



POWER OF SIMPLICITY

Implementation of Central Sales Tax in Tally.ERP 9

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Introduction

Central Sales Tax is a tax on Sale levied by Central Government under the provisions of Central Sales Tax Act, 1957. As per the provisions of this Act, any movement of goods from one State to another on account of sale/purchase or transfer of document of Title to goods between two separate parties is considered as Interstate sale/purchase. All such transactions are liable to CST. Any movement of goods otherwise than as sale, sent outside the state or country, is exempted from levy of CST. Examples of such Transactions are Consignment and Branch Transfers outside the state, Exports etc.

Also some of the Interstate transactions are exempted if goods are supplied to Special Economic Zones or to UN or Diplomatic missions etc. The exemptions are based on the Submission of Statutory Forms as specified under the CST Act.

The Centralised system of Sales Tax was introduced to avoid the cascading effect of taxes as the tax was levied by more than one state in case of inter-state transactions. Also to clear the confusion relating to levy and collection of Sales Tax between the states involved in this interstate transaction, certain provisions are introduced in the CST Act. The CST Act clearly specifies that the CST is payable or levied in the State where the movement of goods commences as a result of interstate sales/purchases.

Basics of Central Sales Tax (CST)

It is important to understand the meaning of certain terms used in the CST Act. Some of the terminologies are as follows:

Inter-State Sale

A sale or purchase of goods shall be deemed to take place in the course of inter-state trade or commerce if the sale or purchase

- a) occasions the movement of goods from one state to another; or
- b) is effected by a transfer of documents of title to the goods during their movement from one state to another.

Declared Goods

Declared Goods means goods declared under Section 14 of the CST Act, to be of special importance in inter-state trade or commerce. Some of the important items are cereals, coal including coke in all forms excluding charcoal, cotton in un-manufactured form, cotton fabrics and cotton yarn, crude oil, hides and skin, iron and steel, jute, oil seeds, pulses, man-made fabrics, sugar, un-manufactured tobacco and woven fabrics of wool.

Registration under CST Act

Every dealer, liable to pay Central Sales Tax has to register himself with the Sales Tax Authority, that is, dealers who effect inter-state sales are required to register under CST Act. Hence, intermediaries like agents, transporters, who only facilitate sales are not required to be registered, as they do not affect sales. However, a dealer may voluntarily apply for registration under CST Act even if he is not liable to pay Central Sales Tax or if goods sold or purchased by him are exempt under state sales tax law. Registration brings many advantages. For example, the dealer can issue 'C' form and purchase goods at concessional rate.

Rate of Central Sales Tax

Different rates are prescribed depending upon the nature of inter-state sale such as

- a. Sale to registered dealers.
- b. Sale to unregistered dealers.
 - (i) Sale of declared goods to unregistered dealers.
 - (ii) Sale of goods other than declared goods to unregistered dealers.

Registration and Rate of CST

The Dealers are provided with an option to register themselves under the provisions of Central Sales Tax Act, 1957. The Act provides special benefits to the Registered dealers like charging lower or NIL rate of CST on submission of Statutory Forms as prescribed for various types of Interstate Sales.

The unregistered dealers engaged in interstate transactions are required to pay CST at higher rates than the rates applicable to the Registered dealers. Also the unregistered dealers cannot claim any exemptions on the basis of Statutory Forms as specified by the CST Act.

The Basic Central Sales Tax Rate as applicable to the Interstate transactions made by the Registered Dealers is 2%. The interstate transactions are charged at this rate, if the purchasing dealer issues the Statutory Form – Form C to the selling dealer. The selling dealer submits this Form C with his sales tax authorities for payment of 2% and the forms are supplied by the Department on an application by the Registered dealers. Also the interstate sales are exempted from CST, if such sales are made to specified persons or organisations, on submission of Forms like Form H, I, J etc.

In case of unregistered dealers, all the interstate purchases or sales made by them will attract the local sales tax rates of the selling state. No concessions or exemptions can be given for sales in the course of interstate trade made to any category of persons or organisations.

Some of the points relating to CST rates are as follows:

1. For an inter-state sale to a registered dealer against form C, the rate of CST is 2% or local sales tax rate whichever is lower.
2. Under the local sales tax law, if the sale or purchase is exempt or Nil, the rate of CST applicable in case of sale to unregistered dealer or registered dealers, will also be exempt or Nil.
3. The Sales Tax rates applicable for sale of declared goods, with effect from 1-4-2007 is as follows:
 - The sale of declared goods made to registered dealer, will attract levy of CST at local sales tax rate or 2%, whichever is lower.
 - The inter-state sale made to unregistered dealer, will be liable to CST at rates which is equal to VAT/sales tax rates as applicable within the State.

Declaration Forms for CST Transactions

A Registered Dealer needs to issue/receive certain declarations in prescribed forms to buyers/sellers. The types of declaration forms are C, E1, E2, F, H, I and J. These forms are printed and supplied by the Registered Dealer's respective Tax assessing authorities (generally the CST assessments are done by VAT assessing authorities). These forms are to be prepared in triplicate. All the Types of Statutory Forms and their usage is explained as below:

Form C

This is the Basic Form used by the Registered Dealers in the course of Interstate trade or commerce. All the registered dealers will issue 'Form C' at the time of purchasing goods or service from another Registered dealer. The issue of 'Form C' by the selling dealer will ensure that the goods being purchased are covered under his registration certificate and the CST can be charged at lower rates. The selling dealer, on the basis of this 'Form C', charges CST @ 2% or lower rate as applicable and submits the same to his assessing authorities as a proof or cause for lower collection of CST.

For example: Assume that the local sales tax rate is 4%. The sales made in the course of interstate trade, will attract levy of CST at the rates as applicable for local sales. But for any registered dealer on submission of declaration in 'Form C', the CST will be charged at 2% (4% or 2% which ever is lower). Even the registered dealer will be required to pay CST at local sales tax rates if 'Form C' is not issued.

Form E1

Form E1 is used for making subsequent sales in the course of interstate sale/purchase by the first or original purchaser of goods. This Form should always be accompanied with 'Form C'. The Form E1 is used for first subsequent sales by transfer of document of title to goods.

Form E1 is issued by the selling dealer to the dealer who is making subsequent sales for claiming the exemption from payment of CST to the subsequent buyer. The first subsequent seller of goods receives 'Form E1' and submits it to the department to claim exemption from CST for any sale made to other interstate registered dealer.

Form E2

Form E2 is used for claiming the exemption from payment of CST. In case where the registered dealer purchases goods from one registered inter-state dealer and sells the same while in transit, to another registered inter-state dealer, the sales will be exempted from CST on submission of 'Form E2' to the department. The 'Form E2' is used to claim exemption from payment of CST to the seller who is a subsequent or last inter-state dealer of goods.

Form F

Form F is used for claiming exemptions on the interstate movement of goods as Stock/Branch Transfers. The 'Form F' is issued by the Branch or Agent who is receiving goods from another state to the Transferor of goods. The transferor of goods can claim exemption from CST on submitting the Form to the department.

This 'Form F' is compulsory for claiming the transfer as Stock/Branch Transfer and no CST will be paid. In the absence of 'Form F', all such transfers will be treated as normal interstate sales and CST will be levied. The Dealer has the option to submit one 'Form F' for all the interstate Stock/Branch Transfer for a month with supporting annexure if required.

Form H

Form H is used by the seller for claiming the exemption on making penultimate sales (immediately preceding sale to exports). Sales made during the course of export are exempt from CST. The penultimate sale is also deemed to be in course of export and is exempt from CST. The dealer exporting goods will have supporting documents like customs documents, bank certificate, airway bill/bill of lading, shipping bill etc. However, the penultimate seller will not have any direct evidence to prove that the sale made is exempt from tax. In such cases, the actual exporter has to issue a certificate to the penultimate seller in form H.

Form I

Form I is used for claiming the exemption from CST on the sales made to any Special Economic Zone (SEZ). The buying dealer issues 'Form I' to the selling dealer. The selling dealer needs to submit the same (Form I) to the department to claim all the export benefits available to original exporter.

Form J

Form J is used for claiming the exemption of CST in case of Interstate sales made to any United Nations, Diplomatic Missions etc. The Form is issued by purchasing dealer to the selling dealer. The selling dealer submits this Form to the department to claim the exemption.

Filing of CST Returns

The Central Sales Tax Turnover made by the registered inter-state dealer should be submitted to the Commercial Taxes Department of the state where the movement of goods had commenced. The particulars regarding the Taxable and Exempted interstate sales along with the payable CST amount should be submitted in the Return Form as required to be filed by the Central Sales Tax Rules framed by each state government.

These CST Returns are to be filed as per the provisions made by the commercial taxes (VAT) department of each state and in the prescribed time period. As per the provisions of these rules, the Return can be filed as either Monthly or quarterly or half yearly periods.

The Return Forms are to be submitted to the department along with the proof of payment of CST amounts within the prescribed due dates. If the payments are not made within the time lines, the dealer has to pay interest, penalty etc.

Along with the returns, the dealer has to submit all the Declaration Forms like Form C, F etc. All the Returns and the forms are to be submitted to the commercial taxes department. For administrative convenience the CST returns need to be submitted to the VAT assessing authority of the dealer.

Lesson 1: Enabling CST in Tally.ERP 9

Lesson Objectives

On completion of this lesson, you will learn

- The salient features of CST in Tally.ERP 9
- The method of creating a company and enabling CST in Tally.ERP 9

The Central Sales Tax features integrated in Tally.ERP 9 takes care of transactions related to inter-state trade or commerce. It eliminates possibilities of errors during data inputs. It also helps in generation of CST reports displaying appropriate forms to be issued/ received at the end of the month or a financial year or at any point of time. It takes a one-time configuration in Tally.ERP 9 for CST features to be activated.

1.1 Features of CST in Tally.ERP 9

The CST features in Tally.ERP 9 are simple and user friendly. It provides various reports as required by the statute and also gives proper records for dealer's reference. The following are some of the main features of CST in Tally.ERP 9:

- Quick, easy to setup and use.
- Flexibility in selection of forms and form numbers during voucher entry or at the time of report generation.
- Party-wise and Form-wise report generation capability on Forms Issuable/ receivable.
- Sorting by Name of the party in group wise Forms Issuable/receivable report
- Auto-fill option in the Forms Receivables/ Issueables feature to facilitate error-free and faster data entry.
- Instant generation of State Specific CST Returns after completion of data entry for the return period.

1.2 Creating a Company

Consider the following example to enable CST in Tally.ERP 9.

Example :

M/s. National Traders of Tamil Nadu is engaged in the retailing business. It purchases and sells different varieties of goods in the course of inter-state trade.

Step 1: Create Company

Go to **Gateway of Tally > F3: Company Info. > Create Company**

In the **Company Creation** screen,

1. Specify **National traders** as the **Company Name**
2. Enter the **Address** details
3. Select **India** in the **Statutory Compliance** for field
4. Select **Tamil Nadu** in the **State** field
5. Enter the **Pin code, Telephone No., Mobile No. and E-Mail** details
6. Set **Enable Auto Backup** to **Yes** or **No** as per requirement
7. Select **Accounts with Inventory** in the **Maintain** field
8. Enter the other required information in the **Company Creation** screen

The completed **Company Creation** screen is displayed as shown:

Company Creation		Ctrl + M	
Directory	: C:\Tally.ERP9\Data		
Name	: National Traders		
<u>Mailing & Contact Details</u>		<u>Company Details</u>	
Mailing Name	: National Traders	Currency Symbol	: ₹
Address	: 56, Anna Building G. S. T Road, Guindy Chennai	Maintain	: Accounts with Inventory
		Financial Year from	: 1-4-2011
		Books beginning from	: 1-4-2011
<u>Statutory compliance for</u>		<u>Security Control</u>	
State	: India	TallyVault Password (if any)	:
State	: Tamil Nadu	Repeat Password	:
PIN Code	: 600 032	<i>(WARNING: forgetting your TallyVault password will render your data unusable!!)</i>	
Telephone No.	: 044-22387994	Use Security Control	? No
Mobile No.	: 9902585474	<i>(Enable Security to avail Tally.NET Features)</i>	
E-Mail	: sales@nationaltraders.com		
<u>Auto Backup Details</u>			
Enable Auto Backup	: No		
<u>Base Currency Information</u>			
Base Currency Symbol	: ₹	Show Amounts in Millions	? No
Formal Name	: INR	Put a SPACE between Amount and Symbol	? Yes
Number of Decimal Places	: 2	Decimal Places for Printing Amounts in W	
Is Symbol SUFFIXED to Amounts ?	No		
Symbol for Decimal Portion	: paise		
			Accept ?
			Yes or No

Figure 1.1 Company Creation screen

9. Press **Y** or **Enter** to accept.



In this manual, the State is selected as Tamil Nadu and state-specific as well as general information about CST has been provided.

1.3 Enabling CST in Tally.ERP 9

To enable the CST feature in Tally.ERP 9

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

In the **F3: Statutory & Taxation** features,

1. Set **Enable Value Added Tax (VAT)** to **Yes**
2. Set the field – **Set/Alter VAT Details** to **Yes**
3. The Company VAT Details screen will be displayed.
4. In the Company VAT Details screen, select the **State** where the business of the dealer is registered. Here select the **State** as **Tamil Nadu**. Select the **Type of Dealer** as **Regular** and enter the **Date** in **Regular VAT Applicable From** field.
5. Under Additional Information section, new fields have been introduced to specify the details pertaining to **Assessment Circle, Division, Area Code, Import Export Code, Authorised by, Authorised person, Status/Designation** and **Place**. The details entered in these fields will be captured in the **Print Report** screen of **Return Form** and **Annexures** as per requirement.

<u>VAT Details</u>	
State	: Tamil Nadu
Type of Dealer	? Regular
Regular VAT Applicable From	: 1-4-2011
<u>Additional Information</u>	
Assessment Circle	: 785R
Division	: D-III
Area Code	: 125
Import Export Code	: HWT578B
Authorised by	: Thyagarajan
Authorised Person	: T. Selvam
Status / Designation	: Accounts Officer
Place	: G.S.T. Road, Guindy

Figure 1.2 VAT Details screen



The details entered/modified manually in the fields of Print Report screen of Return Form and Annexures will be captured in the forms as a one-time measure. On exiting the screen, the temporarily modified details will not be saved. Every time the report is generated, the information entered in the **Company VAT Details** screen of F3: Statutory & Taxation Features will be displayed.

6. Specify the details in **VAT TIN (Regular)**, **Inter-state Sales Tax Number** and **PAN / Income – Tax Number**.

The screenshot shows the 'Company Operations: Alteration' window for 'National Traders'. It is divided into two main sections: 'Statutory & Taxation' and 'Tax Information'. In the 'Statutory & Taxation' section, 'Enable Value Added Tax (VAT)' is set to 'Yes', while other options like 'Enable Excise' and 'Enable Service Tax' are set to 'No'. The 'Tax Information' section shows 'VAT TIN (Regular)' as 33452148522 and 'PAN / Income - Tax No.' as AKLEG4887D. A bottom bar contains function key shortcuts (F1-F6) and an 'Accept?' dialog box with 'Yes' or 'No' options.

Figure 1.3 F3: Statutory & Taxation Features – Completed

7. Press **Enter** to accept and save.



CST feature can be enabled only if **Enable Value Added Tax** is set to **Yes**.

1.3.1 Quick Setup

Quick Setup is a new feature being introduced with Tally.ERP 9. This is a Single Window Statutory Masters Configuration screen which guides in configuring all the statutory masters (Accounts/Inventory/Voucher Types) required for the effective use of Value Added Tax.

Click on **Quick Setup** option in **Gateway of Tally**. Select **Value Added Tax** to setup the masters required for Value Added Tax. It consists of Company Setup to select the State, Type of Dealer and enter the VAT Form specific information of the selected State in Additional Information section. The masters specific to VAT provided in this setup is given below:

- Ledgers for Sales and Direct/Indirect Incomes
- Ledger for Purchases, Indirect/Direct Expenses and fixed asset treated as Capital Goods
- Tax Ledger for VAT and CST.
- VAT Commodity for tagging to stock item and reflecting in Forms.
- Party ledgers for providing VAT and Interstate Sales Tax Numbers
- Additional ledgers for apportioned and separately charged expenses.
- Stock Item to be used while recording transactions attracting VAT/CST
- Voucher Class for Journal Voucher and configuring Sales Voucher Type as Tax Invoice.

Lesson 2: Processing of Purchases and Sales Transactions

Lesson Objectives

On completion of this lesson, you will be able to account for

- ❑ Interstate Purchase against Form C and Multiple CST Rates
- ❑ Transit Sales against 'E1 Form' and 'E2 Form'
- ❑ Branch Transfers/ Consignment Sales against 'F Form'
- ❑ Exports
- ❑ Deemed Exports against 'H Form'
- ❑ Inter-State Sales of Exempt Goods
- ❑ Sale in the Course of Import
- ❑ Sales to SEZ Units against 'I Form'
- ❑ Sales outside the State

As discussed earlier, in the course of inter-state trade or commerce the dealers have to issue/ submit certain declarations in prescribed forms to buyers/ sellers in order to avail concessional rates when

1. Sale or Purchase takes place outside a state.
2. Sale or Purchase takes place in the course of imports into India or exports from India.

2.1 Inter-State Purchases

2.1.1 Interstate Purchases Against Form C

Example 1:

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 (in Nos)	Rate	Amount	Commodity Code
Air Conditioner	10	25,000	2,50,000	304
Refrigerators	8	8,500	68,000	304

Step 1:

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

i. 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

The screenshot shows the 'Ledger Creation' window in Tally. The title bar includes 'Ledger Creation' and 'National'. The main area contains the following fields and options:

- Name:** Interstate Purchases @ 2% (with an alias field below it).
- Under:** Purchase Accounts.
- Inventory values are affected:** Yes (indicated by a question mark icon).
- Statutory Information:**
 - Used In VAT Returns:** Yes (indicated by a question mark icon).
 - Use for Assessable Value Calculation:** No (indicated by a question mark icon).
- Opening Balance (on 1-Apr-2011):** (This field is currently empty).

Figure 2.1 Inter-State Purchase Ledger – Used In VAT Returns

5. Select **Interstate Purchases @ 2% Against Form C** as the **VAT/Tax Class** from the list of **VAT/Tax Class**

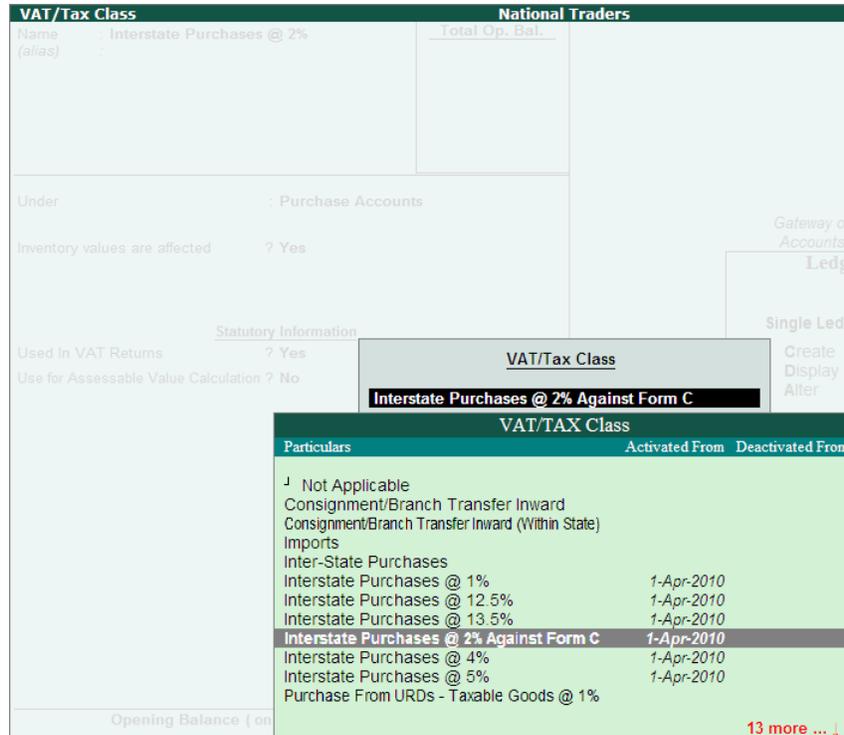


Figure 2.2 Inter-State Purchases – VAT/Tax Class Selection

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.



- *In the VAT/Tax class screen, the **Activated From** column will display the date of activation of particular classification in the current financial year. The **Deactivated From** column will show the date of deactivation irrespective of the financial year.*
- *In order to use the same purchase ledger as additional ledger, the option **Use for Assessable Value Calculation** needs to be set to **Yes** after disabling **Inventory values are affected** to apportion the additional amount towards assessable value and tax amount.*

ii. 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

Ledger Creation		National
Name : CST-2% (Purchase)		Total Op. Bal.
(alias) :		
Under : Duties & Taxes (Current Liabilities)		
Type of Duty/Tax : CST		
VAT/Tax Class : Interstate Purchases @ 2% Against Form C		
Inventory values are affected ? No		
Percentage of Calculation (eg 5) ? 2 %		
Method of Calculation : On VAT Rate		
Rounding Method : Not Applicable		
Opening Balance (on 1-Apr-2011) :		Accept ? Yes or No

Figure 2.3 CST on Purchases

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

iii. 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** field as shown:

Ledger Creation		National Traders		Total Op. Bal.
Name : Universal Traders (alias) :				
Under	: Sundry Creditors (Current Liabilities)	Name	: Universal Traders	
Maintain balances bill-by-bill	? Yes	Address	: # 106, St. Marks Road Bengaluru	
Default Credit Period	:	State	: Karnataka	
Inventory values are affected	? No	PIN Code	: 560 008	
		Tax Information		
		PAN / IT No.	: AXOPJ0889D	
		Set/Alter VAT Details	? Yes	
Opening Balance (on 1-Apr-2011) :				

Figure 2.4 Sundry Creditor Ledger

6. In the **VAT Details** screen, enter the **TIN/Sales Tax Number** and **CST Number** as shown:

VAT Details	
TIN/Sales Tax No.	: 29784512456
CST No.	: 29784512456

Figure 2.5 VAT Details – Sundry Creditor Ledger

7. Accept the **VAT Details** screen
8. Accept the **Sundry Creditor Ledger Creation** screen.

iv. 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**

The screenshot shows the 'VAT Commodity Creation' window. The 'Name' field is 'Air Conditioners'. The 'Used for' field is set to 'VAT'. A dropdown menu for 'Tax Type' is open, showing options 'Both', 'Excise', and 'VAT', with 'VAT' selected. Other fields like 'HSN Code', 'Commodity Code', 'Schedule Number', 'Schedule Serial Number', and 'Notes' are currently empty.

Figure 2.6 VAT Commodity Creation – VAT

3. In the **VAT** section, enter the **Commodity Code**, **Schedule Number** and **Schedule Serial Number** as shown:

The screenshot shows the 'VAT Commodity Creation' window with the 'VAT' section filled in. 'Commodity Code' is '301', 'Schedule Number' is 'First Schedule - Part C', and 'Schedule Serial Number' is '3'. The 'Notes' field is currently empty.

Figure 2.7 VAT Commodity Creation screen

4. Enter the **Notes** if required and accept the **VAT Commodity Creation** screen.

Similarly, create the VAT Commodity Refrigerator with the following details:

Name	Used For	VAT		
		Commodity Code	Schedule Number	Schedule Serial Number
Refrigerator	VAT	304	First Schedule – Part C	3

5. Enter the **Rate of VAT as 12.5%**. The completed stock item creation screen displays as shown:

Stock Item Creation		National Traders	
Name	: Air Conditioner		
(alias)	:		
Under	: Primary	Tax Information	
Units	: Nos	Tariff Classification	: Not Applicable
		Rate of Duty (eg 5)	: 0
		VAT Details	
		Commodity	: Air Conditioners
		Rate of VAT (%)	: 12.50
Opening Balance	:	Quantity	Rate per
			Value
			Accept ?
			Yes or No

Figure 2.9 Stock Item Creation screen

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

Similarly create the stock item Refrigerator

Name	Under	Units	VAT Details	
			Commodity	Rate of VAT
Refrigerators	Primary	Nos	Refrigerators	12.5%



*In the Stock Item master of a company enabled only for VAT, the cursor will skip the **Tariff Classification** field and prompt for entering the **Rate of Duty** and selection of Commodity under **VAT Details** section.*

*The commodity code will be captured in the **VAT Annexures** based on the selection made from the:*

- ❑ **List of Tariff Classifications** (on enabling Excise and VAT) of **Tariff/VAT Commodity** screen
- ❑ **List of VAT Commodities** of **VAT Commodity** screen

The HSN code will not be captured in the Annexures.

Step 2:

Let us enter the purchase transaction in Tally.ERP 9

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
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

Accounting Voucher Creation		National Traders		Ctrl + M
Purchase	No. 1			1-Apr-2011
Supplier Invoice No. : 01		Date : 1-Apr-2011		Friday
Party's A/c Name : Universal Traders				
Current Balance :				
Purchase Ledger : Interstate Purchases @ 2%				
VAT/Tax Class : Interstate Purchases @ 2% Against Form C				
Name of Item	Quantity	Rate per	Amount	
Air Conditioner	10 Nos	25,000.00 Nos	2,50,000.00	
Refrigerators	8 Nos	68,000.00 Nos	5,44,000.00	
			7,94,000.00	
CST-2% (Purchase)		2 %	15,880.00	
Form to Issue : C Form Form Series No. : KA7610S Form No. : 036521 Date : 1-Apr-2011				
Show Statutory Details ? No				
Narration:				
Being goods purchased from Universal Traders accounted for.				
				18 Nos
				Accept ?
				Yes or No

Figure 2.10 Interstate Purchases against Form C

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



The **Form No.** can be entered during Voucher Entry, if the forms are issued at the time of purchase. These forms are generally submitted at the end of the year covering all the transactions from a particular dealer during the year.

2.1.2 Inter-State Purchases at Multiple CST Rates

Example 2:

On 2-4-2011, M/s. National Traders purchased the following items from Universal Traders, karnataka, vide Invoice No. 02.

Item Description	Quantity (in Nos)	Rate	Amount	CST Rate	Commodity Code
Gold Jewellery	4	20,000	80,000	1%	102
Insulators	30	320	9,600	4%	2069
Washing Machine	6	10,500	63,000	12.5%	329
Water Purifiers	13	5,500	36,000	12.5%	329

Step 1:

Let us create the required Masters to record the above transaction.

Creating Ledgers

i. 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 @ 1%**
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 @ 1%** as the **VAT/Tax Class** from the list of **VAT/Tax Class**

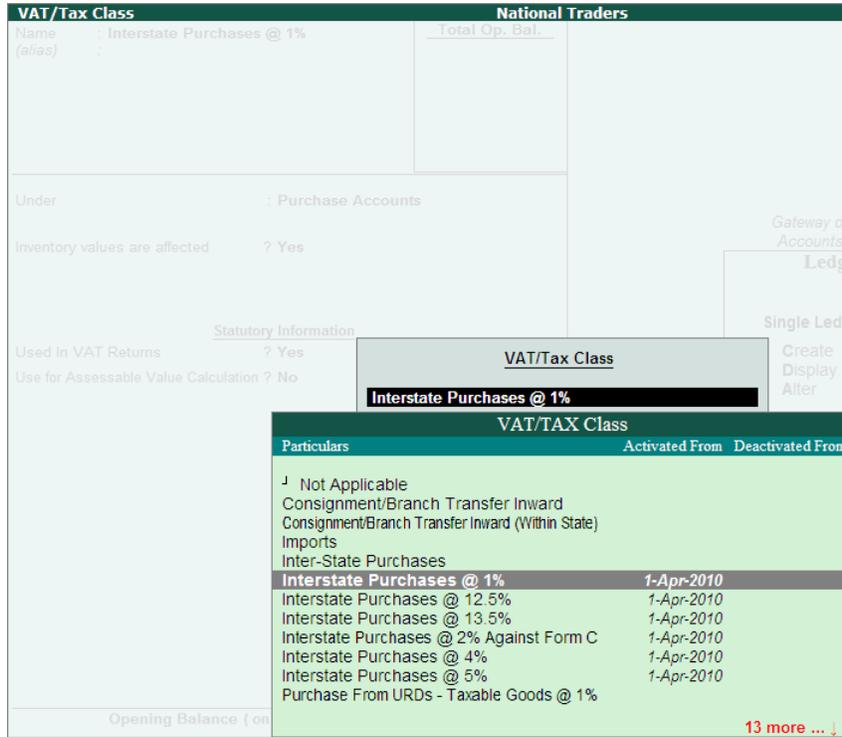


Figure 2.11 Inter-State Purchases – VAT/Tax Class Selection

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.

Similarly, create the following purchase ledgers:

Name	Under Group	Inventory values are affected	Used in VAT Returns	VAT/Tax Class	Use for Assessable Value Calculation
Interstate Purchases @ 4%	Purchase Accounts	Yes	Yes	Interstate Purchases @ 4%	No
Interstate Purchases @ 12.5%	Purchase Accounts	Yes	Yes	Interstate Purchases @ 12.5%	No

ii. 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-1% (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 @ 1%** in the **VAT/Tax Class** field from the VAT/Tax Class list
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.

Ledger Creation		National
Name	: CST-1% (Purchase)	Total Op. Bal.
(alias)	:	
Under		
	: Duties & Taxes (Current Liabilities)	
Type of Duty/Tax	: CST	
VAT/Tax Class	: Interstate Purchases @ 1%	
Inventory values are affected	? No	
Percentage of Calculation (eg 5)	? 1 %	
Method of Calculation	: On VAT Rate	
Rounding Method	: Not Applicable	
Opening Balance (on 1-Apr.2011) :		Accept ? Yes or No

Figure 2.12 CST on Purchases

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

v. Stock Items

To create a stock item,

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

1. Enter the **Name** as **Water Purifiers**
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 **Electrical Appliances**.

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

Stock Item Creation		National Traders		Ctrl + M
Name : Water Purifiers (alias) :				List of VAT Commodities
Under : Primary			↓ Not Applicable Air Conditioners 304 Electrical Appliances 329 Insulators 2069 Jewellery 102 Refrigerator 304	
Units : Nos				
		<u>Tax Information</u>		
		Tariff Classification : ↓ Not Applicable		
		Rate of Duty (eg 5) : 0		
		<u>VAT Details</u>		
		Commodity : Electrical Appliances		
		Rate of VAT (%) :		
Opening Balance :		Quantity	Rate per	Value

Figure 2.14 Stock Item Creation – Selection of VAT Commodity

5. Enter the **Rate of VAT** as **12.5%**. The completed stock item creation screen displays as shown:

Stock Item Creation		National Traders	
Name : Water Purifiers (alias) :			
Under : Primary			<u>Tax Information</u>
Units : Nos			Tariff Classification : ↓ Not Applicable
		Rate of Duty (eg 5) : 0	
		<u>VAT Details</u>	
		Commodity : Electrical Appliances	
		Rate of VAT (%) : 12.50	
Opening Balance :		Quantity	Rate per
		Value	Accept ?
			Yes or No

Figure 2.15 Stock Item Creation screen

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

Similarly, create the other stock items as per the details given below:

Name	Under	Units	VAT Details	
			Commodity	Rate of VAT
Gold Jewellery	Primary	Nos	Jewellery	1%
Insulators	Primary	Nos	Insulators	4%
Washing Machines	Primary	Nos	Electrical Appliances	12.5%

Step 2:

To create an inter-state Purchase Voucher,

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

1. Select **As Invoice** mode (use key combination **Ctrl+V** if the screen is displayed in voucher mode. The invoice mode will be displayed)
2. Enter the **Supplier Invoice Number** and **Date**
3. Select **Universal Traders** in the **Party's A/c Name** field from the **List of Ledger Accounts**
4. In the **Party Details** screen, enter/modify the required details
5. Select the **Name of Item** as **Gold Jewellery** from the **List of Items**
6. Enter the **Quantity** as **4** and **Rate** as **20,000**. The value is automatically displayed in the **Amount** field
7. In the **Accounting Details** screen, select **Interstate Purchases @ 1%** from the **List of Ledger Accounts**. The **VAT/Tax Class** will automatically be displayed as **Interstate Purchases @ 1%**
8. Select the stock item **Insulators**. Enter the **Quantity** as **30** and **Rate** as **320**
9. In the **Accounting Details** screen, select **Interstate Purchases @ 4%** from the **List of Ledger Accounts**. The **VAT/Tax Class** will automatically be displayed as **Interstate Purchases @ 4%**
10. Select the stock item **Washing Machines**. Enter the **Quantity** as **6** and **Rate** as **10,500**
11. In the **Accounting Details** screen, select **Interstate Purchases @ 12.5%** from the **List of Ledger Accounts**. The **VAT/Tax Class** will automatically be displayed as **Interstate Purchases @ 12.5%**
12. Select the stock item **Water Purifiers**. Enter the **Quantity** as **13** and **Rate** as **5,500**
13. In the **Accounting Details** screen, select **Interstate Purchases @ 12.5%** from the **List of Ledger Accounts**. The **VAT/Tax Class** will automatically be displayed as **Interstate Purchases @ 12.5%**
14. Select the ledgers **CST-1%(Purchase)**, **CST-4%(Purchase)** and **CST-12.5%(Purchase)** and the respective values will be automatically calculated
15. The field **Show Statutory Details** to **No**. Retain the same setting.
16. Accept the default Bill allocations in the **Bill-wise Details** screen

17. Enter the **Narration** if required

Accounting Voucher Creation		National Traders		Ctrl + M
Purchase	No. 2			2-Apr-2011
Supplier Invoice No. :	02	Date :	2-Apr-2011 Saturday	
Party's A/c Name : Universal Traders				
Current Balance : 8,09,880.00 Cr				
Name of Item	Quantity	Rate per	Amount	
Gold Jewellery	4 Nos	20,000.00 Nos	80,000.00	
Insulators	30 Nos	320.00 Nos	9,600.00	
Washing Machines	6 Nos	10,500.00 Nos	63,000.00	
Water Purifiers	13 Nos	5,500.00 Nos	71,500.00	
			<hr/> 2,24,100.00	
CST-1% (Purchase)		1 %	800.00	
CST-4% (Purchase)		4 %	384.00	
CST-12.5% (Purchase)		12.50 %	16,812.50	
Form to Issue : <input type="checkbox"/> Not Applicable				
Show Statutory Details ? No				
Narration:				
Being goods purchased at multiple CST rates recorded in single invoice.				53 Nos
				Accept ?
				Yes or No

Figure 2.16 Interstate Purchases at Multiple CST Rates

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

2.2 Inter-State Sales

In this section, let us consider the following Interstate Sales transactions:

- ❑ Interstate Sales against 'C Form'
- ❑ Transit Sales against 'E1 Form' and 'E2 Form'
- ❑ Branch Transfers/ Consignment Sales against 'F Form'
- ❑ Exports
- ❑ Deemed Exports against 'H Form'
- ❑ Inter-State Sales of Exempt Goods
- ❑ Sale in the Course of Import
- ❑ Sales outside the State
- ❑ Sales to SEZ Units against 'I Form'
- ❑ Sale of Special Category Goods

2.3 Inter-State Sales

2.3.1 Inter-state Sales Against 'C' Form

Example 3:

On 4-4-2011, National Traders sold the following items to Mc Millan Techsys, Andhra Pradesh, vide invoice number 01 against 'C' form number 12452 dt: 2-4-2011. The packing charges of ₹ 6,000 was charged on the sale value.

Item Description	Quantity (in Nos)	Rate	Amount
Air Conditioner	3	28,000	84,000
Refrigerator	2	10,500	21,000

The above goods are subject to 2% CST.

Step 1:

Let us create the required Masters to record the above transaction.

Creating Ledgers

i. Inter-State Sales Ledger

To create an Inter-state Sales Ledger:

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

Click on **F12: Configure** button and set the field **Use ADDRESSES for Ledger Accounts** to **No**.

1. Enter the **Name** as **Interstate Sales @ 2%**
2. Select **Sales 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

Ledger Creation		National
Name	: Interstate Sales @ 2%	Total Op. Bal.
(alias)	:	
Under : Sales Accounts		
Inventory values are affected	? Yes	
<u>Statutory Information</u>		
Used In VAT Returns	? Yes	
Use for Assessable Value Calculation	? No	
Opening Balance (on 1-Apr-2011) :		

Figure 2.17 Inter-State Sales Ledger

5. Select **Interstate Sales @ 2% Against Form C** from the list of **VAT/Tax Class**

VAT/Tax Class		National Traders
Name	: Interstate Sales @ 2%	Total Op. Bal.
(alias)	:	
Under : Sales Accounts		
Inventory values are affected	? Yes	
<u>Statutory Information</u>		
Used In VAT Returns	? Yes	
Use for Assessable Value Calculation	? No	
Opening Balance (on 1-Apr-2011) :		

VAT/Tax Class		
Particulars	Activated From	Deactivated From
Not Applicable		
Consignment/Branch Transfer Outward		
Consignment/Branch Transfer Outward (Within State)		
Exports		
Inter-State Sales		
Interstate Sales @ 1%	1-Apr-2010	
Interstate Sales @ 12.5%	1-Apr-2010	
Interstate Sales @ 2% Against Form C	1-Apr-2010	
Interstate Sales @ 4%	1-Apr-2010	
Inter State Sales Against Form - E1		
Inter State Sales Against Form - E2		
Inter- State Sales - Exempted		

Figure 2.18 Inter-State Sales – VAT/ Tax Class Selection

6. Press **Enter** to return to the **Interstate Sales** ledger creation screen.
7. Set the option **Use for Assessable Value Calculation** to **No**
8. Accept to save the ledger.

ii. CST on Sales Ledger

To create a CST on Sales Ledger,

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

1. Enter the **Name** as **CST @ 2%**
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 **CST @ 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.

Ledger Creation		National
Name	: CST @ 2%	Total Op. Bal.
(alias)	:	
Under	: Duties & Taxes (Current Liabilities)	
Type of Duty/Tax	: CST	
VAT/Tax Class	: CST @ 2% Against Form C	
Inventory values are affected	? No	
Percentage of Calculation (eg 5)	? 2 %	
Method of Calculation	: On VAT Rate	
Rounding Method	: Not Applicable	
Opening Balance (on 1-Apr-2011) :		Accept ? Yes or No

Figure 2.19 CST on Sales Ledger

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

iii. Packing Charges

To create a ledger for packing charges,

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

1. Enter the **Name** as **Packing Charges**
2. Select **Indirect Incomes** as the group name in the **Under** field
3. The option **Inventory values are affected** is set to **No** by default
4. Set the option **Use for Assessable Value Calculation** to **Yes**
5. In the **Apportion for** field, select **VAT**
6. Select the **Method of Apportion** as **Based on Quantity**

Ledger Creation		National
Name	: Packing Charges	Total Op. Bal.
(alias)	:	
Under	: Indirect Incomes	
Inventory values are affected	? No	
<u>Statutory Information</u>		
Used In VAT Returns	? No	
Use for Assessable Value Calculation	? Yes	
Apportion for	? VAT	
Method of Apportion	: Based on Quantity	
Opening Balance (on 1-Apr-2011) :		Accept ?
		Yes or No

Figure 2.20 Packing Charges Ledger

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



In the ledgers grouped under **Direct/Indirect Expenses, Direct/Indirect Incomes, Purchase Accounts and Sales Accounts**, the fields **Use for Assessable Value Calculation** will be displayed. On enabling this field, the options **Apportion for** and **Method of Apportion** will be displayed. In the **Apportion for** field:

- The option **VAT** will be displayed when only **VAT** feature is enabled.
- **Excise & VAT** and **VAT** will be displayed on enabling both **Excise** and **VAT** features.

On selecting the **Method of Apportion** as **VAT**, the value of these ledgers apportioned towards assessable value will be considered for **VAT** calculation.

On selecting the **Method of Apportion** as **Excise & VAT**, the value of these ledgers apportioned towards assessable value will be used for **Excise** and **VAT** calculation.

iv. Sundry Debtor Ledger

To create a Sundry Debtor (Customer) 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 **Mc Millan Techsys**
2. Select **Sundry Debtors** 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 automatically displayed as **Mc Millan Techsys**
 - Enter the **Address** details

5. In the **Tax Information** section enter the **PAN number** and enable **Set/Alter VAT Details**

Ledger Creation		National Traders		Total Op. Bal.
Name : Mc Millan Techsys (alias) :				
Under	: Sundry Debtors (Current Assets)	Name	: Mc Millan Techsys	
Maintain balances bill-by-bill	? Yes	Address	: 482, Ali Asker Road Hyderabad	
Default Credit Period	:	State	: Andhra Pradesh	
Inventory values are affected	? No	PIN Code	: 650 021	
		Tax Information		
		PAN / IT No.	: AKGSP4887C	
		Set/Alter VAT Details	? Yes	
Opening Balance (on 1-Apr-2011) :				

Figure 2.21 Sundry Debtor – Mc Millan Techsys

6. Enter the **TIN/Sales Tax Number**

VAT Details	
TIN/Sales Tax No.	: 28564554120
CST No.	: 28564554120

Figure 2.22 Sundry Debtor – Mc Millan Techsys

7. Accept the **VAT Details** screen
8. Accept the Sundry Debtor ledger.

Step 2:

Let us now enter the sales transaction in Tally.ERP 9

To create an Interstate Sale Voucher,

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

1. Enter the reference in the **Ref.** field
2. Select **Mc Millan Techsys** in the **Party's A/c Name** field from the **List of Ledger Accounts**
3. In the **Party Details** screen, enter the details as shown:

Despatch Details	
Delivery Note No(s) :	Despatch Doc. No. : DDN3451 Despatched through : TN98176 Destination : Hyderabad Bill of lading/LR-RR No. : LR6104 dt. 4-Apr-2011 Endorsement Date : 4-Apr-2011
Order Details	
Order No(s) : PO7198 dt. 1-Apr-2011	Mode/Terms of Payment: Other Reference(s) : Terms of Delivery :
Buyer's Details	
Buyers : Mc Millan Techsys Address : 482, Ali Asker Road Hyderabad	
TIN/Sales Tax No. : 28564554120 CST Number : 28564554120	

Figure 2.23 Party Details – Mc Millan Techsys

4. Select **Interstate Sales @ 2%** ledger in the **Sales Ledger** field from the **List of Ledger Accounts**
5. On selecting the **Interstate Sales @ 2%** ledger, the VAT/Tax Class appears as **Interstate Sales @ 2% Against Form C**
6. Select the **Name of Item** as **Air Conditioner** from the List of Items
7. Enter the **Quantity** as **3** and **Rate** as **28,000**. The amount is automatically displayed in the **Amount** field.
8. Similarly, select **Refrigerator** from the List of Items
9. Enter the **Quantity** as **2** and **Rate** as **10,500**. The amount is automatically displayed in the **Amount** field.
10. Select **Packing Charges** from the **List of Ledger Accounts** and enter the amount as **5,000**
11. Select **CST @ 2%** and the amount is automatically calculated
12. Set the option **Is Declared Goods Sales** to **No**



*The option **Is Declared Goods Sales** can be set to **Yes**, if the goods are specified as declared goods u/s 14 of the CST Act. Else it needs to be set to **No**. Based on the option set, the values of sales will be captured in respective boxes of the Form and annexure.*

13. Select Form C as Form to Receive

Accounting Voucher Creation		National Traders		Ctrl + M
Sales No. 1				4-Apr-2011
Ref. : 01				Monday
Party's A/c Name : Mc Millan Techsys				
Current Balance :				
Sales Ledger : Interstate Sales @ 2%				
VAT/Tax Class : Interstate Sales @ 2% Against Form C				
Name of Item	Quantity	Rate per	Amount	
Air Conditioner	3 Nos	28,000.00 Nos	84,000.00	
Refrigerators	2 Nos	10,500.00 Nos	21,000.00	
			<hr/> 1,05,000.00	
Packing Charges			6,000.00	
CST @ 2%		2 %	2,220.00	
Is Declared Goods Sales ? No			Form Types	
Form to Receive : C Form			<ul style="list-style-type: none"> Not Applicable C Form F Form H Form I Form 	
Show Statutory Details ? No			Form No :	Date :
Narration:			<hr/> 5 Nos <hr/> 1,13,220.00	

Figure 2.24 Sales Invoice – Inter-State Sales

14. The **Form Series Number**, **Form number** and **Date** fields will be displayed on selecting the **Form to Receive** from the **Form Types** list
15. Enter the **Form Series number**, **Form number** – 12452 and **Date** as 4-4-2011
16. Set **Show Statutory Details** field to **Yes**
17. In **Statutory Details** screen press **F1**: **Detailed** button

The **Statutory Details** screen displays as shown:

Statutory Details		National Traders		Ctrl + M
Sales Ref : 01	<u>Statutory Details</u>			4-Apr-2011 Monday
	Particulars		VAT	
Party's A/c Name	Assessable Value			
Current Balance			1,11,000.00	
Sales Ledger	Air Conditioner		87,600.00	
VAT/Tax Class	Item Value		84,000.00	
Name of Item	Packing Charges		3,600.00	Amount
Air Conditioner	Refrigerators		23,400.00	84,000.00
Refrigerators	Item Value		21,000.00	21,000.00
	Packing Charges		2,400.00	1,05,000.00
Packing Charges	VAT Amount		2,220.00	6,000.00
CST @ 2%	CST @ 2%		2%	2,220.00
	Air Conditioner @ 2% On	87,600.00		1,752.00
	Refrigerators @ 2% On	23,400.00		468.00
Is Declared Goods				
Form to Receive : C				
Show Statutory Det				
Narration:				1,13,220.00

Figure 2.25 Sales Invoice – Statutory Details screen

18. Accept the **Statutory Details** screen
19. Accept the default Bill allocations in the **Bill-wise Details** screen
20. Enter **Narration** if required
21. Accept the sales invoice.



You can also fill the **Form No.** during Voucher Entry, if the forms are issued at the time of purchase. But usually, they are submitted at the end of the year covering all the transactions from that dealer during the year.

2.3.2 Inter-state Sales at Multiple CST Rates

Example 4:

On 5-4-2011, National Traders sold the following items to Decor Bazaar, Andhra Pradesh, vide invoice number 02.

Item Description	Quantity (in Nos)	Rate	Amount	CST
Gold Jewellery	3	22,500	67,500	1%
Insulators	25	500	12,500	4%
Washing Machines	3	12,000	36,000	12.5%

Step 1:

Let us create the required Masters to record the above transaction.

Creating Ledgers

i. Inter-State Sales Ledger

To create an Inter-state Sales Ledger:

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

1. Enter the **Name** as **Interstate Sales @ 1%**
2. Select **Sales 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 Sales @ 1%** from the list of **VAT/Tax Class**

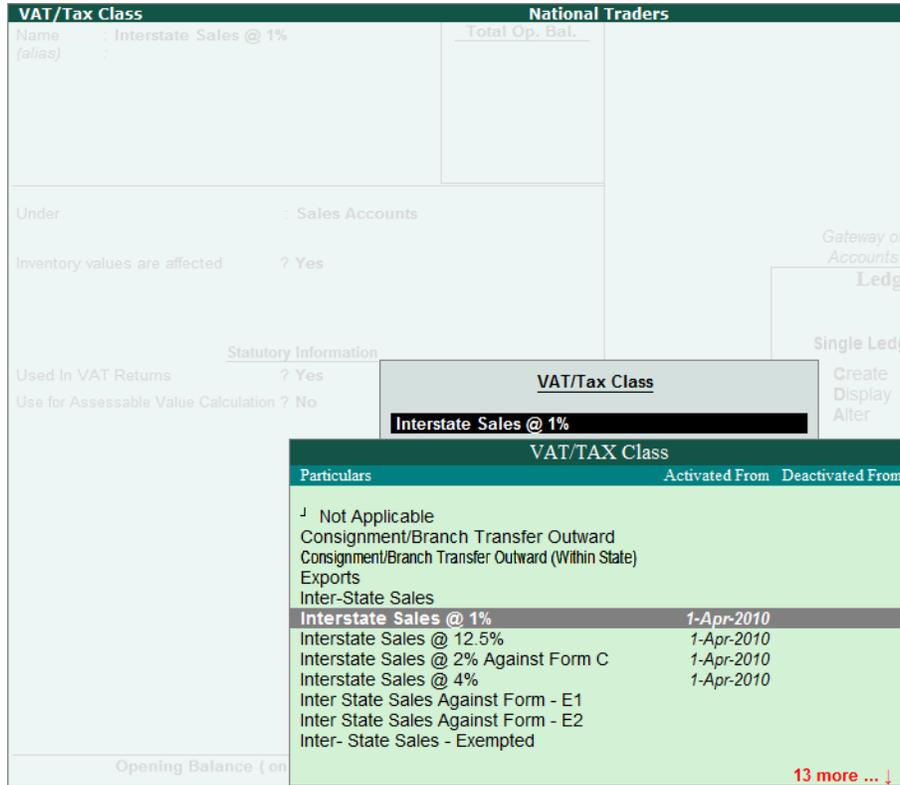


Figure 2.26 Inter-State Sales – VAT/ Tax Class Selection

6. Press **Enter** to return to the **Interstate Sales** ledger creation screen.
7. Set the option **Use for Assessable Value Calculation** to **No**
8. Accept to save the ledger.

Similarly, create the Interstate Sales Ledgers with the following details

Name	Under Group	Inventory values are affected	Used in VAT Returns	VAT/Tax Class	Use for Assessable Value Calculation
Interstate Sales @ 4%	Sales Accounts	Yes	Yes	Interstate Sales @ 4%	No
Interstate Sales @ 12.5%	Sales Accounts	Yes	Yes	Interstate Sales @ 12.5%	No

ii. CST on Sales Ledger

To create a CST on Sales Ledger,

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

1. Enter the **Name** as **CST @ 1%**
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 **CST @ 1%** 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 the **Method of Calculation** gets displayed based on VAT/Tax class selected
7. Select the required **Rounding Method** from the list displayed.

Ledger Creation		National
Name	: CST @ 1%	Total Op. Bal.
(alias)	:	
Under	: Duties & Taxes (Current Liabilities)	
Type of Duty/Tax	: CST	
VAT/Tax Class	: CST @ 1%	
Inventory values are affected	? No	
Percentage of Calculation (eg 5)	? 1 %	
Method of Calculation	: On VAT Rate	
Rounding Method	: Not Applicable	
Opening Balance (on 1-Apr.2011) :		Accept ? Yes or No

Figure 2.27 CST on Sales Ledger

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

Similarly, create the CST on Sales Ledgers with the following details

Name	Under Group	Type of Duty/Tax	VAT/Tax Class	Inventory values are affected	Percentage of Calculation	Method of Calculation
CST @ 4%	Duties & Taxes	CST	CST @ 4%	No	4%	On VAT Rate
CST @ 12.5%	Duties & Taxes	CST	CST @ 12.5%	No	12.5%	On VAT Rate

iii. Sundry Debtor (Customer) Ledger

Follow the steps given in example 3 to create sundry debtor ledger. The completed sundry debtor ledger displays as shown:

Ledger Creation		National Traders	
Name : Decor Bazaar (alias) :			Total Op. Bal.
Under : Sundry Debtors (Current Assets)	Mailing Details	Name : Decor Bazaar Address : Rengali Dam Site Angul Sambalpur	
Maintain balances bill-by-bill : ? Yes Default Credit Period : Inventory values are affected : ? No	Tax Information	State : Orissa PIN Code : 766025	
	PAN / IT No. : PSRLC6102G	Set/Alter VAT Details : ? No	
Opening Balance (on 1-Apr-2011) :			Accept ? Yes or No

Figure 2.28 Sundry Debtor – Decor Bazaar

Step 2:

Let us enter the sales transaction in Tally.ERP 9

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

1. Enter the reference number in the **Ref.** field
2. Select **Decor Bazaar** 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 the **Name of Item** as **Gold Jewellery** from the **List of Items**
5. Enter the **Quantity** as **3** and **Rate** as **22,500**. The value is automatically displayed in the **Amount** field
6. In the **Accounting Details** screen, select **Interstate Sales @ 1%** from the **List of Ledger Accounts**. The **VAT/Tax Class** will automatically be displayed as **Interstate Sales @ 1%**
7. Select the next stock item as **Insulators**. Enter the **Quantity** as **25** and **Rate** as **500**
8. In the **Accounting Details** screen, select **Interstate Sales @ 4%** from the **List of Ledger Accounts**. The **VAT/Tax Class** will automatically be displayed as **Interstate Sales @ 4%**
9. Select the next stock item as **Washing Machines** Enter the **Quantity** as **3** and **Rate** as **12,000**
10. In the **Accounting Details** screen, select **Interstate Sales @ 12.5%** from the **List of Ledger Accounts**. The **VAT/Tax Class** will automatically be displayed as **Interstate Sales @ 12.5%**
11. Select the ledgers **CST @ 1**, **CST @ 4** and **CST @ 12.5** and the respective values will be automatically calculated
12. Set the option **Is Declared Goods Sales** to **No**
13. The field **Show Statutory Details** to **No**. Retain the same setting
14. Accept the default Bill allocations in the **Bill-wise Details** screen
15. Enter the **Narration** if required

Accounting Voucher Creation		National Traders		Ctrl + M
Sales No. 2				5-Apr-2011
Ref : 02				Tuesday
Party's A/c Name : Decor Bazaar				
Current Balance :				
Name of Item	Quantity	Rate per	Amount	
Gold Jewellery	3 Nos	22,500.00 Nos	67,500.00	
Insulators	25 Nos	500.00 Nos	12,500.00	
Washing Machines	3 Nos	12,000.00 Nos	36,000.00	
			1,16,000.00	
CST @ 1%		1 %	675.00	
CST @ 4%		4 %	500.00	
CST @ 12.5%		12.50 %	4,500.00	
Is Declared Goods Sales ? No				
Form to Receive : ↓ Not Applicable				
Show Statutory Details ? No				
Narration:				Accept ?
Being Interstate Sales recorded at multiple CST rates in single invoice.				
31 Nos				Yes or No

Figure 2.29 Inter-State Sales at Multiple CST Rates

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

2.3.3 Accounting for Discount & Additional Ledgers Separately in Invoice

Example 5:

On 6-4-2011, M/s National Traders sold 2 Air Conditioners for ₹ 28,000 each to Mc Millan Techsys vide invoice number 03 against Form 'C'. An amount of ₹ 13,500 was levied as installation charged and ₹ 2,000 was allowed as discount. The additional values were not considered as part of the assessable value.

Step 1:

Let us create the required Masters to record the above transaction.

Creating Ledgers

i. Installation Charges

To create a ledger for installation charges,

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

Name	Under	Inventory values are affected	Use for Assessable Value Calculation
Installation Charges	Indirect Incomes	No	No

ii. Discount Allowed

To create a ledger for discount allowed,

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

Name	Under	Inventory values are affected	Use for Assessable Value Calculation
Discount Allowed	Indirect Expenses	No	No

Step 2:

Let us now record in the entry in Tally.ERP 9. To create an Interstate Sale Voucher,

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

1. Enter the reference in the **Ref.** field
2. Select **Mc Millan Techsys** in the **Party's A/c Name** field from the **List of Ledger Accounts**
3. Enter the **Despatch Details** in the **Party Details** screen
4. Select **Inter-state Sales** ledger in the **Sales Ledger** field from the **List of Ledger Accounts**
5. On selecting the **Inter-state Sales** ledger, the VAT/Tax Class appears as **Inter – State Sales**

6. Select the **Name of Item** as **Air Conditioner** from the List of Items
7. Enter the **Quantity** as **2** and **Rate** as **28,000**. The amount is automatically displayed in the **Amount** field.
8. Select **CST @ 2%** and the amount is automatically calculated
9. Select **Installation Charges** from the **List of Ledger Accounts** and enter the amount as **13,500**
10. Select **Discount Allowed** ledger and enter amount as **₹ -2,000**
11. Set the option **Is Declared Goods Sales** to **No**
12. Select **Form C** as **Form to Receive**
13. The **Form number** and **Date** fields will be displayed on selecting the **Form to Receive** from the Form Types list
14. Set **Show Statutory Details** field to **No**
15. Accept the default Bill allocations in the **Bill-wise Details** screen
16. Enter **Narration** if required

Accounting Voucher Creation		National Traders		Ctrl + M
Sales No. 3				6-Apr-2011
Ref. : 03				Wednesday
Party's A/c Name : Mc Millan Techsys Current Balance : 1,13,220.00 Dr Sales Ledger : Interstate Sales @ 2% VAT/Tax Class : Interstate Sales @ 2% Against Form C				
Name of Item	Quantity	Rate per	Amount	
Air Conditioner	2 Nos	28,000.00 Nos	56,000.00	
CST @ 2%		2 %	1,120.00	
Installation Charges			13,500.00	
Discount Allowed			(-)2,000.00	
Is Declared Goods Sales ? No				
Form to Receive : C Form	Form Series No :	Form No :	Date :	
Show Statutory Details ? No				
Narration:			2 Nos	
Being separately charges expenses in interstate sales accounted for.			<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Accept ? Yes or No </div>	

Figure 2.30 Sales Invoice with Additional Ledgers

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

2.4 Transit Sales against 'E-I' Form and 'E-II' Form

As discussed earlier, according to Section 6(2) of CST Act, the first inter-state sale is taxable and subsequent sale during movement of goods by transfer of documents of title to goods is exempt from tax, if the subsequent sale is to a registered dealer on submission of respective forms.

2.4.1 Transit Sales against Form E1

Example 6:

On 7-4-2011 National Traders despatched the following goods to Manasa Traders, Karnataka and raised an Invoice on Rishita Traders in Madhya Pradesh against Form C vide invoice number 04. Packing charges of ₹ 5,500 was charged additionally. The above goods are subject to 2% CST.

<i>Item Description</i>	<i>Quantity (in Nos)</i>	<i>Rate</i>	<i>Amount</i>
<i>Water Purifiers</i>	<i>3</i>	<i>6,500</i>	<i>19,500</i>
<i>Washing Machine</i>	<i>2</i>	<i>12,000</i>	<i>24,000</i>

National Traders received 'C' form from Rishita Traders and issued 'E-1' form.

Step 1:

Let us create the required Masters to record the above transaction.

Creating Ledgers

i. Inter-state Sales against Form E1

To create an Inter-state Sales Ledger to account Sales against Form E1:

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

1. Enter the **Name** as **Inter-State Sales – Form E1**
2. Select **Sales 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 **Inter-state Sales** from the list of **VAT/Tax Class**

The screenshot shows the 'VAT/Tax Class' selection screen in Tally. The main window has a title bar 'National Traders' and a header 'VAT/Tax Class'. The 'Name' field is set to 'Inter-State Sales - Form E1'. The 'Under' field is set to 'Sales Accounts'. The 'Inventory values are affected' field is set to 'Yes'. The 'Used in VAT Returns' field is set to 'Yes'. The 'Use for Assessable Value Calculation?' field is set to 'No'. A list of VAT/Tax Classes is displayed, with 'Inter State Sales Against Form - E1' selected. The list includes various categories like 'Not Applicable', 'Consignment/Branch Transfer Outward', 'Exports', and 'Inter-State Sales' with different rates and dates. The selected item is highlighted in a dark grey bar.

VAT/TAX Class		
Particulars	Activated From	Deactivated From
Not Applicable		
Consignment/Branch Transfer Outward		
Consignment/Branch Transfer Outward (Within State)		
Exports		
Inter-State Sales		
Interstate Sales @ 1%	1-Apr-2010	
Interstate Sales @ 12.5%	1-Apr-2010	
Interstate Sales @ 2% Against Form C	1-Apr-2010	
Interstate Sales @ 4%	1-Apr-2010	
Inter State Sales Against Form - E1		
Inter State Sales Against Form - E2		
Inter- State Sales - Exempted		

Figure 2.31 Inter-State Sales against Form E1 – VAT/Tax Class Selection

6. Press **Enter** to return to the **Inter-state Sales** ledger creation screen
7. Set the option **Use for Assessable Value Calculation** to **No**
8. Accept to save the ledger.

ii. Sundry Debtor (Customer) Ledger

Follow the steps given in example 3 to create sundry debtor ledger. The completed sundry debtor ledger displays as shown:

Ledger Creation		National Traders		Total Op. Bal.
Name	: Rishita Traders			
(alias)	:			
Under	: Sundry Debtors (Current Assets)	Name	: Rishita Traders	
Maintain balances bill-by-bill	? Yes	Address	: F Block # 45, Rajan Arcade Bhopal	
Default Credit Period	:	State	: Madhya Pradesh	
Inventory values are affected	? No	PIN Code	: 541222	
		Tax Information		
		PAN / IT No.	: TYERS8934B	
		Set/Alter VAT Details	? Yes	
Opening Balance (on 1-Apr-2011) :				Accept ? Yes or No

Figure 2.32 Sundry Debtor – Rishita Traders

Step 2:

Let us now enter the sales transaction in Tally.ERP 9

To create an Interstate Sale Voucher against Form C with Form E1,

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

In the **F12: Voucher Configuration** screen, set the options **Allow Separate Buyer and Consignee Names** and **Activate ‘E1’ or ‘E2’ Transaction (VAT)** to **Yes**

1. Enter the reference in the **Ref.** field
2. Select **Rishita Traders** in the **Party’s A/c Name** field from the **List of Ledger Accounts**

3. In the **Party Details** screen enter the details as shown:

Despatch Details			
Delivery Note No(s)	: DN5191	dt. 7-Apr-2011	Despatch Doc. No. : DDN7661
			Despatched through : TN5656
			Destination : Bhopal
			Bill of lading/LR-RR No. : LR6832 dt. 7-Apr-2011
			Endorsement Date : 7-Apr-2011
Order Details			
Order No(s)	: PO225	dt. 5-Apr-2011	Mode/Terms of Payment:
			Other Reference(s) :
			Terms of Delivery :
Buyer's Details			
Consignee	: Manasa Traders	Buyers	: Rishita Traders
Address	: # 45, 1st Main Road 2nd Cross, Malleshwaram Bangalore, Karnataka	Address	: F Block # 45, Rajan Arcade Bhopal
TIN/Sales Tax No.	: 29478954212	TIN/Sales Tax No.	: 23478954212
CST Number	: 29478954212	CST Number	: 23478954212

Figure 2.33 Party Details screen

4. Select **Inter-state Sales – Form E1** ledger in the **Sales Ledger** field from the **List of Ledger Accounts**
5. On selecting the Sales Ledger, the VAT/Tax Class appears as **Inter State Sales Against Form–E1**
6. Select the **Name of Item** as **Water Purifiers** from the **List of Items**
7. Enter the **Quantity** as **3** and **Rate** as **6,500**. The amount is automatically displayed in the **Amount** field.
8. In the **Annexure II – Transit Details**, select the **Seller's Name and Address** as **Universal Traders** and enter the **Purchase Value** as **16,500**

Annexure II - Transit Sale Details	
Seller's Name and Address	: Universal Traders
Purchase value	: 16,500.00

Figure 2.34 Annexure II – Transit Sales

9. Similarly, select **Washing Machine** from the **List of Items**
10. Enter the **Quantity** as **2** and **Rate** as **12,000**. The amount is automatically displayed in the **Amount** field.
11. In the **Annexure II – Transit Details**, select the **Seller's Name and Address** as **Universal Traders** and enter the **Purchase Value** as **21,000**
12. Select **Packing Charges** from the **List of Ledger Accounts** and enter the amount as **5,500**
13. Select **CST @ 2%** ledger. The Percentage and amount gets automatically displayed.
14. Set the option **Is Declared Goods Sales** to **No**
15. Select **Form C** as **Form to Receive**, and **Form E1** as the **Form to Issue**.
16. The **Form Series Number**, **Form number** and **Date** fields will be displayed on selecting the **Form to Receive** from the Form Types list.
17. Set **Show Statutory Details** field to **Yes**



The **Statutory Details** screen displays as shown:

Statutory Details		National Traders		Ctrl + M
Sales		<u>Statutory Details</u>		7-Apr-2011
Ref : 04				Thursday
		Particulars	VAT	
Party's A/c Name				
Current Balance		Assessable Value	49,000.00	
Sales Ledger		Water Purifiers	22,800.00	
VAT/Tax Class		Item Value	19,500.00	
Name of Item		Packing Charges	3,300.00	Amount
Water Purifiers		Washing Machines	26,200.00	19,500.00
Washing Machine		Item Value	24,000.00	24,000.00
		Packing Charges	2,200.00	43,500.00
Packing Charges		VAT Amount	980.00	5,500.00
CST @ 2%		CST @ 2%	2 %	980.00
		Water Purifiers @ 2 % On	22,800.00	456.00
		Washing Machines @ 2 % On	26,200.00	524.00
Is Declared Goods				
Form to Receive : C				
Form to Issue : E				
Show Statutory Det				
Narration:				49,980.00

Figure 2.35 Sales Invoice for E1 Sales – Statutory Details screen

- 18. Accept the **Statutory Details** screen
- 19. Accept the default Bill allocations in the **Bill-wise Details** screen

20. Enter **Narration** if required

Accounting Voucher Creation		National Traders		Ctrl + M
Sales No. 4				7-Apr-2011
Ref. : 04				Thursday
Party's A/c Name : Rishita Traders				
Current Balance :				
Sales Ledger : Inter-State Sales - Form E1				
VAT/Tax Class : Inter State Sales Against Form - E1				
Name of Item	Quantity	Rate per	Amount	
Water Purifiers	3 Nos	6,500.00 Nos	19,500.00	
Washing Machines	2 Nos	12,000.00 Nos	24,000.00	
			<hr/>	
			43,500.00	
Packing Charges			5,500.00	
CST @ 2%		2 %	980.00	
Is Declared Goods Sales ? No				
Form to Receive : C Form	Form Series No :	Form No :	Date :	
Form to Issue : E1 Form	Form Series No :	Form No :	Date :	
Show Statutory Details ? Yes				
Narration:			5 Nos	
Being transit sales recorded against Form E1.			<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Accept ? Yes or No </div>	

Figure 2.36 Sales Invoice for Transit Sales against Form E1

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



You can also press **Enter** and skip **Form No.** and **Date** field if the prescribed forms are not received at the time of transaction. Generally, blank forms are received at the beginning of the year or on commencement of inter-state transaction with the respective dealer. However, Tally.ERP 9 gives you the flexibility to update Form Nos. and Date in the Reports Menu, which will be discussed later in this lesson.

2.4.2 Transit Sales against Form E2

Example 7:

On 9-4-2011, M/s National Traders had purchased 2 Air Conditioners for ₹ 25,000 each from Universal Traders which had to be despatched to the consignee Logic Electronics of Orissa. During movement of goods, National Traders sold the same air conditioners at ₹ 28,000 each to Logic Electronics, vide invoice number 05.

National Traders received 'C' form from Logic Electronics and issued 'E-2' form.

Step 1:

Let us create the required Masters to record the above transaction.

Creating Ledgers

i. Inter-state Sales against Form E2

To create an Inter-state Sales Ledger to account Sales against Form E2:

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

Create the ledger with the following details:

Name	Under	Inventory values are affected	Use in VAT Returns	VAT/Tax Class	Use for Assessable Value Calculation
Inter-State Sales – Form E2	Sales Accounts	Yes	Yes	Inter State Sales Against Form – E2	No

ii. Sundry Debtor (Customer) Ledger

Follow the steps given in example 3 to create sundry debtor ledger.

Step 2:

Let us now enter the sales transaction in Tally.ERP 9

To create an Interstate Sale Voucher against Form C with Form E2,

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

Ensure that in **F12: Voucher Configuration** screen, the options **Allow Separate Buyer and Consignee Names** and **Activate ‘E1’ or ‘E2’ Transaction (VAT)** are set to **Yes**

1. Enter the reference in the **Ref.** field
2. Select **Logic Electronics** in the **Party’s A/c Name** from the **List of Ledger Accounts**

3. In the **Party Details** screen enter the details as shown:

<u>Despatch Details</u>			
Delivery Note No(s) :		Despatch Doc. No. :	DDN2745
		Despatched through :	TN4514
		Destination :	Bhubaneswar
		Bill of lading/LR-RR No. :	LR5164 dt. 9-Apr-2011
		Endorsement Date :	9-Apr-2011
<u>Order Details</u>			
Order No(s) :	PO5329	dt. 7-Apr-2011	Mode/Terms of Payment:
			Other Reference(s) :
			Terms of Delivery :
<u>Buyer's Details</u>			
Consignee :	Logic Electronics	Buyers :	Logic Electronics
Address :	# 56, Phase II Sector 1 Bhubaneswar	Address :	# 56, Phase II Sector 1 Bhubaneswar
TIN/Sales Tax No. :	21585412014	TIN/Sales Tax No. :	21585412014
CST Number :	21585412014	CST Number :	21585412014

Figure 2.37 Party Details screen

4. Select **Inter-state Sales – Form E2** ledger in the **Sales Ledger** field from the **List of Ledger Accounts**
5. On selecting the Sales Ledger, the VAT/Tax Class appears as **Inter State Sales Against Form–E2**
6. Select the **Name of Item** as **Air Conditioner** from the **List of Items**
7. Enter the **Quantity** as **2** and **Rate** as **28,000**. The amount is automatically displayed in the **Amount** field.
8. In the **Annexure II – Transit Sales Details** screen select **Universal Traders** from the **List of Ledger Accounts** and enter the **Purchase Value** as **₹ 50,000**

<u>Annexure II - Transit Sale Details</u>	
Seller's Name and Address :	Universal Traders
Purchase value :	50,000.00

Figure 2.38 Annexure II – Transit Sale Details

9. Set the option **Is Declared Goods Sales** to **No**
10. Select **Form C** as **Form to Receive** and **Form E2** as the **Form to Issue**
11. Accept the default Bill allocations in the **Bill-wise Details** screen

12. Enter Narration if required

Accounting Voucher Creation		National Traders		Ctrl + M
Sales No. 5				9-Apr-2011
Ref. : 05				Saturday
Party's A/c Name : Logic Electronics				
Current Balance :				
Sales Ledger : Inter-State Sales - Form E2				
VAT/Tax Class : Inter State Sales Against Form - E2				
Name of Item	Quantity	Rate per	Amount	
Air Conditioner	2 Nos	28,000.00 Nos	56,000.00	
J End of List				
Is Declared Goods Sales ? No				
Form to Receive : C Form	Form Series No :	Form No :	Date :	
Form to Issue : E2 Form	Form Series No :	Form No :	Date :	
Show Statutory Details ? No			2 Nos	
Narration: Being sale of goods against Form C and Form E2 accounted for.			Accept ? Yes or No	

Figure 2.39 Sales Invoice for Transit Sales against Form E2

13. Press Y or Enter to accept and save.

2.5 Sales – Branch Transfers / Consignment Sales against Form – F

The dealer may have a Branch office outside the state and the goods transferred to that branch may be considered as Branch transfers and not termed as sales. In such case, the bifurcation needs to be made for the goods sent on principal account (branch transfer) and on Consignment Basis (transferred to agent). This bifurcation can be identified by selecting the YES or NO option against the field **Is Sales against Principle A/c**. This field is set to **YES** when the transfer is considered as **Branch Transfers** and **NO** in case of **consignment transfers**.

2.5.1 Sales – Consignment Transfers

Example 8:

On 13-4-2011, M/s National Traders despatched 2 Nos of Washing Machines at ₹ 12,000 each as consignment sales to National Enterprises, Mumbai vide invoice number 06 against Form F

Step 1:

Let us create the required Masters to record the above transaction.

Creating Ledgers

Step 1:

Let us create the required Masters to record the above transaction.

The consignment/branch transfer outward ledger can be created under sales accounts by selecting the VAT/Tax class - Consignment/Branch Transfer Outward. This value will be considered as a part of total sales.

To create a consignment/branch transfer ledger for showing the value of stock transfers separately in profit & loss account without including it in total sales, a user-defined account group needs to be created. Stock transfer outward and inward have to be grouped under income and expenses respectively by enabling it for reflecting as part of gross profit in account group master.

i. Stock Transfer Outward Group

Create the account group **Stock Transfer Outward** with the details as shown in the table:

Group	Under	Nature of Group	Does it affect Gross Profit	Group behaves like a Sub-Ledger	Nett Debit/ Credit Balance for Reporting	Used for Calculation	Method to allocate when used in Purchase Invoice
Stock Transfer Outward	Primary	Income	Yes	No	No	No	Not Applicable

The Stock Transfer Outward group appears as shown:

The screenshot shows the 'Group Creation' dialog box for 'National Traders'. The 'Name' field is set to 'Stock Transfer Outward'. The 'Under' field is set to 'Primary'. The 'Nature of Group' is 'Income', and 'Does it affect Gross Profits' is set to 'Yes'. Other options like 'Group behaves like a Sub-Ledger', 'Nett Debit/Credit Balances for Reporting', and 'Used for Calculation' are set to 'No'. The 'Method to Allocate when used in Purchase Invoice' is set to 'Not Applicable'. An 'Accept?' button is visible at the bottom right.

Figure 2.40 Stock Transfer Outward Group

i. Consignment/Branch Transfer Ledger

1. Enter the **Name** as **Stock Transfer Outward**
2. Select **Consignment Transfer Outward** 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.

Ledger Creation		National
Name	: Stock Transfer Outward	Total Op. Bal.
(alias)	:	
Under : Stock Transfer Outward		
Inventory values are affected	? Yes	
Used In VAT Returns	? Yes	
Opening Balance (on 1-Apr-2011) :		

Figure 2.41 Stock Transfer Outward Ledger

5. Select the VAT/tax class - **Consignment/Branch Transfer Outward**

The screenshot shows the 'VAT/Tax Class' selection window in Tally. The main window title is 'National Traders'. The 'Name' field is set to 'Stock Transfer Outward'. A 'Total Op. Bal.' field is present but empty. The 'Under' field is also set to 'Stock Transfer Outward'. There are two checkboxes: 'Inventory values are affected' (checked) and 'Used In VAT Returns' (checked). A dropdown menu is open, showing a list of VAT/TAX Classes. The selected class is 'Consignment/Branch Transfer Outward'. Below this, a list of particulars is shown with their respective activation dates (all 1-Apr-2010).

VAT/TAX Class		
Particulars	Activated From	Deactivated From
Not Applicable		
Consignment/Branch Transfer Outward		
Consignment/Branch Transfer Outward (Within State)		
Exports		
Inter-State Sales		
Interstate Sales @ 1%	1-Apr-2010	
Interstate Sales @ 12.5%	1-Apr-2010	
Interstate Sales @ 2% Against Form C	1-Apr-2010	
Interstate Sales @ 4%	1-Apr-2010	
Inter State Sales Against Form - E1		
Inter State Sales Against Form - E2		
Inter- State Sales - Exempted		

Figure 2.42 VAT/Class Selection – Consignment/Branch Transfer Outward

6. Accept the Stock Transfer Outward ledger.

ii. Consignee Ledger

The completed ledger creation screen displays as shown:

Ledger Creation		National Traders		Total Op. Bal.
Name : National Enterprises (alias) :				
Under : Branch / Divisions	Inventory values are affected ? No	Mailing Details Name : National Enterprises Address : # 56, 2nd Main Road Shahid Bhagat Singh Marg Mumbai State : Maharashtra PIN Code : 400001		
		Tax Information PAN / IT No. : YTERT8934B Set/Alter VAT Details ? Yes		
Opening Balance (on 1-Apr-2011) :				Accept ? Yes or No

Figure 2.43 Consignee Ledger – National Enterprises

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

Step 2:

Let us now enter the sales transaction in Tally.ERP 9

To record the Consignment transfer of goods,

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

In **F12: Voucher Configuration**, set **Allow Separate Buyer and Consignee Names** to **No**

1. Enter the reference number in the **Ref.** field
2. Select **National Enterprises** in the **Party's A/c Name** field from the **List of Ledger Accounts**
3. Enter the **Despatch Details** in the **Party Details** screen
4. Select the **Stock Transfer Outward** ledger in the **Sales Ledger** field from the **List of Ledger Accounts**
5. On selecting the **Stock Transfer Outward**, the VAT/Tax Class appears as **Consignment / Branch Transfer Outward** from the **VAT/Tax Class** list
6. Similarly, select **Washing Machine** as the second stock item.

7. Enter the **Quantity** as **2** and **Rate** as **12,000**. The amount is automatically displayed in the **Amount** field
8. Set the option **Is Sale in Principal's A/c** to **No** as the transfer of goods is being considered as consignment transfer
9. Select the **Form to Receive** as **F Form**
10. The option **Show Statutory Details** will be set to **No** by default
11. Accept the default Bill allocations in the **Bill-wise Details** screen
12. Enter the details in the field **Narration**, if required

Figure 2.44 Sales Invoice – Consignment Transfer Outwards

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

2.5.2 Sales – Branch Transfers

Example 9:

On 16-4-2011, M/s National Traders despatched the following goods to its branch office – Parijata Enterprises, Karnataka against Form F vide invoice number 07.

<i>Item Description</i>	<i>Quantity (in Nos)</i>	<i>Rate</i>	<i>Amount</i>
<i>Water Purifiers</i>	<i>3</i>	<i>5,500</i>	<i>16,500</i>
<i>Refrigerator</i>	<i>3</i>	<i>8,500</i>	<i>25,500</i>

Step 1:

Follow the steps given in example 8 to create the branch ledger.

Step 2:

Let us enter the sales transaction in Tally.ERP 9.

To record the Branch transfer of goods,

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

1. Enter the reference number in the **Ref.** field
2. Select **Parijata Enterprises** in the **Party's A/c Name** field from the List of Ledger Accounts
3. Select the **Stock Transfer Outward** ledger in the **Sales Ledger** field from the List of Ledger Accounts
4. Enter the **Despatch Details** in the **Party Details** screen
5. On selecting the **Sales Ledger**, the VAT/Tax Class appears as **Consignment / Branch Transfer Outward** from the **VAT/Tax Class** list
6. Select the **Name of Item** as **Water Purifiers** from the **List of Items**
7. Enter the **Quantity** as **3** and **Rate** as **5,500**. The amount is automatically displayed in the **Amount** field
8. Similarly, select **Refrigerator** as the second stock item
9. Enter the **Quantity** as **3** and **Rate** as **8,500**. The amount is automatically displayed in the **Amount** field
10. Set the option **Is Sale in Principal's A/c** to **Yes** as the transfer of goods is being considered as branch transfer
11. Select the **Form to Receive** as **F Form**
12. The field **Show Statutory Details** will be set to **No** by default
13. Accept the default Bill allocations in the **Bill-wise Details** screen

14. Enter the details in the field **Narration**, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Sales No. 7				16-Apr-2011
Ref. : 07				Saturday
Party's A/c Name : Parijata Enterprises				
Current Balance :				
Sales Ledger : Stock Transfer Outward				
VAT/Tax Class : Consignment/Branch Transfer Outward				
Name of Item	Quantity	Rate per	Amount	
Water Purifiers	3 Nos	5,500.00 Nos	16,500.00	
Refrigerators	3 Nos	8,500.00 Nos	25,500.00	
			<hr/>	
			42,000.00	
↓ End of List				
Is Sale in Principal's A/c		? Yes		
Form to Receive : F Form Form Series No : Form No : Date :				
Show Statutory Details ? No				
Narration:			6 Nos	
Being goods despatched as branch transfers.			<div style="border: 1px solid black; padding: 2px; display: inline-block;"> Accept ? Yes or No </div>	

Figure 2.45 Sales – Transfer of Goods to Branch Office

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

2.6 Exports

The goods exported directly by the dealer will be considered as Direct Exports and will not be considered for levy of Central Sales Tax (CST).

Example 10:

On 20-4-2011, M/s National Traders sold the following items to Zeta Electronics, New York vide invoice number 08.

Item Description	Quantity (in Nos)	Rate (in '\$')	Amount (in '\$')
Air Conditioners	3	850	2,550
Refrigerator	4	350	1,400

Packing Charges of \$250 was charged on the invoice value. The conversion factor per \$ is "1 \$ = ₹ 48"

Step 1:

Let us create the necessary ledgers to account for export sales.

Creating Ledgers

i. Exports Ledger

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

Create the ledger with the following details:

Name	Under	Inventory values are affected	Use in VAT Returns	VAT/Tax Class	Use for Assessable Value Calculation
Exports	Sales Accounts	Yes	Yes	Exports	No

i. Creating Sundry Debtor Ledger

The Sundry Debtor ledger displays as shown:

Ledger Creation		National Traders	
Name : Zeta Electronics (alias) :			Total Op. Bal.
Under : Sundry Debtors (Current Assets)	Maintain balances bill-by-bill : ? Yes Default Credit Period : Inventory values are affected : ? No	Mailing Details Name : Zeta Electronics Address : 222 East, Suite 2510 New York NY 10017 - 6702 State : J Not Applicable PIN Code :	
		Tax Information PAN / IT No. : Set/Alter VAT Details : ? No	
Opening Balance (on 1-Apr-2011) :			Accept ? Yes or No

Figure 2.46 Sundry Debtor – Zeta Electronics

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

iii. Creating Foreign Currency

In the **F11: Features > F1: Accounting Features > Set Allow Multi-Currency to Yes**

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

1. Enter the currency symbol as \$ in **Symbol** field.
2. Enter the name of the currency as **US Dollars** in **Formal Name** field.
3. Enter the number of decimal places as **2**.
4. Set **Show Amount in Millions** to **No**
5. Set **Is Symbol SUFFIXED to Amounts** to **Yes** for the symbol to appear after the amount.
6. Set **Put a SPACE between Amounts and symbol** to **Yes**



Figure 2.47 Currency Creation screen

7. Accept the **Currency Creation** screen

Step 2:

Let us enter the sales transaction in Tally.ERP 9. To create the Sales voucher on Export of goods,

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

1. Enter the reference number in the **Ref.** field
2. Select **Zeta Electronics** in the **Party's A/c Name** field from the List of Ledger Accounts
3. Enter the **Despatch Details** in the **Party Details** screen
4. Select the **Exports** ledger in the **Sales Ledger** field from the List of Ledger Accounts
5. On selecting the **Sales Ledger**, the VAT/Tax Class appears as **Exports** from the **VAT/Tax Class** list
6. Select the **Name of Item** as **Air Conditioner** from the **List of Items**
7. Enter the **Quantity** as **3** and Rate as **\$850**. The **Forex Rate of Exchange** screen will be displayed for entering the conversion factor. Enter the details as shown:

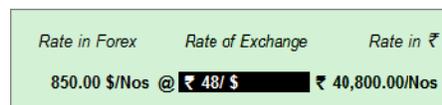


Figure 2.48 Forex Rate of Exchange screen

8. The value is automatically displayed in the **Amount** field.
9. Press **Enter** key to view the **Input Tax Details** sub-screen

10. Select the **Supplier** as **Universal Traders** from the **List of Ledger Accounts**, enter the **Purchase value**
11. Select the **Rate of Tax** from the **Rate of Tax** list
12. The **Input Tax Paid** and the **Eligible Tax Credit** will be blank as claiming of input tax credit is not allowed on interstate purchases.

VAT TamilnaduExportINV		National Traders				Ctrl + M			
Sales	No. 8					20-Apr-2011			
Ref. : 08						Wednesday			
Party's A/c Name :	Zeta Electronics								
Current Balance :									
Sales Ledger :	Exports								
VAT/Tax Class :	Exports								
Name of Item	Quantity	Rate per	Amount						
Air Conditioner	3 Nos	850.00 \$	Nos		2,550.00 \$				
Supplier	Purchase Inv.No	Date	Item	Qty	Purchase Value	Assessable Value	Rate of Tax	Input Tax Paid	Eligible Credit
Universal Traders	01	1-Apr-2011	Air Conditioner	3 Nos	75,000.00	75,000.00	2 %		

Figure 2.49 Exports – Input Tax Details sub-screen for Air Conditioners

13. Similarly, select the stock item **Refrigerator** from the **List of Items**
14. Enter the **Quantity** as **15** and **Rate** as **\$350**. Accept the exchange rate as ₹ 48 per \$
15. The value is automatically displayed in the **Amount** field.
16. Press **Enter** key to view the **Input Tax Details** sub-screen and enter the details as shown:

Supplier	Purchase Inv.No	Date	Item	Qty	Purchase Value	Assessable Value	Rate of Tax	Input Tax Paid	Eligible Credit
Universal Traders	01	1-Apr-2011	Refrigerators	4 Nos	34,000.00	34,000.00	2 %		

Figure 2.50 Exports – Input Tax Details sub-screen for Refrigerators

17. Select the **Packing Charges** ledger and enter the amount as **\$250**
18. Set **Show Statutory Details** field to **Yes**
19. Accept the **Statutory Details** screen
20. Accept the default Bill allocations in the **Bill-wise Details** screen

21. Enter the details in the field **Narration**, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Sales No. 8				20-Apr-2011
Ref. : 08				Wednesday
Party's A/c Name : Zeta Electronics				
Current Balance :				
Sales Ledger : Exports				
VAT/Tax Class : Exports				
Name of Item	Quantity	Rate per	Amount	
Air Conditioner	3 Nos	850.00 \$	2,550.00 \$	
Refrigerators	4 Nos	350.00 \$	1,400.00 \$	
			<hr/>	
			3,950.00 \$	
Packing Charges			250.00 \$	
Show Statutory Details ? No				
Narration:				
Being export sales accounted for.			7 Nos 4,200.00 \$ @ ₹ 48/ \$ = ₹ 2,01,600.00	

Figure 2.51 Sales – Exports

22. Accept the sales invoice.

2.7 Sales against Form H – Deemed Exports

The goods may be sold to an exporter for the purpose of exporting the same. In such a case, the immediate penultimate sales will be exempted from tax. As a result CST will not be levied. Such sales are termed as Deemed Exports and are required to be supported with Form H.

Example 11:

On 20-4-2011, M/s National Traders raised an invoice on Excel Traders on sale of 6 Water Purifiers at ₹ 6,500 each against Form – H vide invoice number 09. Packing charges of ₹ 3,800 was included in the invoice.

Step 1:

Let us create the required masters to account for sales made against Form – H.

Creating Ledgers

i. Deemed Exports Ledger

To create a ledger for exports:

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

Create the ledger with the following details:

Name	Under	Inventory values are affected	Use in VAT Returns	VAT/Tax Class	Use for Assessable Value Calculation
Sales Against Form – H	Sales Accounts	Yes	Yes	Sales (Against Form–H Deemed Export)	No

ii. Creating Sundry Debtor Ledger

Follow the steps given in example 3 to create sundry debtor ledger – Excel Traders.

Step 2:

Let us enter the sales transaction in Tally.ERP 9. To create the Sales voucher for deemed exports,

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

1. Enter the reference number in the **Ref.** field
2. Select **Excel Traders** in the **Party's A/c Name** field from the **List of Ledger Accounts**
3. Enter the **Despatch Details** in the **Party Details** screen
4. Select the **Sales against Form – H** ledger in the **Sales Ledger** field from the **List of Ledger Accounts**
5. On selecting the **Sales Ledger**, the **VAT/Tax Class** appears as **Sales (Against Form–H Deemed Export)**
6. Select the Name of Item as **Water Purifiers** from the **List of Items**
7. Enter the **Quantity** as **6** and **Rate** as **6,500**. The amount is automatically displayed in the **Amount** field

8. Select the **Form to Receive as H Form**

Accounting Voucher Creation		National Traders		Ctrl + M
Sales No. 9				20-Apr-2011
Ref. : 09				Wednesday
Party's A/c Name : Excel Traders				
Current Balance :				
Sales Ledger : Sales Against Form H				
VAT/Tax Class : Sales(Against Form-H Deemed Export)				
Name of Item	Quantity	Rate per	Amount	
Water Purifiers	6 Nos	6,500.00 Nos	39,000.00	
J End of List				
<div style="display: flex; justify-content: space-between;"> <div> <p>Form to Receive : H Form</p> <p>Show Statutory Details ? No</p> <p>Narration:</p> </div> <div style="border: 1px solid black; padding: 5px;"> <p>Form Types</p> <ul style="list-style-type: none"> J Not Applicable C Form F Form H Form I Form </div> <div> <p>Form No : Date :</p> </div> </div>				
			6 Nos	39,000.00

Figure 2.52 Sales Invoice – Sales against Form H

- 9. The field **Show Statutory Details** will be set to **No** by default
- 10. Accept the default Bill allocations in the **Bill-wise Details** screen
- 11. Enter the details in the field **Narration**, if required and accept the sales invoice.

2.8 Inter-State Sale of Exempt Goods

As per the CST Act and under special notifications issued either by State Government or Central Government, some goods are exempted from levy of CST. Such entries can be accounted for using the **VAT/Tax Class – Inter-State Sales – Exempted**.

Example 12:

On 21-4-2011, M/s National Traders sold 60 from the opening stock of 100 periodicals for ₹ 85 each to Mc Millan Techsys, vide invoice number 010. Periodicals are exempt from tax.

Step 1:

Let us create the required masters to interstate sales exempt transactions.

Creating Masters

i. Inter-state Sales Exempted ledger

To create an inter-state exempt sales ledger,

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

Create the ledger with the following details:

Name	Under	Inventory values are affected	Use in VAT Returns	VAT/Tax Class	Use for Assessable Value Calculation
Inter-State Sales – Exempted	Sales Accounts	Yes	Yes	Inter-State Sales – Exempted	No

ii. Creating VAT Commodity

Create the VAT Commodity - Periodicals as per the details given below:

Name	Used For	VAT		
		Commodity Code	Schedule Number	Schedule Serial Number
Periodicals	VAT	711	Fourth Schedule - Part B	11

iii. Stock Items

Create the stock item - Periodicals as per the details given below:

Name	Under	Units	VAT Details	
			Commodity	Rate of VAT
Periodicals	Primary	Nos	Periodicals	0%

In the alteration mode of stock item master, enter the opening balance quantity as 80 nos.

Step 2:

Let us enter the sales transaction in Tally.ERP 9. To create an Invoice for sale of exempt goods during interstate trade,

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

1. Enter the reference in the **Ref.** field
2. Select **Mc Millan Techsys** in the **Party's A/c Name** field from the **List of Ledger Accounts**
3. Enter the **Despatch Details** in the **Party Details** screen

4. Select the **Inter-State Sales – Exempted** ledger in the **Sales Ledger** field from the List of Ledger Accounts
5. On selecting the **Sales Ledger**, the VAT/Tax Class appears as **Inter-State Sales – Exempted**
6. Select the **Name of Item** as **Periodicals** from the **List of Items**
7. Enter the **Quantity** as **60** and **Rate** as **85**. The value is automatically displayed in the **Amount** field
8. Set the option **Is Declared Goods Sales** to **No**
9. The field **Show Statutory Details** will be set to **No** by default
10. Accept the default Bill allocations in the **Bill-wise Details** screen
11. Enter the details in the **Narration** field, if required.

Accounting Voucher Creation		National Traders		Ctrl + M
Sales No. 10				21-Apr-2011
Ref. : 010				Thursday
Party's A/c Name : Mc Millan Techsys Current Balance : 1,81,840.00 Dr Sales Ledger : Inter- State Sales - Exempted VAT/Tax Class : Inter- State Sales - Exempted				
Name of Item	Quantity	Rate per	Amount	
Periodicals	60 Nos	85.00 Nos	5,100.00	
J End of List				
Is Declared Goods Sales ? No				
Form to Receive : J Not Applicable				
Show Statutory Details ? No				
Narration:			60 Nos	Accept ? Yes or No
Being sale of exempt item accounted for.				

Figure 2.53 Sales Invoice – Inter-state Sales Exempted

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

2.9 Sales in the Course of Import

In the process of importing goods from another country, there could be sale of same goods made as per the Rules and Regulations prescribed, even before the completion of import. Such sale are considered as Sale in the Course of Import and is exempted from CST liability.

Example 13:

On 23-4-2011, M/s National Traders imported the following items from Glamour Appliances, New York vide invoice number 03.

Item Description	Quantity (in Nos)	Rate	Amount	VAT Commodity	Commodity Code
Fax Machines	4	13,000	52,000	Fax Machines	333
Photo Copying Machines	5	40,000	2,00,000	Photo Copying Machines	327

On the same day, in the course of import, sold 3 nos of Fax Machines at ₹ 15,000 each to Home Electronics, Chandigarh vide invoice number 011.

Step 1:

Let us create the required masters to record sales in the course of imports.

i. Creating Ledgers

Create the Sales ledgers with the following details:

Sl. No.	Name	Under	Inventory values are affected	Use in VAT Returns	VAT/Tax Class	Use for Assessable Value Calculation
1	Sales in the Course of Import	Sales Accounts	Yes	Yes	Sales in the Course of Import into India	No
2	Imports	Purchase Accounts	Yes	Yes	Imports	No

Create the sundry debtor – **Home Electronics** and Sundry Creditor – **Glamour Appliances** ledger.

iii. Stock Items

Create the stock items with the following details:

Sl. No.	Name	Under	Units	VAT Details	
				Commodity	Rate of VAT
1	Fax Machines	Primary	Nos	Fax Machine	12.5%
2	Photo Copying Machine	Primary	Nos	Photo Copying Machine	12.5%

Step 2:

Let us enter the transactions in Tally.ERP 9.

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

1. Enter the **Supplier Invoice No.** and **Date**
2. Select **Glamour Appliances** 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 **Imports** ledger in the **Purchase Ledger** field from the **List of Ledger Accounts**
5. On selecting the **Imports** ledger, the VAT/Tax Class appears as Inter – State Purchases
6. Select the **Name of Item** as **Fax Machine** from the **List of Items**
7. Enter the **Quantity** as **4** and **Rate** as **13,000**. The value is automatically displayed in the **Amount** field
8. Similarly, select the stock item **Photo Copying Machine**. Enter the **Quantity** as **5** and **Rate** as **40,000**
9. Set the field **Show Statutory Details** as **No**
10. Enter the details in the **Narration** field if required

Accounting Voucher Creation		National Traders		Ctrl + M
Purchase	No. 3			23-Apr-2011
Supplier Invoice No. : 03		Date : 23-Apr-2011		Saturday
Party's A/c Name : Glamour Appliances				
Current Balance :				
Purchase Ledger : Imports				
VAT/Tax Class : Imports				
Name of Item	Quantity	Rate per	Amount	
Fax Machine	4 Nos	13,000.00 Nos	52,000.00	
Photo Copying Machine	5 Nos	40,000.00 Nos	2,00,000.00	
			<hr/>	
			2,52,000.00	
J End of List				
Show Statutory Details ? No				
Narration:				
Being goods imported.				
				Accept ? Yes or No

Figure 2.54 Purchase Invoice – Imports

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

To create a voucher for sales in the course of import of goods,

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

1. Enter the reference number in the **Ref.** field.
2. Select **Home Electronics** in the **Party's A/c Name** field from the List of Ledger Accounts.
3. In the **Party Details** screen, enter the details as shown:

Despatch Details			
Delivery Note No(s)	: DN781	dt. 23-Apr-2011	Despatch Doc. No. : DDN65412
			Despatched through : Cargo Flight
			Destination : Chandigarh
			Bill of lading/LR-RR No. : IA1450 dt. 23-Apr-2011
			Endorsement Date : 23-Apr-2011
Order Details			
Order No(s)	: PO6611	dt. 10-Apr-2011	Mode/Terms of Payment:
			Other Reference(s) :
			Terms of Delivery :
Buyer's Details			
Buyers	: Home Electronics		
Address	: # 9, Sector II Dargha Road Chandigarh		
TIN/Sales Tax No.	: 04785293312		
CST Number	: 04785293312		

Figure 2.55 Sales Invoice – Party Details screen



*The **Despatch Details** entered in the **Party Details** screen while recording the sales made in the course of import will be captured in the respective fields of **Annexure I**. The following details will be captured from **Party Details** screen in **Annexure I**:*

- i. The Bill of lading number from the **Bill of Lading/LR-RR No & Dt** field
- ii. Name and address of the ship/agent from **Despatched through** field.
- iii. Date of endorsement of bill of lading from **Endorsement Date** field
- iv. Bill number along with date from **Despatch Doc No.** field.

4. Select the **Sales in the Course of Import** ledger in the **Sales Ledger** field from the List of Ledger Accounts.
5. On selecting the **Sales in the Course of Import Ledger**, the **VAT/Tax Class** appears as **Sales in the Course of Import into India**
6. Select the **Name of Item** as **Fax Machine** from the **List of Items**
7. Enter the **Quantity** as **3** and **Rate** as **15,000**. The value is automatically displayed in the **Amount** field.
8. Press **Enter** key to view the **Annexure I – Import Details** screen.
9. Select **Glamour Appliances** List of Ledger Accounts in the **Foreign seller's Name and Address** field

10. Enter the Purchase Value as **39,000**

Annexure I - Import Details	
Foreign seller's Name and Address :	Glamour Appliances
Purchase value :	39,000.00

Figure 2.56 Sales in the Course of Import – Import Details

11. The field **Show Statutory Details** will be set to **No** by default

12. Enter the details in the **Narration** field if required

Accounting Voucher Creation		National Traders		Ctrl + M
Sales No. 11				23-Apr-2011
Ref. : 011				Saturday
Party's A/c Name : Home Electronics				
Current Balance :				
Sales Ledger : Sales in the Course of Import				
VAT/Tax Class : Sales in the Course of Import into India				
Name of Item	Quantity	Rate per	Amount	
Fax Machine	3 Nos	15,000.00 Nos	45,000.00	
J End of List				
Show Statutory Details ? No				
Narration:				
Being goods sold in the course of import accounted for.				
				3 Nos
				Accept ?
				Yes or No

Figure 2.57 Sales Invoice – Sales In the Course of Import

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

2.10 Sales – Outside the State

Any goods transferred outside the state in the course of interstate trade and subsequently sold as inter-state sales, will be considered as sale outside the state. At the first instance if such sales are considered as interstate sales and later identified as Sale outside the state, a journal entry needs to be recorded for accounting the actual sale. On the other hand, if any CST is on the first sale, then the same needs to be reverted. The reversal entry has to be made in a journal using the VAT Adjustment –Others.

Example 14:

On 26-4-2011, M/s National Traders received a sales order from Excel Traders, Mumbai for 4 photo copying machines priced at ₹ 43,000 each. M/s National Traders raised a sales invoice for the said item vide invoice number 012, despatched 2 nos and requested the branch office – National Enterprises to despatch remaining quantity. CST @ 2% was charged while invoicing against C Form. The sale value and CST amount of goods despatched by branch office was reversed on 27-4-2011.

Step 1:

Let us create the necessary masters to record sales outside the state.

Creating Masters

i. Inter-state Sales – Tax Free Ledger

To create a ledger for inter-state Sales – Tax Free classification:

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

Create the ledger with the following details:

Name	Under	Inventory values are affected	Use in VAT Returns	VAT/Tax Class	Use for Assessable Value Calculation
Inter-State Sales - Tax Free	Sales Accounts	Yes	Yes	Inter-State Sales - Tax Free	No

ii. Enabling VAT Adjustments in Journal Voucher Type

To create a VAT Adjustment class for journal vouchers,

Go to **Gateway of Tally > Accounts Info. > Voucher Types > Alter > Journal**

1. In the **Voucher Type Alteration** screen, enter the **Name of Class** as **VAT Adjustment Class**

Voucher Type Alteration		National Traders	Ctrl + M
Name : Journal			
(alias) :			
General		Printing	Name of Class
Type of Voucher : Journal		Print after saving Voucher ? No	VAT Adjustment Class
Abbr. : Jml			
Method of Voucher Numbering ? Automatic			
Use Advance Configuration ? No			
Use EFFECTIVE Dates for Vouchers ? No			
Make 'Optional' as default ? No			
Use Common Narration ? Yes			
Narrations for each entry ? No			

Figure 2.58 Journal Voucher Type – Voucher Class

2. Press **Enter** to view the **Voucher Type Class** screen
3. Set **Use Class for VAT Adjustments** to **Yes**

Voucher Type Class		National Traders	Ctrl + M
Name : Jou		Class : VAT Adjustment Class	
(alias) :			
Use Class for VAT Adjustments ? Yes			
Use Class for Forex Gain/Loss Adjustments ? No			
<i>Ledger account to use</i>			
Ledger Name		is of Class	

Figure 2.59 Voucher Type Class screen

4. The value of foreign exchange gain/loss on account of imports/exports can be adjusted on creating another voucher class and enabling the option **Use Class for Forex Gain/Loss Adjustment**
5. Accept the **Voucher Type Class** screen and return to the **Voucher Type Alteration** screen
6. Accept the journal voucher type.

Step 2:

Create the inter-state sales entry by following the steps provided in Example 3. The completed inter-state sales entry displays as shown:

Accounting Voucher Creation		National Traders		Ctrl + M
Sales No. 12				26-Apr-2011
Ref.: 012				Tuesday
Party's A/c Name : Excel Traders				
Current Balance : 39,000.00 Dr				
Sales Ledger : Interstate Sales @ 2%				
VAT/Tax Class : Interstate Sales @ 2% Against Form C				
Name of Item	Quantity	Rate per	Amount	
Photo Copying Machine	4 Nos	43,000.00 Nos	1,72,000.00	
CST @ 2%		2 %	3,440.00	
Is Declared Goods Sales ? No				
Form to Receive : C Form Form Series No : Form No : Date :				
Show Statutory Details ? No				
Narration: 4 Nos				
Being inter-state sales accounted for.				
				Accept ? Yes or No

Figure 2.60 Sales Invoice – Inter-State Sales

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

Step 3:

Let us now record the journal adjustment entry to account for the reversal of Interstate sales to Sales outside the State and CST levied to branch account.

To create a journal adjustment entry,

Go to **Gateway of Tally > Accounting Vouchers > F7: Journal > Select VAT Adjustment Class** from the **Voucher Class** list

i. Accounting for the value of Inter-State Sale made outside the state as Inter-State Tax Free sales

1. Select **Sale of Goods Outside the State** in the **Used for** field
2. Debit **Interstate Sales** ledger
3. In the **Inventory Allocations** screen, select **Name of Item** as **Photo Copying Machine**. Enter the **Quantity** as **2** and **Rate** as **43,000**

4. Select **Inter-State Sales @ 2% Against Form C** as the **VAT/Tax Class** from the VAT/Tax Class list
5. The amount will be displayed in the **Debit** field
6. Enter the details in the field **Narration**, if required
7. Credit the **Inter-State Sales – Tax Free** ledger. The VAT/Tax Class appears as **Inter-State Sales – Tax Free**
8. In the **Inventory Allocations** screen, select **Name of Item** as **Photo Copying Machine**. Enter the **Quantity** as **2** and Rate as **43,000**
9. Select **Inter-State Sales – Tax Free** as the **VAT/Tax Class** from the VAT/Tax Class list
10. The amount will be displayed in the **Credit** field
11. Enter the details in the field **Narration**, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Journal	No. 1	Voucher Class : VAT Adjustment Class		27-Apr-2011 Wednesday
Used for: Sale of Goods Outside the State				
Particulars		Debit	Credit	
Dr Interstate Sales @ 2%		86,000.00		
<i>Cur Bal: 2,47,000.00 Cr</i>				
Photo Copying Machine	2 Nos 43,000.00Nos	86,000.00		
Cr Inter-State Sales - Tax Free			86,000.00	
<i>Cur Bal: 86,000.00 Cr</i>				
Photo Copying Machine	2 Nos 43,000.00Nos	86,000.00		
Narration:		86,000.00	86,000.00	
Being value of interstate sales transferred to interstate sales exempted account.				

Accept ?

Yes or No

Figure 2.61 Journal Voucher – Sale of Goods Outside the State

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

ii. Transferring the value of CST paid to Branch office

1. Select **Others** in the **Used for** field
2. Debit the ledger **CST @ 2%**. In the **VAT Class Details** screen, select **Inter-State Sales** as the **VAT/Tax Class** and enter the **Assessable Value** as **86,000**
3. Enter the **CST** amount as **1,720**
4. Credit **National Enterprises** and the credit amount will be displayed automatically

5. Enter the details in the field **Narration**, if required
6. Credit the branch ledger **National Enterprises**

Accounting Voucher Creation		National Traders		Ctrl + M
Journal	No. 2	Voucher Class : VAT Adjustment Class		27-Apr-2011 Wednesday
Used for: Others				
Particulars		Debit	Credit	
Dr CST @ 2%		1,720.00		
<i>Cur Bal: 6,040.00 Cr</i>				
Cr National Enterprises			1,720.00	
<i>Cur Bal: 22,280.00 Dr</i>				
Narration: Being CST amount reversed.		1,720.00	1,720.00	

Accept ?

Yes or No

Figure 2.62 Sales Outside the State – Reversing the CST amount

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

2.11 Sales to SEZ Units against Form – I

Form I is used for claiming the exemption from CST on the sales made to any Special Economic Zone (SEZ). The buying dealer issues 'Form I' to the selling dealer. The selling dealer needs to submit the same (Form I) to the department to claim all the export benefits available to original exporter.

Example 15:

On 27-4-2011, M/s National Traders sold the following items to Tech Apparels, Gujarat against Form I vide invoice number 013.

<i>Item Description</i>	<i>Quantity (in Nos)</i>	<i>Rate</i>	<i>Amount</i>
<i>Fax Machines</i>	<i>1</i>	<i>15,000</i>	<i>15,000</i>
<i>Photo Copying Machines</i>	<i>1</i>	<i>43,000</i>	<i>43,000</i>

Step 1:

Let us create the necessary masters to record sales outside the state.

Creating Masters

i. Inter-state Sales Ledger

To create a ledger for inter-state Sales:

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

Create the ledger with the following details:

Name	Under	Inventory values are affected	Use in VAT Returns	VAT/Tax Class	Use for Assessable Value Calculation
Interstate Sales	Sales Accounts	Yes	Yes	Inter-State Sales	No

ii. Sundry Debtor Ledger

Create the Sundry Debtor ledger - Tech Apparels by following the steps given in Example 3.

Step 2:

Let us enter the transaction in Tally.ERP 9.

To create an inter-state sales invoice against Form-I,

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

1. Enter the reference number in the **Ref.** field.
2. Select **Tech Apparels** in the **Party's A/c Name** field from the List of Ledger Accounts.
3. Enter the **Despatch Details** in the **Party Details** screen
4. Select the **Inter-State Sales** ledger in the **Sales Ledger** field from the List of Ledger Accounts.
5. On selecting the **Inter-State Sales** Ledger, the VAT/Tax Class appears as **Inter-State Sales** from the **VAT/Tax Class** list
6. Select the **Name of Item** as **Fax Machine** from the **List of Items**
7. Enter the **Quantity** as **1** and **Rate** as **15,000**. The amount is automatically displayed in the **Amount** field.
8. Similarly, select another stock item as **Photo Copying Machine**
9. Enter the **Quantity** as **1** and **Rate** as **43,000**. The amount is automatically displayed in the **Amount** field.
10. Set **Is Declared Goods Sale** to **No**
11. Select the **Form to Receive** as **I Form**

The screenshot shows the 'Accounting Voucher Creation' window for 'National Traders'. The voucher is a 'Sales' voucher (No. 13) dated '27-Apr-2011' (Wednesday). The reference number is '013'. The party is 'Tech Apparels'. The sales ledger is 'Interstate Sales' and the VAT/Tax class is 'Inter-State Sales'. The items listed are 'Fax Machine' (1 Nos @ 15,000.00) and 'Photo Copying Machine' (1 Nos @ 43,000.00), with a total amount of 58,000.00. The 'Is Declared Goods Sales' checkbox is unchecked (No). The 'Form to Receive' is set to 'I Form'. A 'Form Types' dropdown menu is open, showing options: 'Not Applicable', 'C Form', 'F Form', 'H Form', and 'I Form' (which is selected). The 'Form No.' and 'Date' fields are empty. The 'Show Statutory Details' checkbox is unchecked (No). The narration field is empty. At the bottom right, a summary line shows '2 Nos' and '58,000.00'.

Name of Item	Quantity	Rate per	Amount
Fax Machine	1 Nos	15,000.00 Nos	15,000.00
Photo Copying Machine	1 Nos	43,000.00 Nos	43,000.00
			58,000.00

Figure 2.63 Sales Invoice – Sales against Form I

- 12. The field **Show Statutory Details** will be set to **No**
- 13. Enter the details in the **Narration** field if required
- 14. Accept the sales invoice.

2.12 Sale of Special Category Goods

The State government, through a special notification may declare some of the goods as goods of special category. All such goods are exempted from tax or charged at the lower rate than the normal sales tax rate. CST will be levied at a lower rate on such goods when sold in the course of interstate sale.

Example 16:

M/s National Traders, decided to add textiles into its line of business. So on 28-4-2011, it purchases 50 nos of silk fabrics (commodity code – 2127) at ₹ 1,500 each from Kiran Textiles, Chennai vide invoice number 04. The silk fabrics were taxable at 4% VAT.

Step 1:

Create the stock item – Silk Fabrics and sundry creditor ledger - Kiran Textiles by following the steps given in example 1.

i. Purchase Ledger

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

Create the ledger with the following details:

Name	Under	Inventory values are affected	Use in VAT Returns	VAT/Tax Class	Use for Assessable Value Calculation
Purchases @ 4%	Purchase Accounts	Yes	Yes	Purchases @ 4%	No

ii. Input VAT Ledger

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

Create the input VAT ledger with the following details:

Name	Under Group	Type of Duty/Tax	VAT Sub Type	VAT/Tax Class	Inventory values are affected	Percentage of Calculation	Method of Calculation
Input VAT @ 4%	Duties & Taxes	VAT	Input VAT	Input VAT @ 4%	No	4%	On VAT Rate

Step 2:

Let us now enter the transaction in Tally.ERP 9. To create a purchase invoice,

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

1. Enter the Reference number in the **Ref.** field
2. Select the **Party's A/c Name** as **Kiran Textiles** from the **List of Ledger Accounts**
3. Select the **Name of Item** as **Silk Fabrics** from the **List of Items**
4. Enter the **Quantity** as **50** and **Rate** as **1,500**. The amount is automatically displayed in the **Amount** field
5. Select **Input VAT @ 4%** from the **List of Ledger Accounts**
6. Enter the details of the **Narration** field, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Purchase	No. 4			28-Apr-2011
Supplier Invoice No. : 04		Date : 28-Apr-2011		Thursday
Party's A/c Name : Kiran Textiles				
Current Balance :				
Purchase Ledger : Purchases @ 4%				
VAT/Tax Class : Purchases @ 4%				
Name of Item	Quantity	Rate per	Amount	
Silk Fabrics	50 Nos	1,500.00 Nos	75,000.00	
Input VAT @ 4%		4 %	3,000.00	
Show Statutory Details ? No Narration: <u>50 Nos</u> Being Silk Fabrics purchased.				
				Accept ? Yes or No

Figure 2.64 Purchase Invoice

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

Example 17:

On 28-4-2011, M/s National Traders sold 15 nos of Silk Fabrics at ₹ 1,700 each to Raj Textiles, Karnataka vide invoice number 014.

Step 1:

Let us create the required masters to record the above transaction.

Creating Ledgers

i. Sale – Special Category Goods

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

Create the ledger with the following details:

Name	Under	Inventory values are affected	Use in VAT Returns	VAT/Tax Class	Use for Assessable Value Calculation
Sale – Special Category Goods	Sales Accounts	Yes	Yes	Inter-State Sales – Spl. Category Goods	No

ii. Sundry Debtor Ledger

Create the ledger – Raj Textiles under Sundry Debtors.

Step 2:

Let us now record the entry in Tally.ERP 9. To create an entry for Inter-State Sale of Special Category goods,

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

1. Enter the reference in the **Ref.** field
2. Select the **Party's A/c Name** as **Raj Textiles** from the List of Ledger Accounts
3. Enter the **Despatch Details** in the **Party Details** screen
4. Select **Sale – Special Category Goods** ledger in the **Sales Ledger** field from the List of Ledger Accounts
5. On selecting the **Sale – Special Category Goods**, the VAT/Tax Class appears as **Inter-State Sales–Spl. Category Goods** from the VAT/Tax Class list
6. Select the **Name of Item** as **Silk Fabrics**
7. Enter the **Quantity** as **15** and **Rate** as **1,700**. The value is automatically displayed in the **Amount** field.
8. Set the option **Is Declared Goods Sales** to **Yes**
9. Set the field **Show Statutory Details** as **No**

10. Enter the details in the **Narration** field, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Sales No. 14				28-Apr-2011
Ref. : 014				Thursday
Party's A/c Name : Raj Textiles				
Current Balance :				
Sales Ledger : Sales - Special Category Goods				
VAT/Tax Class : Inter-State Sales - Spl. Category Goods				
Name of Item	Quantity	Rate per	Amount	
Silk Fabrics	15 Nos	1,700.00 Nos	25,500.00	
↓ End of List				
Is Declared Goods Sales ? Yes ←				
Form to Receive : ↓ Not Applicable				
Show Statutory Details ? No				
Narration:				
Being sale of declared goods accounted for.				
				Accept ?
				Yes or No

Figure 2.65 Sales Invoice – Sale of Special Category Goods

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



*The option **Is Declared Goods Sales** will be set to **Yes**, when sale of special category goods are categories as declared under CST Act. On selling the goods exempted or taxed at lower rate under a state government notification the option **Is Declared Goods Sales** will be set to **No**.*

2.13 Taxable Local Sales

Example 18:

On 28-3-2011, M/s National Traders sold 20 nos of silk fabrics at ₹ 1,600 each to Harshita Textiles vide invoice number 015. Output VAT was charged @ 4%.

Step 1:

Let us create the required masters to record the above transaction.

Creating Ledger

i. Sales Ledger

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

Create the ledger with the following details:

Name	Under	Inventory values are affected	Use in VAT Returns	VAT/Tax Class	Use for Assessable Value Calculation
Sale @ 4%	Sales Accounts	Yes	Yes	Sales @ 4%	No

ii. Output VAT @ 4%

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

Create the ledger with the following details:

Name	Under	Type of Duty /Tax	VAT/Tax Class	Inventory values are affected	Percentage of Calculation	Method of Calculation	Rounding Method
Output VAT @ 4%	Duties & Taxes	VAT	Output VAT @ 4%	No	No	On VAT Rate	Not Applicable

iii. Sundry Debtor Ledger

Create the ledger – Harshita Textiles under Sundry Debtors

Step 2:

Let us now enter the transaction in Tally.ERP 9. To create a sales invoice,

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**

1. Enter the reference in the **Ref.** field, if required.
2. Select **Harshita Textiles** in the **Party's A/c Name** field from the List of Ledger Accounts.
3. Enter the **Despatch Details** in the **Party Details** screen
4. Select the Name of Item as Silk Fabrics
5. Enter the **Quantity** as **20** and **Rate** as **1,600**. The amount is automatically displayed in the **Amount** field
6. Select **Output VAT @ 4%** from the **List of Ledger Accounts**
7. Set **Show Statutory Details** field to **Yes**
8. Accept the **Statutory Details** screen

9. Enter the details in the **Narration** field, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Sales No. 15				28-Apr-2011
Ref.: 015				Thursday
Party's A/c Name : Harshita Textiles				
Current Balance :				
Sales Ledger : Sales @ 4%				
VAT/Tax Class : Sales @ 4%				
Name of Item	Quantity	Rate per	Amount	
Silk Fabrics	20 Nos	1,600.00 Nos	32,000.00	
Output VAT @ 4%		4 %	1,280.00	
Show Statutory Details ? No Narration: _____ Being sales within the state accounted for.				
			20 Nos	<div style="border: 1px solid black; padding: 5px; text-align: center;"> Accept ? Yes or No </div>

Figure 2.66 Sales Invoice

10. Press **Y** or **Enter** to accept the voucher.

Lesson 3: Accounting for CST Adjustments & Payment

Lesson Objectives

On completion of this lesson, you will be able to

- ❑ Record transactions of Sales returns
- ❑ Account for price variations
- ❑ Set-off the CST liability against input tax credit
- ❑ Record CST Payment entry

3.1 Sales Returns

The buyer may return goods when is it not in accordance with the specifications made. On receipt of the goods returned by buyer, an entry needs to be made in credit note. An entry to record any change in sales consideration i.e., increase/decrease in sale price, can be made in debit note or credit note as applicable using the VAT Adjustment – Others.

Let us record the entries pertaining to sales returns for:

- ❑ Sales made against C Forms
- ❑ Sales in the Course of Imports into India
- ❑ Sales made against Form C+E1/E2
- ❑ Consignment Transfers
- ❑ Stock Transfers

Sales made against C Forms

i. Returns

Example 19:

On 7-4-2011, M/s National Traders received the following items returned by Mc Millan Techsys against C Form. The goods returned were against the sale recorded on 3-4-2011.

Item Description	Quantity (in Nos)	Rate	Amount
Air Conditioner	1	28,000	28,000
Refrigerator	1	10,500	10,500

Step 1:

Let us enter the transaction in Tally.ERP 9.

To enable the credit note feature, go to **Gateway of Tally > F11: Features > F1: Accounting Features**

Enable the following fields:

- Use Debit/Credit Notes
- Use Invoice mode for Credit Notes
- Use Invoice mode for Debit Notes

Go to **Gateway of Tally > Accounting Vouchers > Ctrl+F8: Credit Note**

1. Enter the reference number in the **Ref.** field.
2. Select **Goods Sold Returned** from list of **VAT Adjustments** in the **Used For** field

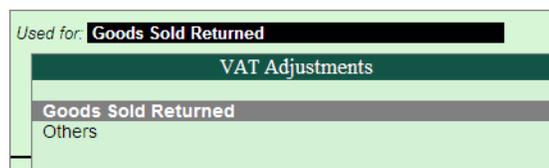


Figure 3.1 Credit Note – VAT Adjustments

3. Select **Mc Millan Techsys** as the **Party's A/c Name** from the List of Ledger Accounts
4. Select **Inter-State Sales** as the **Sales Ledger**
5. On selecting **Inter-State Sales**, the VAT /Tax Class appears as **Inter-State Sales**
6. Select the **Name of Item** as **Air conditioner** from the **List of Items**
7. Enter the **Quantity** as **1** and **Rate** as **28,000**. The **Amount** will be automatically displayed
8. Similarly, select **Refrigerator**, enter the **Quantity** as **1** and **Rate** as **10,500**
9. Select **Form C** as the **Form to Receive**
10. Set **Show Statutory Details** to **Yes**
11. Accept the **Statutory Details** screen

12. Enter the details in the field **Narration**, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Credit Note	No. 1			7-Apr-2011 Thursday
Ref. : 01	Used for: Goods Sold Returned			
Party's A/c Name : Mc Millan Techsys Current Balance : 1,81,840.00 Dr Sales Ledger : Interstate Sales @ 2% VAT/Tax Class : Interstate Sales @ 2% Against Form C				
Name of Item	Quantity	Rate per	Amount	
Air Conditioner	1 Nos	28,000.00 Nos	28,000.00	
Refrigerators	1 Nos	10,500.00 Nos	10,500.00	
			<hr/>	
			38,500.00	
CST @ 2%		2 %	770.00	
Is Declared Goods Sales ? No				
Form to Receive : C Form	Form Series No :	Form No :	Date :	
Show Statutory Details ? No				
Narration:	2 Nos			Accept ?
Being sales returns accounted for.				Yes or No

Figure 3.2 Credit Note – Inter-State Sales

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

Sales against Form E1/E2

i. Returns

Example 20:

On 8-4-2011, M/s National Traders received 1 Washing Machine worth ₹ 12,000 from Rishita Traders against Form E1. The sales return was against the sales dated 7-4-2011.

Step 1:

Let us enter the transaction in Tally.ERP 9.

In the Sales Invoice Configuration set **Activate 'E1' or 'E2' Transaction (VAT)** to **Yes**.

Go to **Gateway of Tally > Accounting Vouchers > Ctrl+F8: Credit Note**

1. Enter the reference number in the **Ref.** field.
2. Select **Goods Sold Returned** from list of **VAT Adjustments** in the **Used For** field
3. Select **Rishita Traders** as the **Party's A/c Name** from the List of Ledger Accounts
4. Select **Inter-State Sales – Form E1** as the **Sales Ledger**

5. On selecting **Inter-State Sales – Form E1**, the VAT /Tax Class appears as **Inter-State Sales Against Form – E1**
6. Select the **Name of Item** as **Washing Machine** from the **List of Items**
7. Enter the **Quantity** as **1** and **Rate** as **12,000**. The **Amount** will be automatically displayed
8. In the **Annexure II – Transit Sale Details**, select the **Seller’s Name and Address** as **Universal Traders** and **Purchase Value – 10,500**
9. Select **Form C** as the **Form to Receive**
10. Select **Form E1** as the **Form to Issue**
11. The field **Show Statutory Details** will be set to **No** by default
12. Enter the details in the field **Narration**, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Credit Note No. 2				8-Apr-2011
Ref. : 02		Used for: Goods Sold Returned		Friday
Party's A/c Name : Rishita Traders				
Current Balance : 49,980.00 Dr				
Sales Ledger : Inter-State Sales - Form E1				
VAT/Tax Class : Inter State Sales Against Form - E1				
Name of Item	Quantity	Rate per	Amount	
Washing Machines	1 Nos	12,000.00 Nos	12,000.00	
↓ End of List				
Is Declared Goods Sales ? No				
Form to Receive : C Form	Form Series No :	Form No :	Date :	
Form to Issue : E1 Form	Form Series No :	Form No :	Date :	
Show Statutory Details ? No				
Narration:			1 Nos	
Being sales returns against Form E1 accounted for.			<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Accept ? Yes or No </div>	

Figure 3.3 Credit Note – Inter-State Sales against Form E1

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

ii. Price Variation – Increase in sale value

Example 21:

On 12-4-2011, M/s National Traders raised a debit note on Rishita Traders for increase in Sale value of Water Purifiers to the extent of ₹ 2,000 against Form E1 on sales dated 7-4-2011:

Step 1:

Let us enter the transaction in Tally.ERP 9.

Go to **Gateway of Tally > Accounting Vouchers > Ctrl+F9: Debit Note**

1. Select the **Voucher** mode (use the key combination **Ctrl+V**) to record the increase in sale value.
2. Enter the reference number in the **Ref.** field
3. Select **Others** from the list of **VAT Adjustments** in the **Used For** field.
4. Debit **Rishita Traders** from the **List of Ledger Accounts** and enter the amount as **2,000** in the **Debit** field
5. In the **Bill-wise Details** screen select the reference dated 8-4-2011 and debit 2,000
6. Credit **Inter-State Sales – Form E1** from the List of Ledger Accounts
7. In the **Inventory Allocation** screen, select **Water Purifier** and enter the amount as **2,000**
8. Select the VAT/Tax Class as **Inter-State Sales Against Form – E1** from the **VAT/Tax Class** list
9. Set **Is Declared Goods Sales** to **No**
10. Select **Form C** as the **Form to Issue** and **E1 Form** as the **Form to Receive**
11. Enter the details in the **Narration** field, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Debit Note No. 1				12-Apr-2011
Ref. : 01		Used for: Others		Tuesday
Particulars		Debit	Credit	
Dr Rishita Traders		2,000.00		
<i>Cur Bal: 39,980.00 Dr</i>				
Agst Ref 2	2,000.00 Dr			
Cr Inter-State Sales - Form E1			2,000.00	
<i>Cur Bal: 33,500.00 Cr</i>				
Water Purifiers	2,000.00			
Is Declared Goods Sales ? No				
Form to Issue : C Form Form Series No : Form No : Date :				
Form to Receive : E1 Form Form Series No : Form No : Date :				
Narration:				
Increase in sale value accounted for.			2,000.00	2,000.00
				Accept ?
				Yes or No

Figure 3.4 Debit Note – Increase in Sale Value

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

Stock Transfers

i. Returns

Example 22:

On 14-4-2011, National Enterprises returned 1 Washing Machine worth ₹ 12,000 to M/s National Traders against Form F towards goods despatched on 13-4-2011.

Step 1:

Let us enter the transaction in Tally.ERP 9.

Go to **Gateway of Tally > Accounting Vouchers > Ctrl+F8: Credit Note**

1. Enter the reference number in the **Ref.** field.
2. Select **Goods Sold Returned** from list of **VAT Adjustments** in the **Used For** field
3. Select **National Enterprises** as the **Party's A/c Name** from the List of Ledger Accounts
4. Select **Branch Transfer Outwards** as the **Sales Ledger**
5. On selecting **Stock Transfer Outwards**, the VAT /Tax Class appears as **Consignment/ Branch Transfer Outward**
6. Select the **Name of Item** as **Washing Machine** from the **List of Items**
7. Enter the **Quantity** as **1** and **Rate** as **12,000**. The **Amount** will be automatically displayed
8. Set **Is Sale in Principal's A/c** to **No**
9. Select **Form F** as the **Form to Receive**
10. Set **Show Statutory Details** to **No**

11. Enter the details in the field **Narration**, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Credit Note No. 3				14-Apr-2011
Ref. : 03		Used for: Goods Sold Returned		Thursday
Party's A/c Name : National Enterprises				
Current Balance : 24,000.00 Dr				
Sales Ledger : Stock Transfer Outward				
VAT/Tax Class : Consignment/Branch Transfer Outward				
Name of Item	Quantity	Rate per	Amount	
Washing Machines	1 Nos	12,000.00	Nos	12,000.00
J End of List				
Is Sale in Principal's A/c ? No				
Form to Receive : F Form Form Series No : Form No : Date :				
Show Statutory Details ? No				
Narration: Being Washing Machine returned by branch office				1 Nos
				Accept ? Yes or No

Figure 3.5 Credit Note – Stock Transfer

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

ii. Additions

Example 23:

On 15-4-2011, M/s National Traders raised a debit note of ₹ 2,800 on National Enterprises to account for an increase in the price of Washing Machines despatched on 13-4-2011.

Step 1:

Let us enter the transaction in Tally.ERP 9.

Go to **Gateway of Tally > Accounting Vouchers > Ctrl+F9: Debit Note**

1. Select the **Voucher** mode (use the key combination **Ctrl+V**) to record the increase in sale value.
2. Enter the reference number in the **Ref.** field
3. Select **Others** from the list of **VAT Adjustments** in the **Used For** field.
4. Debit **National Enterprises** from the **List of Ledger Accounts** and enter the amount as **2,800** in the **Debit** field
5. Credit **Branch Transfer Outwards** from the List of Ledger Accounts
6. In the **Inventory Allocation** screen, select **Washing Machine** and enter the amount as **2,800**

7. Select the VAT/Tax Class as **Consignment/Branch Transfer Outwards** from the **VAT/Tax Class** list
8. Set **Is Declared Goods Sales** to **No**
9. Select **Form F** as the **Form to Issue**
10. Enter the details in the **Narration** field, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Debit Note No. 2				15-Apr-2011
Ref. : 02		Used for: Others		Friday
Particulars		Debit	Credit	
Dr National Enterprises		2,800.00		
<i>Cur Bal: 14,800.00 Dr</i>				
Cr Stock Transfer Outward			2,800.00	
<i>Cur Bal: 14,800.00 Cr</i>				
Washing Machines	2,800.00			
Is Sale in Principal's A/c		? No		
Form to Issue : F Form		Form Series No :		Form No :
				Date :
Narration:				
Being increase in sale value accounted for.				
				2,800.00 2,800.00
				Accept ?
				Yes or No

Figure 3.6 Debit Note – Stock Transfer

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

Consignment Transfers

i. Returns

Example 24:

On 18-4-2011, Parijata Enterprises returned 1 Refrigerator worth ₹ 8,500 to M/s National Traders against Form F towards goods despatched on 16-4-2011.

Step 1:

Let us enter the transaction in Tally.ERP 9.

Go to **Gateway of Tally > Accounting Vouchers > Ctrl+F8: Credit Note**

1. Enter the reference number in the **Ref.** field.
2. Select **Goods Sold Returned** from list of **VAT Adjustments** in the **Used For** field

3. Select **Parijata Enterprises** as the **Party's A/c Name** from the List of Ledger Accounts
4. Select **Branch Transfer Outwards** as the **Sales Ledger**
5. On selecting **Branch Transfer Outwards**, the VAT /Tax Class appears as **Consignment/ Branch Transfer Outward**
6. Select the **Name of Item** as **Refrigerator** from the **List of Items**
7. Enter the **Quantity** as **1** and **Rate** as **8,500**. The **Amount** will be automatically displayed
8. Set **Is Sale in Principal's A/c** to **Yes**
9. Select **Form F** as the **Form to Receive**
10. Set **Show Statutory Details** to **No**
11. Enter the details in the field **Narration**, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Credit Note No. 4				18-Apr-2011
Ref. : 04				Monday
<i>Used for: Goods Sold Returned</i>				
Party's A/c Name : Parijata Enterprises				
Current Balance : 42,000.00 Dr				
Sales Ledger : Stock Transfer Outward				
VAT/Tax Class : Consignment/Branch Transfer Outward				
Name of Item	Quantity	Rate per	Amount	
Refrigerators	1 Nos	8,500.00 Nos	8,500.00	
↓ End of List				
Is Sale in Principal's A/c ? Yes				
Form to Receive : F Form		Form Series No :	Form No :	Date :
Show Statutory Details ? No				
Narration:			1 Nos	
				Accept ? Yes or No

Figure 3.7 Credit Note – Consignment Transfer

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

ii. Additions

Example 25:

On 19-4-2011, M/s National Traders raised a debit note against Form F for ₹ 4,800 on Parijata Enterprises towards increase in the price of Water Purifier despatched on 16-4-2011.

Step 1:

Let us enter the transaction in Tally.ERP 9.

Go to **Gateway of Tally > Accounting Vouchers > Ctrl+F9: Debit Note**

1. Select the **Voucher** mode (use the key combination **Ctrl+V**) to record the increase in sale value.
2. Enter the reference number in the **Ref.** field
3. Select **Others** from the list of **VAT Adjustments** in the **Used For** field.
4. Debit **Parijata Enterprises** from the **List of Ledger Accounts** and enter the amount as **4,800** in the **Debit** field
5. Credit **Stock Transfer Outwards** from the List of Ledger Accounts
6. In the **Inventory Allocation** screen, select **Water Purifiers** and enter the amount as **4,800**
7. Select the VAT/Tax Class as **Consignment/Branch Transfer Outwards** from the **VAT/Tax Class** list
8. Set **Is Sale in Principals A/c** to **Yes**
9. Select **Form F** as the **Form to Issue**
10. Enter the details in the **Narration** field, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Debit Note No. 3				19-Apr-2011
Ref. : 03		Used for: Others		Tuesday
Particulars		Debit	Credit	
Dr Parijata Enterprises		4,800.00		
<i>Cur Bal: 38,300.00 Dr</i>				
Cr Stock Transfer Outward			4,800.00	
<i>Cur Bal: 53,100.00 Cr</i>				
Water Purifiers	4,800.00			
Is Sale in Principal's A/c		? Yes		
Form to Issue : F Form		Form Series No :	Form No :	Date :
Narration:				
		4,800.00	4,800.00	

Accept ?

Yes or No

Figure 3.8 Debit Note – Consignment Transfer

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

Sales in the Course of Imports into India

i. Returns

Example 26:

On 24-4-2011, M/s National Traders received 1 Fax Machine worth ₹ 15,000 returned by Home Electronics against the sales recorded on 23-4-2011.

Step 1:

Let us now enter the transaction in Tally.ERP 9.

To create a Credit Note for Goods Sold Returned,

Go to **Gateway of Tally > Accounting Vouchers > Ctrl+F8: Credit Note**

1. Enter the reference number in the **Ref.** field.
2. Select **Goods Sold Returned** from list of **VAT Adjustments** in the **Used For** field
3. Select **Home Electronics** as the **Party's A/c Name** from the List of Ledger Accounts
4. Select **Sales in the Course of Import** as the **Sales Ledger**
5. On selecting **Sales in the Course of Import**, the VAT /Tax Class appears as **Sales in the Course of Import into India**
6. Select the **Name of Item** as **Fax Machine** from the **List of Items**
7. Enter the **Quantity** as **1**. The **Rate** and **Amount** will be automatically displayed
8. In **Annexure I – Import Details** sub-screen, select **Glamour Appliances** as the **Foreign seller's Name and Address** and enter the **Purchase Value** as **13,000**
9. The field **Show Statutory Details** will be set to **No** by default

10. Enter the details in the field **Narration**, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Credit Note No. 5				25-Apr-2011
Ref. : 05		Used for: Goods Sold Returned		Monday
Party's A/c Name : Home Electronics Current Balance : 45,000.00 Dr Sales Ledger : Sales in the Course of Import VAT/Tax Class : Sales in the Course of Import Into India				
Name of Item	Quantity	Rate per	Amount	
Fax Machine	1 Nos	15,000.00 Nos	15,000.00	
↓ End of List				
Show Statutory Details ? No Narration: Being fax machine returned by customer.				<input type="text" value="1 Nos"/>
				Accept ? Yes or No

Figure 3.9 Credit Note – Sales in the Course of Import

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

ii. Additions

Example 27:

On 26-4-2011, M/s National Traders raised a debit note for ₹ 3,000 on Home Electronics towards increase in the price of Fax Machines despatched on 23-4-2011.

Step 1:

Let us enter the transaction in Tally.ERP 9.

Go to **Gateway of Tally > Accounting Vouchers > Ctrl+F9: Debit Note**

1. Select the **Voucher** mode (use the key combination **Ctrl+V**) to record the increase in sale value.
2. Enter the reference number in the **Ref.** field
3. Select **Others** from the list of **VAT Adjustments** in the **Used For** field.
4. Debit **Home Electronics** from the **List of Ledger Accounts** and enter the amount as **3,000** in the **Debit** field.
5. In the **Bill-wise Details** screen select the reference dated 23-4-2011 and debit 3,000
6. Credit **Sale in the Course of Import** from the List of Ledger Accounts

Step 1:

Let us create the Advance Tax ledger to record the above transaction.

Advance Tax ledger

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

Create the ledger with the following details:

Name	Under	Currency of Ledger	Inventory values are affected
Advance Tax	Current Assets	₹	No

Step 2:

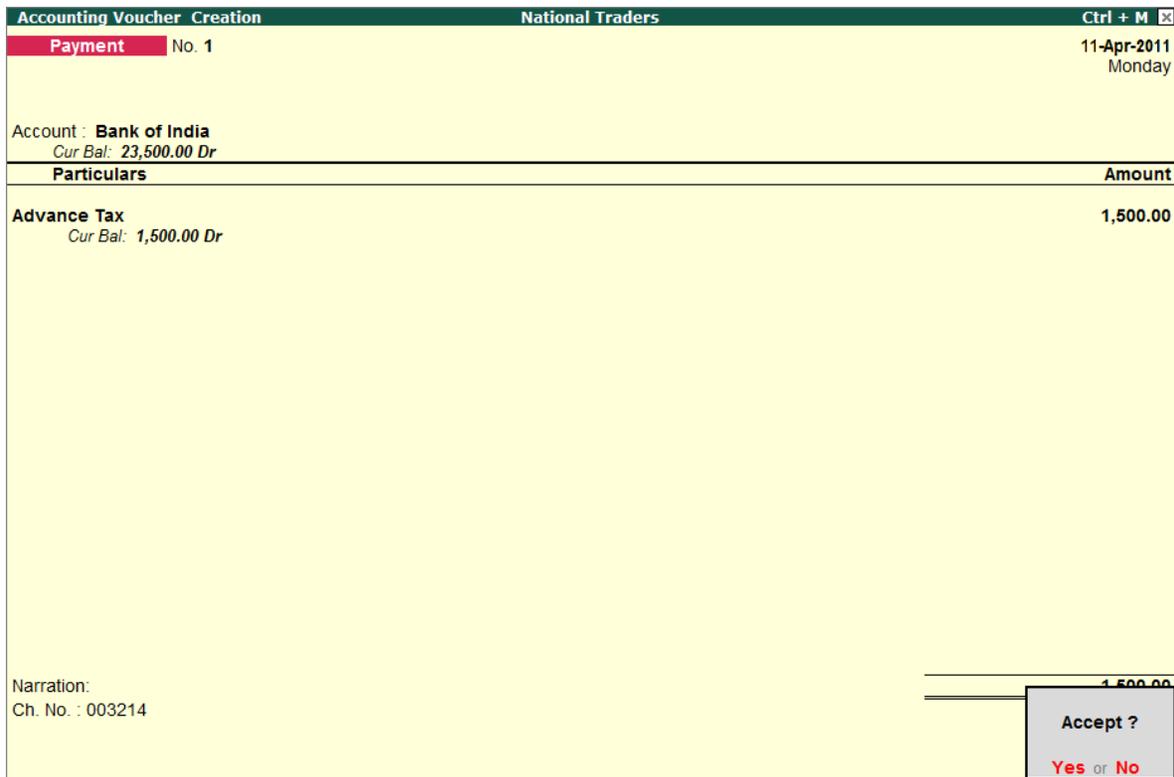
Let us record the transaction in Tally.ERP 9

i. Advance CST Payment voucher

To create an advance CST payment voucher,

Go to **Gateway of Tally > Accounting Vouchers > F5: Payment**

1. Select the Bank ledger as **Bank of India** in the **Account** field (create a bank ledger with the name National Bank by using **Alt+C** key combination)
2. Debit the **Advance Tax** ledger
3. Enter the amount as **1,500**
4. Enter the details in the field **Narration**, if required



Accounting Voucher Creation National Traders Ctrl + M

Payment No. 1 11-Apr-2011 Monday

Account : Bank of India
Cur Bal: 23,500.00 Dr

Particulars	Amount
Advance Tax Cur Bal: 1,500.00 Dr	1,500.00

Narration:
Ch. No. : 003214

Accept ?
Yes or No

Figure 3.11 Advance CST Payment Voucher

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

ii. Journal Entry for Adjusting the Advance Tax Paid towards CST Liability

To create a journal voucher for adjusting advance tax paid towards CST liability,

Go to **Gateway of Tally > Accounting Vouchers > F7: Journal**

1. Select the **Voucher Class** as **VAT Adjustment Class**
2. Select **Adjustment Towards Advance Tax or Refund** as the **VAT Adjustment** in the **Used for** field.
3. Debit the ledgers - **CST @ 1%** and **CST @ 4%**. The VAT/Tax class gets displayed. Accept the same and enter the corresponding ledger balance. Do not enter the assessable value in VAT Class Details screen.
4. Debit **CST @ 12.5%** ledger. The VAT/Tax class gets displayed. Enter the balance amount of advance tax available for set-off.
5. Credit the **Advance Tax** ledger grouped under **Current Assets**
6. The **Credit** amount is automatically entered
7. Enter the details in the field **Narration**, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Journal	No. 3	Voucher Class : VAT Adjustment Class		30-Apr-2011 Saturday
Used for: Adjustment Towards Advance Tax Or Refund				
Particulars		Debit	Credit	
Dr CST @ 1%		675.00		
<i>Cur Bal: 0.00 Dr</i>				
Dr CST @ 4%		500.00		
<i>Cur Bal: 0.00 Dr</i>				
Dr CST @ 12.5%		325.00		
<i>Cur Bal: 4,175.00 Cr</i>				
Cr Advance Tax			1,500.00	
<i>Cur Bal: 0.00 Cr</i>				
Narration:				
Being CST liability adjusted towards advance tax paid.				
		1,500.00	1,500.00	

Accept ?
 Yes or No

Figure 3.12 Journal Voucher – Adjustment Towards Advance Tax or Refund

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

3.2.2 Adjustment Towards Entry Tax Paid

The entry tax paid, can be adjusted towards CST liability in a journal voucher using the VAT Adjustment – **Adjustment Towards Entry Tax Paid**.

Example 29:

On 30-4-2011, M/s National Traders recorded an adjustment entry for entry tax of ₹ 1,000 paid towards goods imported on 23-4-2011.

Step 1:

Let us create the entry tax ledger to account for the above transaction.

Entry Tax Ledger

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

Create the ledger with the following details:

Name	Under	Currency of Ledger	Inventory values are affected
Entry Tax	Current Assets	₹	No

Step 2:

i. Entry Tax Payment voucher

Create a payment voucher by following the steps given in example 28.

The completed payment voucher displays as shown:

Accounting Voucher Creation		National Traders	Ctrl + M
Payment No. 2			23-Apr-2011 Saturday
Account : Bank of India Cur Bal: 22,500.00 Dr			
Particulars	Amount		
Entry Tax Cur Bal: 1,000.00 Dr	1,000.00		
Narration: Ch. No. : 003300		1,000.00	
		<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Accept ? Yes or No </div>	

Figure 3.13 Entry Tax Payment Voucher

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

ii. Journal Entry for Adjusting the Entry Tax Paid towards CST Liability

Go to **Gateway of Tally > Accounting Vouchers > F7: Journal >** Select the Voucher Class as **VAT Adjustment Class**

1. Select **Adjustment Towards Entry Tax Paid** as the **VAT Adjustment** in the **Used for** field
2. Debit the **CST @ 12.5%** ledger. In the VAT Class Details screen, select **CST @ 12.5%** as the **VAT/Tax Class** and do not enter the Assessable Value.
3. Enter the amount as **1,000** in the **Debit** field
4. Credit the **Entry Tax** ledger grouped under **Current Assets**
5. The **Credit** amount is automatically entered

6. Enter the details in the field **Narration**, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Journal	No. 4	Voucher Class : VAT Adjustment Class		30-Apr-2011
				Saturday
<i>Used for: Adjustment Towards Entry Tax Paid</i>				
Particulars		Debit	Credit	
Dr	CST @ 12.5% <i>Cur Bal: 3,175.00 Cr</i>	1,000.00		
Cr	Entry Tax <i>Cur Bal: 0.00 Cr</i>		1,000.00	
Narration:				
Being entry tax adjusted towards CST liability.				
		1,000.00	1,000.00	

Accept ?

Yes or No

Figure 3.14 Journal Voucher – Adjustment Towards Entry Tax Paid

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

3.2.3 Adjusting Excess Input Tax Credit against CST Dues

Any excess input tax credit that is available after adjusting the VAT liability, can be adjusted towards CST dues. This adjustment entry has to be recorded in a journal voucher using the VAT Adjustment – **Adjustment Towards CST**.

Example 30:

On 30-4-2011, M/s National Traders made the following entries:

- 1. Adjustment of output VAT against input tax credit*
- 2. Adjustment of CST dues against the excess available ITC after setting-off the output tax*

Step 1:

Let us enter the transaction in Tally.ERP 9.

1. Adjustment of output VAT against input tax credit

Go to **Gateway of Tally > Accounting Vouchers > F7: Journal >** Select the Voucher Class as **Not Applicable**

1. Debit the **Output VAT @ 4%** ledger
2. Enter the amount as **1,280** in the **Debit** field
3. Credit the **Input VAT @ 4%** ledger and the **VAT/Tax Class** appears as **Input VAT @ 4%** automatically
4. The **Credit** amount is automatically entered
5. Enter the details in the field **Narration**, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Journal	No. 5	Voucher Class : J	Not Applicable	30-Apr-2011 Saturday
Particulars	Debit	Credit		
Dr Output VAT @ 4% Cur Bal: 0.00 Dr	1,280.00			
Cr Input VAT @ 4% Cur Bal: 1,720.00 Dr		1,280.00		
Narration: Being output VAT adjusted towards input tax credit.			1,280.00	1,280.00

Accept ?

Yes or No

Figure 3.15 Journal Voucher – Entry to set-off Output VAT against Input tax credit

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

i. To create a journal adjustment voucher for setting-off a portion of CST liability towards excess input tax credit,

Go to **Gateway of Tally > Accounting Vouchers > F7: Journal >** Select the Voucher Class as **VAT Adjustment Class**

1. Select **Adjustment Towards CST** as the **VAT Adjustment** in the **Used for** field
2. Debit the **CST @ 12.5%** ledger. In the VAT Class Details screen, select **CST @ 12.5%** as the **VAT/Tax Class** and do not enter the assessable value
3. Enter the amount as **1,720** in the **Debit** field
4. Credit the **Input VAT @ 4%** ledger and the **VAT/Tax Class** appears as **Input VAT @ 4%** automatically
5. The **Credit** amount is automatically entered
6. Enter the details in the field **Narration**, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Journal	No. 6	Voucher Class : VAT Adjustment Class		30-Apr-2011 Saturday
Used for: Adjustment Towards CST				
Particulars		Debit	Credit	
Dr CST @ 12.5% <i>Cur Bal: 1,455.00 Cr</i>		1,720.00		
Cr Input VAT @ 4% <i>Cur Bal: 0.00 Cr</i>			1,720.00	
Narration: Being a portion of CST liability adjusted towards available input tax credit.				
		1,720.00	1,720.00	

Accept ?

Yes or No

Figure 3.16 Journal Voucher – Adjustment Towards CST

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

3.3 Payment of CST

Central Sales Tax is payable in the state from which goods are sold. The tax so collected is retained by the state in which it is collected. The State Government Sales Tax Officer who assesses and collects local state sales tax also assesses and collects Central Sales Tax.

The due date is same as for the period to submit returns under Value Added Tax (VAT) of the appropriate state. The CST payable amount should be rounded off to the nearest rupee.

Example 31:

On 5-5-2011, M/s National Traders paid ₹ 6,725 towards CST dues.

Step 1:

Let us record the transaction in Tally.ERP 9. To create a CST payment voucher,

Go to **Gateway of Tally > Accounting Vouchers > F5: Payment**

1. Select **Bank of India** in the **Account** field
2. Click the **VAT Payment** button or press **Alt + S** to display the **Statutory Payment** sub-screen

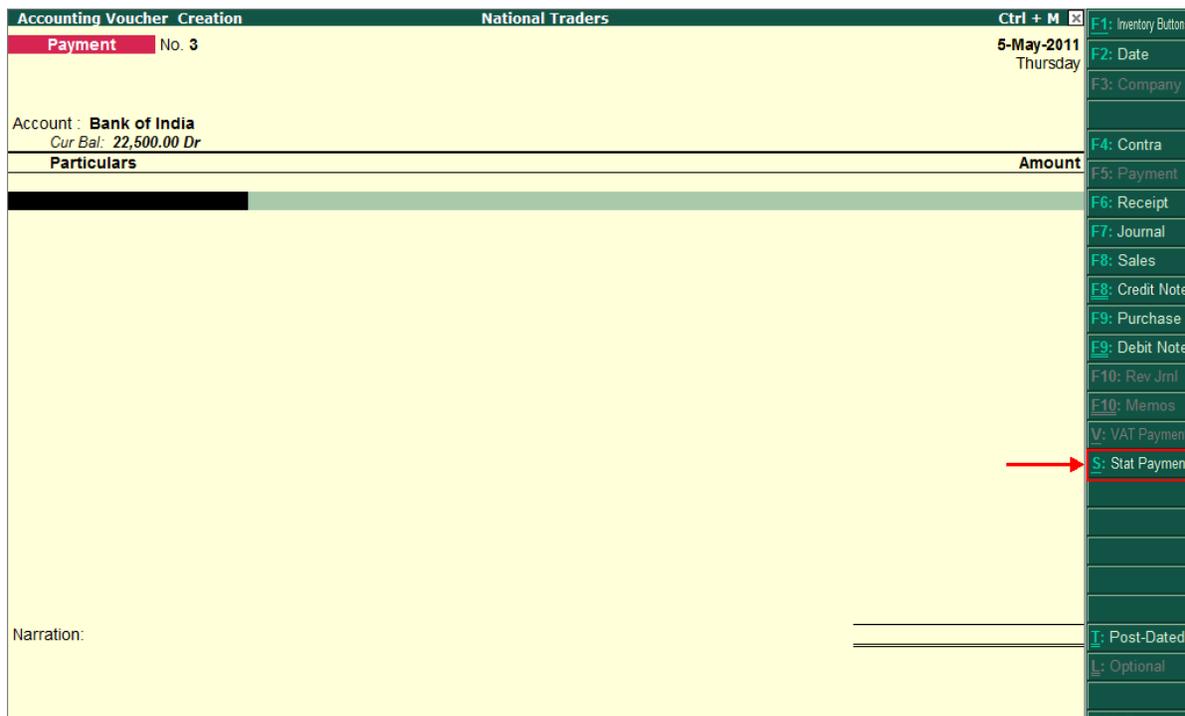


Figure 3.17 Payment Voucher – Stat Payment Button

3. In **Statutory Payment** sub-screen, provide the details given below:
 - **Type of Duty/Tax:** Select **CST** as the payment is being made towards VAT dues.

- **Auto Fill Statutory Payment:** This field will be set to **No** as the CST paid on purchases cannot be set-off against CST on sales.

Statutory Payment

Type of Duty/Tax : CST
 Auto Fill Statutory Payment ?

Figure 3.18 Statutory Payment

- In the Payment Voucher, Set **Provide Details** to **Yes** to display the **VAT Payment Details** sub-screen

Accounting Voucher Creation		National Traders	Ctrl + M
Payment	No. 3	5-May-2011 Thursday	
Account : Bank of India Cur Bal: 15,775.00 Dr		Statutory Payment for : CST	
Particulars	Amount		
CST @ 2% <i>Cur Bal: 0.00 Dr</i>	5,270.00		
CST @ 12.5% <i>Cur Bal: 0.00 Dr</i>	1,455.00		
Provide Details : <input checked="" type="text" value="Yes"/>			
Narration:			6,725.00

Figure 3.19 CST Payment Voucher

- In the **VAT Payment Details** screen, enter the details as shown:

VAT Payment Details

Period From : 1-Apr-2011 To 30-Apr-2011
 Type of Payment : Not Applicable
 Deposit Date : 5-May-2011
 Name of the Bank & Branch(remittance) : Bank of India, Chennai
 Branch code(remittance) : 21582
 Instrument No. :

Figure 3.20 VAT Payment Details

6. Accept the **VAT Payment Details** screen and the **Payment voucher** screen will be displayed.
7. Debit the ledger **CST @ 2%** and **CST @ 12.5%**. Enter the corresponding ledger balances for each ledger.
8. Enter the details in the field **Narration**, if required

Accounting Voucher Creation		National Traders	Ctrl + M
Payment	No. 3		5-May-2011 Thursday
Account : Bank of India		Statutory Payment for : CST	
Cur Bal: 15,775.00 Dr			
Particulars		Amount	
CST @ 2%		5,270.00	
Cur Bal: 0.00 Dr			
CST @ 12.5%		1,455.00	
Cur Bal: 0.00 Dr			
Provide Details : Yes			
Narration:			
Ch. No.: 003214		6,725.00	
		<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Accept ? Yes or No </div>	

Figure 3.21 CST payment Voucher

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

Lesson 4: CST Reports

Lesson Objectives

On completion of this lesson, you will be able to

- ❑ Generate VAT Computation and view CST details
- ❑ Generate Group-wise Forms Receivable and Form Issuable report
- ❑ Generate Ledger-wise Forms Receivable and Form Issuable report
- ❑ Generate Reminder and Covering Letter
- ❑ Use the autofill option to enter the Form Number and Date in Forms Receivables and Issuables
- ❑ Generate CST Return and Annexure
- ❑ Generate CST Registers for Interstate Purchase and Sales

4.1 CST Details in VAT Computation

The VAT Computation reports provide the Assessable Value and the Tax Amount of the sales and purchase transactions Entered using different VAT/ Tax classifications.

To view the VAT Computation report,

Go to **Gateway of Tally > Display > Statutory Reports > VAT > VAT Computation**

The VAT Computation report displays as shown:

VAT Computation		National Traders		Ctrl + M
Particulars	National Traders 1-Apr-2011 to 30-Apr-2011			
	Assessable Value	Tax Amount		
Sales				
A. Output Tax				
CST @ 1%	67,500.00			
CST @ 12.5%	36,000.00	1,455.00		
CST @ 2% Against Form C	1,28,500.00	4,290.00		
CST @ 4%	12,500.00			
Inter-State Sales	58,000.00			
Inter State Sales Against Form - E1	39,000.00	980.00		
Inter State Sales Against Form - E2	56,000.00			
Inter- State Sales - Exempted	5,100.00			
Inter-State Sales - Spl. Category Goods	25,500.00			
Inter- State Sales - Tax Free	86,000.00			
Output VAT @ 4%	32,000.00	1,280.00		
Total Output Tax	5,46,100.00	8,005.00		
Purchases				
C. Input Tax				
Excess Input Credit Brought Forward				
Input VAT @ 4%	75,000.00	1,280.00		
Total Input Credit	75,000.00	1,280.00		
VAT Payable			6,725.00	

Figure 4.1 VAT Computation

The screen displays the total VAT and CST payable on sales and input tax credit on purchases made during the specified period.

Assessable Value

The Assessable Value is the sum of the total value of goods at which they are purchased and sold. This assessable value forms the value on which VAT is calculated.

Tax Amount

The total Tax Amount calculated on Assessable value using the respective Tax percentage is the Tax Amount.



You can drill down the VAT Computation screen to view the VAT Classification vouchers and further drill down to view the vouchers in alteration mode.

Show CST Details

In VAT Computation screen, click on **F12: Configure** button and set the options **Show All VAT Classifications** to **Yes** to view the inter-state transactions:

VAT Computation		National Traders		Ctrl + M
Particulars	National Traders 1-Apr-2011 to 30-Apr-2011			
	Assessable Value	Tax Amount		
Sales				
A. Output Tax				
CST @ 1%	67,500.00			
CST @ 12.5%	36,000.00	1,455.00		
CST @ 2% Against Form C	1,28,500.00	4,290.00		
CST @ 4%	12,500.00			
Inter-State Sales	58,000.00			
Inter State Sales Against Form - E1	39,000.00	980.00		
Inter State Sales Against Form - E2	56,000.00			
Inter- State Sales - Exempted	5,100.00			
Inter-State Sales - Spl. Category Goods	25,500.00			
Inter- State Sales - Tax Free	86,000.00			
Output VAT @ 4%	32,000.00	1,280.00		
Others (VAT Not Applicable)				
Consignment/Branch Transfer Outward	53,100.00			
Exports	2,01,600.00			
Sales(Against Form-H Deemed Export)	39,000.00			
Sales in the Course of Import Into India	33,000.00			
Total Output Tax	8,72,800.00	8,005.00		
Purchases				
C. Input Tax				
Excess Input Credit Brought Forward				
Input VAT @ 4%	75,000.00	1,280.00		
Others (VAT Not Applicable)				
Imports	2,52,000.00			
Interstate Purchases @ 1%	80,800.00			
Interstate Purchases @ 12.5%	1,51,312.50			
Interstate Purchases @ 2% Against Form C	8,09,880.00			
Interstate Purchases @ 4%	9,984.00			
Total Input Credit	13,78,976.50	1,280.00		
VAT Payable		6,725.00		

Figure 4.2 VAT Computation with All VAT/Tax Classifications



The CST ledgers created by predefining the VAT/Tax class - **Inter-state Sales** and entering the required **CST Percentage** with **Method of Calculation** set to **On Total Sales** can be used to record interstate sales transactions. On using such CST ledgers the break-up of values recorded for different CST rates can be viewed by setting the option - **Show CST Details** to **Yes** in **F12: Configuration** screen of VAT Computation.

Click the button **F1: Detailed** or press **Alt + F1**. The detailed VAT Computation screen with CST adjustments is displayed as shown:

VAT Computation		National Traders		Ctrl + M	
Particulars	National Traders 1-Apr-2011 to 30-Apr-2011				
			Assessable Value	Tax Amount	
Sales					
A. Output Tax					
CST @ 1%			67,500.00		
Gross value	67,500.00	675.00			
Adjustment Towards Advance Tax Or Refund		(-)675.00			
CST @ 12.5%			36,000.00	1,455.00	
Gross value	36,000.00	4,500.00			
Adjustment Towards Advance Tax Or Refund		(-)325.00			
Adjustment Towards CST		(-)1,720.00			
Adjustment Towards Entry Tax Paid		(-)1,000.00			
CST @ 2% Against Form C			1,28,500.00	4,290.00	
Gross value	3,39,000.00	6,780.00			
Goods Sold Returned	(-)38,500.00	(-)770.00			
Others	(-)86,000.00	(-)1,720.00			
Sale of Goods Outside the State	(-)86,000.00				
CST @ 4%			12,500.00		
Gross value	12,500.00	500.00			
Adjustment Towards Advance Tax Or Refund		(-)500.00			
Inter-State Sales			58,000.00		
Inter State Sales Against Form - E1			39,000.00	980.00	
Gross value	49,000.00	980.00			
Goods Sold Returned	(-)12,000.00				
Others	2,000.00				
Inter State Sales Against Form - E2			56,000.00		
Inter- State Sales - Exempted			5,100.00		
Inter-State Sales - Spl. Category Goods			25,500.00		
Inter- State Sales - Tax Free			86,000.00		
VAT Payable					6,725.00

Figure 4.3 VAT Computation – Detailed View

VAT Computation		National Traders		Ctrl + M
Particulars	National Traders 1-Apr-2011 to 30-Apr-2011			
	Assessable Value		Tax Amount	
↑ ... 30 more				
Inter- State Sales - Tax Free			86,000.00	
<i>Sale of Goods Outside the State</i>	86,000.00			
Output VAT @ 4%			32,000.00	
			1,280.00	
Others (VAT Not Applicable)				
Consignment/Branch Transfer Outward			53,100.00	
<i>Gross value</i>	66,000.00			
<i>Goods Sold Returned</i>	(-120,500.00)			
<i>Others</i>	7,600.00			
Exports			2,01,600.00	
<i>Sales(Against Form-H Deemed Export)</i>			39,000.00	
<i>Sales in the Course of Import Into India</i>			33,000.00	
<i>Gross value</i>	45,000.00			
<i>Goods Sold Returned</i>	(-15,000.00)			
<i>Others</i>	3,000.00			
Total Output Tax			8,72,800.00	
			8,005.00	
Purchases				
C. Input Tax				
Excess Input Credit Brought Forward				
Input VAT @ 4%			75,000.00	
<i>Gross value</i>	75,000.00	3,000.00		
<i>Adjustment Towards CST</i>		(-1,720.00)		
Others (VAT Not Applicable)				
Imports			2,52,000.00	
Interstate Purchases @ 1%			80,800.00	
Interstate Purchases @ 12.5%			1,51,312.50	
Interstate Purchases @ 2% Against Form C			8,09,880.00	
Interstate Purchases @ 4%			9,984.00	
Total Input Credit			13,78,976.50	
			1,280.00	
VAT Payable			6,725.00	

Figure 4.4 VAT Computation – Detailed View

VAT Analysis

The VAT Analysis section is introduced in the VAT Computation report to provide information on VAT Payable, amount paid and refund amount for the current period along with the details of input tax credit and VAT liability carried forward to the next return period.

To view the VAT analysis press **F12: Configure** in **VAT Computation** screen and set **Show VAT Analysis** to **Yes**.

Press **F1: Detailed** button (Alt+F1) to view the breakup of VAT Liability and VAT Payments.

VAT Computation screen with **VAT Analysis** is displayed as shown:

VAT Computation		National Traders		Ctrl + M	
Particulars		National Traders		1-Apr-2011 to 30-Apr-2011	
		Assessable Value		Tax Amount	
↑ ... 47 more					
Others	3,000.00				
Total Output Tax				8,72,800.00	8,005.00
Purchases					
C. Input Tax					
<i>Excess Input Credit Brought Forward</i>					
Input VAT @ 4%				75,000.00	1,280.00
Gross value	75,000.00	3,000.00			
Adjustment Towards CST		(-),720.00			
Others (VAT Not Applicable)					
Imports				2,52,000.00	
Interstate Purchases @ 1%				80,800.00	
Interstate Purchases @ 12.5%				1,51,312.50	
Interstate Purchases @ 2% Against Form C				8,09,880.00	
Interstate Purchases @ 4%				9,984.00	
Total Input Credit				13,78,976.50	1,280.00
VAT Analysis					
VAT Liability					
VAT Payable				6,725.00	6,725.00
Current Period VAT payable				6,725.00	
VAT Payments					
Paid through Challan VAT				6,725.00	6,725.00
VAT Payable					

Figure 4.5 VAT Computation – VAT Analysis

In the VAT Analysis displayed above, the CST Payable and Paid amount of 6,725 is displayed.

4.2 CST Reports

CST Reports display forms to be received and issued along with CST Forms. It allows you to track pending forms, reconcile the forms and file CST returns.

Go to **Gateway of Tally > Display > Statutory Reports > CST**

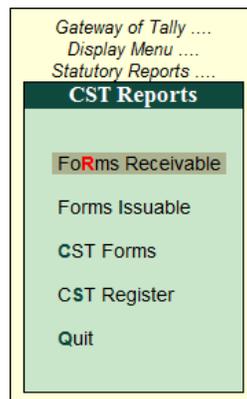


Figure 4.6 CST Reports Menu

The **CST Reports** menu consists of:

- ❑ Forms Receivable
- ❑ Forms Issuable
- ❑ CST Forms
- ❑ CST Register

4.3 Forms Receivables

The Forms Receivable report comments on various forms to be received from the dealer at any given point of time. It displays the date of transaction, CST Sales ledger used, gross amount inclusive of CST, form types and also contains two additional fields Form Number and Date, which have to be filled when the prescribed forms are received from the purchasing dealer or the customer.

Usually, this report is generated at the end of a financial year or month end (in specific cases). However, Tally facilitates the generation of this report at any point of time.

To view **Form Receivables Report**

Go to **Gateway of Tally > Display > Statutory Reports > CST > Form Receivable**

i. Ledger-Wise Forms Receivables Report

Press **Enter** on **Ledger** in the **Forms Receivables** menu to view the list of Ledgers. Select the Ledger – **Mc Millan Techsys**



Figure 4.7 Forms Receivables – Ledger Selection

The Forms to be received for **Mc Millan Techsys** are displayed in the Forms Receivable screen

Press **Alt + S** or click on **Set Form No.** button in the buttons bar to enter the **Form Number** and **Form Date** as shown:

Forms Receivable		National Traders							Ctrl + M	
Ledger Name: Mc Millan Techsys									1-Apr-2011 to 30-Apr-2011	
Date	Particulars	CST No.	Vch Type	Vch No.	Assessable Value	CST Amount	Invoice Form Amount Type	Series Number	Form Number	Form Date
6-4-2011	Interstate Sales @ 2%	28564554120	Sales	3	56,000.00 Dr	1,120.00 Dr	68,620.00 Dr C Form	AP6451G	325884	8-Apr-2011
7-4-2011	Interstate Sales @ 2%	28564554120	Credit Note	1	38,500.00 Cr	770.00 Cr	39,270.00 Cr C Form	AP7441S	521441	13-Apr-2011

Figure 4.8 Forms Receivables – Set Form Number

Press **Enter** to accept and save.



*In case where there are different Forms received from the same debtor, the Form specific report can be generated using **F12: Configuration**. In **Forms Receivables** report of ledger, click on **F12: Configure** and select the required **Form Type** in the **Show Vouchers of** field.*

i. Group-Wise Forms Receivables Report

In the Forms Receivable menu, press **Enter** key on **Group** to view the **List of Groups**. Select **Sundry Debtors**. Press **Enter** to view the Group-wise **Forms Receivables** report as shown:

Forms Receivable		National Traders						Ctrl + M		
Group Name: Sundry Debtors		1-Apr-2011 to 30-Apr-2011								
Date	Particulars	CST No.	Vch Type	Vch No.	Assessable Value	CST Amount	Invoice Form Amount Type	Series Number	Form Number	Form Date
7-4-2011	Rishita Traders	23478954212	Sales	4	49,000.00 Dr	980.00 Dr	49,980.00 Dr C Form			
8-4-2011	Rishita Traders	23478954212	Credit Note	2	12,000.00 Cr		12,000.00 Cr C Form			
9-4-2011	Logic Electronics	21585412014	Sales	5	56,000.00 Dr		56,000.00 Dr C Form			
12-4-2011	Rishita Traders	23478954212	Debit Note	1	2,000.00 Dr		2,000.00 Dr E1 Form			
20-4-2011	Excel Traders	27152635412	Sales	9	39,000.00 Dr		39,000.00 Dr H Form			
26-4-2011	Excel Traders	27152635412	Sales	12	1,72,000.00 Dr	3,440.00 Dr	1,75,440.00 Dr C Form			
27-4-2011	Tech Apparels	24014587410	Sales	13	58,000.00 Dr		58,000.00 Dr I Form			

Figure 4.9 Forms Receivables – Sundry Debtors Group

Click on **F12: Configure** and set the option **Sort by Party Name** to **Yes** as shown:

Configuration

Show All Vouchers ? No

Show Vouchers of : ↓ Not Applicable

Sort by Party Name ? **Yes**

Figure 4.10 F12: Configuration

The **Forms Receivables** Report displays as shown:

Forms Receivable		National Traders						Ctrl + M		
Group Name: Sundry Debtors		1-Apr-2011 to 30-Apr-2011								
Date	Particulars	CST No.	Vch Type	Vch No.	Assessable Value	CST Amount	Invoice Form Amount Type	Series Number	Form Number	Form Date
20-4-2011	Excel Traders	27152635412	Sales	9	39,000.00 Dr		39,000.00 Dr H Form			
26-4-2011	Excel Traders	27152635412	Sales	12	1,72,000.00 Dr	3,440.00 Dr	1,75,440.00 Dr C Form			
9-4-2011	Logic Electronics	21585412014	Sales	5	56,000.00 Dr		56,000.00 Dr C Form			
7-4-2011	Rishita Traders	23478954212	Sales	4	49,000.00 Dr	980.00 Dr	49,980.00 Dr C Form			
8-4-2011	Rishita Traders	23478954212	Credit Note	2	12,000.00 Cr		12,000.00 Cr C Form			
12-4-2011	Rishita Traders	23478954212	Debit Note	1	2,000.00 Dr		2,000.00 Dr E1 Form			
27-4-2011	Tech Apparels	24014587410	Sales	13	58,000.00 Dr		58,000.00 Dr I Form			

Figure 4.11 Forms Receivables – Sorted by Party Name

Click on **F12: Configure** and set the options as shown:

Configuration		Form Types
Show All Vouchers	? No	J Not Applicable
Show Vouchers of	: C Form	C Form
Sort by Party Name	? Yes	D Form
		E1 Form
		E2 Form
		F Form
		H Form
		I Form

Figure 4.12 F12: Configuration – Selection of Form Type

The entries recorded by selecting Form C is displayed. Select the Period 7-4-2011 to 9-4-2011. Press **Alt + S** or click on **Set Form No.** button in the buttons bar to enter the **Form Number** and **Form Date**

Forms Receivable		National Traders					Ctrl + M				
Group Name: Sundry Debtors		7-Apr-2011 to 9-Apr-2011									
Date	Particulars	CST No.	Vch Type	Vch No.	Assessable Value	CST Amount	Invoice Amount	Form Type	Series Number	Form Number	Form Date
9-4-2011	Logic Electronics	21585412014	Sales	5	56,000.00 Dr		56,000.00 Dr	C Form	OR1435C	487745	12-Apr-2011
7-4-2011	Rishita Traders	23478954212	Sales	4	49,000.00 Dr	980.00 Dr	49,980.00 Dr	C Form	MP3916R	541258	11-Apr-2011
8-4-2011	Rishita Traders	23478954212	Credit Note	2	12,000.00 Cr		12,000.00 Cr	C Form	MP5438H	236541	10-Apr-2011
					Total	93,000.00 Dr	980.00 Dr	93,980.00 Dr			

Accept ?
Yes or No

Figure 4.13 Forms Receivables – Group – Form Series Number, Form Number and Date

Accept the **Forms Receivable** screen.



In Group-Wise Forms Receivables report, the Form Number and Form Dates for all the inter-state sales made to all the Sundry Debtors can be entered in a single screen. In case of ledger-wise report, the required party ledger can be selected and the details pertaining to Form Number and Date can be specified.

4.4 Forms Issuable

Forms Issuable report comments on various forms to be issued to the dealer at any given point of time. It displays the date of transaction, CST Purchases ledger employed, gross amount inclusive of CST, form types and also contains two additional fields viz., Form Number and Date, which can be filled when the prescribed forms are issued to the selling dealer or supplier.

To view Form Issuable Report

Go to **Gateway of Tally > Display > Statutory Reports > CST > Form Issuable**

Similar to the **Forms Receivables** report, the **Forms Issuables** report can also be viewed in the following two ways,

- Group-wise Forms Issuables
- Ledger-wise Forms Issuables

i. Group-wise Form Issuables Report

In the Forms Issuable menu, select Group and then Sundry Creditors.

Click on **F12: Configure** and set the option **Show All Vouchers** to **Yes**. Retain the other default fields.

Form Issuable											National Traders			Ctrl + M	
Group Name: Sundry Creditors														1-Apr-2011 to 30-Apr-2011	
Date	Particulars	CST No.	Vch Type	Vch No.	Reference	Effective Date	Assessable Value	CST Amount	Invoice Form Amount	Form Type	Series Number	Form Number	Form Date		
1-4-2011	Universal Traders	29784512456	Purchase	1	01	1-4-2011	7,94,000.00 Cr	15,880.00 Cr	8,09,880.00 Cr	C Form	KA7610S	036521	1-Apr-2011		

Figure 4.14 Forms Issuables – Sundry Creditors



In Group-Wise Forms Issuables report, the Form Number and Form Dates for inter-state purchases made from all the Sundry Creditors can be entered in a single screen. In case of ledger-wise report, the required party ledger can be selected and the details pertaining to Form Number and Date can be specified.

ii. Ledger-Wise Forms Issuables Report

Press **Enter** on **Ledger** in the **Forms Issuable** menu to view the list of Ledgers. Select the Ledger – **Rishita Traders**

Forms to be issued for **Rishita Traders** is displayed in the **Forms Issuable** screen.

Forms Issuable											National Traders			Ctrl + M	
Ledger Name: Rishita Traders														1-Apr-2011 to 30-Apr-2011	
Date	Particulars	CST No.	Vch Type	Vch No.	Reference	Effective Date	Assessable Value	CST Amount	Invoice Form Amount	Form Type	Series Number	Form Number	Form Date		
7-4-2011	Inter-State Sales - Form E1	23478954212	Sales	4	04	7-4-2011	49,000.00 Dr	980.00 Dr	49,980.00 Dr	E1 Form					
8-4-2011	Inter-State Sales - Form E1	23478954212	Credit Note	2	02	8-4-2011	12,000.00 Cr		12,000.00 Cr	E1 Form					
12-4-2011	Inter-State Sales - Form E1	23478954212	Debit Note	1	01	12-4-2011	2,000.00 Dr		2,000.00 Dr	C Form					

Figure 4.15 Forms Issuable – Rishita Traders

Press **Alt + S** or click on **Set Form No.** Button in the buttons bar to enter the **Form Serial Number, Form Number and Form Date.**

Forms Issuable											National Traders		Ctrl + M	
Ledger Name: Rishita Traders											1-Apr-2011 to 30-Apr-2011			
Date	Particulars	CST No.	Vch Type	Vch No.	Reference	Effective Date	Assessable Value	CST Amount	Invoice Form Amount	Form Type	Series Number	Form Number	Form Date	
7-4-2011	Inter-State Sales - Form E1	23478954212	Sales	4	04	7-4-2011	49,000.00 Dr	980.00 Dr	49,980.00 Dr	E1 Form	MP4618J	365521	9-Apr-2011	
8-4-2011	Inter-State Sales - Form E1	23478954212	Credit Note	2	02	8-4-2011	12,000.00 Cr		12,000.00 Cr	E1 Form	MP3918G	412554	13-Apr-2011	
12-4-2011	Inter-State Sales - Form E1	23478954212	Debit Note	1	01	12-4-2011	2,000.00 Dr		2,000.00 Dr	C Form	MP5846V	521452	15-Apr-2011	

Figure 4.16 Forms Issuable – Rishita Traders

Accept the **Forms Issuable** screen.

4.5 Auto-Fill Option for CST

The Auto Fill option for CST is available in the Form Issuable/ Form Receivable screen. This option is used to filter the Forms Type and to fill up the form number for a group of vouchers.

Go to **Gateway of Tally > Display > Statutory Reports > CST > Form Receivable > Ledger >** select **National Enterprises**

Press **Alt + S** or click on **Set Form No.** button in the buttons bar to enter the **Form Number and Form Date**

Forms Receivable											National Traders		Ctrl + M	
Ledger Name: National Enterprises											1-Apr-2011 to 30-Apr-2011		F3: Company	
Date	Particulars	CST No.	Vch Type	Vch No.	Assessable Value	CST Amount	Invoice Form Amount	Form Type	Series Number	Form Number	Form Date	F5: Auto Fill - CST		
13-4-2011	Stock Transfer Outward	27541232541	Sales	6	24,000.00 Dr		24,000.00 Dr	F Form				S: Set Form No.		
14-4-2011	Stock Transfer Outward	27541232541	Credit Note	3	12,000.00 Cr		12,000.00 Cr	F Form						

Figure 4.17 Forms Receivables – Auto Fill

Press **F5: Auto Fill – CST** to view **Set Form Number** screen

In the **Set Form Numbers** screen,

Select the **Form** from **Form Types**

Enter the **Form Series Number, Form Number and Form Date** for the group of vouchers

Configuration			
Form Type	Form Series No	Form No	Form Date
F Form	MH5472P	158985	16-Apr-2011

Figure 4.18 Auto-Fill – Set Form Numbers

Press **Enter** to accept the configuration. Form Series Number, Form Number and Form Date are captured and displayed as shown:

Forms Receivable											National Traders		Ctrl + M	
Ledger Name: National Enterprises											1-Apr-2011 to 30-Apr-2011			
Date	Particulars	CST No.	Vch Type	Vch No.	Assessable Value	CST Amount	Invoice Form Amount	Form Type	Series Number	Form Number	Form Date			
13-4-2011	Stock Transfer Outward	27541232541	Sales	6	24,000.00 Dr		24,000.00 Dr	F Form	MH5472P	158985	16-Apr-2011			
14-4-2011	Stock Transfer Outward	27541232541	Credit Note	3	12,000.00 Cr		12,000.00 Cr	F Form	MH5472P	158985	16-Apr-2011			

Figure 4.19 Forms Receivables – Form Numbers and Date using Auto Fill Option

Press **Enter** to accept and save.

4.6 Viewing All Vouchers

Go to **Gateway of Tally > Display > Statutory Reports > CST > Form Receivable/ Form Issuable**

Here select **Forms Receivable > Group > Sundry Debtors**

- Press **Alt + F2** to change the period
- In the **Forms Receivable** screen, press **F12: Configure**
- In the **CST Report Configuration** screen
 - Set **Show All Vouchers** to **Yes**
 - In **Show Vouchers of** field, select the **C Form** from **Form Types**
 - Set **Sort by Party Name** to **Yes**

Accept the configuration. The **Forms Receivables** screen displays as shown:

Forms Receivable		National Traders				Ctrl + M					
Group Name: Sundry Debtors						1-Apr-2011 to 30-Apr-2011					
Date	Particulars	CST No.	Vch Type	Vch No.	Assessable Value	CST Amount	Invoice Amount	Form Type	Series Number	Form Number	Form Date
26-4-2011	Excel Traders	27152635412	Sales	12	1,72,000.00 Dr	3,440.00 Dr	1,75,440.00 Dr	C Form			
9-4-2011	Logic Electronics	21585412014	Sales	5	56,000.00 Dr		56,000.00 Dr	C Form	OR1435C	487745	12-Apr-2011
4-4-2011	Mc Millan Techsys	28564554120	Sales	1	1,11,000.00 Dr	2,220.00 Dr	1,13,220.00 Dr	C Form	TN7813S	12452	4-Apr-2011
6-4-2011	Mc Millan Techsys	28564554120	Sales	3	56,000.00 Dr	1,120.00 Dr	68,620.00 Dr	C Form	AP6451G	325884	8-Apr-2011
7-4-2011	Mc Millan Techsys	28564554120	Credit Note	1	38,500.00 Cr	770.00 Cr	39,270.00 Cr	C Form	AP7441S	521441	13-Apr-2011
7-4-2011	Rishita Traders	23478954212	Sales	4	49,000.00 Dr	980.00 Dr	49,980.00 Dr	C Form	MP3916R	541258	11-Apr-2011
8-4-2011	Rishita Traders	23478954212	Credit Note	2	12,000.00 Cr		12,000.00 Cr	C Form	MP5438H	236541	10-Apr-2011
Total					3,93,500.00 Dr	6,990.00 Dr	4,11,990.00 Dr				

Figure 4.20 Forms Receivables – Show All Vouchers

4.7 Reminder and Covering Letters

You can send reminder letters to parties who have to issue forms. You can also send covering letters to parties, confirming receipt of forms.

4.7.1 Reminder Letters

Go to **Gateway of Tally > Display > Statutory Reports > CST > Form Receivable**

- Select **Excel Traders** from **List of Ledgers**
- In the **Forms Receivable** screen, click on the **P: Print** button (Alt + P)

In the **Print Report** screen, set **Print Reminder Letter** to **Yes**

Printing			
Printer	: Microsoft XPS Document Writer (Net3:)	Paper Type :	Letter
No. of Copies	: 1		
Print Language	: English		(Printing Dimensions)
Method	: Neat Mode	Paper Size :	(8.50" x 10.98") or (216 mm x 279 mm)
Page Range	: All	Print Area :	(8.50" x 10.98") or (216 mm x 279 mm)
Report Titles			
Excel Traders Forms Receivable (with Print Preview) <i>Without Company Phone No.</i>			
Print Reminder Letter			? Yes
			Print ? Yes or No

Figure 4.21 Print Report screen – Reminder Letter

- Press **Enter** to view the preview. The **Print Preview** of reminder letter displays as shown:

To : Excel Traders # 56, 2nd Main Road New Horizon Apartments Mumbai		From: National Traders 56, Anna Building G.S.T Road, Guindy Chennai	
Dear Sir/Madam,		Dated: 6-May-2011	
SUB : Pending Sales Tax Forms			
Given below is the details of Invoices issued in your Name for which Sales Tax Forms were not received by us.			
We request you to take immediate steps to issue the same and oblige.			
Date	Vch No.	Assessable Value	CST Amount Invoice Amount Form Type
20-Apr-2011	9	39,000.00 Dr	39,000.00 Dr H Form
26-Apr-2011	12	1,72,000.00 Dr	3,440.00 Dr 1,75,440.00 Dr C Form
		2,11,000.00 Dr	3,440.00 Dr 2,14,440.00 Dr
Yours faithfully,			
Authorized Signatory			

Figure 4.22 Reminder Letter – Print Preview screen

4.7.2 Covering Letters

Go to **Gateway of Tally > Display > Statutory Reports > CST > Forms Issuable > Ledger**

- Select **Universal Traders** from **List of Ledgers**
- In the **F12: Configuration**, set **Show All Vouchers** to **Yes**
- Change the period as **1-4-2011** to **3-4-2011**
- In the **Forms Issuable** screen, click on **P: Print** (Alt + P)
- In the **Print Report** screen,
 - Set **Print as per Effective Date** to **Yes**
 - Set the period as **1-4-2011** to **2-4-2011** to display the vouchers for the selected period
 - Set **Print Covering Letter** to **Yes**

Printing	
Printer : Microsoft XPS Document Writer (Net03)	Paper Type : Letter
No. of Copies : 1	
Print Language : English	<i>(Printing Dimensions)</i>
Method : Neat Mode	Paper Size : (8.50" x 10.98") or (216 mm x 279 mm)
Page Range : All	Print Area : (8.50" x 10.98") or (216 mm x 279 mm)
Report Titles	
Universal Traders Forms Issuable (with Print Preview) <i>Without Company Phone No.</i>	
Print as per Effective Date	? Yes
From (blank for beginning)	: 1-4-2011
To (blank for end)	: 2-4-2011
Print Covering Letter	? Yes
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Print ? Yes or No </div>	

Figure 4.23 Print Report screen of Forms Issuable

Press **Y** or **Enter** to generate the print preview screen of **Covering Letter**.

The Print preview screen of **Covering Letter** for Universal Traders displays as shown:

To : Universal Traders # 106, St. Marks Road Bengaluru		From: National Traders 56, Anna Building G.S.T Road, Guindy Chennai				
Dear Sir/Madam,		Dated: 4-Apr-2011				
Sub : Issue of Sales Tax Forms						
Given below is the details of Invoices received by us for which the Sales Tax Forms are enclosed.						
Kindly acknowledge the receipt of the same.						
Date Reference	Assessable Value	CST Amount	Invoice Form Type Amount	Series Number	Form No	Issue Date
1-Apr-2011 01	7,94,000.00 Cr	15,880.00 Cr	8,09,880.00 Cr	C Form	KA7610S 036521	1-Apr-2011
	7,94,000.00 Cr	15,880.00 Cr	8,09,880.00 Cr			
Yours faithfully,						
Authorised Signatory						

Figure 4.24 Covering Letter – Print Preview screen

4.8 CST Registers

CST Purchase Register

The CST Purchase Register provides complete details of all the purchases made in a particular tax period. This register captures the invoice-wise purchases with voucher number, CST registration number, stock items invoiced, invoice value, assessable value, apportioned additional expenses and VAT/Tax classifications.

To view the CST Purchase Register,

Go to **Gateway of Tally > Display > Statutory Reports > CST > CST Register > Cst Purchase**

Press **F12: Configure**. By default, the fields - **Show Voucher Number**, **Show Quantity Details** and **Show Additional Cost** will be set to **Yes**. To view the supplier invoice number, CST number, rate and item value set the options as shown below:

<u>Configuration</u>	
Show Voucher Number	? Yes
Show Supplier Invoice No. & Dt.?	Yes
Show CST No.	? Yes
Show Quantity Details	? Yes
Show Rate Details	? Yes
Show Item Value	? Yes
Show Additional Cost	? Yes

Figure 4.25 CST Purchase Register Configuration

The options shown in the Configuration screen are:

- ❑ **Show Voucher Number:** This field will be set to **Yes** to display the voucher number.
- ❑ **Show Supplier Invoice No. & Date:** Set it to **Yes** to display the Supplier Invoice No. and date entered in the purchase invoice.
- ❑ **Show CST No.:** Set it to **Yes** to capture the CST number entered in the party ledger master or the party details screen displayed while invoicing.
- ❑ **Show Quantity Details:** This field will be set to **Yes** to display the quantity purchased.
- ❑ **Show Rate Details:** Set it to **Yes** to display the rate at which the stock items were purchased.
- ❑ **Show Item Value:** Set it to **Yes** to display the assessable value of stock item purchased.
- ❑ **Show Additional Cost:** This field will be set to **Yes** to display the value entered while invoicing for additional expense or income ledger enabled for apportionment.

In the CST Purchase Register screen, press **F1: Detailed** button (Alt+F1) to display the inventory details and VAT/Tax classifications. The **CST Purchase Register** displays as shown:

CST Purchase Register		National Traders				Ctrl + M		
List of Purchase Vouchers		1-Apr-2011 to 30-Apr-2011						
Date	Particulars	Supplier Invoice No. & Dt.	Vch No.	TIN No.	CST No.	Quantity	Rate	Value
1-Apr-2011	Universal Traders	01 / 1-4-2011	1	29784512456	29784512456	18 Nos		7,94,000.00
	Air Conditioner					10 Nos	25,000.00/Nos	2,50,000.00
	CST-2% (Purchase)							
	Refrigerators					8 Nos	68,000.00/Nos	5,44,000.00
	CST-2% (Purchase)							
2-Apr-2011	Universal Traders	02 / 2-4-2011	2	29784512456	29784512456	53 Nos		2,24,100.00
	Gold Jewellery					4 Nos	20,000.00/Nos	80,000.00
	CST-1% (Purchase)							
	CST-4% (Purchase)							
	CST-12.5% (Purchase)							
	Insulators					30 Nos	320.00/Nos	9,600.00
	CST-1% (Purchase)							
	CST-4% (Purchase)							
	CST-12.5% (Purchase)							
	Washing Machines					6 Nos	10,500.00/Nos	63,000.00
	CST-1% (Purchase)							
	CST-4% (Purchase)							
	CST-12.5% (Purchase)							
	Water Purifiers					13 Nos	5,500.00/Nos	71,500.00
	CST-1% (Purchase)							
	CST-4% (Purchase)							
	CST-12.5% (Purchase)							
23-Apr-2011	Glamour Appliances	03 / 23-4-2011	3			9 Nos		2,52,000.00
	Fax Machine					4 Nos	13,000.00/Nos	52,000.00
	Photo Copying Machine					5 Nos	40,000.00/Nos	2,00,000.00
						80 Nos		12,70,100.00

Figure 4.26 CST Purchase Register – Screen 1

Scroll horizontally to view the columnar details.

CST Purchase Register		National Traders				Ctrl + M	
List of Purchase Vouchers		1-Apr-2011 to 30-Apr-2011					
Date	Particulars	Value	Gross Total	Assessable Value	Addl. Cost	VAT/TAX Class	Tax Amount
		← ... 6 more					
1-Apr-2011	Universal Traders	7,94,000.00	8,09,880.00	8,09,880.00	15,880.00		
	Air Conditioner CST-2% (Purchase)	2,50,000.00		2,55,000.00	5,000.00	Interstate Purchases @ 2% Against Form C	
	Refrigerators CST-2% (Purchase)	5,44,000.00		5,54,880.00	10,880.00	Interstate Purchases @ 2% Against Form C	
2-Apr-2011	Universal Traders	2,24,100.00	2,42,096.50	2,42,096.50	17,996.50		
	Gold Jewellery CST-1% (Purchase)	80,000.00		80,800.00	800.00	Interstate Purchases @ 1%	
	CST-4% (Purchase)						
	CST-12.5% (Purchase)						
	Insulators CST-1% (Purchase)	9,600.00		9,984.00		Interstate Purchases @ 4%	
	CST-4% (Purchase)				384.00		
	CST-12.5% (Purchase)						
	Washing Machines CST-1% (Purchase)	63,000.00		70,875.00		Interstate Purchases @ 12.5%	
	CST-4% (Purchase)						
	CST-12.5% (Purchase)				7,875.00		
	Water Purifiers CST-1% (Purchase)	71,500.00		80,437.50		Interstate Purchases @ 12.5%	
	CST-4% (Purchase)						
	CST-12.5% (Purchase)				8,937.50		
23-Apr-2011	Glamour Appliances	2,52,000.00	2,52,000.00	2,52,000.00			
	Fax Machine	52,000.00		52,000.00		Imports	
	Photo Copying Machine	2,00,000.00		2,00,000.00		Imports	
		12,70,100.00	13,03,976.50	13,03,976.50	33,876.50		

Figure 4.27 CST Purchase Register – Screen 2

CST Sales Register

The CST Sales Register provides complete details of all the Sales made in a particular tax period. This register captures the invoice-wise Sales with voucher number, CST registration number, stock items invoiced, invoice value, assessable value, apportioned additional incomes, VAT/Tax classifications, tax amount and Surcharge if any depending on the State selected for VAT compliance.

To view the CST Sales Register,

Go to **Gateway of Tally > Display > Statutory Reports > CST > CST Register > CST Sales**

Press **F12: Configure**. By default, the fields - **Show Voucher Number** and **Show Quantity Details** will be set to **Yes**. To view the Voucher Reference number, CST number, rate and item value set the options as shown below:

Configuration	
Show Voucher Number	? Yes
Show Voucher Ref.	? Yes
Show CST No.	? Yes
Show Quantity Details	? Yes
Show Rate Details	? Yes
Show Item Value	? Yes

Figure 4.28 CST Sales Register Configuration

The options shown in the Configuration screen are:

- ❑ **Show Voucher Number:** This field will be set to **Yes** to display the voucher number.
- ❑ **Show Voucher Ref:** Set it to **Yes** to display the voucher reference number entered in Ref field of sales/tax invoice.
- ❑ **Show CST No.:** Set it to **Yes** to capture the CST number entered in the party ledger master or the party details screen.
- ❑ **Show Quantity Details:** This field will be set to Yes to display the quantity sold.
- ❑ **Show Rate Details:** Set it to **Yes** to display the rate at which the stock items were sold.
- ❑ **Show Item Value:** Set it to **Yes** to display the assessable value of stock item sold.

In the CST Sales Register screen, press **F1: Detailed** button (Alt+F1) to display the inventory details and VAT/Tax classifications. The **CST Sales Register** displays as shown:

CST Sales Register		National Traders				Ctrl + M		
List of Sales Vouchers								1-Apr-2011 to 30-Apr-2011
Date	Particulars	Voucher Ref.	Vch No.	TIN No.	CST No.	Quantity	Rate	Value
								5 more ... →
4-Apr-2011	Mc Millan Techsys	01	1	28564554120	28564554120	5 Nos		1,05,000.00
	Air Conditioner					3 Nos	28,000.00/Nos	84,000.00
	Packing Charges							
	Refrigerators					2 Nos	10,500.00/Nos	21,000.00
	Packing Charges							
5-Apr-2011	Decor Bazaar	02	2	21589856321	21589856321	31 Nos		1,16,000.00
	Gold Jewellery					3 Nos	22,500.00/Nos	67,500.00
	Insulators					25 Nos	500.00/Nos	12,500.00
	Washing Machines					3 Nos	12,000.00/Nos	36,000.00
	Packing Charges							
6-Apr-2011	Mc Millan Techsys	03	3	28564554120	28564554120	2 Nos		56,000.00
	Air Conditioner					2 Nos	28,000.00/Nos	56,000.00
7-Apr-2011	Rishita Traders	04	4	23478954212	23478954212	5 Nos		43,500.00
	Water Purifiers					3 Nos	6,500.00/Nos	19,500.00
	Packing Charges							
	Washing Machines					2 Nos	12,000.00/Nos	24,000.00
	Packing Charges							
9-Apr-2011	Logic Electronics	05	5	21585412014	21585412014	2 Nos		56,000.00
	Air Conditioner					2 Nos	28,000.00/Nos	56,000.00
13-Apr-2011	National Enterprises	06	6	27541232541	27541232541	2 Nos		24,000.00
	Washing Machines					2 Nos	12,000.00/Nos	24,000.00
16-Apr-2011	Parijata Enterprises	07	7	29857412563	29857412563	6 Nos		42,000.00
	Water Purifiers					3 Nos	5,500.00/Nos	16,500.00
	Refrigerators					3 Nos	8,500.00/Nos	25,500.00
20-Apr-2011	Zeta Electronics	08	8			7 Nos		1,89,600.00
	Air Conditioner					3 Nos	850.00 \$/Nos	1,22,400.00
	Packing Charges							
								15 more ... ↓
						150 Nos		9,76,700.00

Figure 4.29 CST Sales Register – Screen 1

Scroll horizontally to view the columnar details.

CST Sales Register		National Traders				Ctrl + M	
List of Sales Vouchers		1-Apr-2011 to 30-Apr-2011					
Date	Particulars	Value	Gross Total	Assessable Value	Addl. Cost	VAT/TAX Class	Tax Amount
		← ... 6 more					
4-Apr-2011	Mc Millan Techsys	1,05,000.00	1,13,220.00	1,11,000.00	6,000.00		2,220.00
	Air Conditioner	84,000.00		87,600.00		CST @ 2% Against Form C	1,752.00
	Packing Charges				3,600.00		
	Refrigerators	21,000.00		23,400.00		CST @ 2% Against Form C	468.00
	Packing Charges				2,400.00		
5-Apr-2011	Decor Bazaar	1,16,000.00	1,21,675.00	1,16,000.00			5,675.00
	Gold Jewellery	67,500.00		67,500.00		CST @ 1%	675.00
	Insulators	12,500.00		12,500.00		CST @ 4%	500.00
	Washing Machines	36,000.00		36,000.00		CST @ 12.5%	4,500.00
6-Apr-2011	Mc Millan Techsys	56,000.00	68,620.00	56,000.00	11,500.00		1,120.00
	Air Conditioner	56,000.00		56,000.00		CST @ 2% Against Form C	1,120.00
7-Apr-2011	Rishita Traders	43,500.00	49,980.00	49,000.00	5,500.00		980.00
	Water Purifiers	19,500.00		22,800.00		Inter State Sales Against Form - E1	456.00
	Packing Charges				3,300.00		
	Washing Machines	24,000.00		26,200.00		Inter State Sales Against Form - E1	524.00
	Packing Charges				2,200.00		
9-Apr-2011	Logic Electronics	56,000.00	56,000.00	56,000.00			
	Air Conditioner	56,000.00		56,000.00		Inter State Sales Against Form - E2	
13-Apr-2011	National Enterprises	24,000.00	24,000.00	24,000.00			
	Washing Machines	24,000.00		24,000.00		Consignment/Branch Transfer Outward	
16-Apr-2011	Parijata Enterprises	42,000.00	42,000.00	42,000.00			
	Water Purifiers	16,500.00		16,500.00		Consignment/Branch Transfer Outward	
	Refrigerators	25,500.00		25,500.00		Consignment/Branch Transfer Outward	
20-Apr-2011	Zeta Electronics	1,89,600.00	2,01,600.00	1,89,600.00	12,000.00		
	Air Conditioner	1,22,400.00		1,27,542.86		Exports	
	Packing Charges				5,142.86		
							15 more ...
		9,76,700.00	10,25,135.00	9,88,200.00	35,000.00		13,435.00

Figure 4.30 CST Sales Register – Screen 2

4.9 CST Return Form

To view the CST Return Form,

Go to **Gateway of Tally > Display > Statutory Reports > CST > CST Forms**

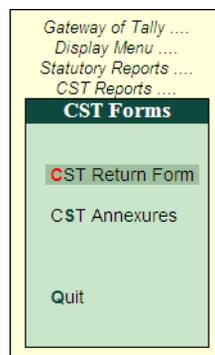


Figure 4.31 CST Forms Menu

The **CST Returns** option will display the **Print Report** screen. Enter the **Tax Period** in the **From** and **To** fields, **Name**, **Status/Designation**, **Place**, **Date**, the **Area Code** and the **Name of Circle/ Sector** in their respective fields.

Printing	
Printer	: Microsoft XPS Document Writer (Net03:)
No. of Copies	: 1
Print Language	: English
Method	: Neat Mode
Page Range	: All
Paper Type	: A4
Paper Size	: (8.27" x 11.69") or (210 mm x 297 mm)
Print Area	: (8.27" x 11.69") or (210 mm x 297 mm)
<i>(Printing Dimensions)</i>	
Report Titles	
CST Return Form	
(with Print Preview)	
<i>Without Company Phone No.</i>	
From (blank for beginning)	: 1-4-2011
To (blank for end)	: 30-4-2011
Name	: T. Selvam
Status/Designation	: Accounts Officer
Place	: G.S.T. Road, Guindy
Date	: 5-5-2011
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Print ? Yes or No </div>	

Figure 4.32 CST Return Form – Print Report screen

The print preview of **CST Form I** displays as shown:

FORM I				
FORM OF RETURN UNDER RULE 5 OF THE CENTRAL SALES TAX				
(TAMIL NADU) RULES, 1957				
FORM No.1	Area Code	1	2	5
FORM OF RETURN		CST Regn. No.	33452148522	
Under Rule 5 of Central Sales Tax (Tamil Nadu) Rules, 1957				
Return for the period from 1-Apr-2011 to 30-Apr-2011		TNGST / TIN Registration No.	33452148522	
To The Assessing Authority 785R Assessment Circle		Telephone No.	044-22387994	
Name of the Dealer National Traders		Principal place of business and address 56, Anna Building, G.S.T Road, Guindy, Chennai, PIN Code :600 032		
1.	Transfer of goods otherwise than by way of sale as referred to in Section 6-A of the Act.			53,100.00
1-A	Value of goods transferred to the assessee's place of business in the other States.		Rs.	6,300.00
1-B	Value of goods transferred to the assessee's agent or principal in the other States.		Rs.	46,800.00
2.	GROSS amount received or receivable by the dealer during the period in respect of sales of goods.		Rs.	9,70,155.00
Deduct: (i)	Sales of goods outside the State (as defined in Section 4 of the Act)	Rs.	87,720.00	
(ii)	Sales of goods in the course of export outside India [as defined in Section 5(1) of the Act]	Rs.	2,01,600.00	
(iii)	Sales of goods in the course of import into India [as defined in Section 5(2) of the Act] - Details to be furnished in Annexure I.	Rs.	33,000.00	
(iv)	Last sale of goods preceding the sale occasioning the export of those goods outside India [as defined in Section 5(3) of the Act]	Rs.	39,000.00	
	TOTAL OF 2(i), (ii), (iii) & (iv)		Rs.	3,61,320.00
3.	BALANCE - Turnover on inter-State sales and sales within the State		Rs.	6,08,835.00
	Deduct - Turnover on sales within the State		Rs.	32,000.00
4.	BALANCE - Turnover on inter-State sales		Rs.	5,76,835.00
Deduct: (i)	Cash discount allowed according to the practice normally prevailing in the trade and cost of freight, delivery or installation when such cost is separately charged.	Rs.	11,500.00	
(ii)	Tax collections deducted according to Section 8-A(1)(a)	Rs.	9,965.00	
(iii)	Sale price repaid to purchasers in respect of goods returned by them according to Section 8-A(1)(b) of the Act.	Rs.	39,270.00	
	TOTAL OF 4(i), (ii) & (iii)		Rs.	62,735.00
5.	BALANCE - Total turnover on inter-State sales		Rs.	5,14,100.00
5-A.	Turnover on account of subsequent sales to registered dealers exempt under Section 6(2) of the Act - Details to be furnished in Annexure II.	Rs.	95,000.00	
5-B.	Turnover in goods exempt from tax under Section 8(2-A) of the Act - (Commodity wise turnover should be furnished)	Rs.	5,100.00	
5-C.	Turnover exempt under Section 8(5) of the Act - (Commodity wise turnover should be furnished)	Rs.	25,500.00	
	TOTAL OF 5-A, 5-B & 5-C		Rs.	1,25,600.00
6.	BALANCE turnover on account of sales taxable under the Act.		Rs.	3,88,500.00

Figure 4.33 CST Form I – Page 1

GOODS-WISE BREAK-UP OF TURNOVER ON ACCOUNT OF SALE TAXABLE UNDER THE ACT						
APPENDIX I - DECLARED GOODS						
Sl. No.	NAME OF THE COMMODITY	Commodity Code Number	Rate of Tax	Taxable Turnover	Tax Due	Tax Collected
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Silk Fabrics	2127		25,500.00		
		TOTAL		25,500.00		
APPENDIX II - OTHER GOODS						
1	Periodicals	711		5,100.00		
		TOTAL		5,100.00		
1. Tax payable as per return in Form 1					Rs.	9,965.00
2. (a) Adjustment of Advance tax / Refund					Rs.	1,500.00
(b) Entry Tax, if any paid					Rs.	1,000.00
(c) Input Tax Credit available on Form I of the Tamil Nadu VAT Rules, 2007					Rs.	1,720.00
TOTAL					Rs.	4,220.00
3. Balance to be paid or Excess carried forward to the next month					Rs.	5,745.00
4. Payment Details						
Sl. No.	Amount(Rs.)	Crossed Cheque / Crossed DD / Crossed Banker's Cheque No.	Date	Bank	Bank Code	
1	6,725.00	003214	5-May-2011	Bank of India, Chennai	21582	
TOTAL	6,725.00	(in words) Rupees Six Thousand Seven Hundred Twenty Five Only				
DECLARATION						
1. I/We T. Selvam declare that the best of my / our knowledge and belief, the information furnished in the above statement is true and complete						
2. I/We T. Selvam declare that I/We am/are authorised by Thyagarajan.						
Place: <u>GST Road, Gandy</u>				Signature: _____		
Date: <u>5-May-2011</u>				Name: <u>T. Selvam</u>		
				Status and Relationship to the dealer: <u>Accounts Officer</u>		
<p>Note:</p> <p>1. The turnover details required in the above appendices should be furnished commodity-wise.</p> <p>2. Commodity code in Column No. 3 need not be filled in by the dealer.</p>						

Figure 4.34 CST Form I – Page 2

4.10 Form 14

EXTRACT OF FORM OF DECLARATION AND CERTIFICATE ISSUED BY THE REGISTERED DEALER FORM OTHER STATES

The Form No. 14 is a certificate issued by the registered interstate dealer on interstate purchases made against declaration forms - Form C, E1/E2, F, H and I. The transit purchases made against Form C with E1/E2 gets reflected in Form No. 15 as Form E1/E2 received and Form No. 14 as Form C issued.

Go to **Gateway of Tally > Display > Statutory Reports > CST > CST Forms > CST Returns > Form 14**

The CST Returns option will display the Print Report screen. Enter the Tax Period From and To, Name, Status/Designation, Place and Date in their respective fields.

The print preview of **Form No. 14** displays as shown:

Form No.14.														
EXTRACT OF FORM OF DECLARATION AND CERTIFICATE ISSUED BY THE REGISTERED DEALER TO OTHER STATES.														
(See rule 10-B)														
Form Name	Purchaser TIN	Purchaser CST	Seller TIN	Seller CST	Seller Name	Seller State Name	Seller Address	Form Series No. (9)**	Form Serial No. (10)	Invoice No. (11)	Invoice Date (12)	Invoice Value (13)	Form Status (14)	Commodity (15)
C Form	33452-148522	3345-2148-522	29784-512456	2978-4512-456	Univ-ersal Trade-rs	Karna-taka	# 106, St. Marks Road, Bengal-uru		0365-21	1	1-Apr-2011	7,94,000.00		304
C Form	33452-148522	3345-2148-522	23478-954212	2347-8954-212	Rishi-ta Trade-rs	Madh-ya Prad-esh	F Block, # 45, Rajan Arcade, Bhopal		5214-52	1	12-Apr-2011			329
E1 Form	23478-954212	2947-8954-212	33452-148522	3345-2148-522	Natio-nal Trade-rs	Tamil Nadu	56, Anna Buildin-g, G.S. T Road, Guindy, Chennai		3655-21	4	7-Apr-2011	49,000.00		329
E1 Form	23478-954212	2347-8954-212	33452-148522	3345-2148-522	Natio-nal Trade-rs	Tamil Nadu	56, Anna Buildin-g, G.S. T Road, Guindy, Chennai		4125-54	2	8-Apr-2011	(-)12,000.00		329

** Form Name : 'C', 'E-I', 'E-II', 'F', and 'H'

* Form Status : 'L' for Lost, 'C' for cancelled, 'D' for Defaced and 'O' for Obsolete.

Figure 4.35 Form No. 14

4.11 Form 15

EXTRACT OF FORM OF DECLARATION AND CERTIFICATE RECEIVED BY THE REGISTERED DEALER FORM OTHER STATES

The Form No.15 is a certificate which is to be received by the registered interstate dealer on interstate sales made against declaration forms - Form C, E1/E2, F, H and I. The transit sales made against Form C with E1/E2 gets reflected in Form No. 15 as Form C received and Form No. 14 as Form E1/E2 issued.

Go to **Gateway of Tally > Display > Statutory Reports > CST > CST Forms > CST Returns > Form 15**

The CST Returns option will display the Print Report screen. Enter the Tax Period From and To, Name, Status/Designation, Place and Date in their respective fields.

The print preview of Form No. 15 displays as shown:

Form No. 15.												
EXTRACT OF FORM OF DECLARATION AND CERTIFICATE RECEIVED BY THE REGISTERED DEALER TO OTHER STATES.												
(See rule 10-B)												
Form Name	Purchaser TIN	Purchaser CST	Seller TIN	Seller CST	Seller Name	Form Series No. (7)**	Form Serial No. (8)	Invoice No. (9)	Invoice Date (10)	Invoice Value (11)	Form Status (12)	Commodity (13)
(1)	(2)	(3)	(4)	(5)	(6)	(7)**	(8)	(9)	(10)	(11)	(12)	(13)
C Form	285645-54120	28564-554120	334521-48522	33452-148522	National Traders		12452	1	4-Apr-2011	1,11,000.00		304
C Form	234789-54212	23478-954212	334521-48522	33452-148522	National Traders		236541	2	8-Apr-2011	(-)12,000.00		329
C Form	285645-54120	28564-554120	334521-48522	33452-148522	National Traders		325884	3	6-Apr-2011	56,000.00		304
C Form	215854-12014	21585-412014	334521-48522	33452-148522	National Traders		487745	5	9-Apr-2011	56,000.00		304
C Form	285645-54120	28564-554120	334521-48522	33452-148522	National Traders		521441	1	7-Apr-2011	(-)38,500.00		304
C Form	234789-54212	29478-954212	334521-48522	33452-148522	National Traders		541258	4	7-Apr-2011	49,000.00		329
F Form	275412-32541	27541-232541	334521-48522	33452-148522	National Traders		158985	6	13-Apr-2011	24,000.00		329
F Form	275412-32541	27541-232541	334521-48522	33452-148522	National Traders		158985	3	14-Apr-2011	(-)12,000.00		329

** Form Name : 'C', 'E-I', 'E-II', 'F', and 'H'

* Form Status : 'L' for Lost, 'C' for cancelled, 'D' for Defaced and 'O' for Obsolete.

Figure 4.36 Form No. 15

4.12 CST Annexure

To view the CST Annexure,

Go to **Gateway of Tally > Display > Statutory Reports > CST > CST Annexure**

4.12.1 Annexure – I

This Annexure lists out the details of turnover claimed as sales in the course of import during the month. The print preview of **CST Annexure I** for M/s. National Traders displays as shown:

ANNEXURE I - DETAILS OF TURNOVER CLAIMED AS SALES OF GOODS IN THE COURSE OF IMPORT INTO INDIA												
Sl. No	Bill of lading number and date	Name of the commodity	Name and address of the foreign seller from whom these goods were purchased	Purchase invoice number and date	Value of the goods purchased	Name of the ship and name and address of the shipping company / agent	Date of endorsement of bill of lading	Bill of entry No. & date (please specify whether bill of entry was for home consumption or warehousing)	Invoice number and date of the sale in the course of import	Value of the goods sold	Name and address of the buyer	Name and address of the clearing agent
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	IA14-50 & 23-Apr-2011	Fax Machine	Glamour Appliances, 350/S, 45 Street, New York - 10001, USA	011	39,000.00	Cargo Flight	23-Apr-2011	DDN65-412	11, 23-Apr-2011	45,000.00	Home Electronics, # 9, Sector II, Dargha Road, Chandigarh	
TOTAL					39,000.00					45,000.00		
Signature : _____												
Name : T. Selvam												
Place: G.S.T. Road, Guindy												
Date: 5-May-2011												
Status & relationship of the dealer : Accounts Officer												

Figure 4.37 CST Annexure I – Sale of Goods in the Course of Import into India

Returns and Additions

This is the additional facility provided by Tally.ERP 9. These values can be printed by the user on enabling the option **Print with Returns/Additions** in **F12: Print Configuration** of each Annexure.

CST Annexure I can be printed along with a statement displaying the details on Sales Returns or Additions (Sale consideration for increase in price) on Sales of Goods in the course of import into India.

This statement is printed on setting the option **Print with Returns/Additions** to **Yes** in the **F12: Print Configuration** of **CST Annexure I**.

The print preview of **Returns/Additions** supporting **CST Annexure I** for M/s. National Traders displays as shown:

Sales Returns/Additions Statement of Sales of Goods in the course of import into india				
Sl No.	Credit/Debit Note No. and Date	Name and Address of the buyer	Name of Commodity	Value of Goods
(1)	(2)	(3)	(4)	(5)
Returns				
1	5, 25-Apr-2011	Home Electronics, # 9, Sector II, Dargha Road, Chandigarh		15,000.00
			Fax Machine	15,000.00
			Total of Returns	15,000.00
Additions				
1	4, 26-Apr-2011	Home Electronics, # 9, Sector II, Dargha Road, Chandigarh		3,000.00
			Fax Machine	3,000.00
			Total of Additions	3,000.00
			Net Total	(-12,000.00)

Signature : _____

Place: GST.Road, Guindy Name : T. Selvam

Date: 5-May-2011 Status & relationship of the dealer : Accounts Officer

Figure 4.38 Annexure – I – Returns & Additions screen

4.12.2 Annexure – II

This Annexure lists out the details of turnover claimed as exempted in the course of Inter-state sales against Form E1/E2 as specified u/s 6(2) of the Act during the month.

The print preview of **CST Annexure II** for M/s. National Traders displays as shown:

ANNEXURE II - DETAILS OF TURNOVER CLAIMED AS EXEMPTED UNDER SECTION 6(2) OF THE ACT											
Sl. No.	LR/RR number and date	Name of the commodity	Name and address of the seller from whom these goods were purchased	Purchase invoice number and date	value of the goods purchased	Name and address of the carrier	Date of endorsement of the LR /RR	Date of landing of the goods in the place of dealer effecting the transit sales	Transit sale invoice number and date	Value of the goods sold	Name and address of the buyer
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	LR68-32 & 7 -Apr -2011		Universal Traders, # 106, St. Marks Road, Bengaluru	04		TN5656	7 -Apr -20-11	DDN76-61	4, 7 -Apr -20-11	49,000.00	Manasa Traders, # 45, 1st Main Road, 2nd Cross, Malleshwaram, Bangalore, Karnataka
		Electrical Appliances			16,500.00					22,800.00	
		Electrical Appliances			21,000.00					26,200.00	
2	LR51-64 & 9 -Apr -2011	Air Conditioners	Universal Traders, # 106, St. Marks Road, Bengaluru	05	50,000.00	TN4514	9 -Apr -20-11	DDN27-45	5, 9 -Apr -20-11	56,000.00	Logic Electronics, # 56, Phase II, Sector 1, Bhubaneshwar
TOTAL					87,500.00					1,05,000.00	

Signature : _____

Place: GST.Road, Guindy Name : T. Selvam

Date: 5-May-2011 Status & relationship of the dealer : Accounts Officer

Figure 4.39 Annexure II

Returns and Additions

CST **Annexure II** can be printed along with a statement displaying the details of Sales Returns/ Additions on Sales of Goods against Form E1/E2.

The print preview of Returns/Additions supporting CST **Annexure II** for M/s. National Traders displays as shown:

Sales Returns/Additions Statement of Sales of Goods against Form E1 and E2				
Sl No.	Credit/Debit Note No. and Date	Name and Address of the buyer	Name of Commodity	Value of Goods
(1)	(2)	(3)	(4)	(5)
Returns				
1	2, 8-Apr-2011	Rishita Traders, F Block, # 45, Rajan Arcade, Bhopal		12,000.00
			<i>Electrical Appliances</i>	<i>12,000.00</i>
			Total of Returns	12,000.00
Additions				
1	1, 12-Apr-2011	Rishita Traders, F Block, # 45, Rajan Arcade, Bhopal		2,000.00
			<i>Electrical Appliances</i>	<i>2,000.00</i>
			Total of Additions	2,000.00
			Net Total	(-)10,000.00

Signature : _____

Place: GST Road, Guindy Name : T. Selvam

Date: 5-May-2011 Status & relationship of the dealer : Accounts Officer

Figure 4.40 Annexure – II – Returns & Additions screen

4.12.3 Annexure – III

This Annexure lists out the details of all the Consignment transfers made directly to branch outside the state by the dealer. All the entries made using VAT/Tax class Consignment / Branch Transfer outward will be captured here when the option **Is Sale in Principal's A/c** is set to **No** in the sales invoice. The print preview of CST **Annexure III** for M/s. National Traders displays as shown:

ANNEXURE III - STOCK TRANSFERS									
Sl. No.	Form XX under Tamil Nadu General Sales Tax Rules, 1959/Form JJ under Tamil Nadu Value Added Tax Rules, 2007 Stock Transfer Invoice / Memo / Challan number and date	Goods vehicle number	Lorry receipts / Railway receipts number and date	Description of the goods	Quantity	Approximate value (in Rupees)	Full address and Telephone number, if any of the place of business in the other States	General Sales Tax, Central Sales Tax and Value Added Tax TIN Registration number with date, of other States	Form F number under Central Sales Tax (Registration and Turnover) Rules, 1957, and date, if it has been received
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	06	TN0917	LR5726			24,000.00	National Enterprises, # 56, 2nd Main Road, Shahid Bhagat Singh Marg, Mumbai, Tel:	27541232541	158985/ 16-Apr-2011
				Washing Machines	2 Nos	24,000.00			
TOTAL						24,000.00			

Signature : _____

Place: GST Road, Guindy Name : T. Selvam

Date: 5-May-2011 Status & relationship of the dealer : Accounts Officer

Figure 4.41 Annexure – III

Returns and Additions

CST **Annexure III** can be printed along with a statement displaying the details on Sales Returns/ Additions on Goods Transferred to the place of business in the other states. The print preview of Returns/Additions supporting CST **Annexure III** for M/s. National Traders displays as shown:

Sales Returns/Additions Statement of Goods Transferred to the place of business in the other states						
Sl No.	Credit/Debit Note No. and Date	Name and address of the business in the other states	Registration Number	Description of Goods	Quantity	Approximate Value of Goods
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Returns						
1	3, 14-Apr -2011	National Enterprises, # 56, 2nd Main Road, Shahid Bhagat Singh Marg, Mumbai	27541232541		1 Nos	12,000.00
				Washing Machines	1 Nos	12,000.00
				Total of Returns		12,000.00
Additions						
1	2, 15-Apr -2011	National Enterprises, # 56, 2nd Main Road, Shahid Bhagat Singh Marg, Mumbai				2,800.00
				Washing Machines		2,800.00
				Total of Additions		2,800.00
				Net Total		(-)9,200.00

Signature : _____

Place: G.S.T. Road, Guindy Name : T. Selvam

Date: 5-May-2011 Status & relationship of the dealer : Accounts Officer

Figure 4.42 Annexure – III – Returns & Additions screen

4.12.4 Annexure – IV

This Annexure lists out the details of all the Consignment transfers made through the agent of the principal to the branch located outside state. The value of all the sales entries made using the **VAT/Tax class – Branch Transfers Outwards** will be captured here on setting the option **Is Sale in Principal's A/c** to **Yes** in a sales invoice. The print preview of **CST Annexure IV** for M/s. National Traders displays as shown:

ANNEXURE IV - FOR CONSIGNMENT SALES									
Sl. No.	Form XX under Tamil Nadu General Sales Tax Rules, 1959/Form JJ under Tamil Nadu Value Added Tax Rules, 2007 Delivery Note/ Challan number and date	Goods vehicle number	Lorry receipts / Railway receipts number and date	Description of the goods	Quantity	Approximate value (in Rupees)	Name and full address of the Consignee in other States with Telephone number, if any	General Sales Tax, Central Sales Tax and Value Added Tax TIN Registration number with date, of the consignee in other States	Form F number under Central Sales Tax (Registration and Turnover) Rules, 1957, and date, if it has been received
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	07	TN5516	LR6761			42,000.00	Parijata Enterprises, # 19, 12th Main Road, K R Puram, Bangalore, Tel:	29857412563	
				Water Purifiers	3 Nos	16,500.00			
				Refrigerators	3 Nos	25,500.00			
				TOTAL		42,000.00			

Signature : _____

Place: G.S.T. Road, Guindy Name : T. Selvam

Date: 5-May-2011 Status & relationship of the dealer : Accounts Officer

Figure 4.43 Annexure IV

Returns and Additions

CST **Annexure IV** can be printed along with a statement displaying the details on Sales Returns/ Additions on Goods Transferred to the place of business in the other states.

The print preview of **Returns/Additions** supporting CST **Annexure IV** for M/s. National Traders displays as shown:

Sales Returns/Additions Statement of Goods Transferred on Consignment						
Sl No.	Credit/Debit Note No. and Date	Name and address of the Consignee	Registration Number	Description of Goods	Quantity	Approximate Value of Goods
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Returns						
1	4, 18-Apr-2011	Parijata Enterprises, # 19, 12th Main Road, K R Puram, Bangalore	29857412563		1 Nos	8,500.00
				Refrigerators	1 Nos	8,500.00
				Total of Returns		8,500.00
Additions						
1	3, 19-Apr-2011	Parijata Enterprises, # 19, 12th Main Road, K R Puram, Bangalore				4,800.00
				Water Purifiers		4,800.00
				Total of Additions		4,800.00
				Net Total		(-),3,700.00
				Signature	: _____	
Place: G.S.T. Road, Guindy				Name	: T. Selvam	
Date: 5-May-2011				Status & relationship of the dealer	: Accounts Officer	

Figure 4.44 Annexure IV – Returns & Additions