1.5% is ₹ 2,250
7)	What is the rate of TDS if PAN is not available with the deductee?	20%
8)	Zero Deduction comes under sub-section (1) of section _____ of the income tax act.	197A
9)	Lower Deduction comes under sub-section (1) of section _____ of income tax act.	197
10)	TDS deduction at zero rate can be done by submitting a declaration in form_____.	15G
11)	Who issues the certificate for lower rate deduction of TDS?	Assessing Officer
12)	When PAN is not available with the party from whom we are procuring the service then TDS will get deducted a _____ rate.	Higher
13)	What will be the consequences of not reconciling the payment challan in the Form26Q report?	The Tax Payment entries will get captured in the head Not included Transaction under Payment Details section of Form 26Q
14)	Form 26Q contains the TDS Transactions related to residents.	TRUE
15)	The exported file (Form 26Q) is required to be validated with the File Validation Utility.	TRUE
16)	If the TDS is deducted from the resident company on January 21, then what will be the due date to make a tax payment to the government.	07 th of February 21
17)	It is not possible to generate ITNS 281 Challan from TallyPrime.	TRUE



Chapter 3: Management of Business Data		
Sl No.	Questions	Key Answers
1)	Which of the following format is not supported in TallyPrime for the Export of Vouchers and Reports?	MS WORD
2)	While importing masters from one company to another, it is possible to convert closing balances into opening balance.	TRUE
3)	Which of the following formats is supported for data exchange between two companies through Export and Import in TallyPrime?	XML
4)	Company Logo cannot be printed on which of the following vouchers in Tally?	Purchase
5)	Company Logo can be printed on Reminder Letter and Confirmation of Accounts.	TRUE
6)	Using the ODBC feature in Tally, we can extract ledger details to Microsoft Excel and generate the required reports.	TRUE

Chapter 4: Moving to the Next Financial Year		
Sl No.	Questions	Key Answers
1)	While importing the masters in a new company, it is possible to import the data with the opening balance.	TRUE
2)	In TallyPrime, Split Data means_____.	Splitting company data for a different period
3)	Group company means consolidating more than one company, used only for viewing reports in TallyPrime.	TRUE
4)	In TallyPrime, we can consolidate the Balance Sheet of different companies in the Group Company.	TRUE
5)	In TallyPrime, the 'Verify Data' option is used to automatically detect possible errors which may occur during the Data Split process.	TRUE