UNIT- 4

Printing configurations for vouchers

You can use the printing feature in Tally prime 9 to print your vouchers, invoices, sales and purchase orders, and various others statements. Additionally, you can customize your print by enabling the required options in the printing configuration.

- General Printing Configuration
- Purchase Voucher/Invoice
- Receipt Note
- Purchase Order
- Payment Voucher
- Sales Invoice
- POS Invoice
- Delivery Note
- Sales Order/Quotation
- Receipt Voucher
- Journal/Contra
- Debit/Credit Note
- Reminder Letters
- Confirmation Statements
- Payroll
- Advanced Configuration

Print Balance Sheet and Income Statement Reports

You can print balance sheet reports and income statement reports to submit to banks and other authorities. The **Balance Sheet** report displays assets, liabilities, and equity. The **Income Statement** report displays income and expenses.

To print a balance sheet report

1. Choose the ⌕icon, enter **Balance Sheet**, and then choose the related link.
2. On the **G/L Account** Fast Tab, select the appropriate filters.
3. On the **Options** Fast Tab, select the **Show all Accounts** check box to include accounts without balances.
4. Choose the **Print** action to print the report or choose the **Preview** action to view it on the screen.

To print an income statement report

5. Choose the ⌕icon, enter **Income Statement**, and then choose the related link.
6. On the **G/L Account** Fast Tab, select the appropriate filters.
7. On the **Options** Fast Tab, select the **Show all Accounts** check box to include accounts without balances.
8. Choose the **Print** action to print the report or choose the **Preview** action to view it on the screen.

Day Book in TallyPrime

The Day Book is an account book in which a day's entries or transactions are captured. TallyPrime stays true to the traditional Day Book used by businesses for manual book-keeping, while bringing in a host of powerful features.

You can modify the Day Book in TallyPrime to view only one kind of transaction (for example, the purchases of the day), or search for any transaction irrespective of the date. You can also select multiple transactions at once and cancel, delete, or remove the entries from the Day Book. Similarly, you can verify your transactions, and account for any missing entries by adding, inserting, or duplicating entries.

[View Day Book in TallyPrime](#)

Visit the **Day Book** in TallyPrime to see all your transactions that were recorded on a particular day. By default, this day is set to the **Current Date** displayed in **Gateway of Tally**.

9. **Gateway of Tally** > **Day Book**.

10.   Alternatively, **Alt+G** (Go To) > type or select **Day Book** > press **Enter**.

11.

12.

13.   Press **Alt+F5** (Detailed) for a detailed format of the report. You can see the break-up of the invoice with details such as additional charges, tax components, and so on.

If you want to add more details, such as narration and cost centre, you have to enable these options by pressing **F12** (Configure) from the **Day Book**.

Filter Day Book by Type of Transaction

In the Day Book in TallyPrime, you can see not only the transactions of the day but also a single kind of transaction. For example, you may want to see all the Receipts. You can easily change the view of the Day Book to see all the Receipts recorded for the day.

- **Day Book** > **F4** (Voucher Type), and select the **Receipts** voucher type.

- You can also see the **Total** amount from your receipts.

Search for a Transaction Within Your Books

If your business has hundreds or thousands of transactions, it can get difficult if you are trying to find a particular transaction. Here is how Day Book will help you find it easily.

Let us assume that you had disbursed some money for the maintenance of your office, but you are unable to find more details about this. You feel that you might have added a note in the narration of the transaction.

No problem! You can use the Range feature to locate this transaction.

Note: Before using the Range feature, press **Alt+F2** and clear the **From** and **To** dates. Now you can see all your transactions till date.

14.   **Day Book** > **Alt+F12** (Range):

15.

16.

17.   Select **Voucher** in the **Type of Information** field.

18.

19.   Select **Narration** in the having field.

20.

21.   Select containing in the **Range** of Information field.

22.

23.   Enter 'repair' in the last field, if you think that you might have used this word in the narration.

24.

25. Press **Enter** to continue.

Range of Information in Report
(Filter to view only those lines that satisfy the below conditions)

Voucher	having **Narration**	containing	repair

You can see the following transactions in the **Day Book**.

Accounting Voucher Alteration (Secondary)	National Enterprises	
Contra No. 1		1-Aug-2020 Saturday

Account : Petty Cash
Current balance : 0.00 Dr

Particulars	Amount
Petty Cash	15,600.00
Cur Bal: 0.00 Cr	

	15,600.00

Narration:
Being cash paid to Ramesh for office repairs

26.

27. Press **Enter** to open the transaction, and check the details.

Accounting Voucher Alteration (Secondary)	National Enterprises	
Contra No. 1		1-Aug-2020 Saturday

Account : Petty Cash
Current balance : 0.00 Dr

Particulars	Amount
Petty Cash	15,600.00
Cur Bal: 0.00 Cr	

	15,600.00

Narration:
Being cash paid to Ramesh for office repairs

Is this the transaction you were looking for? May be it is!

View Altered and Deleted Vouchers in Day Book

There may be a scenario that your auditor or you may want to view altered vouchers. In TallyPrime Edit Log and TallyPrime Release 2.1 with Edit Log enabled, you can view altered and deleted vouchers in Day Book and other Ledger Vouchers reports.

28.   In Day Book, press **Ctrl+B** (Basis of Values).

29.   The **Basis of Values** sub-screen appears.

30.

31.   Select **Show Report for** and press **Enter**.

32.

33.   The **Report Details** screen appears.

34.

35.   Press **Enter** on **Altered Vouchers**.

36.   Consequently, the option **Include Deleted Vouchers** will also be set to **Yes**. This will include the vouchers that you have deleted in TallyPrime with Edit Log enabled. Press **Enter** to set it as **No**, if you do not want to view the deleted vouchers.

37.

   a. By default, the report will open for **All Vouchers (Altered & Non-Altered)**.

   b.

c. If you select **Non-Altered Vouchers**, then the report will open for vouchers that are never altered in TallyPrime. Consequently, the option **Include Deleted Vouchers** will be set to **No**. You cannot set it to **Yes**, if you are viewing the report for Non-Altered Vouchers, as deletion is also a form of alteration.

2.

38. Configure Day Book for type of Voucher entries you want to view.

   a. Select **Type of Voucher entries** and press **Enter**.
       The **Report Details** screen appears.

   b.

   c. Select from the **Type of Voucher entries**.
       i. Accounting Entries Only – Selecting it will display Day Book for only accounting vouchers such as Sales, Purchase, Payment, Debit Note, Credit Note, and others.

       ii.

       iii. All Vouchers – Selecting it will display Day Book for all the vouchers, irrespective of the type of voucher.

       iv.

       v. Inventory Entries Only – Selecting it will display only inventory vouchers such as Journal Vouchers for stock items, Delivery Note, Physical Stock Voucher, and others.

2.

39. Press **Ctrl+A** to save the setting.

40.   The **List of Altered Vouchers** appears as shown below.

41.

Similarly, you can view Day Book with only non-altered vouchers.

To know how to view Edit Log for transactions, refer to the View Edit Log for transactions section in the Accounting Entry in TallyPrime topic.

Add, Insert, or Duplicate a Transaction
In this section

- Add a transaction

-

- Insert a transaction

-

- Duplicate a transaction

Add a transaction
You can add a voucher from the Day Book in TallyPrime to account for a missing entry. For example, let us assume that a representative from one of your parties (MM Frozen Foods) comes to your office and requests for a payment of Rs 27,000.

Using the Range feature, search for transactions involving MM Frozen Foods.

You can see a few related transactions, but cannot find the entry amounting to Rs 27,000.

Day Book			National Enterprises				x
Day Book						1-Apr-2020 to 31-Mar-2021	
Date	Particulars		Vch Type	Vch No.	Debit Amount Inwards Qty		Credit Amount Outwards Qty
5-Apr-2020	MM Frozen Foods		Purchase Order	2			31,824.00
10-Apr-2020	Safal Frozen - Green Peas 1Kg		Receipt Note	2	30 Pcs		
14-Apr-2020	MM Frozen Foods		Purchase	2			31,824.00
5-May-2020	MM Frozen Foods		Purchase Order	9			42,552.00
10-May-2020	Safal Frozen - Green Peas 1Kg		Receipt Note	9	30 Pcs		
12-May-2020	MM Frozen Foods		Purchase	9			42,552.00
5-Jun-2020	MM Frozen Foods		Purchase Order	16			27,312.00
12-Jun-2020	Safal Frozen - Green Peas 1Kg		Receipt Note	16	30 Pcs		
13-Jun-2020	MM Frozen Foods		Purchase	16			27,312.00
1-Nov-2020	MM Frozen Foods		Purchase Order	27			4,320.00
6-Nov-2020	Safal Frozen - Green Peas 1Kg		Receipt Note	29	40 Pcs		

Now you can add a purchase entry directly and hand over the payment.

Select one of the relevant entries that appeared in the Day Book, and press **Alt+A** to add a new transaction

Enter the necessary details and save the transaction.

Accounting Voucher Creation (Secondary)		National Enterprises					x
Purchase No. 18							28-Jul-2020
Supplier Invoice No.:	Date :						Tuesday
Party A/c name : MM Frozen Foods							
Current balance 10,274.53 Dr							
Purchase ledger : Import Purchases							
Current balance 51,77,764.20 Dr							
Name of Item				Quantity Actual Billed		Rate per Disc %	Amount
Tasty Fresh Frozen - Green Peas 200g				50 Pcs 50 Pcs		$9.00 Pcs	$450.00
• End of List							
Narration:				50 Pcs 50 Pcs		$450.00 @ ₹ 60/$ = ₹ 27,000.00	

Now you can see the entry for Rs 27,000 against MM Frozen Foods in the Day Book.

Insert a transaction

If you want to add a missing transaction in a particular sequence or position, then you can insert it in the Day Book.

Let us take a scenario where you discover that two entries of the same amount had been passed on the same day. You think that they might be duplicates, so you delete one of the entries.

However, your data entry operator points out that they were unique entries.

Now, how can you retrieve the original entry with the same voucher number and position? Easy. You can insert this entry. The voucher number and position will be restored.

Select the entry above which you want to insert the transaction, and press **Alt+I**. Enter the relevant details and save the transaction.

Now you can see both the entries on the specified date in the Day Book, with the original voucher numbers and amounts.

You can also choose to add the transaction instead of inserting it, but the sequence or position of the entry might not be the same.

Duplicate a transaction

You can duplicate a voucher in the Day Book to easily account for a recurring transaction.

Let us take a scenario where your business has a deal with Confident Traders to purchase for a consignment of biscuits every month.

You have passed a purchase entry for August. Now you can easily repeat this transaction each month. Just select the existing entry and press **Alt+2** (Period).

You can see that all the details of the selected voucher are duplicated. You can update the required details, such as Voucher Date, Supplier Invoice No., and Invoice Date, and save the transaction.

Now you can see the latest entry against Confident Traders in the Day Book, for the month of September.

Similarly, you can duplicate the vouchers for the upcoming months.

Impact of Adding, Inserting, Duplicating, or Deleting a Voucher

In TallyPrime Edit Log and TallyPrime Release 2.1 with Edit Log enabled, if the Voucher Number method is Automatic or Multi-user Auto, then an addition, insertion, duplication, or deletion of a voucher affects the

subsequent vouchers. Furthermore, an Edit Log gets created in those vouchers.

This happens because such actions change the voucher number of subsequent vouchers. And any change in the voucher, including the change in the voucher number, leads to the creation of an Edit Log.

The following screens is displayed whenever you add, insert, duplicate, or delete a voucher.

This activity may lead to renumbering of the subsequent vouchers, if the voucher numbering method is Automatic.

Edit Log will get created for all the affected vouchers.

Continue?

Yes or No

Delete, Cancel, or Remove a Transaction
In this section

- Delete a transaction

-

- Cancel a transaction

-

- Remove a transaction

-

- Restore entries

Delete a transaction

In the Day Book, you can easily delete vouchers that are no longer relevant. Let us take a scenario where you discover that the same transaction was recorded twice against Sun Stores, probably by two different data entry operators.

Select either of the entries, and press **Alt+D** to delete it from your books.

Cancel a transaction

What do you do when an order is cancelled, but an entry has already been passed? Simple! You can just cancel the corresponding voucher, instead of deleting it. The benefit is that voucher numbering will not be affected, as the same voucher number will not be available for reuse. It will be assigned in your books to the cancelled voucher.

Let us take a scenario where S.M. Traders had placed an order, and you had recorded a corresponding sales entry. The goods are packed and ready to be shipped. However, a representative from the purchase department of S.M. Traders calls your office and cancels the purchase at the last minute.

Now how do you cancel the transaction?

Select the relevant entry in the Day Book and press **Alt+X** to cancel.

You can see that the entry has been cancelled, with the original voucher number intact.

Remove a transaction

Did you know that you can temporarily hide entries from the Day Book, without deleting it from your books?

Let us assume that you want to view the transactions for the day without the entries against **Sunday to Monday**, which happens to be a sister concern of your business.

Press **F4** (Voucher Type) > **Sales**. You can view all the sales transactions of the day.

Select the entries against **Sunday to Monday**, and press **Ctrl+R** to remove the entries.

The entries against **Sunday to Monday** are now hidden from view. You can see the impact on the Day Book with respect to the **Total** amount.

Restore entries

- To restore the last entry that was hidden, press **Ctrl+U**. Similarly, you can keep pressing **Ctrl+U** to undo the last but one entry. The entries will be restored in the order in which they were hidden.

-

- To restore all the hidden entries, press **Alt+U**.

Data Representation in Day Book in TallyPrime
In this section

- Alter Vouchers

-

- Change period

-

- Change company

-

- Change report context

-

- View profitability

-

- [View Columnar report](#)

-

- [Basis of Value](#)

-

- [Change View](#)

-

- [Exception Reports](#)

Alter vouchers from the report

Press **Ctrl+Enter** on any selected voucher in the report to alter it.

Change period

Press **F2** (Period) to specify the date for which you want to view the report.

Change company

When you have two or more companies open, press **F3** (Company) to change from one company to another.

 For example, if you are viewing the Day Book for National Enterprises, press **F3** (Company) > and select National Tradings & Co. The Day Book report for National Tradings & Co. will be displayed. As always, you can press **Esc** to go back to the previous screen.

Change report context

Press **F4** (Voucher Type) and select a voucher type to view the transactions recorded for the selected voucher.

View profitability

If you are viewing the Day Book for a selected voucher type, press **F7** (Show Profit) to see the **Gross Profit** against the **Transaction Value** and **Cost**. You can use **F7** (Hide Profit) to hide the profit-related details.

View Columnar report
- In **Day Book**, you can choose to display details related to each transaction in a columnar view.

Ctrl+B (Basis of Values)
You can configure the values in your report for that instance, based on different business needs.

In Day Book, you can display the values based on the **Type of Voucher Entries** you select.

- Press **Ctrl+B** (Basis of Values) >**Type of Voucher Entries** > select **Accounting Entries Only**.

-

- Press **Esc** to view the default values.

Similarly, you can view the total values related to **Forex Transactions** only. Press **Ctrl+B** (Basis of Values) > **Show Forex Transactions only** > and press **Enter**.

Ctrl+H (Change View)
You can display the details of a report in different views with additional details or for a specific period. You can also view other reports related to the current report.

- To view the **Post-Dated Transactions** for **Day Book** on the specified date, press **Ctrl+H** (Change View) > type or select **Post-Dated Bank Transactions** > and press **Enter**.

-

- Press **Esc** to view the default report.

Ctrl+J (Exception Reports)

You can view the exceptions related to the data displayed in the current report by pressing **Ctrl+J** (Exception Reports), without closing the report.

- To view the **List of Optional Vouchers** for **Day Book**, press **Ctrl+E** (Exception Reports) > type or select **Optional Vouchers** > and press **Enter.**

-

- Press **Esc** to view the default report.

Backup and Restore Company Data

It is recommended that you take a regular backup of your company data to safeguard against any form of data loss. This way you can be prepared for any adverse event, such as a virus attack, a hard drive crash, and so on. Using TallyPrime, you can easily take a backup of your company data and restore it whenever needed.

You can also use the backup feature to move your data to another computer, or share it with your accountant or auditor for verification. Sharing the backup of the data is a much more reliable method than directly copying the company data folders.

It is recommended that you back up your data in a location that is separate from the original, for example, a different drive on the computer, a pen drive, a hard disk, and so on. You can even store this data on a cloud location and access it easily.

Configure Data Path

Tally Prime provides you with the flexibility to set the default paths for your data and backup, and change it whenever required, without

affecting the data. These paths will be set as default for all the companies maintained in this version.

- **Gateway of Tally** > **Alt+Y** (Data) > **Data Path Configuration**. Select the **Data Path** and **Data Backup Path**, as required.

-
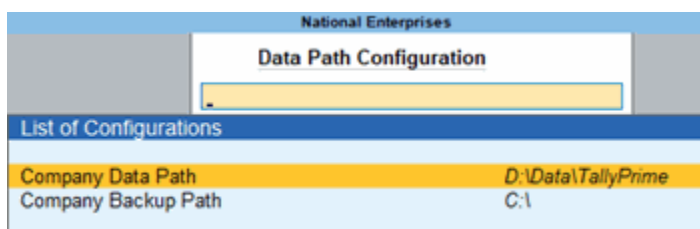
Watch the video Data Configuration in TallyPrime Multi User to learn more.

Backup Company Data

 Gateway of Tally > **Alt+Y** (Data) > **Backup**, to open the **Backup Companies** screen.
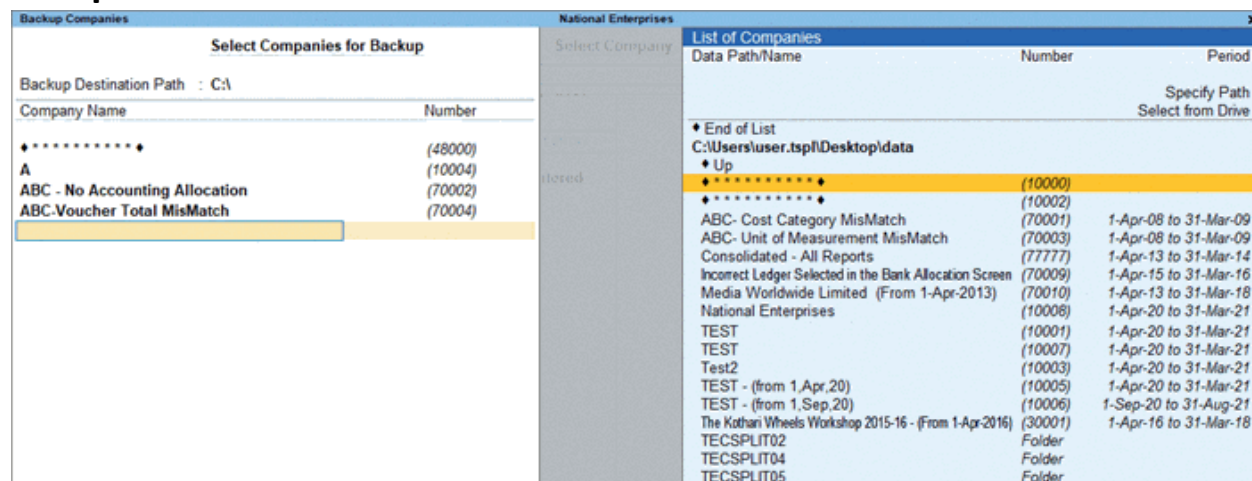
Backup Destination Path – This is the default location of your company data. Select the required company, or select **All Items** to back up all the companies. Press **Enter** to proceed.

The backup file will be stored in the **Backup Path** as TBK900_10000.001. If there is any conflict of data in the selected folder, you will have the option to either overwrite the older version or choose a different location or filename.

Restore Company Data

Gateway of Tally > **Alt+Y** (Data) > **Restore**, to open the **Restore Companies** screen.
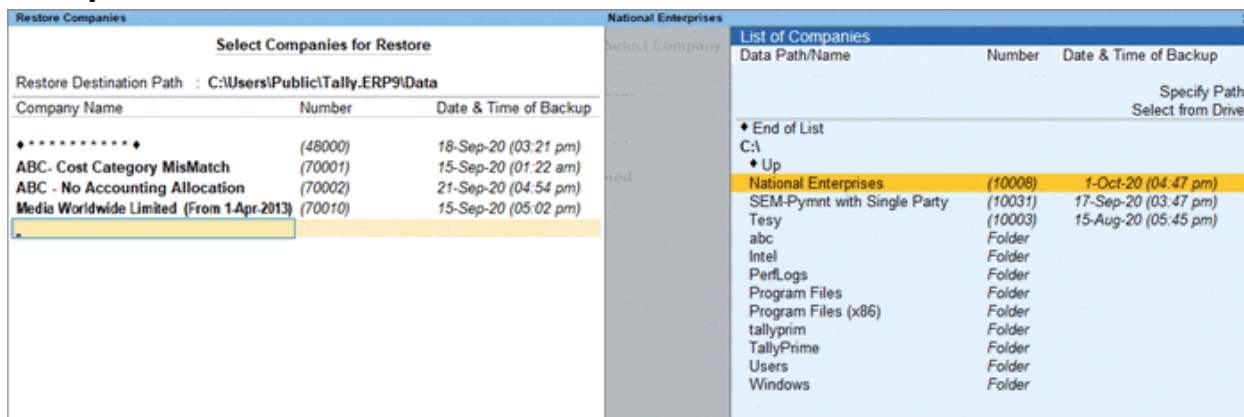
Restore Destination Path – This is the location where your company data will be restored.

Select the required company, or select **All Items** to restore all the companies. Press **Enter** to proceed.

If you are using TallyPrime Server, then you can schedule a backup of your data.

Export Data in TallyPrime

With TallyPrime, you can not only maintain your business data but also export it in a jiffy. You can export masters and transactions from anywhere in the product, without moving out from the screen in which you are working. You can also export the reports in different formats, as per your business requirements.

Export Masters – For ease of using existing masters in another company.

Export Transactions – For ease of using existing masters in another company, and for sharing the data with customers. For example,

instead of printing the hard copies of transactions, you can save paper by exporting the transactions and sharing with concerned persons.

Export Reports – For reporting, as per your business needs.

Configure Export – For setting the options as needed for masters/transactions/reports, and maintaining common settings for export across the product.

When you export data in TallyPrime to import it into another company, ensure the following:

- Company features of exporting and importing company have the same settings.

-

- Using the XML format, export the masters first, and then export the transactions.

Reuse/Share Existing Data | Export Masters and Transactions

You may want to maintain the chart of accounts of the new company, with the same masters as that of the existing company. Also, you may want to copy the transactions up to a specific date from the existing company into the new company. In these scenarios, you can export the masters and transactions from the existing company in XML format, and import them into the new company.

Export Masters and Transactions

You can export masters and transactions created in a company, in different formats. You can also choose the type of masters and transactions to export. Masters and transactions exported in XML

format can be imported into TallyPrime using the [Import](#) feature. Press **Ctrl+E** (Export) > **Masters/Transactions**.

Press **C** (Configure), and configure the options as needed.

To export **Masters**, set the options as needed.

- Select the **Type of Masters** for export.
  You can select only a specific type of master (for example, ledger), or all the accounting/inventory masters, and so on. If you want to export all the masters available in the data, select **All Masters**.

-

- If you want to include the masters that are linked to the **Type of Masters** selected for export, set the option **Include dependent masters** to **Yes**.

-

- If you want to consider the closing balances of all the ledgers as opening balances for the next financial year, set **Export closing balance as opening balance**, set it to **Yes**. Otherwise, retain it as **No**.

  o

To export transactions, set the options as needed.

- Select the **Type of Voucher entries** for export.
  You can select only the accounting vouchers or inventory vouchers or all the vouchers.

-

- If you want to include the masters that linked to the masters used in the **Type of Voucher entries** selected

for export, set the option **Include dependent masters** to **Yes**.

- ▪
- ▪ If you want to export the order vouchers linked to the selected voucher entries, set **Exclude order vouchers** to **No**.

- ▪
- ▪ Select the period for which you are exporting the vouchers.

- ○

Specify the **Export Settings** for masters and transactions.

- ▪ Select the **File Format**.
    - Select **XML** if you want to import this data into another company, or to any other software.

    - ●

    - Select **ASCII** if you want to export it as a comma separated text file, which is widely used for sending data using e-mail.

- ▪
- ▪ Select the **Folder Path**.

- ▪
- ▪ The **File Name** appears automatically. You can change it, if needed.

- ▪
- ▪ Press **Esc** to return to the **Export** screen.

-

  Press **E** (Send) to export.

The exported file will be saved in the **Folder Path** selected while exporting the data.

[Export Vouchers in PDF format | Export Vouchers from Day Book](#)
If you need to view the transaction details of Day Book as a .pdf file, you can export it by selecting the file format as PDF.

Press **Alt+G** (Go To) > select **Day Book** > press **Enter**.

 Alternatively, **Gateway of Tally** > select **Day Book** > press **Enter**.

Select the period.

Select the transactions for export.

To export all the transactions, press **Ctrl+E** without selecting any transactions.

To export only the required transactions, select the transaction using **Spacebar** > press **Ctrl+E**.

Press **C** (Configure) > and select the **File Format** as **PDF** (Read-only document).

Select the **Folder Path**. Set the other options as needed > and press **Esc** to return to the **Day Book Export** screen.

Press **E** (Send) to export the report as a PDF.

Export Reports | Final Accounts Reports, Common Reports, Reminder Letters, Confirmation of Accounts

You may need to export the reports available in TallyPrime for different reporting purposes. Similar to exporting masters and transactions, you can export the reports to a specific folder path, using any of the supported file formats.

Export Reports

You can export the reports in different file formats, as required for your business needs.

From any report screen, press **Ctrl+E** to open the **Export** screen. Let us consider the **Export** screen of **Balance Sheet**, and configure the options as needed.

Press **C** (Configure).

Under **Report Details**, set the options as needed. In case of **Balance Sheet**:

- ▪ Set **Show Vertical Balance Sheet** to **Yes**, to change the representation of details from horizontal to vertical format.

- ▪

- ▪ Set **Show Base Currency** to **Yes**, when you are dealing in more than one currency, and need to view the name of the base currency at the top of the report.

    ○

Under **Company Details**, set **Show Company Name** to **Yes**.

Under **Export Settings**, set the options as needed.

- ▪ Select the required **File Format**.

- ▪

- ▪ Select the **Folder Path**.

- ▪

- ▪ The **File Name** appears by default, which can be changed as needed.

  - ○

Press **Esc** to return to the **Export** screen.

Press **E** (Send) to export the report to the specified **Folder Path**.

Similarly, you can set the options as needed, before exporting each report.

Export Reminder Letters

You may want to communicate to your debtors about the details of outstanding amounts. For this purpose, you can export the following reports as a reminder letter, and share it with the concerned parties.

Bills Receivable

All Ledger Outstandings

Ledger Outstandings

Group of Account Outstandings

Group Outstandings

You can export the reminder letters in any of the supported file formats.

Open the **Export Configuration** screen of the required report.

>   Press **Alt+E** (Export) > **Others** > select any of the report listed above.

>   Press **C** (Configure).

Enter the **Period** > select the **Report Type** as **Reminder Letter**.

Report Details		Report Type
Report Type	: Reminder Letter	Bills Outstanding
		Reminder Letter

Enter the ageing range for overdue bills.

In the **Company Ageing Analysis** report, enter the range of days for which the bills have been overdue. Specify the range as per the credit policies of your business.

>   Press **Enter** to accept the screen.

Set the other report details as needed.

>   Select **Reminder Letter information** > press **Enter** > and update the information, if needed.

Set the options **Show Due On** and **Show Overdue Days** to **Yes**, to view these details in separate columns of the exported file.

Specify the **Designation of Signing Authority** to display the same in the footer of the exported file.

Under **Export Settings**, set the options as needed.

Select the **File Format** > press **Enter** > and select one of the formats.

Export Settings		List of File Formats
File Format	: Excel (Spreadsheet)	ASCII (Comma Delimited)
		Excel (Spreadsheet)
	: Local drive	HTML (Web-Publishing)
Path	: C:\Program Files\TallyPrime	JPEG (Image)
me	: Bills.xlsx	PDF (Read-only document)
		XML (Data Interchange)

Based on the **File Format**, the options under **Export Settings** will appear. You can set the options as needed.

Select the **Folder Path** and press **Enter** > and select the required path.

The **File Name** appears by default, which can be changed, as needed.

Press **Esc** to return to the **Export** screen.

Press **E** (Send) to export the report as **Reminder Letter**.

Export Confirmation of accounts

You may want to confirm the details of accounts maintained with the concerned parties as on a specific date. For this purpose, you can export the following reports as confirmation of accounts, and share it with the concerned parties.

Cash Book

Bank Book

All Ledger Accounts

One Ledger Account

Group of Accounts

You can export the confirmation of accounts in any of the supported file formats.

Open the **Export Configuration** screen of the required report.

> Press **Alt+E** (Export) > **Others** > select any of the report listed above.

> Press **C** (Configure).

Enter the **Period** > select the **Report Type** as **Confirmation of Accounts**.

Report Details		Report Type
Report Type	: Confirmation of Accounts	Confirmation of Accounts
		Ledger Accounts

Set the other report details as needed.

Select **Show More** and press **Enter**.

Select **Provide Confirmation Statement** > press **Enter** > and update the information, if needed.

Specify the **Designation of Signing Authority** to display the same in the footer of the exported file.

Under **Export Settings**, set the options as needed.

Select the required **File Format** > press **Enter** > and select one of the formats.

Export Settings		List of File Formats
File Format	: Excel (Spreadsheet)	ASCII (Comma Delimited)
		Excel (Spreadsheet)
		HTML (Web-Publishing)
Path	: C:\Program Files\TallyPrime	JPEG (Image)
me	: Bills.xlsx	PDF (Read-only document)
		XML (Data Interchange)

Based on the **File Format**, the options under **Export Settings** will appear. You can set the options as needed.

Select the **Folder Path** and press **Enter** > and select the required path.

The **File Name** appears by default, which can be changed, if needed.

Press **Esc** to return to the **Export** screen.

Press **E** (Send) to export the report as **Confirmation of Accounts**.

Export Settings | Easy Access to Export-Related Options

In Tally Prime, you can define common settings related to folder path and company details, define the top margin, and enable it to capture the date and time of export. If you are using the banking feature, you can define the folder path for payment instructions as well. Apart from this, you can configure the information that needs to be captured in each report, and select the export format, as per your business needs.

Configure Export Feature | Common Settings for Export

In Tally Prime, you can define the settings for some of the configurations which are common for exporting any report from a single list of configurations. The configurations set here will be retained and displayed in the **Export** screen of masters, transactions and reports.

Press **Alt+E** (Export) > **Configuration**.

Some of the configurations are explained below:

Location of Import/Export Files – set the folder path to save the exported or imported file.

Open file after export – set this to **Yes**, to open the folder to which the file has been exported. You can immediately access the exported file, without having to search for the folder or the exported file.

Folder path for Payment Instructions – set the folder path to which the payment instructions need to be exported.

Export base currency symbol along with the amount – set it to **Yes** if you are maintaining multiple currencies, and want to capture the currency symbol along with the amount.

Top Margin in Reports (in Inches) – by default the top margin is set to 0.5. You can change this as needed, and the same will appear in the **Export** screens of masters, transactions and reports.

Show Date Range of Reports – by setting this to **Yes**, you can enter the period (**From** and **To** dates) before exporting the masters, transactions and reports.

Show Date and Time of Reports – when you set this to Yes, the date and time at which the reports were exported, will appear in the exported files.

5Show Date and Time of Voucher Printing – when you set this to Yes, the date and time at which the transactions were exported, will appear in the exported files.

Each time you open the **Export** screen of master/transaction/reports, the global settings done in the **Export Configuration** screen (**Alt+E** (Export) > **Configuration**) will appear. You can override the same in the **Export** screen of each master, transaction, and report.

Export Settings for Masters, Vouchers, or Reports
For each master, transaction, and report, only the relevant options will appear. For example, if you are exporting Balance Sheet, the **Export Configuration** screen appears as shown below:

Each time you open the **Export** screen of master/transaction/reports, the global settings done in the **Export Configuration** screen (**Alt+E** (Export) > **Configuration**) will appear. You can override the same in the **Export** screen of each master, transaction, and report.

Some of the configuration options are explained below:

- **File Format** – select the format in which you want to export the report.
    - **ASCII (Comma Delimited)** – when you select this format, the data gets exported as a plain text separated with commas, and saved with the extension .txt. This file format is widely used for sending data using e-mail.

    -

    - **Excel (Spreadsheet)** – when you select this format, the data gets captured in rows and columns of the Excel file, and saved with the extension .xlsx. The Excel file can be sent as an attachment, and also used to generate graphs for better presentation.

    -

    - **HTML (Web-Publishing)** – when you select this format, the data gets exported in HTML format, by retaining the colours and formatting. The file gets saved with the extension .html. It can be sent as an attachment and read using an internet browser (best viewed on a higher resolution screen).

    -

    - **JPEG (Image)** – when you select this format, the report gets exported as an image file, and saved with the extension .jpg. 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. This image file can be e-mailed as an attachment to a recipient, viewed using an image viewer, and printed.

- ○

- ○ **PDF (Read-only document)** – when you select this format, the report gets converted to a PDF, and saved with the extension .pdf. While selecting this format, you need to specify the paper orientation and paper size. PDF file can be e-mailed as an attachment to the desired recipient, and viewed using the any PDF reader.

- ○

- ○ **XML (Data Interchange)** – when you select this format, the report gets saved in the .xml format. An XML file from TallyPrime has an XML envelope and formatted with XML tags to enable import into other computers. When two computers are running different versions of TallyPrime, the XML data can be directly imported using the import feature, without re-formatting.

-

- **Update existing file** – when you set this to **Yes**, the newly exported file will overwrite the file which was exported earlier.

-

- **Folder Path** – you can select the folder to which you want to export the file. Based on the **Folder Path**, the information required for **Export** to will appear.

-

- **File Name** – by default, a specific file name will appear based on the selected format. You can change it as needed.

Additionally, using the buttons in the right-button bar, you can set the **File Format**, **Folder Path** and **File Name** without pressing **C** (Configure) from the **Export** screen.

- Press **F6** (Export to) to define the **Folder Path** and **File Name**. The **Export** to information will appear based on the **Folder Path**.

-

- Press **Alt+F7** (Company Details), and enable the options based on the information that needs to be exported.

-

- Press **F8** (File Format) to select the format in which you want to export the report.

Import Data in TallyPrime

With TallyPrime, you can not only maintain your business data, but also easily import the masters and transactions from anywhere in the product. You can import the data from the screen in which you are working, without moving out of your ongoing work.

Import Masters

The company features that were enabled while [exporting the data](#) should be enabled in the company in which the data is imported. Let us consider that you want to import masters created in National Enterprises (Bangalore) to a new company – National Enterprises (Chennai). The options **Maintain stock categories** and **Maintain batch-wise details** must have been abled in National Enterprises (Bangalore) before exporting the masters. To import masters into National Enterprises (Chennai), you need to ensure that both the options **Maintain stock categories** and **Maintain batch-wise details** are enabled in National Enterprises (Chennai) before importing.Press **Alt+O** (Import) > **Masters**.

Enter the name of the .xml file to be imported, if the file is located in the TallyPrime application folder.

Note: By default, the export location is the TallyPrime installation folder, which is also the default import location. Therefore, it is not required to specify the file path during import. If the path is other than the installation folder, then you must specify the exact location path, for example, C:\Export_Files\XML\Master.xml or C:\Export_Files\XML\DayBook.xml.

In **Behavior of import if master already exists**, select **Combine Opening Balances** to import the data of different branches and consolidate the opening balances. You can also select this option when the opening balances of existing masters are zero and need to be overwritten by the balances in the data being imported.

Import Masters
(Only Tally XML format is supported)

File path	: **C:\Export_Files\XML**
File to import (XML)	: **Master.xml**
Behaviour of import if master already exists	: **Combine opening balances**

Press **Enter** to import.

Go to **Chart of Accounts** to view all the masters that have been imported. You can also open the file Tally.imp located in the TallyPrime installation folder to view the import log.

Import Transactions
Vouchers exported in the XML format can be imported into TallyPrime using the Import Vouchers option. You can import vouchers from one company to another in TallyPrime. Some of the scenarios are:

- Importing data from third-party applications

-

- Migrating to a later release

-

- Data corruption/loss

To import transactions,

Press **Alt+O** (Import) > **Transactions**.

Enter the name of the .xml file to be imported, as shown below:

Import Transactions
(Only Tally XML format is supported)

File path : **C:\Export_Files\XML**

File to import (XML) : **Transaction.xml**

Note: By default, the export location is the TallyPrime installation folder, which is also the default import location. Therefore, it is not required to specify the file path during import. If the path is other than the installation folder, you must specify the exact location path, for example, C:\Export_Files\XML\Master.xml or C:\Export_Files\XML\DayBook.xml

Press **Enter** to import.

You can open the file Tally.imp located in the TallyPrime installation folder to view the imported vouchers.

Import Bank Statements

You can update your Bank Reconciliation report by importing bank statements to TallyPrime in a matter of seconds.

To import a bank statement, press **Alt+O** (Import) > **Bank Details**.

If you want to know how to import a bank statement for automatic bank reconciliation, then click here.

Configure for Import

TallyPrime provides many configuration options that you can enable or disable to suit your business needs.

● Press **Alt+O** (Import) > **Configuration**.

National Enterprises

Import Configuration

List of Configurations

Show Less

General

Location of Import/Export Files	D:\OneDrive
Ignore errors during import	No
Overwrite voucher when a voucher with same GUID exists	No
Import batch size	
Enable detailed log (tally.imp)	No

Banking

Location of new bank statements	D:\OneDrive
Location of imported bank statements	D:\OneDrive
Location of new intermediate files	D:\OneDrive
Location of imported intermediate files	D:\OneDrive

-

-

- **Location of Import/Export Files** – set the folder path to save the exported or imported file.

-

- **Ignore errors during import** – This option will ignore the errors that may occur during import, and continue to import. However, errors while importing data will be logged into the Tally.imp file that is generated in the TallyPrime folder.

-

- **Overwrite vouchers when a voucher with same GUID exists** – If a voucher is exported and imported back to the same company, a duplicate voucher gets created when this option is enabled. Set it to **No** to overwrite the duplicate vouchers. If the vouchers are exported from one company and imported in a different company, then the vouchers will be overridden irrespective of the option being enabled or disabled.

Interest Calculation in TallyPrime

Interest is a legitimate return on money invested and chargeable in the business world on loans and also on delayed payments. Interest can be calculated on the basis of Simple or Compound Interest. With TallyPrime you can make the required configurations and view the reports on interest calculated based on these configurations. In TallyPrime, the calculation of interest will be based on outstanding receivables or payables.

Enable Interest Calculation in TallyPrime

Press **F11** (Features) > set **Enable Interest Calculation** to **Yes**.

 If you do not see this option:

> Set **Show more features** to **Yes**.

> Set **Show all features** to **Yes**.

Press**Ctrl+A** to save the **Company Features Alteration** screen.

Interest Calculation Using Simple Parameters

Interest calculation on outstanding balances is allowed for any ledger account. Configure the interest rate, and style of calculation in the ledger master, to start calculating interest on outstanding amounts. Interest on outstanding balances can also be calculated transaction-by-transaction.

Gateway of Tally > **Alter** > **Ledger** > select the bank ledger > and press **Enter**.

 Alternatively, press **Alt+G** (Go To) > **Alter Master** > **Ledger** > select the bank ledger > and press **Enter**.

Set the option **Activate interest calculatio**n to **Yes**. The **Interest Parameters** screen appears.

In the **Calculate Interest Based On** field select the **Date Type**, as required.

 The option to calculate interest based on either Bank reconciliation date or voucher date will be displayed for ledgers grouped under Bank Accounts, Bank OCC A/c and Bank OD A/c. The interest calculated on:

- o **Voucher Date** will be displayed in the **Ledger Interest** report.

- o

- o **Bank/Reco Date** will be displayed in **Bank Reconciled Transactions** report.

-

Set **Include transaction date for interest calculation**, as needed. This can be enabled **For Amounts added** and/or **For Amounts Deducted**.

Enter the **Rate** of interest.

Select the **Interest Style**, as required. The rate of interest will be calculated on the basis of the interest style applied. **Note:** If the interest style selected is **365-day Year,** then the interest will be calculated for 365 days irrespective of the number of days in the calendar year. If **Calendar Year** is selected as the interest style, then the rate of interest will be calculated on 365 days or 366 days, depending on the number of days as per the calendar.

Select the required details in as needed.

Press **Ctrl+A** to save.

Interest Calculation Transaction-by-Transaction

Calculation of interest can be done bill-by-bill for accounts grouped unde Sundry Debtors and Sundry Creditors.

In the party ledger, set the option **Activate interest calculation** to **Yes**. The **Interest Parameters** screen appears.

Set the option **Calculate Interest Transaction-by-transaction** to **Yes**.

The option **Include transaction date for interest calculations: For amounts added**, **For amounts deducted** is provided in the **Interest Parameters** screen. This option allows you to exclude or include the transaction date for amounts added and deducted. For example, for a sundry debtor ledger, there was an invoice raised for Rs. 50,000 on 1st of April 2020, against which an amount of Rs. 20,000 was received on the same day. Now you may want to include the invoice amount and exclude the received amount, for the purpose of calculating interest on 1st April 2020.

Set the option **Override Parameters for each Transaction** to **Yes**, to change the parameters while recording vouchers.

Enter the **Rate** of interest.

Select the **Interest Style**, as required. The rate of interest will be calculated on the basis of the interest style applied.

Interest Parameters	
Calculate Interest Transaction-by-Transaction	: **Yes**
Override Parameters for each Transaction	: **Yes**
Include transaction date for interest calculation:	
For amounts added	: **No**
For amounts deducted	: **No**
Rate : [ ] % per on	

To exclude or include the transactions, you can use the options shown below:

For amounts deducted	For amounts added	
	Yes	No
Yes	Includes both the additions and deductions on the transaction date to the amount. Interest is calculated after considering the amount of the transaction date.	The additions done on the transaction date will be considered from the next day onwards, whereas, the deductions are considered on the transaction date for calculating interest.

		The additions are included on the transaction date, and the deductions are excluded from calculating interest on the transaction date. The interest on the deductions is calculated on the next day.	Excludes both the additions and deductions on the transaction date. The interest is calculated on the net amount from the next day.
	No		

Note: The terms additions and deductions are used in relation to the opening balance (either zero or any value). When any amount is added to opening balance, it should be treated as addition, and when any amount is reduced from opening balance, it should be treated as deduction. In other words, the 'interest calculation for the day' means opening balance + additions – deductions, which is the closing balance of the day.

Calculate Interest Using Advanced Parameters

The advanced parameters are used when interest rates change periodically. Using the advanced parameters, you can configure the number of days, balance type, and applicable from date that are to be considered for calculating interest.

In this section

- Set advanced interest parameters for a party

-

- Set advanced interest parameters for bank ledgers

Set advanced interest parameters for a party

In the **Interest Parameters** screen of the party ledger, press **F12** (Configure) and set **Use advanced interest parameters** to **Yes**.

Set the option **Calculate Interest Transaction-by-Transaction** to **Yes**, to calculate interest for each transaction.

Set the option **Override Parameters for each Transaction** to **Yes** to display the **Interest Parameters** screen while recording the transaction. The defined parameters can be modified during voucher entry.

Set the option **Override advanced parameters** to **Yes**.

Set **Include transaction date for interest calculation**, as needed. This can be enabled **For Amounts added** and/or **For Amounts Deducted**.

Enter the **Rate** of interest.

Select the **Interest Style**, as required. The rate of interest will be calculated on the basis of the interest style applied.

Select the balance on which the interest has to be calculated. Interest can be calculated on credit balance, debit balance or both credit and debit balances.

Select the **Applicability** of the interest as required. If **Past Due Date** is selected, then the number of days after which interest has to be applied can be specified.

Select the date from which interest is applicable in the **Calculate From** field.

Select the applicable **Rounding** method. Select **Not Applicable** for saving values as is without rounding off.

Define multiple slabs with different rates and applicability, as needed. The **Interest Parameters** screen with multiple slabs appears as shown below:

Press **Ctrl+A** to accept the configuration.

Press **Ctrl+A** to save the ledger.

In case of the above configuration, interest will be calculated at 5% starting from 10th day after due date and at 10% starting from 60th day after due date. Similarly, multiple slabs can be configured with different interest style, applicability, calculate from parameter and round off value.

Set advanced interest parameters for bank ledgers

In the **Interest Parameters** screen of bank ledger, select **Bank/Reco Date** to **Calculate Interest Based on**.

Enter the **Rate**, and **Interest Style** as required.

Enter the applicability period.

Press **Enter** and enter the interest calculation details for another period. The **Interest Parameters** screen appears as shown below:

```
                              Interest Parameters

Calculate Interest Based on                 :  Bank/Reco Date
Include transaction date for interest calculation:
    For amounts added                       :  No
    For amounts deducted                    :  No

Rate :   10 % per 30-Day Month         on  All Balances
    Applicable From:  1-May-20  To:  31-May-20
    Rounding :  ◆ Not Applicable

Rate :   20 % per 30-Day Month         on  All Balances
    Applicable From:  1-Jun-20  To:  30-Jun-20
    Rounding :  ◆ Not Applicable

Rate :        % per                     on
```

Press**Enter.**

Press **Ctrl+A** to save the ledger.

View Interest for a Group

The Group Interest Calculation statement is a list of all accounts and sub-groups belonging to the selected group. It displays the current balance in each account or sub-group, and the total interest.

Alt+G (Go To) > type or select **Group Interest Calculation**.

 Alternatively, **Gateway of Tally** > **Display More Reports** > **Statements of Accounts** > **Interest Calculations** > **Group**.

Select a **Group**, for example, **Current Liabilities**.

Note: The Cr in the interest amount indicates that it is a liability.

Press **Enter** to drill down to the **Ledger Interest** report.

View Interest on Ledger Balances

You can get a report on the ledger balances for the interest amount.

Alt+G (Go To) > type or select **Ledger Interest Calculation**.

Alternatively, **Gateway of Tally** > **Display More Reports** > **Statements of Accounts** > **Interest Calculations** > **Ledger**.

Select an account. The **Ledger Interest** report appears as shown below:

Ledger Interest Calculation					National Enterprises	
Ledger : **Sun Stores**					1-Apr-20 to 30-Jun-20	
Balance	**From:**	**To:**	**Total Days**	**Rate %**	**Interest**	
13,000.00 Dr	13-Apr-20	21-Apr-20	**9 days**	3 %	117.00 Dr	
2,31,392.00 Dr	31-May-20	31-May-20	**1 days**	3 %	231.39 Dr	
2,30,142.00 Dr	1-Jun-20	27-Jun-20	**27 days**	3 %	6,213.83 Dr	
2,50,030.00 Dr	28-Jun-20	28-Jun-20	**1 days**	3 %	250.03 Dr	
				Grand Total	6,812.25 Dr	

[View Interest on Invoices](#)

You can calculate interest on each invoice for the outstanding period. Transaction by transaction or bill-by-bill interest can be calculated for party ledgers (grouped under Sundry Debtors and Sundry Creditors). For calculating interest on each bill, the bill-wise details should be enabled for the company and the party.

The Ledger Interest report displays the interest calculated for the selected ledger. If a part of the amount is settled, then interest is calculated only on the amount pending to be repaid.

Alt+G (Go To) > type or select **Ledger Interest Calculation**> select the **Ledger**.

Alternatively, **Gateway of Tally** > **Display More Reports** > **Statements of Accounts** > **Interest Calculations** > **Ledger**.

Press **Ctrl+H** (Change View) > select **Bill-wise Details** > and press **Enter**.

Ledger Outstandings	National Enterprises				
Ledger : **Ecko Honey Farms**					1-Apr-20 to 30-Jun-20
Date	Ref. No.	Opening Amount	**Pending Amount**	Due on	Overdue by days
2-May-20	Ecko6	1,90,078.00 Cr	**1,90,078.00 Cr**	16-Jun-20	14
1-Jun-20	Ecko1	1,99,681.12 Cr	1,99,681.12 Cr	16-Jul-20	
	Sub Total	3,89,759.12 Cr	3,89,759.12 Cr		
30-Jun-20	On Account	92,388.00 Dr	**92,388.00 Dr**		
		2,97,371.12 Cr	**2,97,371.12 Cr**		

Press **Alt+F5** (Detailed) to view the calculation and the period.

Ledger Outstandings	National Enterprises						
Ledger : **Ecko Honey Farms**						1-Apr-20 to 30-Jun-20	
Date	Ref. No.			Opening Amount	**Pending Amount**	Due on	*Overdue by days*
2-May-20	Ecko6			1,90,078.00 Cr	**1,90,078.00 Cr**	16-Jun-20	*14*
	2-May-20 Purchase 7	1,90,078.00 Cr					
	60 Pcs Organic Honey 1000ml	2,536.00/Pcs					
	34 Pcs Organic Honey 500ml	1,339.00/Pcs					
1-Jun-20	Ecko1			1,99,681.12 Cr	1,99,681.12 Cr	16-Jul-20	
	1-Jun-20 Purchase 14	1,99,681.12 Cr					
	60 Pcs Organic Honey 1000ml	2,536.00/Pcs					
	34 Pcs Organic Honey 500ml	1,339.00/Pcs					
	Sub Total			3,89,759.12 Cr	3,89,759.12 Cr		
30-Jun-20	On Account			92,388.00 Dr	**92,388.00 Dr**		
	31-Mar-20 Opening Balance	20,000.00 Cr					
	30-Apr-20 Debit Note 4	34,388.00 Dr					
	20 Pcs Organic Honey 500ml	1,339.00/Pcs					
	3 Pcs Organic Honey 1000ml	2,536.00/Pcs					
	30-Jun-20 Payment 15	78,000.00 Dr					
				2,97,371.12 Cr	**2,97,371.12 Cr**		

Note: If part of the amount is settled, the interest gets calculated on the remaining balance. Now check the interest amount due.

Ledger Outstandings	National Enterprises						
Ledger : **Ecko Honey Farms**						1-Apr-20 to 30-Jun-20	
Date	Ref. No.			Opening Amount	**Pending Amount**	Due on	*Overdue by days*
2-May-20	Ecko6			1,90,078.00 Cr	**1,12,078.00 Cr**	16-Jun-20	*14*
	2-May-20 Purchase 7	1,90,078.00 Cr					
	60 Pcs Organic Honey 1000ml	2,536.00/Pcs					
	34 Pcs Organic Honey 500ml	1,339.00/Pcs					
	30-Jun-20 Payment 15	78,000.00 Dr					
1-Jun-20	Ecko1			1,99,681.12 Cr	1,99,681.12 Cr	16-Jul-20	
	1-Jun-20 Purchase 14	1,99,681.12 Cr					
	60 Pcs Organic Honey 1000ml	2,536.00/Pcs					
	34 Pcs Organic Honey 500ml	1,339.00/Pcs					
	Sub Total			3,89,759.12 Cr	3,11,759.12 Cr		
30-Jun-20	On Account			14,388.00 Dr	**14,388.00 Dr**		
	31-Mar-20 Opening Balance	20,000.00 Cr					
	30-Apr-20 Debit Note 4	34,388.00 Dr					
	20 Pcs Organic Honey 500ml	1,339.00/Pcs					
	3 Pcs Organic Honey 1000ml	2,536.00/Pcs					
				3,75,371.12 Cr	**2,97,371.12 Cr**		

Note: The Cr in the interest amount indicates that it is a liability.

[The interest liability and expense can be accounted for by recording a Debit Note and Credit Note with voucher classes.](#)

[Accounting for Interest Payable and Receivable](#)

It is recommended to track the interest by using the Debit Note and Credit Note with voucher classes.

When you set the parameters for interest calculation, TallyPrime will only show the calculated interest value. However, the impact on the outstanding will be visible when a transaction is recorded to account for or book the expense. This is done by using a Credit Note with voucher class for interest payables or a Debit Note with voucher class for interest receivables.

If you do not want any interest tracking and would like to make a standard entry for accounting your interest liability and expenses, you can pass a Journal voucher entry.

[Use Voucher Classes for Interest Payable & Receivable](#)

When you are paying interest for the loans taken use credit notes with voucher class for accounting the interest to be paid to the lender. When you record a credit note with voucher class, the amount is adjusted against the interest payable to the lender.

In a similar way when you have to receive interest for the loans you have given, use debit notes with voucher class.

Note: Alternatively, you can do manual entries to account for the interest payments and receipts. But this will not be adjusted against the interest amount.

[Create Voucher Classes for Credit Note or Debit Note](#)

Gateway of Tally > **Alter** > type or select **Voucher Type** > **Credit Note** > and press **Enter**.

Alternatively, **Alt+G**(Go to) > **Alter Master** > type or select **Voucher Type** > **Credit Note** > and press **Enter**

Enter the **Name of Class**. If you do not see this option use **F12** (Configure) to get it.

Set up interest calculation: **Simple interest**.

- o **Use Class for Interest Accounting – Yes**.

- o

- o **Amount to be treated as Compound Interest – No**.

4. Set up interest calculation: **Compound interest**.

- **Use Class for Interest Accounting – Yes**.

-

- **Amount to be treated as Compound Interest – Yes**.

	Class: Simple Interest
Use Class for Interest Accounting	: **Yes**
Amounts to be treated as Compound Interest	: **Yes**

-

- Accept the voucher class screen. As always, you can press **Ctrl**+**A** to save.
  In a similar way you can create voucher classes for debit notes.

Record Interest Payable or Receivable Using Voucher Class

Using voucher class for a sample credit note with interest is as follows.

Gateway of Tally > **Vouchers**> press **F10** (Other Vouchers) > type or select **Credit Note**.

 Alternatively, press **Alt**+**G** (Go To) >**Create Voucher** > press **F10** (Other Vouchers) > type or select Credit Note.

 In case the voucher is inactive, you will be prompted to activate the Credit Note voucher type. Select **Yes** or press **Y** to proceed.

Select the voucher class.

Select the ledgers to which you need to account the interest.

Credit ledger: Ledgers in which interest calculation is enabled are listed for selection.

Amount: The amount is calculated and displayed based on the voucher date.

Debit ledger: Select the appropriate ledger to debit.

Complete the entries, Accept the voucher screen. As always, you can press **Ctrl+A** to save.

Accounting Voucher Creation	National Enterprises			
Credit Note No. **12**				1-Aug-2020
	Voucher class : Simple Interest			Saturday
Particulars			**Debit**	**Credit**
Cr **Loan From Bindu**				1,000.00
Cur Bal:				
Dr **Intersst on Loan**			1,000.00	
Cur Bal: 1,000.00 Dr				
New Ref **12**	1,000.00 Dr			
Provide GST details	: **Yes**			
Narration:			1,000.00	1,000.00
				Accept ?
				Yes or No

 In a similar way, you can create debit notes using voucher class.

Record Credit Note with Voucher Class

Assume that you have borrowed Rs. 30,000 rupees from a third party, and you have recorded a Receipt entry to account for the loan amount received. If you want to know how much interest you have been accumulating on the loan amount on a daily basis with the rate of interest involved, you can refer to the Interest Calculation report.

Click here to learn how to access the Interest Calculation report.

The Interest Calculation report appears as shown below:

Ledger Interest Calculation			National Enterprises			
Ledger : **Loan Received**						1-May-21 to 31-May-21
Balance	**From:**	**To:**	**Total Days**	**Rate %**	**Interest**	
30,000.00 Cr	1-May-21	31-May-21	31 days	10 %	3,100.00 Cr	
				Grand Total	3,100.00 Cr	

The report shows you the amount of interest you will pay on the loan based on the date you choose. However, the impact on the outstanding will be visible in the report when you account for Payables by recording a Credit Note with voucher class.

When you record a Credit Note for the interest payable, any interest you incur on the loan amount will be determined by the date you choose. TallyPrime will pull the calculated value from the report and will display the final amount to pay.

Gateway of Tally > **Vouchers** > press **F10** (Other Vouchers) > type or select **Credit Note**.
 Alternatively, press **Alt+G** (Go To) > **Create Voucher** > press **F10** (Other Vouchers) > type or select **Credit Note**.
 In case the voucher is inactive, you will be prompted to activate the Credit Note voucher type. Select **Yes** or press **Y** to proceed.

Select the **Voucher Class** for Credit Note.

Press **F2** (Date) to change the **Voucher Date** so that the interest can be calculated accordingly.

Enter the **Particulars**.

> Credit ledger: Select the ledger to which the interest needs to be credited.
> The interest amount will be automatically calculated based on the voucher date and displayed under the **Credit** field.
> **Note**: While recording the voucher, TallyPrime pulls the calculated interest value from the report and displays the amount to pay.

Debit ledger: Select the expense ledger. You can create an expense ledger for the interest payable. The amount will be displayed automatically under **Debit** field.

Enter the other details, as applicable.

Accounting Voucher Creation	National Enterprises		
Credit Note No. **1**			31-May-21
	Voucher class : Simple Interest		Monday
Particulars		**Debit**	**Credit**
Cr **Loan Received**			3,100.00
Cur Bal: 33,100.00 Cr			
Dr **Interest on Loan**		3,100.00	
Cur Bal: 3,100.00 Dr			
Provide GST details : **Yes**			
Narration:		3,100.00	Accept ?
			Yes or No

An interest amount of Rs. 3100 is calculated based on the date you have selected. This amount is added to the loan sum and becomes your payable amount on that date.

Press **Y** to accept the screen. As always, you can press **Ctrl+A** to save. In a similar way, you can record a Debit Note with voucher class for interest receivable.
With each payment on your loan, the balance amount will appear in the report on which the interest will be calculated based on the selected parameters and the date you choose to pay.

Ledger Interest Calculation				National Enterprises		
Ledger : **Loan Received**						1-Apr-21 to 3-Jun-21
Balance	**From:**	**To:**	**Total Days**	**Rate %**	**Interest**	
33,100.00 Cr	1-Jun-21	2-Jun-21	2 days	10 %	220.67 Cr	
23,100.00 Cr	3-Jun-21	3-Jun-21	1 days	10 %	77.00 Cr	
				Grand Total	297.67 Cr	

In this way, Interest Payable can be recorded by passing a Credit Note with a voucher class and Interest Receivable by passing a Debit Note with a voucher class. As part of the repayment of interest, you can record a Payment voucher and a Receipt voucher as required under the loan terms.

E-Capabilities

Exchange of information between computers is the most common feature in any organization. Such exchanges constitute publishing a report or a document on the internet/intranet or mailing of data. All this can be accomplished by using the e-capabilities feature of Tally.ERP 9.

Requirements

Internet Connection, preferably a broadband connection

An e-mail account to use the e-mail feature of Tally.ERP 9

A Uniform Resource Locator (URL) with permission to upload files

Extract Data Using ODBC in TallyPrime

You may need to share data of ledgers, stock items, or any other master with you customers or internal stakeholders to keep the record of those masters. You can share the data in MS Excel or MS Word format by extracting from TallyPrime. All you need to do is to enable ODBC in TallyPrime and follow the steps in MS Excel or MS Word to share data using ODBC. While in MS Excel, you can extract data with the **From Microsoft Query** option, in MS Word, you can do so by label printing with **Mail Merge Wizard**.

Extract Data to MS Excel Using ODBC in TallyPrime

When you have to share your data – with your clients or superiors – using Excel, you can extract data from ledgers and stock items. Using the ODBC feature, you can extract the data.

Master Data using ODBC

Using ODBC, you can extract ledger data to Microsoft Excel and generate the required reports.

Illustration

National Enterprises wants to extract information from the ledger master, as shown below:

To extract ledger data to Microsoft Excel

Open Microsoft Excel on your computer.

Click **Data** > **Get External Data** > **From Other Sources** > **From Microsoft Query**, as shown below:

Select **TallyODBC64_9000***, as ODBC is enabled on the server 9000.

Click **OK**. The **Query Wizard – Choose Columns** screen appears as shon below:

Click **Ledger** and expand the list to select the required fields.

Click **Next**. The **Query Wizard – Filter Data** screen with the column names appears as shown below:

Click **Next**. The **Query Wizard – Sort Order** screen appears as shown below:

Select **Ascending** or **Descending** for each drop down list under **Sort by**, as required.

Click **Next**. The **Query Wizard – Finish** screen appears as shown below:

Select the option **Return Data to Microsoft Office Excel**.

Click **Finish**. The **Import Data** screen appears as shown below:

Click **K**. The Microsoft Excel sheet with the imported data appears as shown below:

Similarly, any data can be extracted from TallyPrime by using the Microsoft Excel Query Wizard.

[Extracting Stock Item Data to Microsoft Excel using ODBC](#)
Using ODBC, you can extract stock item data to Microsoft Excel and generate the required reports.

Illustration

National Enterprises wants to extract information from the stock item master:

Stock Item Creation   National Enterprises

Name   : **Reynolds Primax**   Part No.   :
(alias)   :

Description :

Under   : **Blue Pens**   **Statutory Details**
Category   : **Stationery**   GST Applicable   : ♦ **Applicable**
Units   : **nos**   Set/Alter GST Details   : **No**

Additional Details   Type of Supply   : **Goods**

Set components (BOM)   : **No**   Rate of Duty (eg 5)   : **0**

                                                                              Accept ?

                                     Quantity   Rate per   Value
                     Opening Balance : **2,000 nos**   **25.00 nos**   **50,000.00**   Yes or No

To extract stock item data to Microsoft Excel

Open Microsoft Excel on your computer.

Click **Data** > **Get External Data** > **From Other Sources** > **From Microsoft Query**, as shown below:
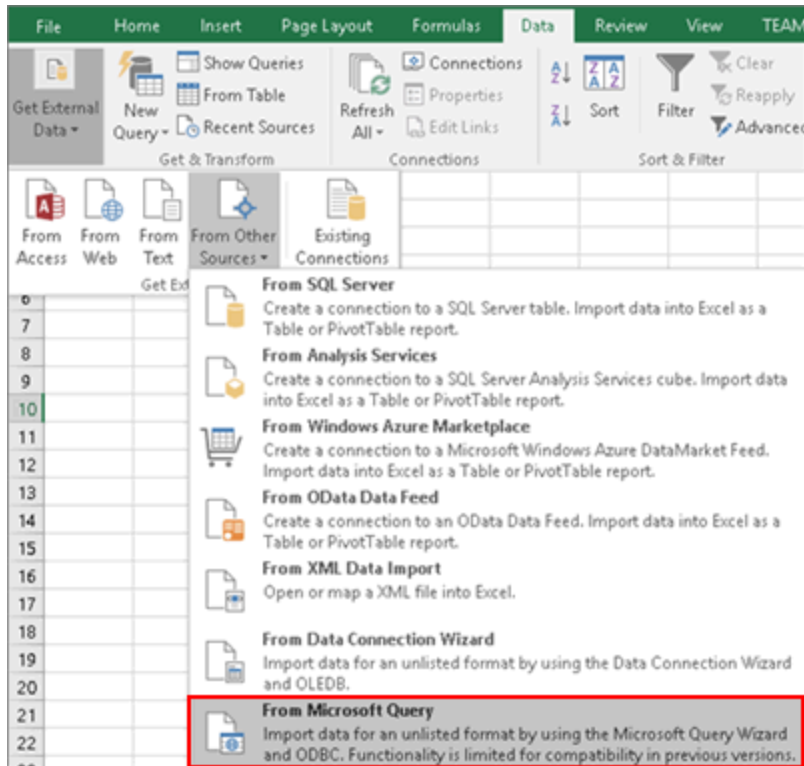
The **Choose Data Source** screen appears as shown below:
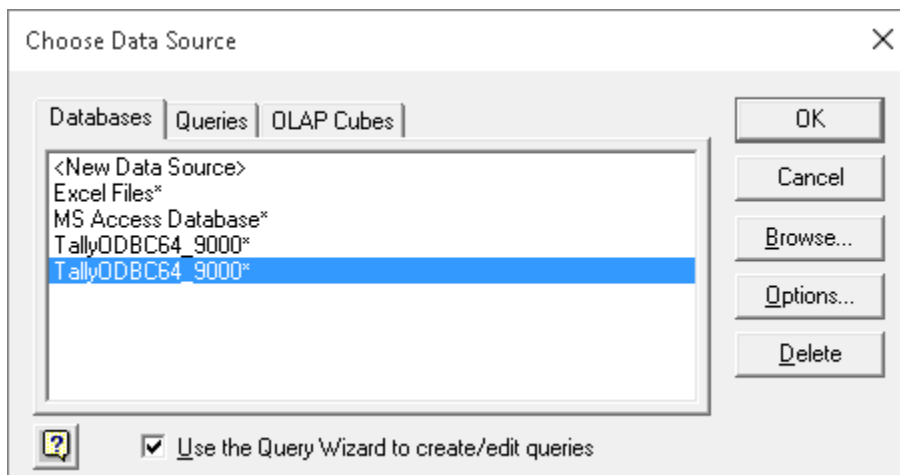
Select **TallyODBC64_9000***, as ODBC is enabled on the server 9000.

Click **OK**. The **Query Wizard – Choose Columns** screen appears as shown below:
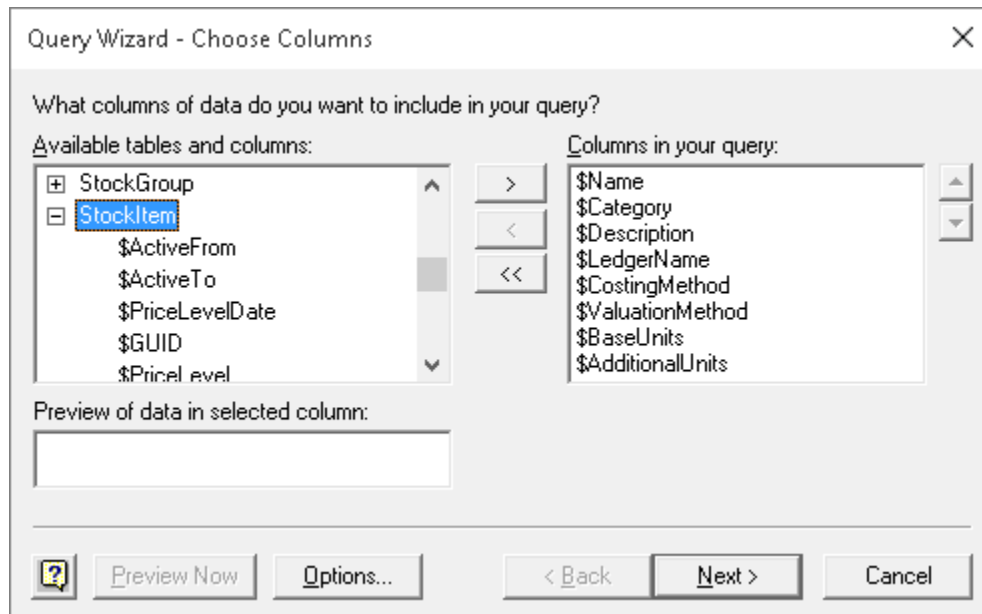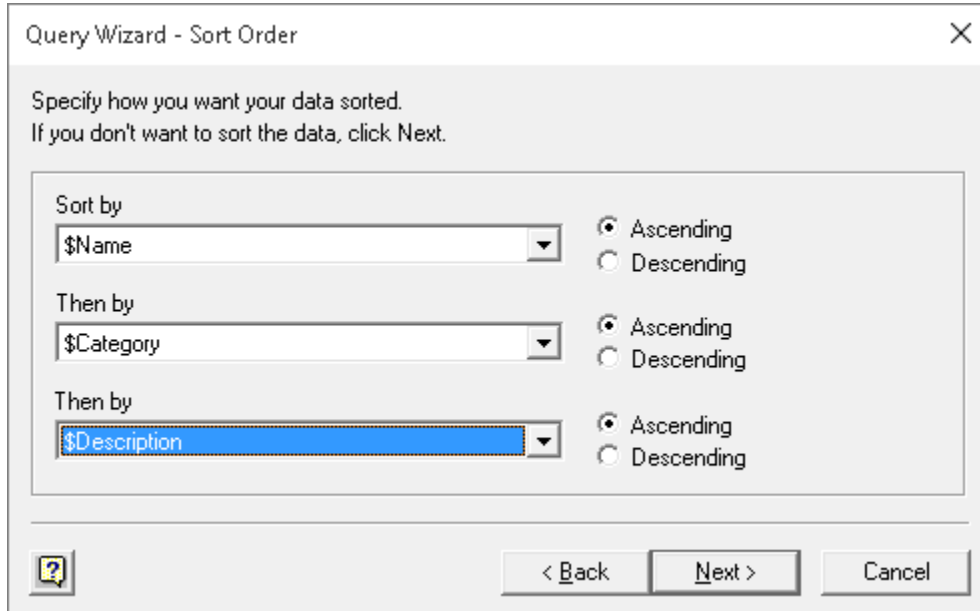
Click **Stock Item** and expand the list to select the required fields.

Click N**ext**. The **Query Wizard – Filter Data** screen with the column names appears as shown below:

Click **Next**. The **Query Wizard – Sort Order** screen appears as shown below:

Select **Ascending** or **Descending** for each drop down list under **Sort by**, as required.

Click **Next**. The **Query Wizard – Finish** screen appears as shown below:

Select **Return Data to Microsoft Excel**.

Click **Finish**. The **Import Data** screen appears as shown below:

Click **OK**. The Microsoft Excel sheet with the imported data appears as shown below:

Similarly, any data can be extracted from TallyPrime by using the Microsoft Excel Query Wizard.

[Extract Data to MS Word Using ODBC by Label Printing with Mail Merge Wizard](#)

You may need to share TallyPrime data in an MS Word document so that your customers or stakeholders can view. Based on the version of MS Word installed in your system, the process of extracting data to MS

Word using ODBC varies. In both the cases, you will first need to enable ODBC in TallyPrime.

Enable ODBC in TallyPrime
To enable ODBC in TallyPrime, follow the steps given below.

Start TallyPrime.

Press **Alt+Z** (Exchange) > **Data Synchronisation** and press **Enter**.

The **Data Synchronisation Configuration** screen appears.

Under **List of Configurations**, select **Client/Server configuration** and press **Enter**.

The **Client/Server configuration** screen appears.

Select options under the labels as follows:

Tally Prime acts as: **None**.

Enable ODBC: **Yes**.

Select the **Port** as applicable to your license server.
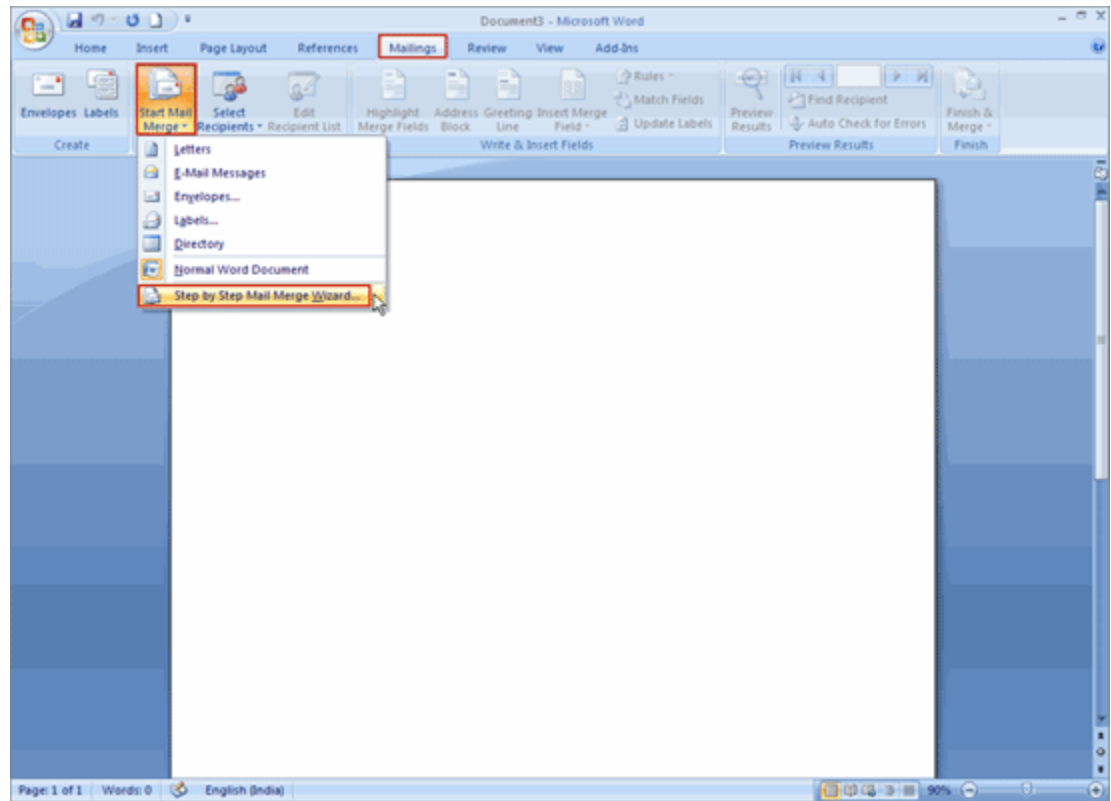

Extract Data to MS Word 2007/2010 Using ODBC
After enabling ODBC in TallyPrime, follow the steps given below in MS Word 2007 or 2010.

Initiate document creation.

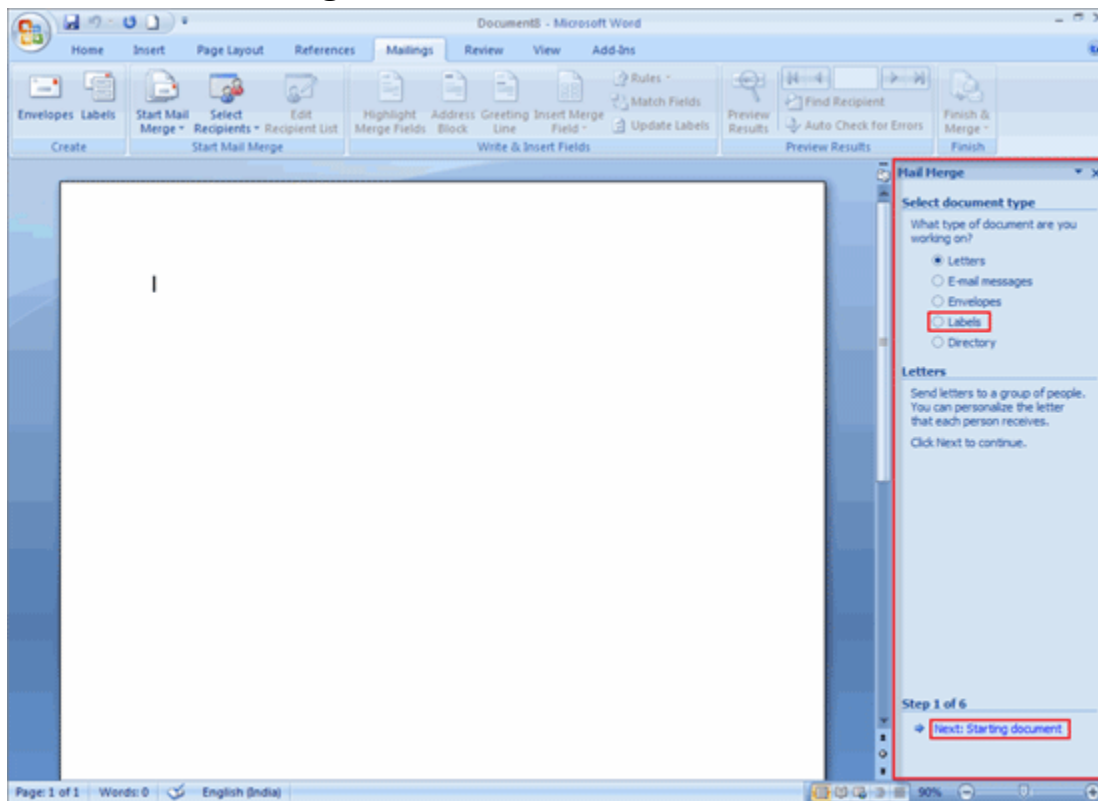d. Click **Mailings** > **Start Mail Merge** > **Step by Step Mail Merge Wizard**.
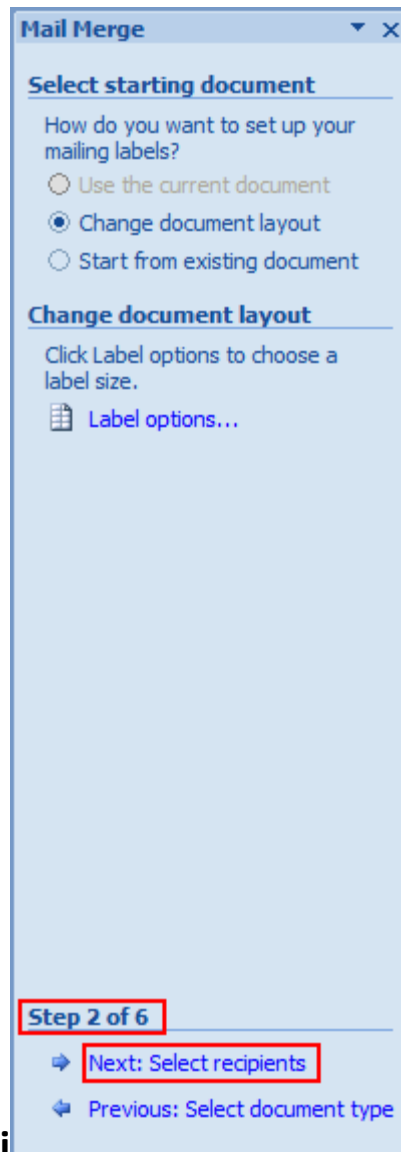

The **Mail Merge** appears on the right-hand side.

Select document type: **Labels**.

Click **Next**: **Starting document**.

Apply formatting options, as applicable.

Click **Next**: **Select reci**

The **Label Options** window appears.

Select **Product number**:

i. In MS Word 7, select **Business Card** and click **OK**.
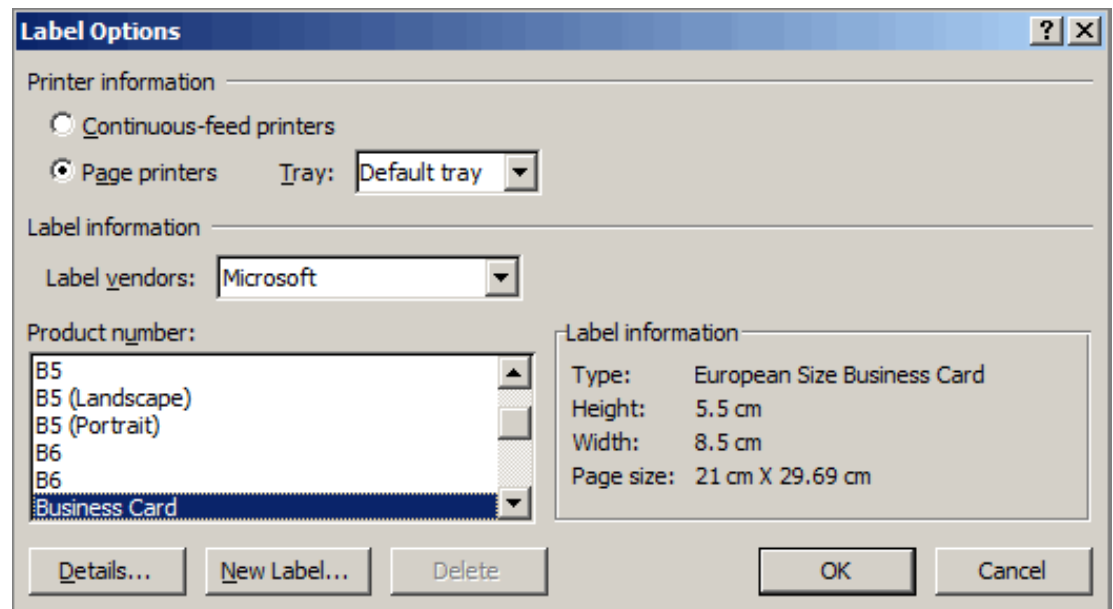
In MS Word 10, select based on your preference, for instance, European Size, and click **OK**.
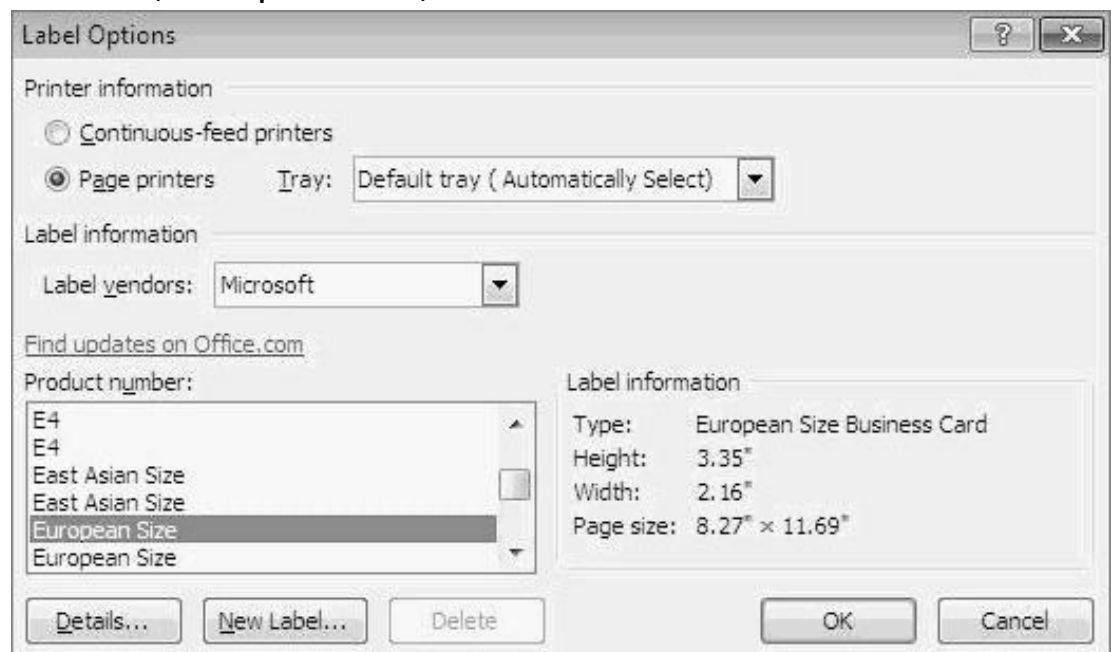
Select the source of data.

Click **Next**: **Arrange your labels**.
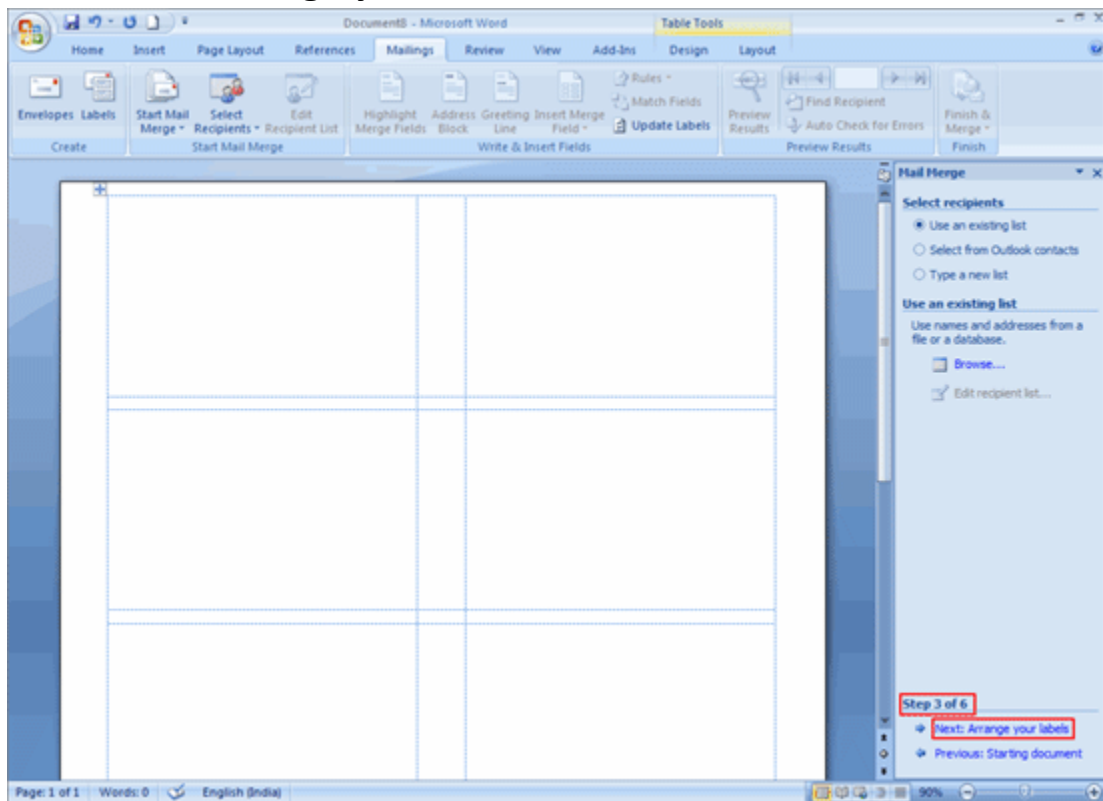
The **Select Data Source** window appears.
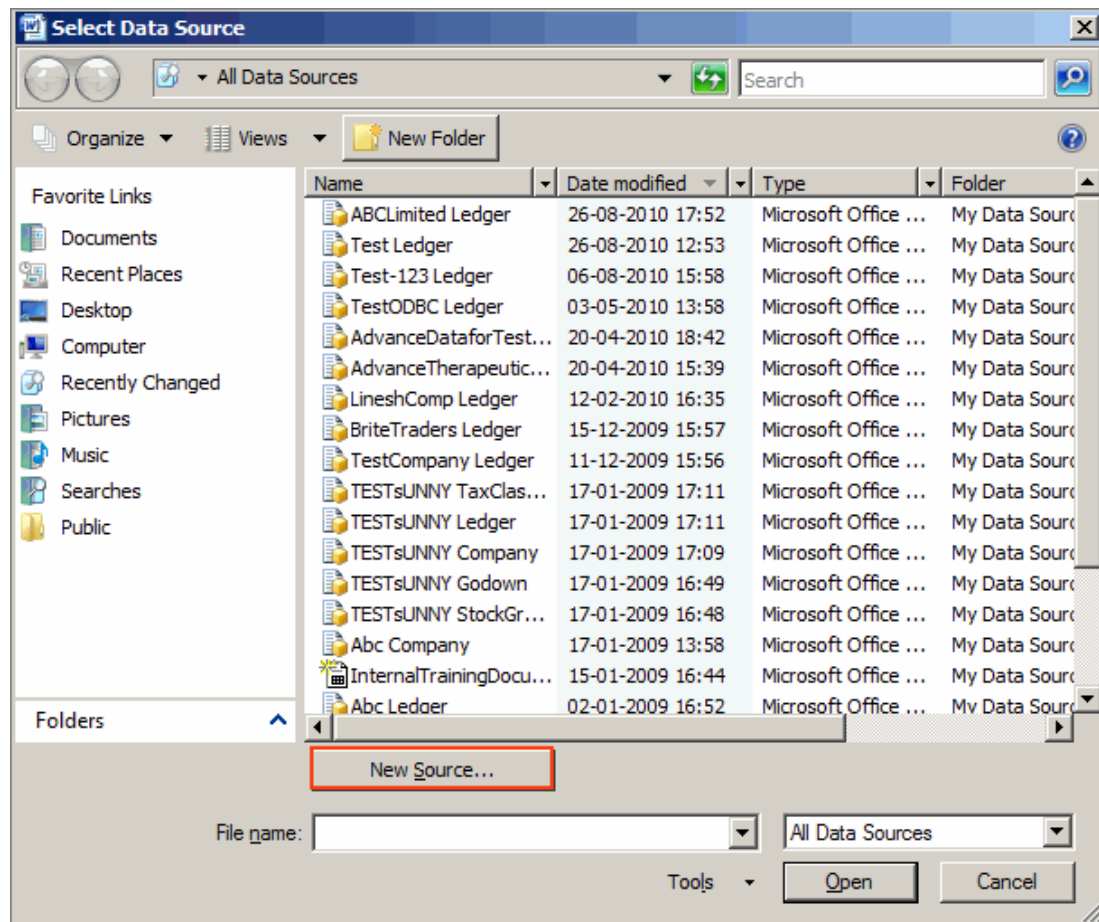
Click **New Source**.

The **Data Connection Wizard** window appears.

Select **ODBC DSN** and click **Next**.
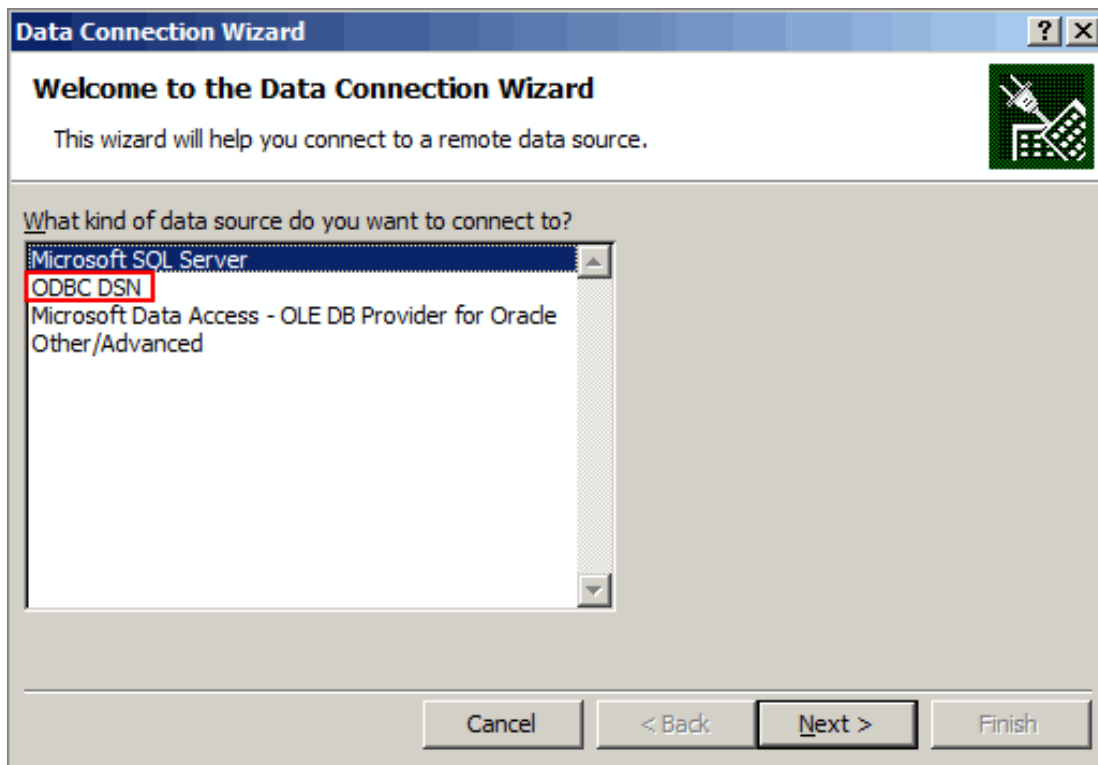
The **Data Connection Wizard** window starts displaying the list of ODBC data sources as shown below.

Select the Tally ODBC data source with the appropriate port number.
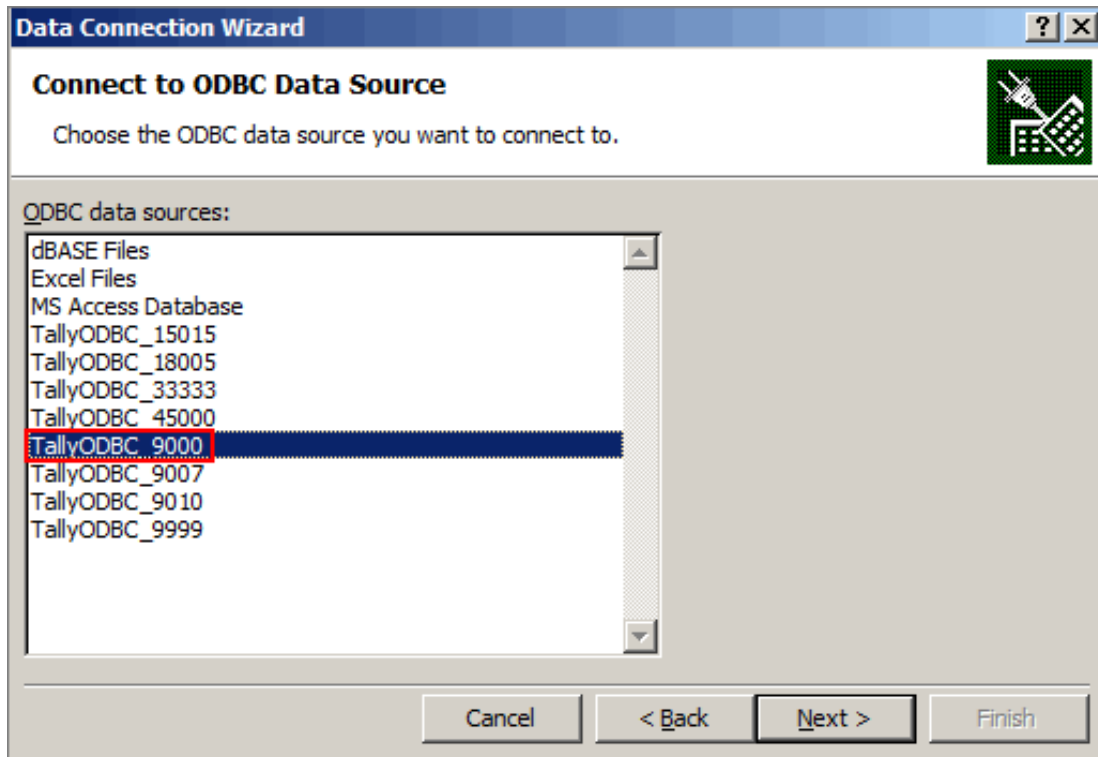
Note: If multiple data sources of Tally are listed, then you can check the appropriate port number in TallyPrime.

In TallyPrime, press **F1** (Help) > **Settings** > **License** > **Manage License.**

The **License Information** screen appears, and you can identify the port number mentioned under the label **Tally Gateway Server.**

Select data that needs to be extracted.

Select the master, for instance, **Ledger**, **StockItem**, **CostCategory**, as applicable and click **Next**.

 The **Data Connection Wizard** window with **File Name** appears as shown below.

Click **Finish**.

The **Data Link Properties** window appears.

Test the connection.

Click **Connection**.

Specify the source of data: Use data source name.

From the list, select TallyODBC with the appropriate port number.

Click **Test Connection**.
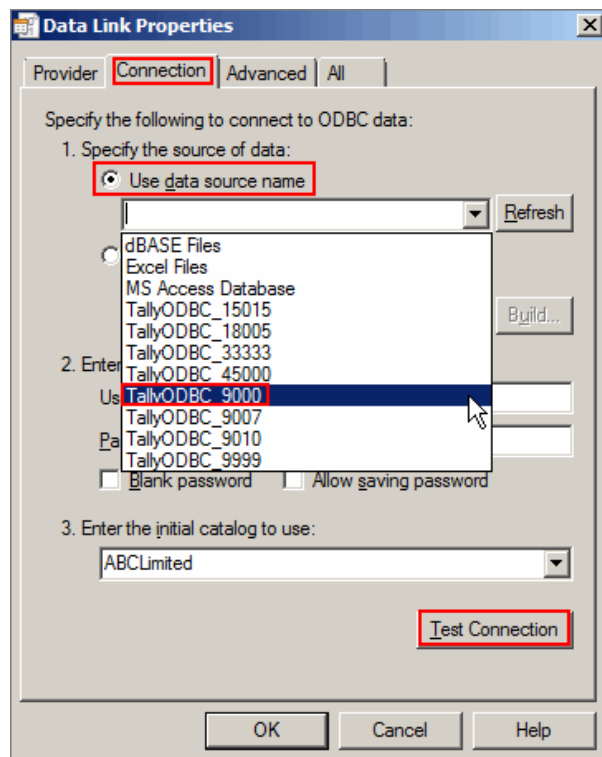
A test connection success message appears as shown below.
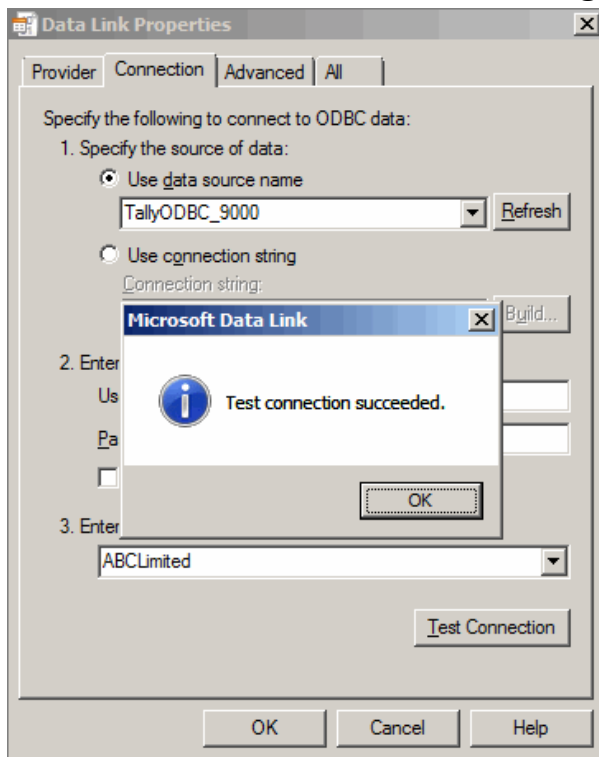
Click **OK** on the **Test connection succeeded** message sub-screen.

Click **OK** to save the **Data Link Properties**
 The Mail Merge Recipients Window appears.

Filter and sort the data, as required.

Click **Sort**.
 The **Filter and Sort** window appears.

Click **Filter Records**.

Field: $Parent.

Comparison: Equal to.

Compare to: type **Sundry Debtors**.

In the next row, select the **Or** option to add more filters.

Select appropriate options under **Field** and **Comparison** and under **Compare to**: type **Sundry Creditors**.

Click **OK** and the filters will be applied.

Select options for label printing, as applicable.

In the **Mailings** tab of the MS Word file, click **Insert Merge Field** and select **MailingName** from the dropdown list.
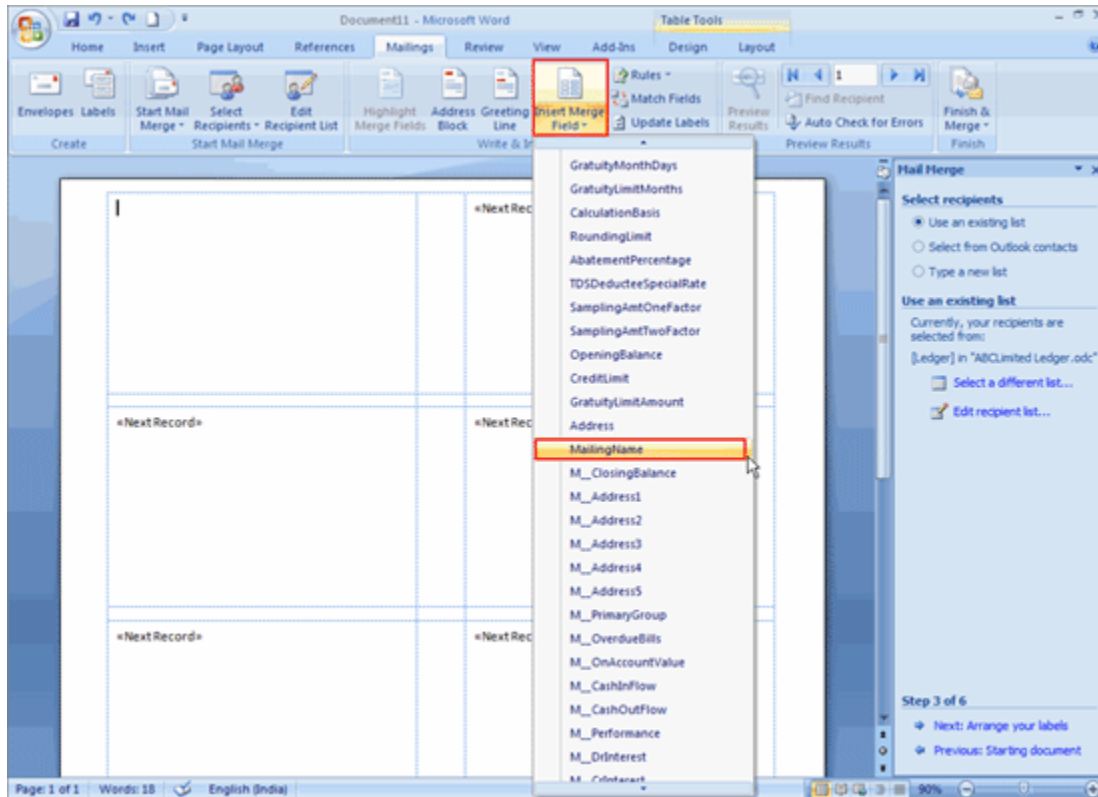
The **MailingName** field will appear in the first line of the first label as shown below.
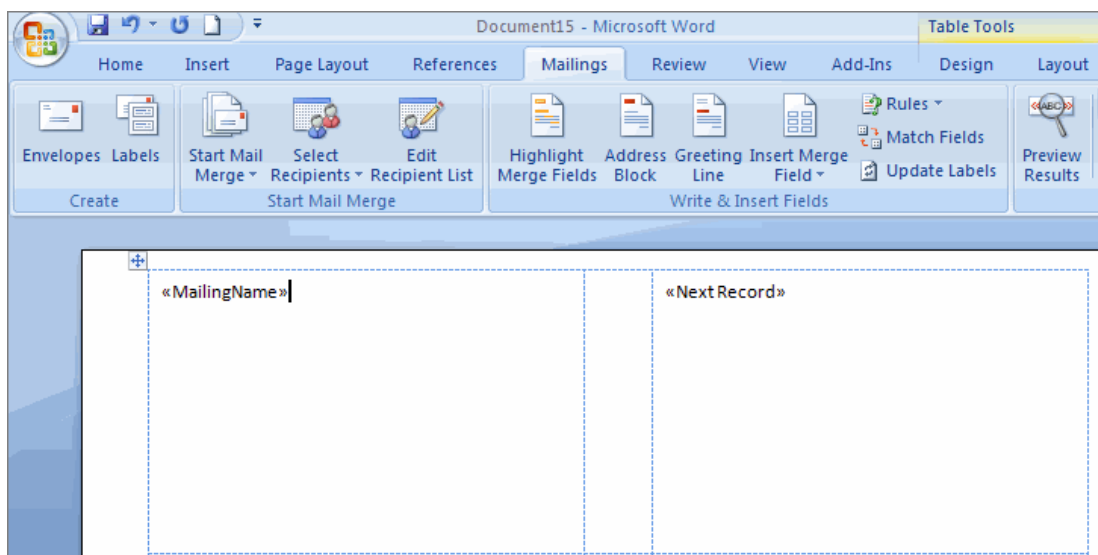
Press **Enter** to bring the cursor to the next line.

Select other fields such as **M_Address1**, **M_Address2**, **M_Address3**, **M_Address4**, **PinCode**, and **StateName**, as applicable.

«MailingName»	«Next Record»
«M__Address1»	
«M__Address2»	
«M__Address3»	
«M__Address4»	
«PINCode»	
«StateName»	

Click **Next: Arrange your labels**.

In the **Mail Merge Wizard**, under **Replicate labels**, click **Update all labels**.

The updated screen after label printing appears as shown below.
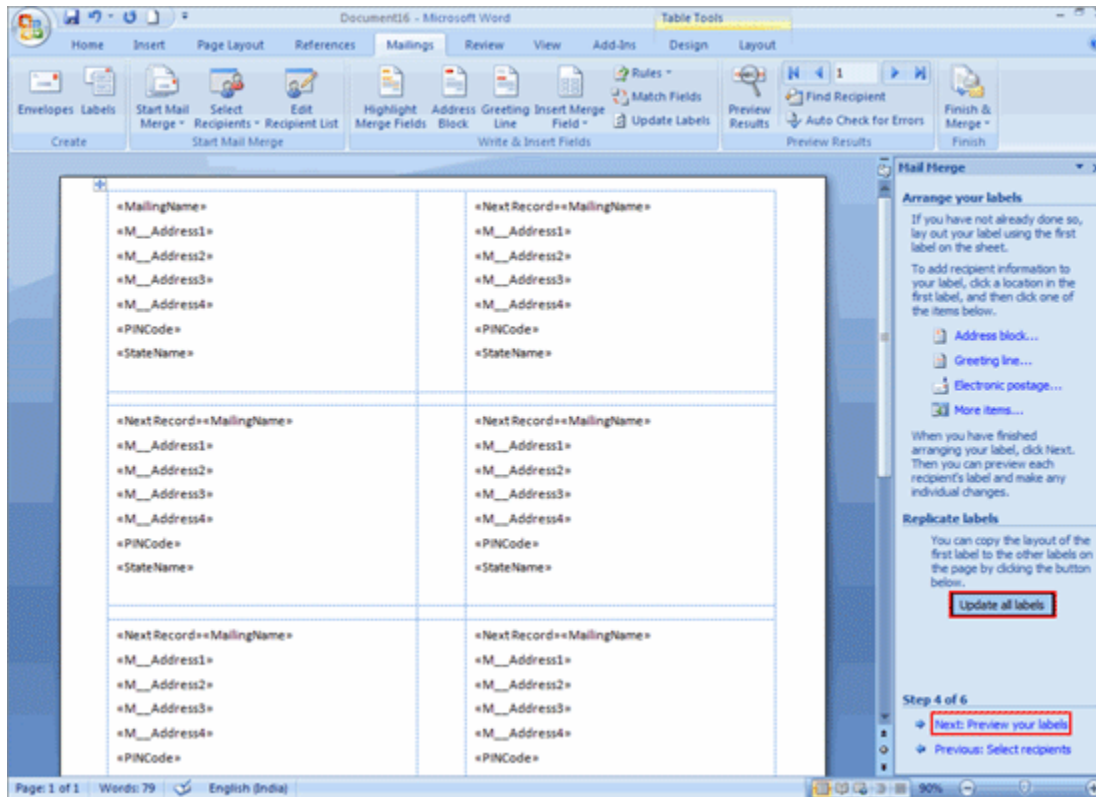
Save the document after label printing with mail merger.

Click **Next: Preview your labels**.

The preview of the labels appears as shown below.

Bright Traders	Cars & Spares
No.44 St Marks Road	No 21
Richmond Town	JC Road
Bangalore	Main Junction
560071	560073
Karnataka	Karnataka

HKSK Enterprises	Modern Enterprises
No 321	No 45/2-1
11th Cross	New Tent Bridge Road
Rajaji Nagar	Bangalore
Bangalore	560012
5600013	Karnataka
Karnataka	

Click **Next: Complete the Merge**

Click **Previous: Preview your labels**, only if you want to preview the labels again.

Press **Ctrl+S** to save the document.

Extract Data to MS Word 2003 Using ODBC
After enabling ODBC in TallyPrime, follow the steps given below in MS Word 2003.

Initiate document creation.

Click **Tools** > **Letters and Mailings** > **Mail Merge**.
The **Mail Merge** task pane appears as shown below.
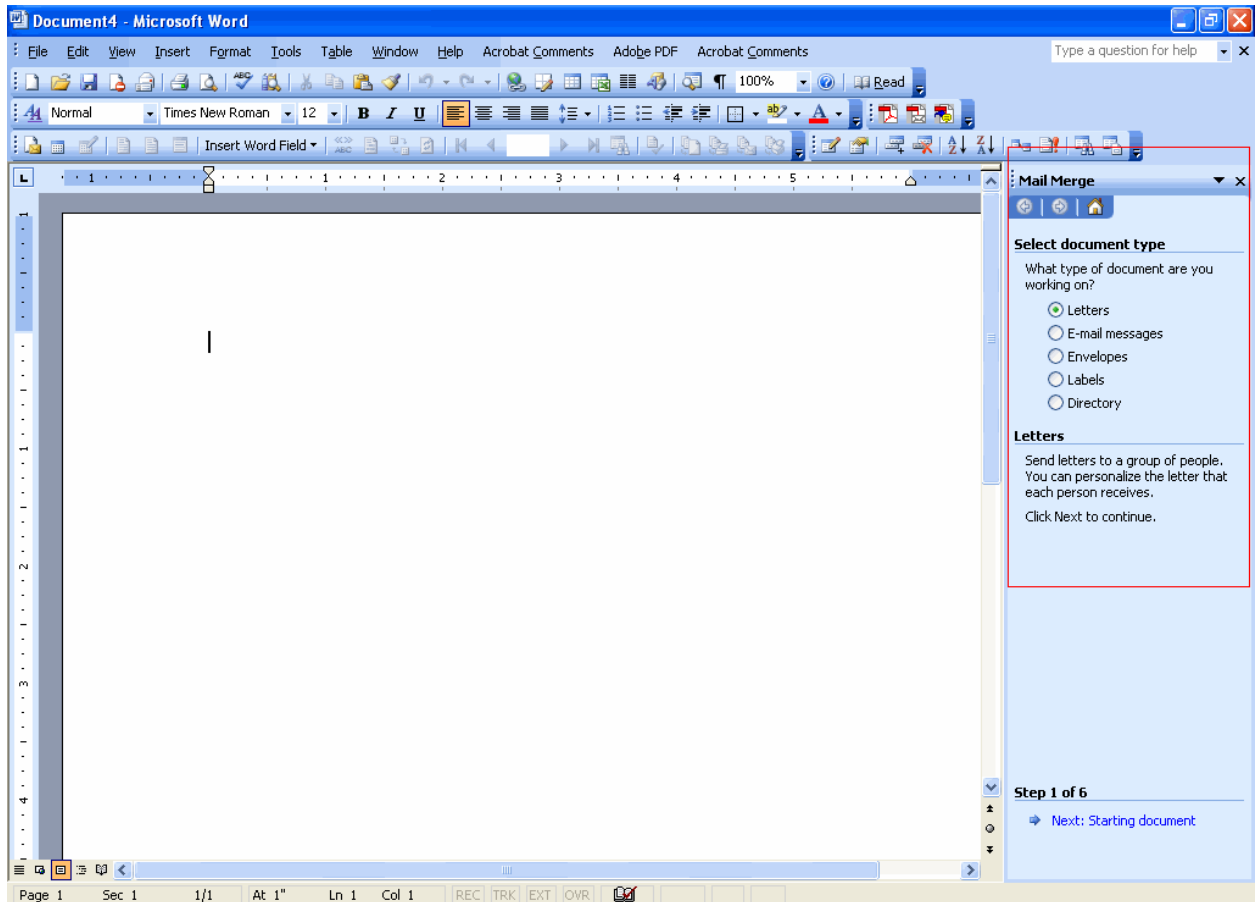
Select document type: **Labels**.

Click **Next: Starting document**.

Apply formatting options, as applicable.

Under **Change document layout**, click **Label options**.
The **Label Options** screen appears.

Under **Product number**, select the product number with the text **Label**, as required and click **OK**.

Subsequently, **Use the current document** gets selected.

Select the source of data.

Click **Next: Select Recipients**.

Use an existing list is selected by default. Retain the selection.

Click **Browse**.

The **Select Data Source** window appears.
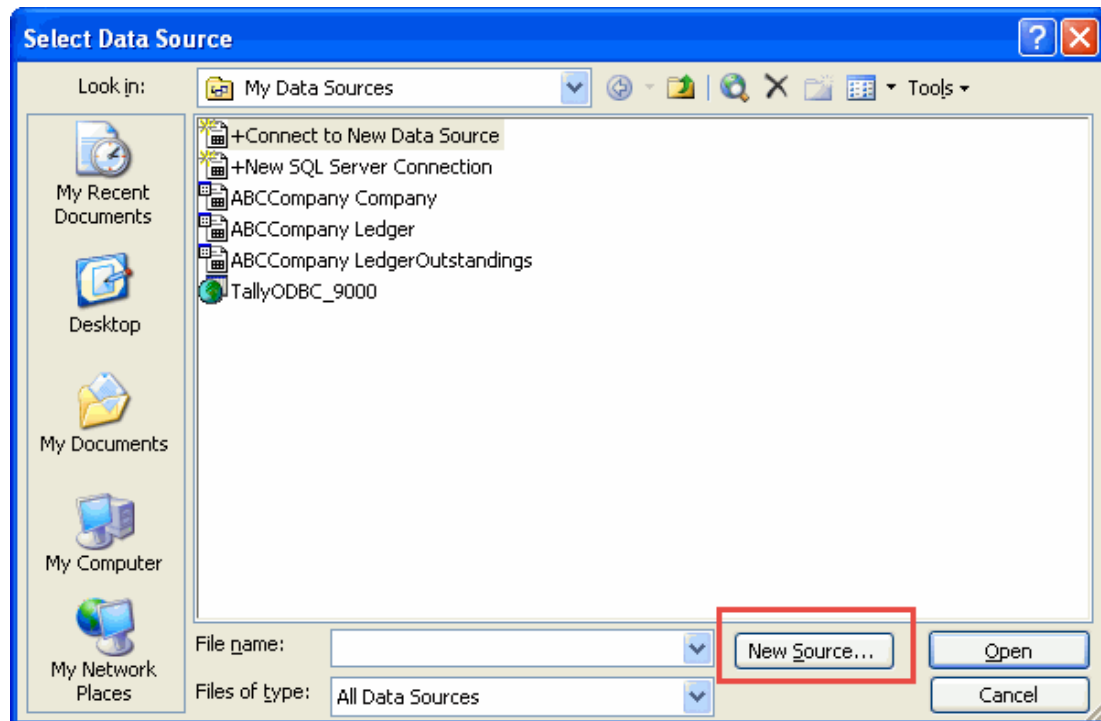
Click **New Source**.

The **Data Connection Wizard** appears.

Select the required data source as shown below and click **Next**.
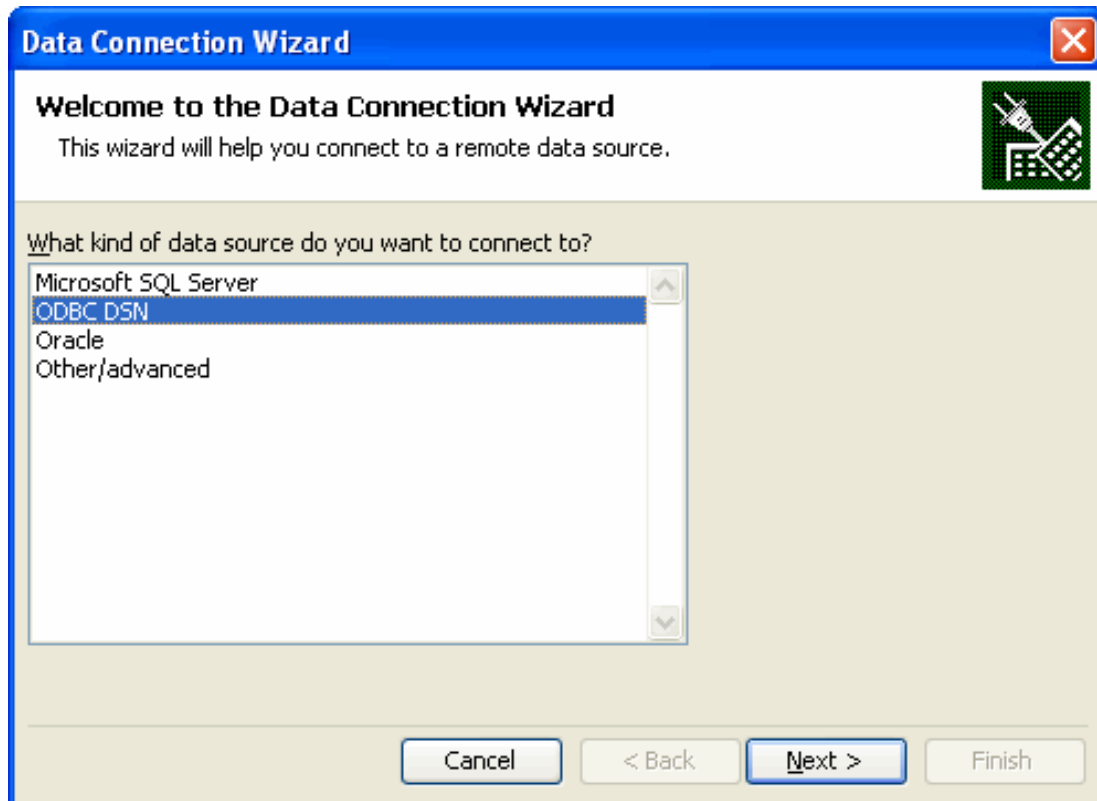
The **Connect to ODBC Data Source** appears.

Under **ODBC data sources**, select the appropriate ODBC data source as shown below and click **Next**.
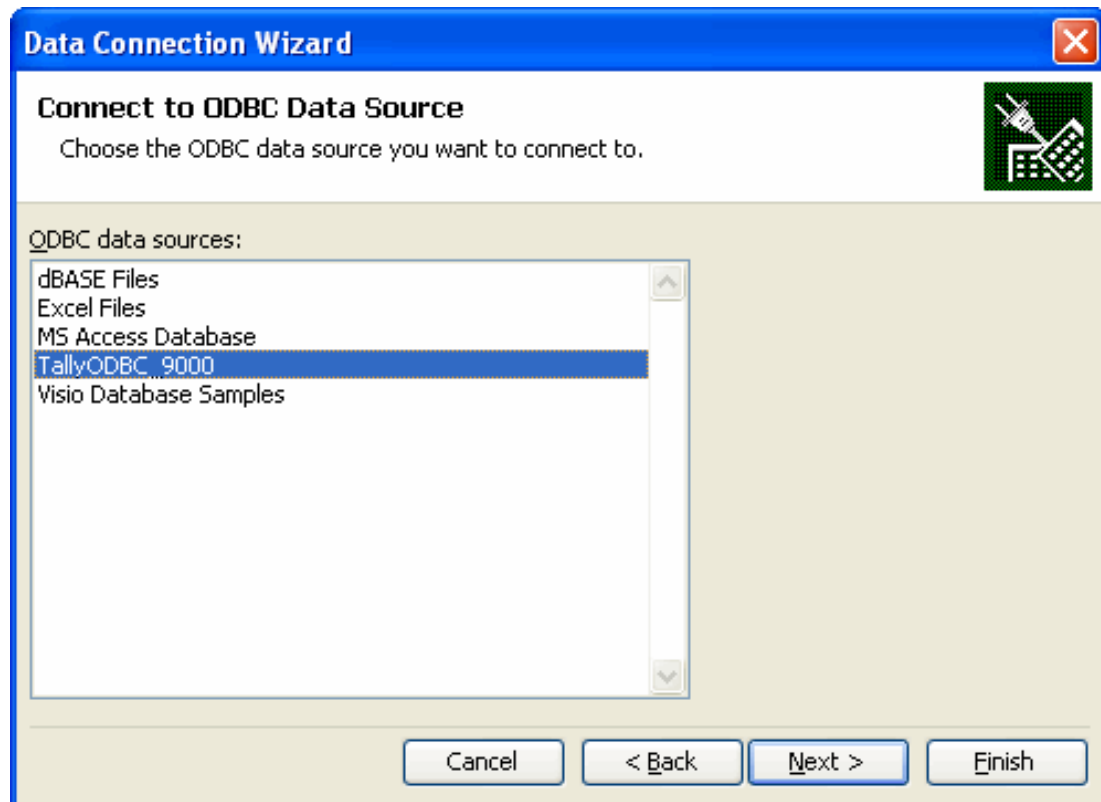
Select data that needs to be extracted.

Select the required master – **Ledger**, **StockGroup**, **StockCategory**, or any other, as per your requirement and click **Next**.
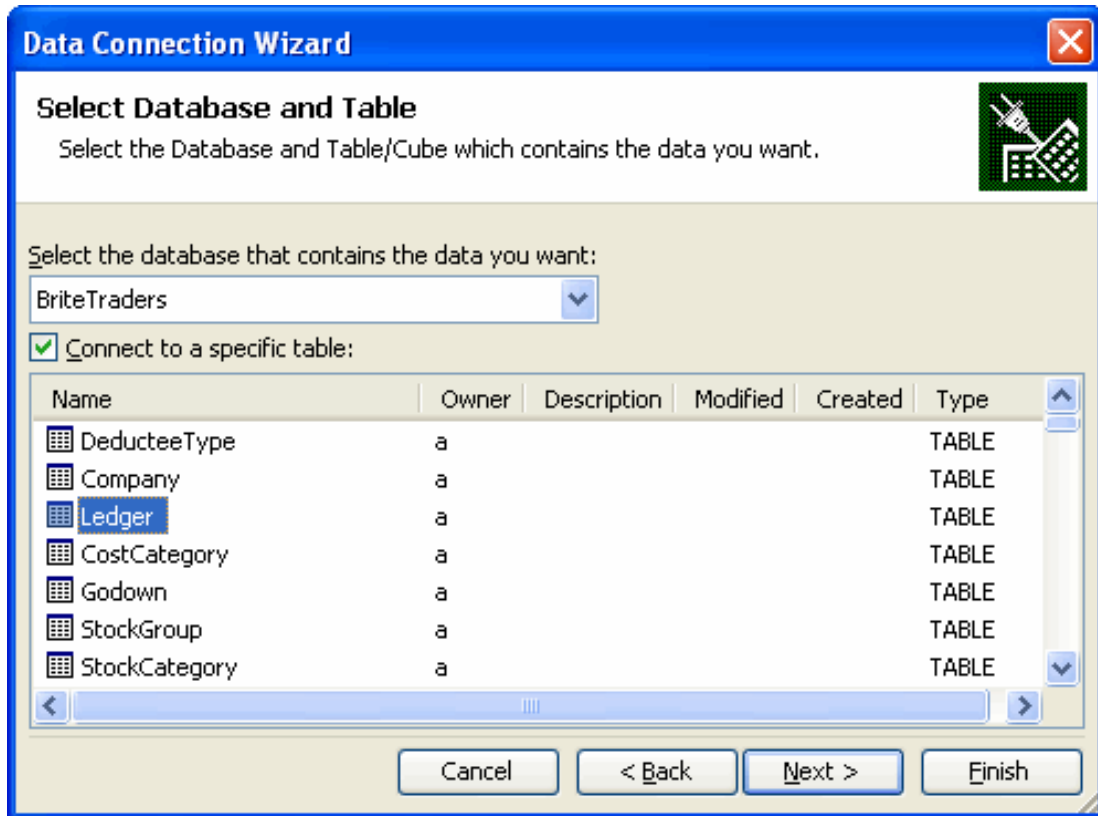
Click **Finish**.
The **Select Data Source** window appears.

Select the required data source from the list of data sources displayed.

Click the **Connection** tab.

Click the **Use data source name** checkbox.

Click the dropdown list and select the required data source.
 The name of the catalog is displayed in **Enter the initial catalog to use** as shown below.
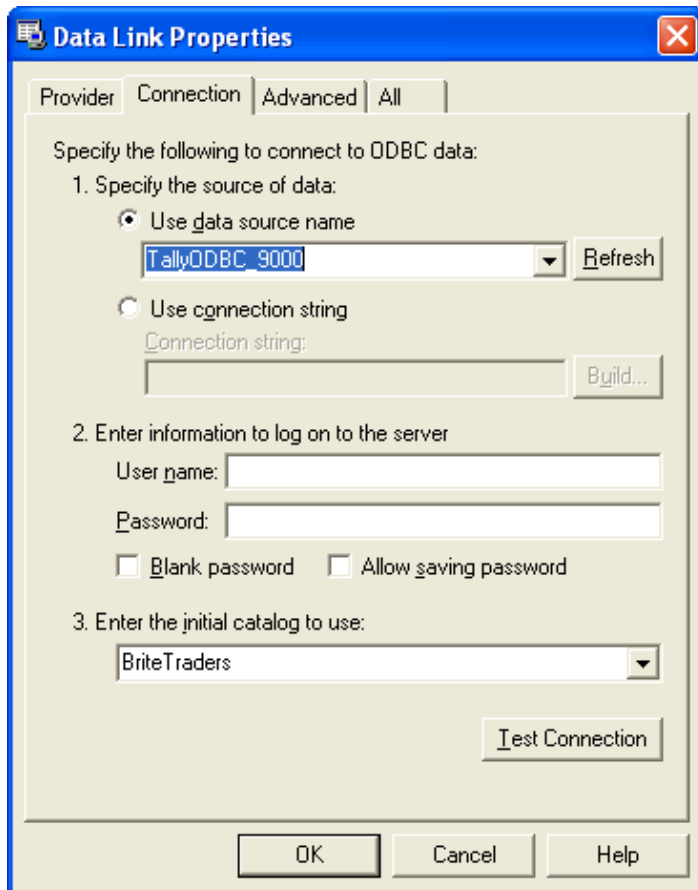
Test the connection.

Click **Test Connection**.
 A test connection success message appears.

Click **OK** on the success message.

Click **OK** in **Data Link Connection**.
 The **Mail Merge Recipients** appears.

Filter and sort data, as required.

Click the dropdown list box.
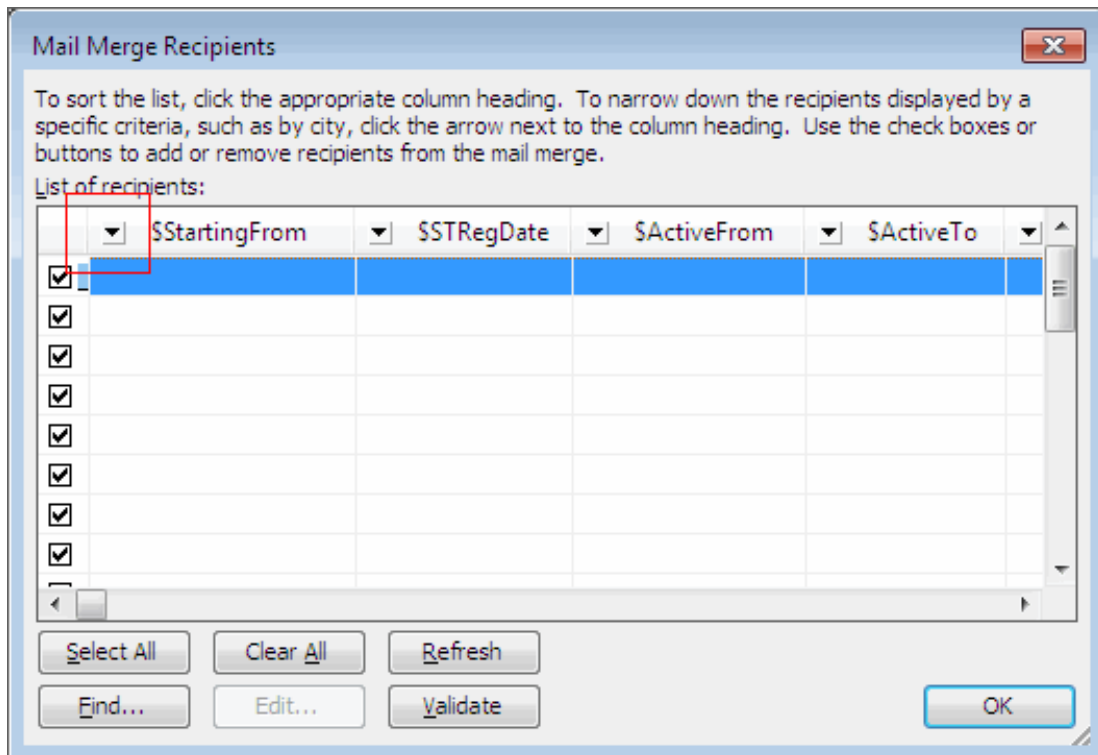
The list displaying the **Filters** appears.

Select **Advanced**.
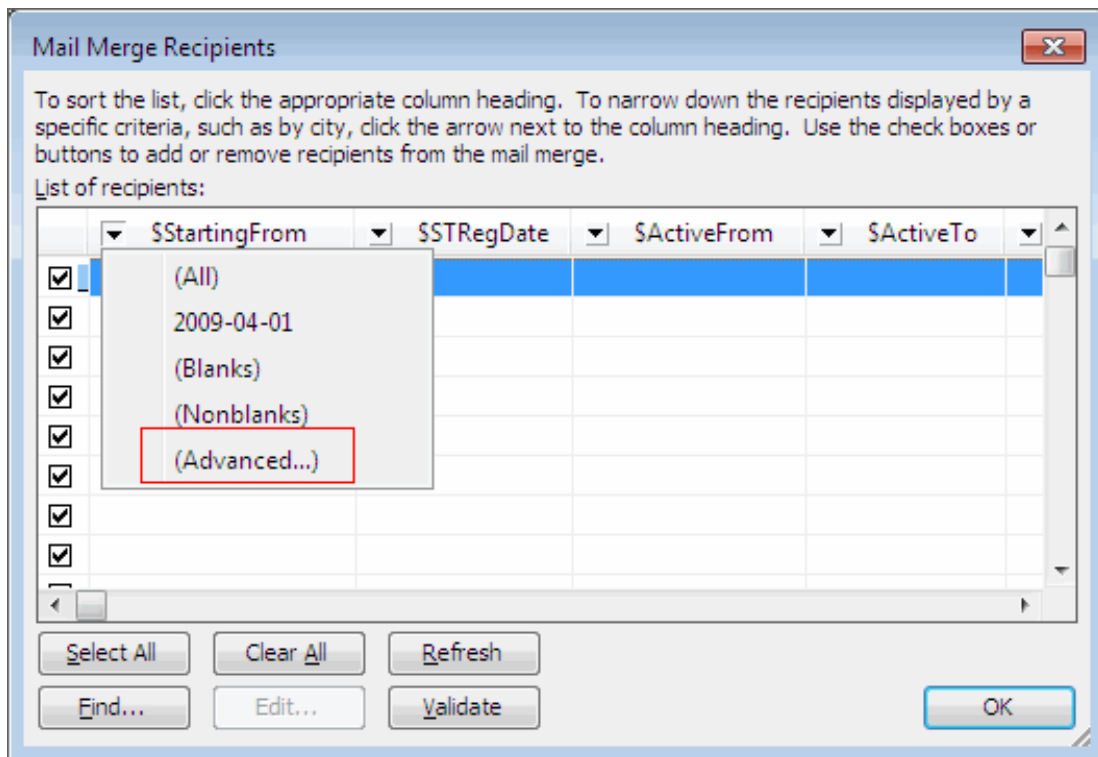
The **Filter and Sort** screen appears.

Click the **Filter Records** tab.

Click the **Field** drop-down list and select **$Parent**.

Click **Comparison** and select **Equal To**.

e.

In **Compare To**, enter **Sundry Creditors** or **Sundry Debtors**, as required.

Click **OK**.

A sample **Mail Merge Recipients** window with the filtered and sorted data appears as shown below.

Click **OK**.

Select options for label printing, as applicable.

Click **Insert Merge Fields**.
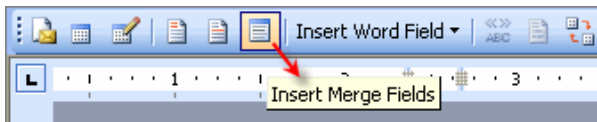
 The **Insert Merge Fields** window with the **Database Fields** checked by default appears.

From the list of **Fields** displayed, select the required field.

Select other fields from the list, as per your requirement.
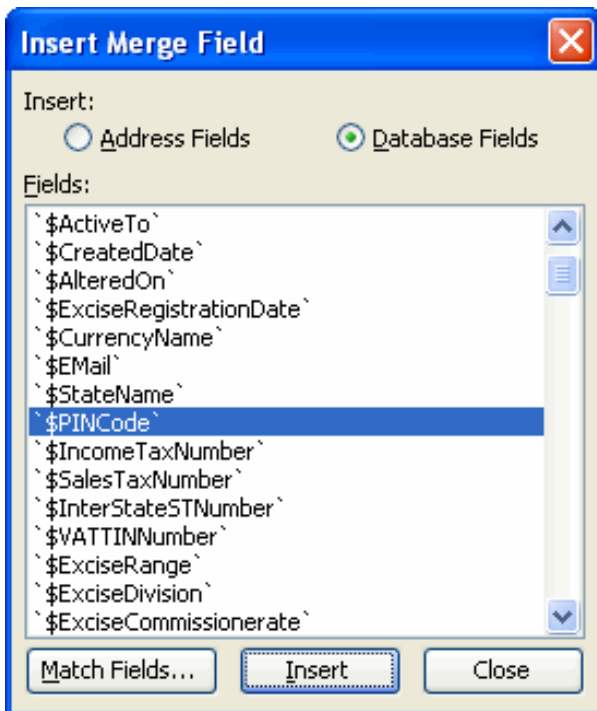
 The address fields will start appearing as labels.

Arrange the address fields, as per your requirement.

Click **Next: Arrange your labels**.

Under the section **Replicate labels**, click **Update all labels**.
A sample image with the updated labels will appear as shown below.
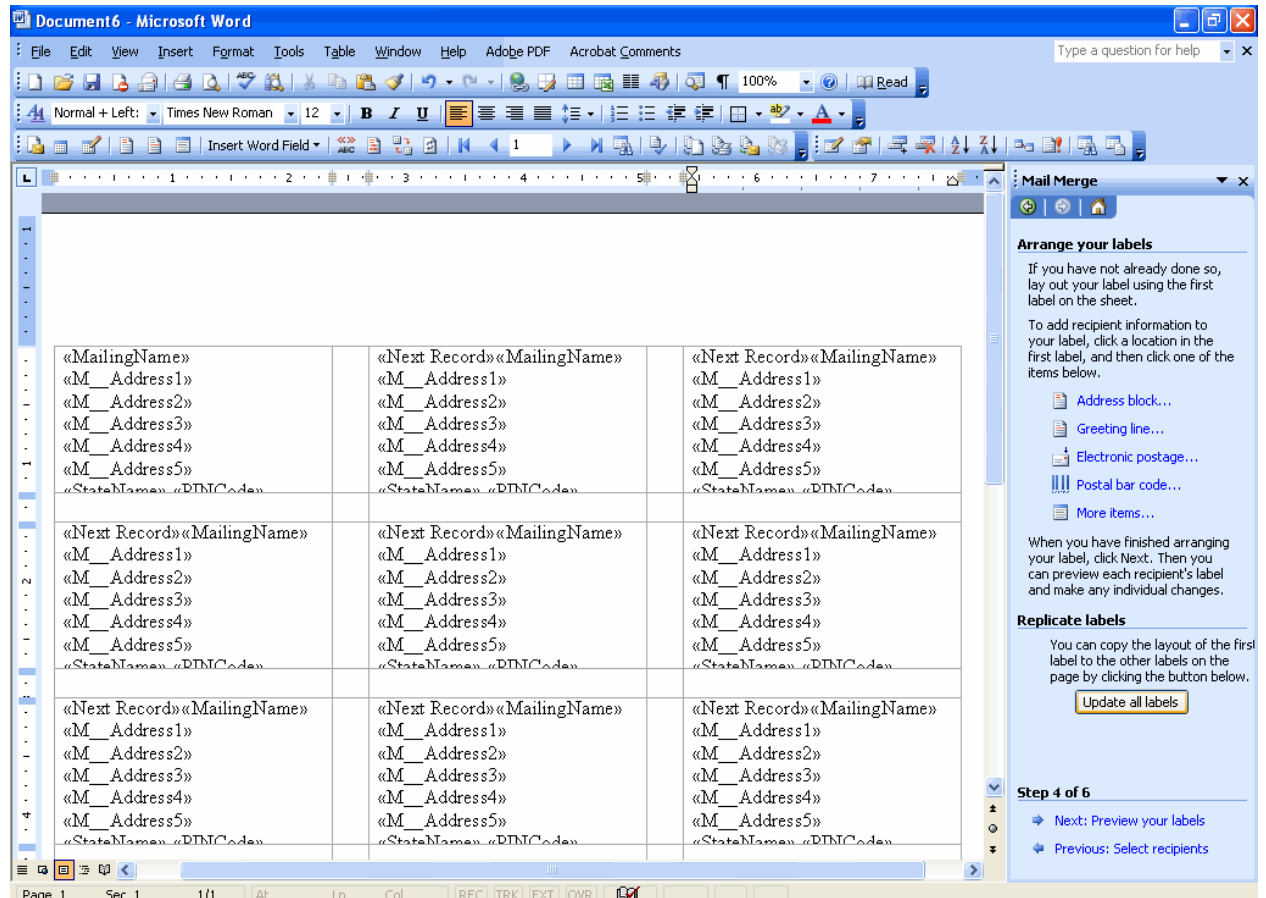
Save the document after label printing with mail merger.

Click **Preview your labels**.
The preview of the labels with The **Company Name** along with

the **Address** in each slot appears.
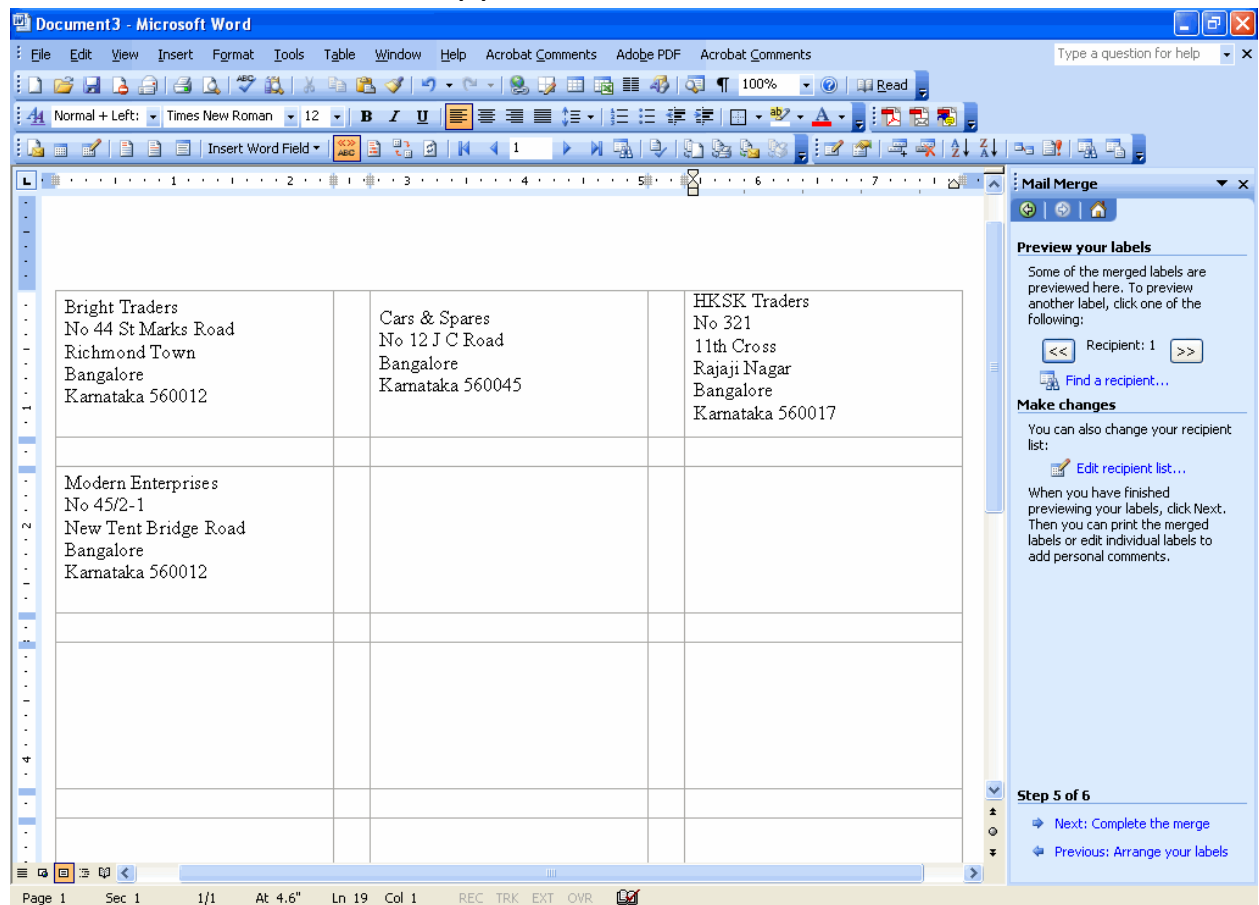
Click **>>** to move to the next set of records or click **<<** to move to the previous set of records.

Click **Next: Complete the Merge**.

Click **Print**.
 The **Merge to Printer** dialog box appears.

By default, you can print all the available records or provide the record number if you want to print the label of a selected party in the **Current Record** field. You may also print a subset of the available records by

providing the starting record number in the **From** field and the ending record number in the **To** field.

INTRODUCTION TO GST

GST is the most ambitious and remarkable indirect tax reform in India's post-Independence history.

Its objective is to levy a single national uniform tax across India on all goods and services. GST has

replaced a number of Central and State taxes, made India more of a national integrated market,

and brought more producers into the tax net. By improving efficiency, it can add substantially to

growth as well as government finances. Implementing a new tax, encompassing both goods and

services, by the Centre and the States in a large and complex federal system, is perhaps unprece-

dented in modern global tax history.

GST is a tax on goods and services with comprehensive and continuous chain of set-off benefits

up to the retailer level. It is essentially a tax only on value addition at each stage, and a supplier at

each stage is permitted to set-off, through a tax credit mechanism, the GST paid on the purchase

of goods and services. Ultimately, the burden of GST is borne by the end-user (i.e. final consumer)

of the commodity/service.

With the introduction of GST, a continuous chain of set-off from

the original producer's point and
service provider's point up to the retailer's level has been
established, eliminating the burden of all
cascading or pyramiding effects of an indirect tax system. This is
the essence of GST. GST taxes
only the final consumer. Hence the cascading of taxes (tax-on-
tax) is avoided and production costs
are cut down.

As already noted, prior to the introduction of GST, the indirect
tax system of India suffered from
various limitations. There was a burden of tax-on-tax in the pre-
GST system of Central excise duty
and the sales tax system of the States. GST has taken under its
wings a profusion of indirect taxes
of the Centre and the States. It has integrated taxes on goods
and services for set-off relief. Further,
it has also captured certain value additions in the distributive
trade. There is now a continuous
chain of set-offs which would eliminate the burden of all
cascading effects.

Presently, services sector in India constitutes a tax base with
vast potential which has not been
exploited as yet. It is in this context that GST is justified as it has
subsumed under it almost all the
services for the purpose of taxation. Since major Central and
State indirect taxes have got subsumed
under GST, the multiplicity of taxes has been substantially

reduced which, in turn, would decrease
the operating costs of the country's tax system. The uniformity in tax rates and procedures across
the country will go a long way in reducing compliance costs.
In a nutshell, GST is a comprehensive indirect tax levy on manufacture, sale and consumption of
goods as well as services at the national level. GST is an indirect tax for the whole of India to make
it one unified common market. GST is designed to give India a world class tax system and improve
tax collections. It would end the long-standing distortions of differential treatment of manufacturing
sector and services sector. GST will facilitate seamless credit across the entire supply chain and
across all States under a common tax base

Evolution of GST in India

In 2000, the Vajpayee Government started discussion on GST by setting up an Empowered Com-
committee, headed by Asim Dasgupta (West Bengal Finance Minister) to design the GST model. There-
after, the Task Force on Implementation of the Fiscal Responsibility and Budget Management Act,
2003 (Chairman: Vijay Kelkar) recommended the removal of all inefficient and distortionary taxes
so that India obtains the efficiencies of a single national tax, and suggested a comprehensive GST

based on vat principle. The idea of moving towards a GST was proposed in 2005 by the then Union

Finance Minister, P. Chidambaram in his budget speech for the year 2005-06 where he observed

that the entire production-distribution chain should be covered by a goods and services tax that

encompasses both the Centre and the States. He reiterated his idea in 2006-07 budget speech and

proposed April 1, 2010 as the date for introducing GST. Towards this objective, an Empowered

Committee (EC) of State Finance Ministers was to work with the Central Government to prepare a

roadmap for introduction of GST. The final version of the report of EC was presented in the form

of 'A Model and Roadmap for Goods and Services Tax in India' on April 30, 2008.

After receiving comments on the report from Government of India and concerned officials of the State

Governments and taking into account their recommendations, the EC released the First Discussion

paper on Goods and Services Tax in India on November 10, 2009 to obtain the inputs of industry,

trade bodies, and people at large. on 22nd March 2011, the Constitution (115th Amendment) Bill

was introduced in the Lok Sabha to operationalize the GST and enable Centre and States to make

laws for levying of GST. However, the Bill lapsed with the

dissolution of the 15th Lok Sabha. There-after, on 19th December, 2014 the Constitution (122nd Amendment) Bill, 2014 was introduced in the Lok Sabha to address various issues related to GST. It is noteworthy that the introduction of GST required a Constitutional amendment as the Constitution did not vest express power either in the Central Government or State Government to levy tax on the 'supply of goods and services'. While the Centre was empowered to tax services and goods up to the production stage, the States had the power to tax sale of goods. Since the GST regime requires goods and services to be simultaneously taxed by both the Central and State Governments, a Constitutional amendment was needed.

The Constitution (122nd Amendment) Bill, 2014 was passed by the Lok Sabha on 6th May, 2015 after which the Rajya Sabha passed the Bill with 9 amendments on 3rd August, 2016. The Lok Sabha then passed the modified Bill on 8th August, 2016. After getting approval of half of the States, it was sent to the President for his assent which was given on 8th September, 2016. Thus the road to GST rollout was cleared and the process of enactment was completed.

2.2 Salient Features of GST in India

The salient features of GST in India have been highlighted

below:

1. supply as the base: GST would be applicable on "supply" of goods or services as against the
erstwhile concept of tax on the manufacture of goods or on sale of goods or on provision
of services.

2. destination-based tax: As opposed to the previous principle of origin-based taxation, GST
would be based on the principle of destination-based consumption taxation.

3. dual GsT: The Centre and the States would simultaneously levy tax on a common base.
The GST to be levied by the Centre would be called Central GST (CGST) and the GST to be
levied by the States (including Union territories with legislature) would be called State GST
(SGST). Union territories without legislature would levy Union territory GST (UTGST).

4. inter-state supply: An integrated GST (IGST) would be levied on inter-State supply of goods
or services. This would be collected by the Centre so that the credit chain is not disrupted.
Imports of goods and services would be treated as inter-State supplies and would be subject
to IGST. (This would be in addition to applicable customs duties).

taxmann®5. central taxes subsumed: GST would subsume the following taxes that were levied and

collected by the Centre: Central excise duty; Additional duties of excise; Additional duties

of customs (commonly known as countervailing duty); special additional duty of customs

(SAD); service tax; and cesses and surcharges insofar as they relate to supply of goods or

services.

6. state taxes subsumed: GST would subsume the following taxes that were levied and collected

by the State: State vAT; Central Sales Tax; purchase tax; luxury tax; entry tax; entertainment

tax (except those levied by the local bodies); taxes on advertisements; taxes on lotteries,

betting and gambling; and State cesses and surcharges insofar as they relate to supply of

goods or services.

7. applicability: GST would apply to all goods and services except alcohol for human consump-

tion. GST on five specified petroleum products (crude, petrol, diesel, aviation turbine fuel,

natural gas) would be applicable from a date to be recommended by the GST Council.

8. Threshold for GsT: A common threshold exemption would apply to both CGST and SGST.

Taxpayers with an annual turnover of ` 20 lakh (` 10 lakh for

special category States (ex-
cept J&K) as specified in article 279A of the Constitution) would be exempt from GST. A
compounding option (i.e. to pay tax at a flat rate without credits) would be available to small
taxpayers (including to manufacturers other than specified category of manufacturers and
service providers) having an annual turnover of up to ` 1 crore (` 75 lakh for special category
States (except J&K and Uttarakhand) enumerated in article 279A of the Constitution). The
threshold exemption and compounding scheme is optional.

9. exports: All exports and supplies to Special Economic Zones (SEZs) and SEZ units would
be zero-rated.

10. input tax credit: Credit of CGST paid on inputs may be used only for paying CGST on the
output and the credit of SGST/UTGST paid on inputs may be used only for paying SGST/
UTGST. In other words, the two streams of input tax credit (ITC) cannot be cross utilized,
except in specified circumstances of inter-State supplies for payment of IGST. (For details,
see the Chapter on Input Tax Credit).

11. electronic filing of returns: There will be electronic filing of returns by different class of
persons at different cut-off dates. various modes of payment of

tax available to the taxpay-

er including internet banking, debit/credit card and National Electronic Funds Transfer

(NEFT)/Real Time Gross Settlement (RTGS).

12. Tax deduction on payment made: While the provision for TDS has not been notified yet, it

is obligatory on certain persons including government departments, local authorities and

government agencies, who are recipients of supply, to deduct tax at the rate of 1% from the

payment made or credited to the supplier where total value of supply, under a contract, exceeds ` 2,50,000.

13. Tax collection at source by e-commerce operators: While the provision for TCS has not been

notified yet,it is obligatory for electronic commerce operators to collect 'tax at source', at

such rate not exceeding 2% of net value of taxable supplies, out of payments to suppliers

supplying goods or services through their portals.

14. refund: Refund of tax can be sought by taxpayer or by any other person who has borne

the incidence of tax within two years from the relevant date. Refund is to be granted within

60 days from the date of receipt of complete application and interest is payable if refund is not sanctioned within 60 days.

15. anti-profiteering clause: An anti-profiteering clause has been provided in order to ensure that business passes on the benefit of reduced tax incidence on goods or services or both to the consumers.

The salient features of GST in India have been highlighted below:

1. supply as the base: GST would be applicable on "supply" of goods or services as against the erstwhile concept of tax on the manufacture of goods or on sale of goods or on provision of services.

2. destination-based tax: As opposed to the previous principle of origin-based taxation, GST

would be based on the principle of destination-based consumption taxation.

3. dual GsT: The Centre and the States would simultaneously levy tax on a common base.

The GST to be levied by the Centre would be called Central GST (CGST) and the GST to be

levied by the States (including Union territories with legislature) would be called State GST

(SGST). Union territories without legislature would levy Union territory GST (UTGST).

4. inter-state supply: An integrated GST (IGST) would be levied on inter-State supply of goods

or services. This would be collected by the Centre so that the credit chain is not disrupted.

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supplying goods or services through their portals.

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the incidence of tax within two years from the relevant date. Refund is to be granted within

60 days from the date of receipt of complete application and interest is payable if refund is

not sanctioned within 60 days.

15. anti-profiteering clause: An anti-profiteering clause has been provided in order to ensure

that business passes on the benefit of reduced tax incidence on goods or services or both to

the consumers.

taxmann® ## 2.3 Proposed benefits of GST

The implementation of GST is expected to bring in various benefits as discussed below:

1. dynamic common market: GST would make India a dynamic common market and result

in generation of positive externalities. By ensuring uniformity of indirect tax rates across the country, it will substantially improve the ease of doing business.

2. elimination of cascading effect: Under GST, provision of seamless input tax credit across

transactions will avoid tax cascading, eliminate double taxation and improve resource allo-

cation.

3. efficiency: Subsuming of all major indirect taxes will result in the removal of inefficient

taxes. With as single tax to be paid, manufacturers will become more competitive and this

could lead to growth in exports.

4. reduced compliance costs: Harmonisation of tax rates and laws along with seamless input
tax credits and a sound IT infrastructure is expected to lead to reduced compliance costs.
As all the taxpayer services like registrations, payments, returns etc. will be available online,
the compliance process would become simpler.

5. reduction in tax evasion: Uniform rates of taxation would reduce the incentive for tax
evasion by eliminating rate arbitrage opportunities between neighbouring states and that
between intra-State and inter-State sales.

6. improved collection efficiency: GST is also desirable from the point of view of tax policy and
collection. Even if the taxes are lowered, the revenue of the Union and the states is expected
to be buoyant due to less evasion. A single rate across all goods and services will eliminate
classification disputes and make tax assessment more predictable. Harmonisation of tax
assessment, levy and collection procedures across states will reduce compliance costs, limit
evasion, enhance transparency and improve collection efficiency.

7. revenue generation: By controlling tax leakage from the system and having a wider base,
GST would generate more tax revenues for both the Central and State Governments.

8. encourages savings and investment: As GST is a tax on consumption and not on income,
so the tax system inherently encourages savings and investments instead of consumption.
Further, input tax credit would lead to a decrease in the cost of capital goods and provide
boost to investments.

9. improved efficiency of logistics : Due to GST implementation, the restriction on inter-State
movement of goods is likely to be lessened and the logistics sector is anticipated to start con-
solidating warehouses across the country. In the erstwhile indirect tax structure,

decisions

related to logistics and distribution centres were based on tax considerations as opposed to

operational efficiency. With GST in place, these decisions will now be based on operational

efficiency and warehouses would be set up at locations that would help in reaching custom-

ers faster and reduce costs.

10. regulation of the unorganized sector : For a large unorganized sector that exists in business,

GST has provisions for online compliances and payments, and availing of input credit only

when the supplier has accepted the amount, thereby bringing accountability and regulation

to these businesses.

11. export competitiveness : With GST in place, the export industry in India would be able to

have internationally competitive prices due to the smooth process of claiming input tax

credit and the availability of input tax credit on services. The exports of goods or services

would be a zero rated supply under GST implying that GST would not be levied on export

of goods or services. All this, in turn, would provide a push to government's 'Make in India'

campaign.

Para 2.3 INTRoDUCTIoN To GST 12

taxmann®12. higher threshold for registration: As per the current vAT structure, any business with a

turnover of more than `5 lakh (in most states) is liable to pay vAT (different rates in dif-

ferent states). Similarly, for service tax, service providers with turnover less than `10 lakhs

are exempted. Under GST this threshold has been increased to `20 lakhs thus exempting

many small traders and service providers.

13. composition scheme for small businesses: The composition scheme under the GST regime is

a method of levy of tax designed for small taxpayers whose turnover is up to `1 crore (`

lakhs in case of 9 Special Category States). Those who opt for this scheme can file returns
on a quarterly basis unlike the others who have to file returns on a monthly basis. Under the scheme, small businesses, manufacturers and restaurants will be subject to a GST rate
of 0.5%, 1% and 2.5% respectively on turnover. The Composition scheme has been designed
to simplify and reduce the burden of compliance for smaller taxpayers.

14. benefits to consumers: The final price of goods is expected to be lower due to seamless flow
of input tax credit between the manufacturer, retailer and supplier of services. Average tax
burden on companies is likely to come down which is expected to reduce prices and hence
benefit the consumer.

2.4 Concerns regarding GST

1. lack of preparedness: The understanding of the provisions of GST is still at a nascent stage
for many people engaged in business. They are still trying to assess the mandated GST compliance provisions that their relevant functional departments (such as IT Department,
Legal department) need to adhere to.

2. compliance related issues: Businesses need to file multiple returns which may increase
manifold in accordance with business models. Clients will need to ensure timely compliance
by registered suppliers to ensure there is no loss of input credit. This will necessitate correct
data and reports to fill accurate GST returns.

3. increased costs due to software purchase: Businesses have to either update their existing
accounting or ERP software to a GST-compliant software or buy a GST software so that they
can keep their business going. Both the options lead to increased cost of software purchase
and training of employees for an efficient utilization of the new billing software.

4. small businesses: Small and medium-sized enterprises (SMEs) who have not yet signed
for GST have to quickly grasp the nuances of the GST tax regime. They will have to issue
GST-complaint invoices, be compliant to digital record-keeping, and of course, file timely
returns. This means that the GST-complaint invoice issued must have mandatory details
such as GSTIN, place of supply, HSN codes, and others.

5. lack of skilled resources and re-skilling existing workforce: As GST has been introduced
recently, skilled staff with complete and updated subject knowledge of GST is not easily
available. This has resulted in an urgent need for adequate skilled human resources well-
versed with GST to ensure swift implementation. In addition, businesses will need to re-train
their employees in GST compliance, further increasing their overhead expenses.

6. multiple rate structure: The GST presently has a four slab structure with tax rates kept
at 5%, 12%, 18% and 28%. The multiple tax structure has been justified on the ground that
necessary items of mass consumption should be taxed at a lower rate while luxury items
should be taxed at higher rates. However, multiple rates are likely to increase administra-
tive complexity as well as create classification disputes. Such a system makes it difficult to
evaluate the overall effects of the tax design.

taxmann®## 2.5 Structure of GST

There are four categories of indirect taxes under GST:

1. Central Goods and Services Tax (CGST).
2. State Goods and Services Tax (SGST).
3. Union Territory Goods and Services Tax (UTGST).
4. Integrated Goods and Services Tax (IGST).

2.5.1 Central Goods and Services Tax (CGST)
GST levied by the Centre on intra-State supply of goods or services or both is called CGST. It is
levied under Central Goods and Services Tax (CGST) Act, 2017 which makes provisions for the levy
and collection of tax on intra-State supply of goods or services or both by the Central

Government.

The Act is divided into 21 chapters which deal with matters connected with the levy, collection and

administration of GST.

As regards the levy and collection of the tax, Section 9 of the Act reads as follows:

"(1) Subject to the provisions of sub-section (2), there shall be levied a tax called the central goods and

services tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 and at such rates, not exceeding twenty per cent, as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.

(2) The central tax on the supply of petroleum crude, high speed diesel, motor spirit (commonly known

as petrol), natural gas and aviation turbine fuel shall be levied with effect from such date as may be notified by the Government on the recommendations of the Council.

(3) The Government may, on the recommendations of the Council, by notification, specify categories

of supply of goods or services or both, the tax on which shall be paid on reverse charge basis by the recipient of such goods or services or both and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.

(4) The central tax in respect of the supply of taxable goods or services or both by a supplier, who is not registered, to a registered person shall be paid by such person on reverse charge basis as the recipient and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.

(5) The Government may, on the recommendations of the Council, by notification, specify categories

of services the tax on intra-State supplies of which shall be paid by the electronic commerce operator if such services are supplied through it, and all the provisions of this Act shall apply to such electronic commerce operator as if he is the supplier liable for paying the tax in relation to the supply of such services:

Provided that where an electronic commerce operator does not have a physical presence in the taxable territory, any person representing such electronic commerce operator for any purpose in the taxable territory shall be liable to pay tax:

Provided further that where an electronic commerce operator does not have a physical presence in the taxable territory and also he does not have a representative in the said territory, such electronic commerce operator shall appoint a person in the taxable territory for the purpose of paying tax and such person shall be liable to pay tax."

2.5.2 State Goods and Services Tax (SGST)

GST levied by the States on intra-State supply of goods or services or both under their respective SGST Acts is called SGST. Union territories with legislature (Delh