

Course Code – COM (H) 226

Lecture 12



# Inter State Purchases

## Inter state Purchases against form C

*On 1-4-2011, M/s. National Traders purchased the following items from Universal Traders, karnataka, vide Invoice No. 01 against 'C' form number 036521 dt: 1-4-2011.*

Item Description	Quantity	Rate	Amount	Commodity
Air Conditioner	10	25000	250000	304
Refrigerators	8	8500	68000	304

# Inter State Purchases

## Step 1:

Let us create the necessary masters to record the above transaction:

### **Inter-State Purchase Ledger**

To create an Inter-state Purchase Ledger

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

1. Enter the **Name** as **Interstate Purchases @ 2%**
2. Select **Purchase Accounts** as the account group in the **Under** field
3. Set **Inventory Values are affected** to **Yes**
4. Set the option **Used In VAT Returns** to **Yes** to display the **VAT/Tax Class** sub screen
5. Select **Interstate Purchases @ 2% Against Form C** as the **VAT/Tax Class** from the list of **VAT/Tax Class**
6. Press **Enter** to return to the Inter-state Purchases ledger creation screen
7. Set the option **Use for Assessable Value Calculation** to **No**
8. Press **Y** or **Enter** to accept and save.

# Inter State Purchases

## Step 2

### CST on Purchase Ledger

To create a ledger for CST on Purchase,

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

1. Enter the **Name** as **CST-2% (Purchase)**
2. Select **Duties & Taxes** as the group name in the **Under** field
3. Select **CST** from the **Type of Duty/Tax** list in the field **Type of Duty/Tax**
4. Select **Interstate Purchases @ 2% Against Form C** in the **VAT/Tax Class** field from the VAT/Tax Class list displayed.
5. The option **Inventory values are affected** is set to **No** by default
6. The **Percentage of Calculation** and **Method of Calculation** gets displayed based on the VAT/Tax class selected
7. Select the required **Rounding Method** from the list displayed
8. Press **Y** or **Enter** to accept and save.

# Inter State Purchases

## Step 3

### Creating a Sundry Creditor Ledger

To create a Sundry Creditor (Supplier) ledger,

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

Click on **F12: Configure** button and set the field **Use ADDRESSES for Ledger Accounts** to **Yes**.

In the Ledger creation screen,

1. Enter the **Name** as **Universal Traders**
2. Select **Sundry Creditors** in the **Under** field
3. Set **Maintain balances bill-by-bill** to **Yes** and enter the **Default Credit Period** if any
4. In the **Mailing Details** section
  - The **Name** will be displayed as **Universal Traders**
  - Enter the **Address** details
  - Select the **State** as **Karnataka** and enter the **PIN Code**
5. In the **Tax Information** section enter the **PAN / IT number** and enable **Set/Alter VAT Details**
6. Accept the **VAT Details** screen
7. Accept the **Sundry Creditor Ledger Creation** screen.

# Inter State Purchases

## Step 4

### Creating VAT Commodity

To create a VAT Commodity

Go to **Gateway of Tally > Inventory Info. > VAT Commodity > Create**

1. Enter the **Name of VAT Commodity** as **Air Conditioners**
2. In the **Used for** field, select **VAT**
3. In the **VAT** section, enter the **Commodity Code**, **Schedule Number** and **Schedule Serial Number**
4. Enter the **Notes** if required and accept the **VAT Commodity Creation** screen.

# Inter State Purchases

## Step 5

### Stock Items

To create a stock item,

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

1. Enter the **Name** as **Air conditioner**
2. Select the group as **Primary** in the **Under** field
3. Select the unit of measurement as **Nos** in the **Units** field. (The **Unit of Measure** can be created by using the key combination **Alt+C** in the **Units** field)
4. In the **Commodity** field, select the **VAT Commodity** as **Air Conditioner**.

The VAT Commodity Code will also be displayed along with the Commodity Name in the **List of VAT Commodities**

5. Enter the **Rate of VAT** as **12.5%**.
6. Press **Y** or **Enter** to accept and save.

# Inter State Purchases

## Step 6

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

1. Enter the **Supplier Invoice number** and **Date**
2. Select **Universal Traders** in the **Party's A/c Name** field from the **List of Ledger Accounts**
3. In the **Party Details** screen, enter/modify the required details
4. Select **Interstate Purchases @ 2%** ledger in the **Purchase Ledger** field from the **List of Ledger Accounts**
5. On selecting the **Interstate Purchase @ 2%** ledger, the VAT/Tax Class appears as **Interstate Purchases @ 2% Against Form C**
6. Select the **Name of Item** as **Air Conditioner** from the **List of Items**
7. Enter the **Quantity** as **10** and **Rate** as **25,000**. The value is automatically displayed in the **Amount** field
8. Select the stock item **Refrigerators** from the **List of Items**
9. Enter the **Quantity** as **8** and **Rate** as **68,000**. The value is automatically displayed in the **Amount** field

# Inter State Purchases

## Step 6

10. Select **CST-2% (Purchase)** ledger from the **List of Ledger Accounts** and the rate appears as 2%. The amount of CST will get calculated automatically and will form part of the purchase cost.
11. Select **Form C** as **Form to Issue**. Enter the **Form Series Number**, **Form number** and **Date**
12. The field **Show Statutory Details** will be set to **No**
13. Accept the default Bill Allocation in the **Bill-wise Details** screen
14. Enter the **Narration** if required
15. Press **Y** or **Enter** to accept and save.

Thank You