



Exempt Transactions Under VAT

Exempted Purchases

Consider the following transaction of Universal Traders

Date	Party	Books	Quantity	Rate (Rs.)
27-6-2011	Anil Book Depot	World of Cutting Tools	8 Nos.	480
		World Book Encyclopedia	25 Nos.	50

Step 1. Create Following Ledgers

Purchase Ledger

Name	Under	Inventory Values are affected	Used in VAT Returns	VAT/Tax Class
Purchase Exempt	Purchase Accounts	Yes	Yes	Purchase Exempt

Party Ledger

Name	Under	Inventory Values are affected
Anil Book Depot	Sundry Creditors	No

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Create Stock Items

1. World of Cutting Tools
2. World Book Encyclopedia

Enter the details of the transaction in a Purchase Invoice

1. Gateway of Tally > Accounting Vouchers > F9 Purchase
2. F12: Configuration, set Use Common Ledger A/c for item allocation to yes
3. Select As Invoice
4. Press F2 for Date
5. Select the party as Anil Book Depot from the list of Ledger Accounts in Party's A/c Name
6. In item allocation for screen, enter the details as per the table
7. Select the ledger 'Purchase Exempt' for accounting allocation

Thank You