



POWER OF SIMPLICITY

**Implementation of TDS
in Tally.ERP 9**

The information contained in this document is current as of the date of publication and subject to change. Because Tally must respond to changing market conditions, it should not be interpreted to be a commitment on the part of Tally, and Tally cannot guarantee the accuracy of any information presented after the date of publication. The information provided herein is general, not according to individual circumstances, and is not intended to substitute for informed professional advice.

This document is for informational purposes only. TALLY MAKES NO WARRANTIES, EXPRESS OR IMPLIED, IN THIS DOCUMENT AND SHALL NOT BE LIABLE FOR LOSS OR DAMAGE OF WHATEVER NATURE, ARISING OUT OF, OR IN CONNECTION WITH THE USE OF OR INABILITY TO USE THE CONTENT OF THIS PUBLICATION, AND/OR ANY CONDUCT UNDERTAKEN BY PLACING RELIANCE ON THE CONTENTS OF THIS PUBLICATION.

Complying with all applicable copyright and other intellectual property laws is the responsibility of the user. All rights including copyrights, rights of translation, etc., are vested exclusively with TALLY SOLUTIONS PRIVATE LIMITED. No part of this document may be reproduced, translated, revised, stored in, or introduced into a retrieval system, or transmitted in any form, by any means (electronic, mechanical, photocopying, recording, or otherwise), or for any purpose, without the express written permission of Tally Solutions Pvt. Ltd.

Tally may have patents, patent applications, trademarks, copyrights, or other intellectual property rights covering subject matter in this document. Except as expressly provided in any written licence agreement from Tally, the furnishing of this document does not give you any licence to these patents, trademarks, copyrights, or other intellectual property.

© 2009 Tally Solutions Pvt. Ltd. All rights reserved.

Tally, Tally 9, Tally9, Tally.ERP, Tally.ERP 9, Shoper, Shoper 9, Shoper POS, Shoper HO, Shoper 9 POS, Shoper 9 HO, TallyDeveloper, Tally Developer, Tally.Developer 9, Tally.NET, Tally Development Environment, Tally Extender, Tally Integrator, Tally Integrated Network, Tally Service Partner, TallyAcademy & Power of Simplicity are either registered trademarks or trademarks of Tally Solutions Pvt. Ltd. in India and/or other countries. All other trademarks are properties of their respective owners.

Version: Implementation of TDS in Tally.ERP 9/4.0/October 2010

Contents

Introduction

Scope & Applicability	1
TDS Process	4
Time & Mode of TDS Payment	5
Issue of TDS certificate	5
e-TDS Returns	6
Returns & Time lines	7
TDS Features in Tally.ERP 9	8

Lesson 1: Enabling TDS in Tally.ERP 9

1.1 Enabling TDS in Tally.ERP 9	9
---------------------------------------	---

Lesson 2: TDS Transactions

2.1 Transactions Involving TDS	16
2.1.1 TDS on Expenses (Journal Voucher)	16
2.2 Payment to Party	30
2.3 Payment of TDS	32
2.3.1 Payment of TDS (Using Auto Fill)	32
2.3.2 Generating TDS Challan (ITNS 281)	38
2.4 Transactions Involving TDS	42
2.4.1 Expenses Partly Subject to TDS (Journal Voucher)	42
2.4.2 Accounting of Expenses and Deducting TDS Later	53
2.4.3 Accounting Multiple Expenses and Deducting TDS Later	63
2.4.4 TDS on Advances	69
2.4.5 TDS on Expenses @ Lower Rate	75
2.4.6 TDS on Expenses @ Zero Rate	84
2.5 Adjustments in TDS	89
2.5.1 Reversal Of Expenses and TDS	89
2.6 Accounting Changes in TDS percentage	94
2.7 Accounting TDS on Payments made to Non Residents (DTAA)	95
2.8 TDS on Interest Payments	100
2.8.1 TDS on Interest Paid on Loans Taken	100
2.8.2 TDS on Interest Paid Towards Overdue Payments	109
2.9 TDS on Expenses with Inventory	118
2.10 TDS on Fixed Assets	124
2.11 Payment of TDS	128
2.11.1 Payment of TDS (Using Auto Fill)	128
2.11.2 Generating TDS Challan (ITNS 281)	131
2.12 Accounting Payment of Interest and Penalties	133
2.13 TDS on Sales Commission	139

2.14 Reversal of Excess TDS Deducted	142
--	-----

Lesson 3: TDS Reports

3.1 TDS Reports	148
3.2 Computation	149
3.2.1 TDS Computation – Party Wise	150
3.2.2 TDS Computation – TDS Paid	151
3.2.3 TDS Computation – TDS Payable	152
3.3 Challan Reconciliation.....	153
3.4 Return	154
3.4.1 Print Form 16A	154
3.4.2 Form 26Q	159
3.4.3 Annexure to 26Q	161
3.4.4 Form 27 Q	162
3.4.5 Annexure to 27Q	164
3.4.6 Form 26	165
3.4.7 Annexure to Form 26	167
3.4.8 Form 27	168
3.4.9 Annexure to 27	169
3.5 E>Returns	170
3.5.1 E-TDS	171
3.5.2 Form 26Q	171
3.5.3 Print Form 27A.....	175
3.6 Outstandings	177
3.6.1 TDS payable	177
3.6.2 Ledger	178
3.6.3 Nature of Payment	179
3.7 TDS Not Deducted.....	181
3.8 Exception Reports	182
3.8.1 PAN Not Available	182
3.8.2 Unknown Deductee Type	183
3.8.3 Migrate Tool	185

Introduction

TDS means Tax Deducted at Source. The concept of TDS was introduced in the Income Tax Act, 1961, with the objective of deducting the tax on an income, at the source of income. It is one of the methods of collecting Income Tax, which ensures regular flow of income to the Government.

Example: Universal Infotech is making the payment towards Rent to the owner of the building, it is required to deduct the tax on the income (i.e. before payment to the owner), at the source of income.

Scope & Applicability

Scope

Tax deduction at source means the tax required to be paid by the assessee, is deducted by the person paying the income to him. Thus, the tax is deducted at the source of income itself. The income tax act enjoins on the payer of such income to deduct the given percentage of income as income tax and pay the balance amount to the recipient of such income. The tax so deducted at source by the payer is to be deposited in the income tax department account. The tax so deducted from the income of the recipient is deemed payment of income tax by the recipient at the time of his assessment.

For example: Person responsible for paying any income which is chargeable to tax under the head 'Salaries' is required to compute the tax liability in respect of such income and deduct tax at source at the time of payment. If the employee has any other income, he needs to inform the employer so that employer can take that income into consideration while computing his tax liability but he will not take into account losses except loss from house property.

Similarly, person responsible for paying any income by way of 'interest on securities' or any other interests are required to deduct tax at source at the prescribed rates at the time of credit of such income to the account of the payee or at the time of payment, whichever is earlier.

Applicability

Tax will be deducted at source based on the rate defined in the Act, only on the fulfilment of the below mentioned conditions.

1. The Assessee (includes individual & HUF as covered **U/S 44AB**) carrying on business is deducting the tax at the Time of Payment or Credit, (whichever is earlier) against following type of Recipient (Deductee)
 - Individual
 - Hindu undivided Family (HUF)
 - Body of Individual (BOI)
 - Association of person (AOP)
 - Co-Operative society
 - Local Authority
 - Partnership firm
 - Domestic company (Indian company)
 - Foreign company
 - Artificial Judicial Person
2. The nature of payment belongs to any one of following list

Nature of Payment	Nature of Payment
Salaries	Interest on Securities
Dividend	Interest other than securities
Winnings from lottery or crossword puzzles or card game or other game	Winnings from horse races
Payment to sub-contractors	Insurance commission
Payments to Contractors (Advertisement Contractors)	Payments to Contractors (Other than Advertisement)
Payment to Non-Resident sportsman or sports association	Payment in respect of deposits under NSS
Payment on account of repurchase of units of MF or UTI	Commission on sale of lottery tickets
Commission or brokerage	Rent of Land, Building or Furniture
Rent of Plant, Machinery or Equipment	Fees for professional or technical services
Payment of compensation on acquisition of certain immovable property	Payment of Any other income to a non-resident
Income from units to an offshore fund	Income of foreign institutional investors from securities

Fees for Tech. Services Agreement is made after Feb. 29, 1964 before April 1, 1976	Fees for Tech. Services Agreement is made after Mar 31, 1976 before June 1, 1997
Fees for Tech. Services Agreement is made after May 31, 1997 before June 1, 2005	Fees for Tech. Services Agreement is made on or after June 1, 2005
Income by way of Long-Term Capital Gains	Income from Foreign Currency Bonds or Global Depository Receipts (GDR)
Income from Foreign Exchange Assets payable	Interest payable by Government or Indian concern in Foreign Currency
Long-Term Capital Gains	Royalty (f) Agreement is made after May 31, 1997 before June 1, 2005
Royalty (f) Agreement is made before June 1, 1997	Royalty (f) Agreement is made on or after June 1, 2005
Royalty (g) Agreement is made after March 31, 1961 before April 1, 1976	Royalty (g) Agreement is made after March 31, 1976 before June 1, 1997
Royalty (g) Agreement is made after March 31, 1997 before June 1, 2005	Royalty (g) Agreement is made on or after June 1, 2005
Short-Term Capital Gains	

3. The payment exceeds the TDS Exemption Limit specified in the Income Tax Act.

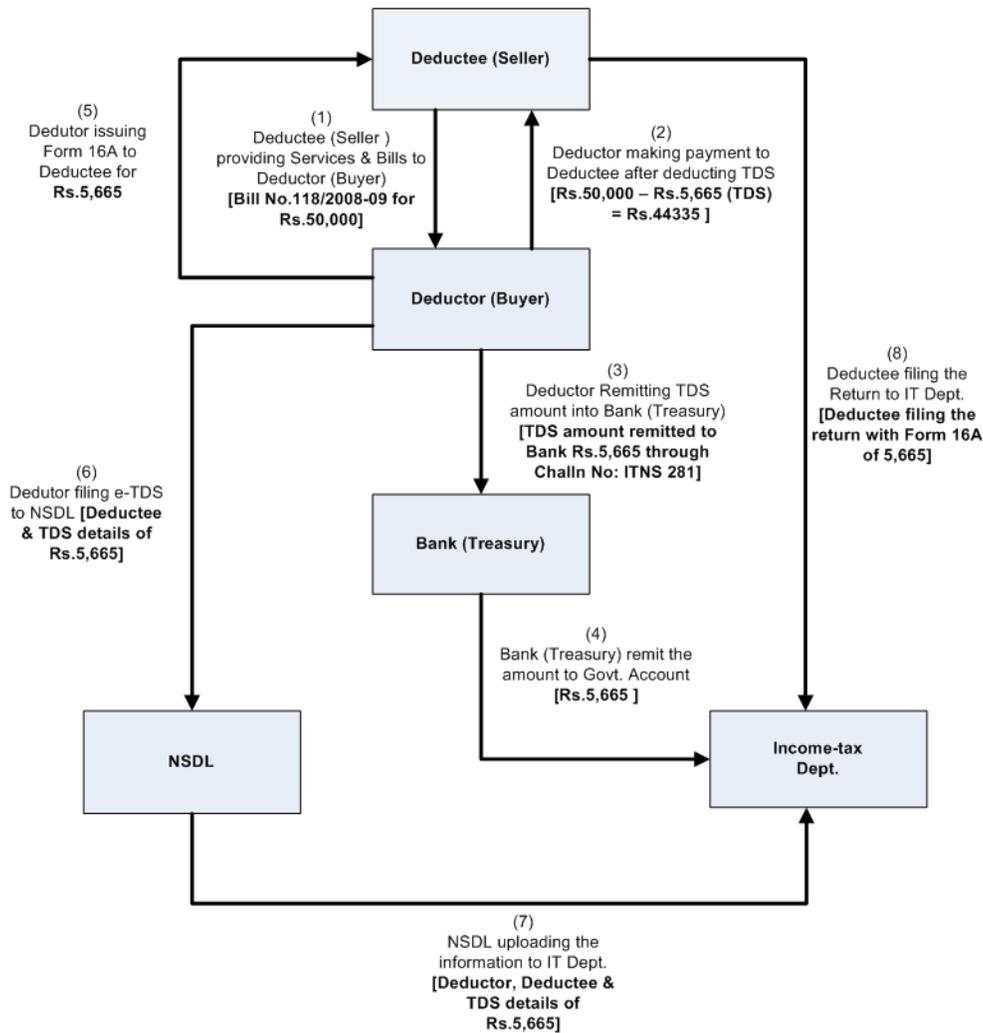
As per Sec 44AB, Individual and HUF is also considered as assessee under Income Tax Act, if such Individual and HUF



- **Carrying on Business**, where the total sales, turnover or gross receipts from the business exceeds **Rs. 40 lakhs** in any Previous Year
- **Carrying on Profession**, where the total receipts exceeds **Rs. 10 lakhs** in any previous year

TDS Process

- A seller (Deductee) provides services to the buyer (Deductor).
- The buyer deducts the Tax at the time of payment of advances or while accounting the Bills received.
- The buyer deposits the deducted amount to the designated branches of the authorised bank
- The buyer issues Form No.16A to the Deductee
- The buyer files annual returns electronically to the Income Tax department.
- The seller files returns, along with Form 16A claiming the credit of the Tax deducted at source.



Time & Mode of TDS Payment

- All the Tax deducted during a month are to be paid to the credit of Government on or before 7th of the next month. In case 7th of the month happens to be a Sunday or a bank holiday payment can be made on the next working day
- TDS amount shall be paid to the government account through any designated branches of the authorised banks, along with Income Tax Challan No.281.
- In case of collections made by or on behalf of the Government, the amount shall be credited within the time and in the manner aforesaid without the production of a challan.

Issue of TDS certificate

TDS certificate is a proof that deductor has deducted the tax and paid the same to the government. This proof is essential to the deductee to claim the credit of tax in his Income Tax returns.

U/s 203 of Income Tax Act, any person deducting the tax as per the provisions of

- ***Section 192 (Salary)** shall furnish a certificate of Deduction of tax in **Form 16** or **Form 16AA** within one month from the close of Financial year in which such deduction was made.

Example: For the Financial Year 2009-2010, the TDS certificate must be issued on or before 30th April, 2010

- ***Section 193, 194, 194A, 194B, 194BB, 194C, 194D, 194E, 194EE, 194F, 194G, 194-I, 194J, 194K, 194LA, 195, 196A, 196B, 196C and 196D** shall furnish a certificate of Deduction of tax in **Form 16A** within one month from the end of the month during which the credit has been given or the payment has been made, as the case may be.

Example: For deductions in May 2009, TDS certificate must be issued on or before 30th June, 2009

- In case of deductee to whom more than one TDS certificate was issued for the deductions made during the year, may on request from such deductee, a **consolidated certificate** in **Form 16A** may be issued within a period of one month from the close of such financial year.

e-TDS Returns

The Income Tax department has now notified 'Electronic Filing of Returns of Tax Deducted at Source Scheme, 2003'. It is applicable to all deductors furnishing their TDS return in electronic form. As per this scheme,

- It is mandatory for corporate deductors to furnish their TDS returns in electronic form (e-TDS return) with effect from June 1, 2003.
- For government deductors it is mandatory to furnish their TDS returns in electronic form (e-TDS return) from financial year 2004-2005 onwards.
- Deductors (other than government and corporates) may file TDS return in electronic or physical form.

Deductors furnishing TDS returns in electronic form (e-TDS) have to furnish Form 27A. Form 27A is a control chart to be furnished in physical form along with CD/ Floppy containing the e-TDS returns. Form No 27A is required to be furnished separately for each TDS return.

Form 27A is a summary of e-TDS returns which contains control totals of 'Amount paid' and 'Income tax deducted at source'. The control totals mentioned on Form 27A should match with the corresponding control totals in e-TDS returns.



*Electronic Filing of Returns of Tax Deducted at Source (e-TDS), is explained in detail in **Reports** chapter.*

Returns & Time lines

The following Returns are required to be filed under TDS:

Financial Year	Form No.	Particulars	Periodicity
2009-10	Form 26	Annual return for deduction of tax in respect of payments other than salary.	Annual
	Form 27	Annual return for deduction of tax in respect of payments other than salary made to Non-residents.	Annual
	Form 27A	Physical control charts containing control totals mentioned in TDS returns furnished electronically. Form 27A in physical form to be submitted along with e-TDS annual return forms.	With each e-TDS returns Form 26 and/or Form 27.
2009-10	Form 26Q	Quarterly return for deduction of tax in respect of payments other than salary.	Quarterly
	Form 27Q	Quarterly return for deduction of tax in respect of payments other than salary made to Non-residents.	Quarterly
	Form 27A	Physical control charts containing control totals mentioned in TDS returns furnished electronically. Form 27A in physical form to be submitted along with e-TDS quarterly return forms	With each e-TDS returns Form 26Q and/or Form 27Q.

Figure 1.1 Table showing Forms & Returns under TDS

TDS Features in Tally.ERP 9

Tally.ERP 9's TDS Feature enables you to handle all the functional, accounting and statutory requirements of your business in an accurate and simplified manner. The TDS functionality in Tally.ERP 9 has the following features

- ❑ Simple and user-friendly
- ❑ Quick and easy to set up and use
- ❑ Create single Expenses Ledger for Multiple Nature of Payment
- ❑ Create single TDS Duty Ledger for Multiple Nature of Payment
- ❑ Book & Deduct TDS in the same voucher
- ❑ Single TDS deduction for multiple vouchers
- ❑ Single TDS deduction for Multiple Nature of Payments
- ❑ TDS deduction on partial applicable value
- ❑ Retrospective Surcharge Deduction
- ❑ Party wise configuration for Lower / Zero rate
- ❑ Party wise configuration to Ignore IT / Surcharge exemption Limit
- ❑ Deduction of TDS on advance payments
- ❑ TDS deduction on Non-Resident (Sec.195) payments
- ❑ Reversal of TDS
- ❑ Print TDS Challan (ITNS 281)
- ❑ Print Form 16A
- ❑ Generate E-TDS Returns
- ❑ Print Form 27A
- ❑ Print Form 26, 26Q, 27, 27Q with Annexure(s)
- ❑ TDS Computation Report
- ❑ Generate TDS Outstanding and TDS Exception Reports

Lesson 1: Enabling TDS in Tally.ERP 9

Lesson Objectives

On completion of this lesson, you will learn to

- ❑ Create Company in Tally.ERP 9
- ❑ Enable TDS in F11: Features

1.1 Enabling TDS in Tally.ERP 9

It takes a one-time configuration in Tally.ERP 9 for TDS features to be activated. Follow the steps given below to enable TDS in Tally.ERP 9 for a new company, M/s. Universal Infotech.

1. Create Company
2. Enable TDS



*To enable TDS for Companies which are already created in Tally.ERP 9, follow the instruction provided under the head **Enable TDS**.*

M/s. Universal Infotech, is a Company – Resident, which is engaged in Software Development.

Step 1: Create Company

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

In the **Company Creation** screen,

- ❑ Specify **Universal Infotech** as the **Company Name** and **Address details**
- ❑ Select **India** in the **Statutory Compliance for** field
- ❑ Specify the **State, Pin code & Accounts with Inventory** details

The Completed **Company** creation screen appears as shown

Mailing & Contact Details		Company Details	
Directory	: C:\Tally.ERP9\Data	Currency Symbol	: Rs.
Name	: Universal Infotech	Maintain	: Accounts with Inventory
Mailing Name	: Universal Infotech	Financial Year from	: 1-4-2009
Address	: # 45 AMR Tech Park Hosur Road Bangalore	Books beginning from	: 1-4-2009
Statutory compliance for	: India	Security Control	
State	: Karnataka	TallyVault Password (if any)	:
PIN Code	: 560064	Repeat Password	:
Telephone No.	: 080-22356475	<i>(WARNING: forgetting your TallyVault password will render your data unusable!)</i>	
Mobile No.	:	Use Security Control	? No
E-Mail	: sales@universal.com	<i>(Enable Security to avail Tally.NET Features)</i>	
Base Currency Information			
Base Currency Symbol	: Rs.	Show Amounts in Millions	? No
Formal Name	: Indian Rupees	Put a SPACE between Amount and Symbol	? Yes
Number of Decimal Places	: 2	Decimal Places for Printing Amounts in V	
Is Symbol SUFFIXED to Amounts ?	No	Accept ?	
Symbol for Decimal Portion	: paise	Yes or No	

Figure 1.1 Completed Company Creation Screen



For complete details on **Company Creation** refer **Tally.ERP 9 Help**, topic **Creating Company in Tally.ERP 9**

Step 2: Enable TDS

To enable **TDS Feature**, for a company

1. Activate TDS Feature
2. Enable Set/Alter TDS Details
3. Specify the Company TDS Deductor Details
4. Enter Company's PAN / Income – Tax No

To enable **TDS Feature** for **universal Infotech**

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

- ❑ Set **Enable Tax deducted at Source** to **Yes**
- ❑ Enable **Set/Alter TDS Details** to **Yes**

The **Statutory & Taxation** features screen appears as shown.

Company: Universal Infotech

Statutory & Taxation

Enable Excise	? No	Enable Tax Deducted at Source (TDS)	? Yes
Set/Alter Excise Details	? No	Set/Alter TDS Details	? Yes
<i>(Note : 'Enable Maintain Multiple Godowns' for Multiple Excise Units)</i>			
Follow Excise rules for Invoicing	? No	Enable Tax Collected at Source (TCS)	? No
Enable Value Added Tax (VAT)	? No	Set/Alter TCS Details	? No
Set/Alter VAT Details	? No	Enable Fringe Benefit Tax (FBT)	? No
Enable Service Tax	? No	Set/Alter FBT Details	? No
Set/Alter Service Tax Details	? No		

Tax Information

Local Sales Tax Number :
 Inter-state Sales Tax Number :
 PAN / Income - Tax No. :

F1: Accounts
 F2: Inventory
 F3: Statutory
 F5: Audit

Figure 1.2 F11: Statutory & Taxation Features

- Press **Enter**, the **Company TDS Deductor Details** screen displays

Company TDS Deductor Details

Tax Assessment Number : ██████████

Head Office Tax Assessment Number :

Income Tax Circle/Ward (TDS) :

Deductor Type : **Government**

Name of person responsible :

Son/daughter of :

Designation :

(Note: All the above details will be used in Challan, Forms & Returns)

Figure 1.3 Company TDS Deductor Details Screen

In the **Company TDS Deductor Details**, enter the TDS Deductor Details such as:

- **Tax Assessment Number (TAN):** TAN is a **TEN** digit alphanumeric number Issued by the Income Tax Department (ITD) to the deductor, which must be quoted on all Challans, Payment for TDS, Certificates issued in Form 16/16A, Returns and in all documents and other correspondence with ITD.

*The Format of TAN is AAAA*55555A, Where A* is the first character of the name of the Organisation.*



Example: TAN of Universal Infotech is BANU07884F

- **Head Office Tax Assessment Number:** If the company created is the Branch of a company then mention the head office's Tax Assessment Number.
- **Income Tax Circle /Ward (TDS):** Income Tax Circle/Ward, in which the deductors are assessed for Income-Tax (TDS) with TAN of each person.
- **Deductor Type:** According to the nature of the organisation Deductor type will be selected. In case of Government, the option **Government** will be selected as the Deductor Type and if the deductor is Non-Government body, **Others** will be selected.
- **Name of the person responsible:** Person responsible means the person who is authorised to file the TDS returns of the company.
- **Designation:** Mention the designation of the authorised person filing TDS returns.

The completed **Company TDS Deductor Details** screen appears as shown

Company TDS Deductor Details

Tax Assessment Number : **BANU07884F**
 Head Office Tax Assessment Number : **DELU08954D**

Income Tax Circle/Ward (TDS) : **111-W-2**
 Deductor Type : **Others**
 Name of person responsible : **Rajesh**
 Son/daughter of : **Manohar**
 Designation : **Manager**

(Note: All the above details will be used in Challan, Forms & Returns)

Figure 1.4 Completed Company TDS Deductor Details screen

- Press **Enter** to Accept
- Enter **Permanent Account Number (PAN No.)** and other details. **PAN is 10 Digit Alpha numeric number** allotted by the Income Tax Department to all the taxpayers whose income is taxable.

The completed **F11: Statutory & Taxation** screen appears as shown

Company: **Universal Infotech**

Statutory & Taxation

Enable Excise	? No	Enable Tax Deducted at Source (TDS)	? Yes
Set/Alter Excise Details	? No	Set/Alter TDS Details	? Yes
<i>(Note : 'Enable Maintain Multiple Godowns' for Multiple Excise Units)</i>			
Follow Excise rules for Invoicing	? No	Enable Tax Collected at Source (TCS)	? No
Enable Value Added Tax (VAT)	? No	Set/Alter TCS Details	? No
Set/Alter VAT Details	? No	Enable Fringe Benefit Tax (FBT)	? No
Enable Service Tax	? No	Set/Alter FBT Details	? No
Set/Alter Service Tax Details	? No		

Tax Information

Local Sales Tax Number :
 Inter-state Sales Tax Number :
 PAN / Income - Tax No. : **AGRTL0443L**

Accept ?

F1: Accounts
 F2: Inventory
 F3: Statutory
 F5: Audit

Yes or No

Figure 1.5 Completed F11: Statutory & Taxation Screen

- Press **Enter** to Accept.

Lesson 2: TDS Transactions

Lesson objectives

On completion of this lesson, you will learn to

- Record Basic TDS Transactions
- Record Advanced TDS Transactions
- Make TDS Payments and generate TDS Challans

This lesson is divided into **Two** parts

1. **Part I – Recording Basic TDS Transactions**
2. **Part II – Recording Advanced TDS Transactions**

Part – I

Recording Basic TDS Transactions

In this section we shall emphasis on understanding how Tally.ERP 9's TDS feature can be effectively used to record basic TDS transactions to generate TDS Challan.

Let us take the example of Universal Infotech (Created and TDS enabled, as discussed in the earlier chapter) to record TDS transactions such as

- TDS on Expenses
- Payment to Party
- Payment of TDS
- Generating ITNS 281 Challan

In Tally.ERP 9, you can account for expenses implying TDS with the help of Payment Voucher, Journal Voucher or Purchase Voucher, as required.

2.1 Transactions Involving TDS

2.1.1 TDS on Expenses (Journal Voucher)

Under this, we will learn to Account expenses and deduct tax at source to arrive at the Net balance payable to the party.

Example 1:

On 1st April, 2009 Universal Infotech received a Bill (vide No. 001) from Pheonix Agencies for Rs. 5,00,000 towards the Advertisement services rendered.

To account the above transaction follow the steps given below

1. Create Masters
 - i. Expense Ledger
 - ii. Party Ledger
 - iii. Tax Ledger
 - iv. Bank Ledger
2. Record the Transaction in Journal Voucher

1. Create Masters

i. Expenses Ledger

Ledger	Under	IS TDS Applicable	Default Nature of Payment
Advertisement Expenses	Indirect Expenses	Yes	Payment to Contractors (Advertisement Contractors)

Create Expenses Ledger

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

- ❑ Type **Advertisement Expenses** as the **Ledger Name**
- ❑ Select **Indirect Expenses** in the **Under** field
- ❑ Set **Is TDS Applicable** to **Yes**
- ❑ In **Default Nature of Payment** filed select **Payment to Contractors (Advertisement Contractors)** from the **List of TDS Nature of Pymt.**



- ❑ All the **Payments/Expenses** subject to **TDS** have to be associated with relevant pre-defined **TDS Nature of Payments**.
- ❑ Refer **Appendix** for more details on **TDS Nature of Payments**

The screenshot shows the 'Ledger Creation' window for 'Advertisement Expenses'. The 'Under' field is set to 'Indirect Expenses'. The 'Is TDS Applicable' field is set to 'Yes', and the 'Default Nature Of Payment' is set to 'Payment to Contractors (Advertisement Contractors)'. A dropdown menu is open, displaying a list of TDS nature of payments, with 'Payment to Contractors (Advertisement Contractors)' highlighted.

Figure 2.1 Ledger Creation Screen



The Option **Any** can be selected from the **List of TDS Nature of Pymt**, where the user doesn't want to define the **TDS Nature of payment** during Ledger creation. This allows the user to use an Expense Ledger (as a common ledger) to account multiple TDS Nature of Payments.

The completed **Expenses Ledger** screen is displayed as shown.

Ledger Creation		Universal Infotech
Name	: Advertisement Expenses	Total Op. Bal.
(alias)	:	
Under : Indirect Expenses		
<u>Statutory Information</u>		
Is TDS Applicable	? Yes	
Default Nature Of Payment	: Payment to Contractors (Advertisement Contractors)	
Opening Balance (on 1-Apr-2009) :		Accept ? Yes or No

Figure 2.2 Completed Expenses Ledger Creation Screen

- Press **Enter** to Save

ii. Party Ledger

Ledger	Under	Maintain balances bill-by-bill	Is TDS Deductable	Deductee Type
Pheonix Agencies	Sundry Creditors	Yes	Yes	Association of Persons

Create Party Ledger

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

Setup:

Before creating the party ledger enable the following options in **F12: Configure (Ledger Configuration)**

- ❑ Set **Allow ADVANCED entries in Masters** to **Yes**
- ❑ Set **Use ADDRESSES for Ledger Accounts** to **Yes**

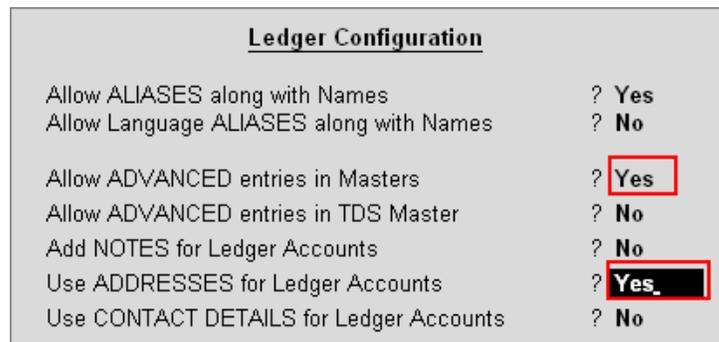


Figure 2.3 F12: Configure

In the **Ledger Creation** screen,

- ❑ Type **Pheonix Agencies** as the **Ledger Name**
- ❑ Group it under **Sundry Creditors** group
- ❑ Set **Maintain Balances bill-by-bill** to **Yes**
- ❑ Specify the **Default Credit Period**, if required
- ❑ Set **Is TDS Deductable** to **Yes**
- ❑ In the **Deductee Type** field select **Association of Persons** from the **List of Deductee Types**



- ❑ The sellers who are receiving the TDS nature of payments, are required to be associated with the pre-defined **Deductee Types**.
- ❑ Refer **Appendix** for more details on **Deductee Types**

Ledger Creation		Universal Infotech		Ctrl + M
Name : Pheonix Agencies				List of Deductee Types
(alias) :				
Under : Sundry Creditors (Current Liabilities)		Name : Ph	<ul style="list-style-type: none"> Unknown Artificial Juridical Person Association of Persons Body of Individuals Company - Non Resident Company - Resident Co-Operative Society Individual/HUF - Non Resident Individual/HUF - Resident Local Authority Partnership Firm 	
Maintain balances bill-by-bill	? Yes	Address :		
Default Credit Period	:	State :		
Inventory values are affected	? No	PIN Code :		
<u>Statutory Information</u>		<u>Tax Inform</u>		
Is TDS Deductable	? Yes	PAN / IT No. :	<small>(PAN / IT No. is mandatory for eT)</small>	
Deductee Type	: Association of Persons	Sales Tax No. :		
Opening Balance (on 1-Apr-2009) :				

Figure 2.4 Sundry Creditor Ledger Creation Screen



The option **UnKnown** will be selected, when the Party's deductee type details are not available.

- ❑ Enter the **Mailing Details**.
- ❑ Under **Tax Information** enter the **PAN/IT No.** (PAN/IT No. is mandatory for e-TDS). **PAN** is a **10 Digit Alphanumeric Number** allotted by the **Income Tax Department**.



- ❑ **PAN/IT No.** field is restricted to 10 digits, user can enter any ten Numbers or Alphabets or alphanumeric.
- ❑ The details provided in the **PAN/IT No.** field must be equal to ten Numbers or Alphabets or alphanumeric. Tally.ERP 9 won't accept any details less than 10 digits.
- ❑ In case, where the **PAN is not Available or Applied For**, such details can also be provided in the **PAN/IT No** field in the format, as specified by the Income tax Department.

For PAN not available – enter as **PANNOTAVBL**

For PAN Applied - enter as **APPLIEDFOR**

Under **Exception Report – PAN Not Available**, Tally.ERP 9 displays all the ledgers in which PAN/IT No is not mentioned. Before e-TDS validation user can check this report to make necessary changes in the ledger.

The completed **Sundry Creditor** Ledger screen is displayed as shown

Ledger Creation		Universal Infotech		Ctrl
Name	: Phoenix Agencies			Total Op. Bal.
(alias)	:			
Under	: Sundry Creditors (Current Liabilities)	Name	: Phoenix Agencies	
Maintain balances bill-by-bill	? Yes	Address	: No - 45/1 Raheja Arcade Koramangala Bangalore	
Default Credit Period	:	State	: Karnataka	
Inventory values are affected	? No	PIN Code	: 560072	
Statutory Information		Tax Information		
Is TDS Deductible	? Yes	PAN / IT No.	: ASPLC0245L	
Deductee Type	: Association of Persons	(PAN / IT No. is mandatory for eTDS, should be of 10 Characters)		
		Sales Tax No.	:	
Opening Balance (on 1-Apr-2009) :				Accept ? Yes or No

Figure 2.5 Completed Sundry Creditor Ledger Creation Screen

- ❑ Press **Enter** to Save.



While creating ledgers under **Sundry Creditors or Sundry Debtors**, ensure **Maintain Bill-wise Details** is set to **Yes** in **F11: Accounting Features**. If the party is a **Non Resident Deductee type**, then **PIN Code, State and the Sales Tax Number** fields are not applicable.

iii. Tax Ledger

Ledger	Under	Type of Duty/ Tax	Nature of Payment	Inventory values are affected
TDS – Contractors	Duties & Taxes	TDS	Payment to Contractors (Advertisement Contractors)	No

Create Tax Ledger

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

In the **Ledger Creation** screen,

- ❑ Type **TDS – Contractors** as the **Ledger Name**
- ❑ Group it under **Duties & Taxes** group
- ❑ Select **TDS** as the **Type of Duty/Tax**
- ❑ Select **Payment to Contractors (Advertisement Contractors)** as the **Nature of Payment**.
- ❑ Set **Inventory values are affected** to **No**

The completed **TDS – Contractors** ledger screen is displayed as shown

The screenshot shows the 'Ledger Creation' window in Tally. The title bar reads 'Ledger Creation Universal Infotech Ctrl'. The main area is divided into several sections:

- Name:** TDS – Contractors
- (alias):** (empty)
- Under:** Duties & Taxes (Current Liabilities)
- Type of Duty/Tax:** TDS
- Nature Of Payment:** Payment to Contractors (Advertisement Contractors)
- Inventory values are affected:** No
- Mailing Details:** Name, Address, State, PIN Code (all empty)
- Tax Information:** PAN / IT No., Sales Tax No. (all empty)
- Total Op. Bal.:** (empty)
- Opening Balance (on 1-Apr-2009):** (empty)
- Accept ?** (Yes or No) button in the bottom right corner.

Figure 2.6 Completed TDS Ledger Creation Screen

- ❑ Press **Enter** to Save.



*It is recommended that separate **TDS ledgers** be created with appropriate **TDS nature of Payments**. However, Tally.ERP 9 provides you with the flexibility to use a common **Duty ledger** for different **TDS Nature of Payments** by selecting the **Nature of Payments as Any**.*

iv. Bank Ledger

Ledger	Under
Canara Bank	Bank Accounts

Create Bank ledger

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

In the **Ledger Creation** screen,

- Type **Canara Bank** as the **Ledger Name**
- Group it under **Bank Accounts** group
- Under Mailing Details
 - In **Address** field enter the **Bank Branch Address**.
 - Select appropriate state in **State** field.
 - In **Pin Code** field enter the pincode of the City
 - In **Account Number** field enter the account number as **00758978**
 - In **Branch Name** field, enter **M.G.Road**.
 - Enter the Bank's **BSR Code** as **0240130**. BSR Code is a **7 digit Number** allotted by **Reserve Bank of India (RBI)** to Bank Branch.
 - Enter **Rs. 50,00,000** in **Opening Balance** field

The Completed **Canara Bank** ledger screen is displayed as shown

Ledger Creation		Universal Infotech	Ctrl
Name	: Canara Bank		Total Op. Bal.
(alias)	:		50,00,000.00 Dr
			Difference
			50,00,000.00 Dr
Under	: Bank Accounts (Current Assets)	Name	: Canara Bank
Effective Date for Reconciliation	? 1-Apr-2009	Address	: # 32 Manipal Centre M.G. Road Bangalore
		State	: Karnataka
		PIN Code	: 560001
		A/c No.	: 00758978
		Branch Name	: M.G.Road
		BSR Code	: 0240130
Opening Balance (on 1-Apr-2009) : 50,00,000.00 Dr		Accept ?	
		Yes or No	

Figure 2.7 Completed Bank Ledger Creation Screen

- Press **Enter** to Save.

2. Record the Transaction in Journal Voucher

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

1. Press **F2** and change the date to **01-04-2009**
2. Select **Advertisement Expenses** in the **Debit** field and press **Enter**
3. Enter **5,00,000** in the **Amount** field.
4. Select **Pheonix Agencies** in the **Credit** field and press **Enter**.

The TDS Details screen is displayed as shown

TDS Details							
Type of Ref	Name	Nature of Payment	TDS Duty Ledger	Assessable Amount	Deduct now	TDS Amount	Payable Amount
New Ref	Agst Ref				No		
	<i>Incon</i>	<i>n</i>					
	<i>Surch</i>	<i>n</i>					
	<i>Education Cess</i>	0 %	<i>On</i>				
	<i>Secondary Education Cess</i>	0 %	<i>On</i>				
Total							

Figure 2.8 TDS Details Screen

5. In **TDS Details** screen provide the following details

- **Type of Ref.:** Select **New Ref** from the method of Adjustment. Tally.ERP 9 displays Two **Methods of Adj** viz., Agst Ref and New Ref. **New Ref** is selected for new Financial Transactions Where as, **Agst Ref** is selected to set off payment against the previously entered invoice.
- **Name:** This field display the **Reference Number** for the TDS Deducted. The default Reference Number displayed, is a combination of abbreviation of Journal, Voucher Number and Line Number. **Example: Jrnl / 1-1** which can be changed by the user. TDS payments are tracked with these Reference Numbers.
- **Nature of Payment:** Select **Payments to Contractors (advertisement Contractors)** in Nature of Payment field. The **List of Nature of payments** displays only that Nature of Payments which is specific to the Expenses Ledgers, selected in the transaction.

Example: For the above transaction **List of Nature of payments** displays only **Payments to Contractors (advertisement Contractors)**, as the nature of payment applicable to the Party against which TDS will be deducted.

TDS Details							
Type of Ref	Name	Nature of Payment	TDS Duty	Assessable	Deduct now	TDS Amount	Payable Amount
			List of Nature of Pymt(s)				
New Ref	Jml / 1-1		Payment to Contractors (Advertisement Contractors)		No		
	Income Tax	0 %	On				
	Surcharge	0 %	On				
	Education Cess	0 %	On				
	Secondary Education Cess	0 %	On				
Total							

Figure 2.9 TDS Details – Nature of Payment Selection

- ❑ **TDS Duty Ledger:** Select **TDS – Contractors** from the list of **TDS Duty Ledgers**. List of **TDS Duty Ledgers** displays, ledgers created with specific nature of payment as well as the ledger created with the option **Any**.
- ❑ **Assessable Amount:** Tally.ERP 9 defaults the amount specified against the expenses ledger and skips the field.
- ❑ **Deduct now:** This field will be set to **Yes** or **No** depending on the tax deduction. Set this field to **Yes** to deduct the Tax in the same voucher.
- ❑ **TDS Amount:** This field displays the Tax amount deducted at source
- ❑ **Payable Amount:** This field displays the amount (after TDS) payable to the Party.

The completed **TDS Details** screen is displayed as shown

TDS Details							
Type of Ref	Name	Nature of Payment	TDS Duty Ledger	Assessable Amount	Deduct now	TDS Amount	Payable Amount
New Ref	Jrnl / 1-1	Payment to Contractors (Advertisement Contractors)	TDS – Contractors	5,00,000.00 Cr	Yes	5,000.00 Cr	4,95,000.00 Cr
	Income Tax	1 % On	5,00,000.00 Cr				
	Surcharge	0 % On	5,000.00 Cr				
	Education Cess	0 % On	5,000.00 Cr				
	Secondary Education Cess	0 % On	5,000.00 Cr				
Total				5,00,000.00 Cr		5,000.00 Cr	4,95,000.00 Cr

Figure 2.10 Completed TDS Details Screen

6. Press **Enter** to accept TDS Details



*For the **Financial Year 2009-10**, **Surcharge** or **Cess** is not applicable for TDS. For tax deduction only the specified **TDS rates** are considered.*

7. Payable Amount as calculated in the TDS Details screen will be defaulted in the Party's **Amount (Credit)** field. Press **Enter** to view Bill-wise Details screen.

8. In **Bill-wise Details** screen,

- ❑ Select **New Ref** as the **Type of Ref**
- ❑ In the Name field enter the Bill name as **Bill - 001**
- ❑ Skip the **Due Date or Credit Days** field
- ❑ Accept the default **amount** allocation and **Dr/Cr**. By default Tally.ERP 9 displays the **Bill amount** in the amount field as the credit balance.
- ❑ Press Enter, select **New Ref** as **Type of Ref** and Enter Bill name as **Bill -001**
- ❑ Skip the **Due Date or Credit Days** field and accept the default **amount** allocation and **Dr/ Cr**. By default Tally.ERP 9 displays the **Tax amount** in the amount field as the debit balance.

The Completed Bill-wise Details screen is displayed as shown

Bill-wise Details for : Pheonix Agencies Upto: Rs. 4,95,000.00 Cr				
Type of Ref	Name	Due Date, or Credit Days (wef: 1-4-2009)	Amount	Dr/ Cr
New Ref	Bill - 001		5,00,000.00	Cr
New Ref	Bill - 001		5,000.00	Dr
			4,95,000.00	Cr

(Note: 'Breaking of above bills helps to identify the original bill amount in the outstanding statement')

Figure 2.11 Bill-wise Details Screen

In the above method of bill allocation, **Tax amount** is deducted from the **Bill amount** to arrive at the **Pending amount** to be paid to the party. This method of bill allocation updates the **bill amount** along with **pending amount** to be paid to the party, in the **Outstandings statement**, which helps the user to identify the Bill amount in the outstandings statement, when the request comes from the supplier for payment.

9. In the **Credit** field select the duty ledger **TDS – Contractor** from the List of Ledger Accounts and Rs. 5000 (500000 - 495000) is displayed automatically in the amount field.

10. Enter transaction details in the **Narration** field.

The completed **Journal Voucher** is displayed as shown

Accounting Voucher Creation		Universal Infotech		Ctrl + M
Journal No. 1				1-Apr-2009 Wednesday
Particulars		Debit	Credit	
Dr Advertisement Expenses		5,00,000.00		
<i>Cur Bal: 5,00,000.00 Dr</i>				
Cr Phoenix Agencies			4,95,000.00	
<i>Cur Bal: 4,95,000.00 Cr</i>				
New Ref Bill - 001	5,00,000.00 Cr			
New Ref Bill - 001	5,000.00 Dr			
Cr TDS – Contractors			5,000.00	
<i>Cur Bal: 5,000.00 Cr</i>				
Narration:		5,00,000.00	5,00,000.00	

Accept ?
Yes or No

Figure 2.12 Journal Voucher

11. Press **Enter** to Save



Journal voucher is generally used to record transactions on due basis i.e., firstly a due entry in favour of the party is created when the bill is received and then at the time of settlement of the referred bill, a payment entry is passed.

2.2 Payment to Party

Example 2:

On April 8, 2009, payment of Rs. 4,95,000 is made towards bill no. Bill-001 to Pheonix Agencies for the purchase of Advertisement services, vide cheque no. 254781

The same is accounted as follows

Record the transaction in Payment Voucher

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

1. Press **F2** and change date to **08/04/2009**
2. In **Debit** field select **Pheonix Agencies** from the **List of Ledger Accounts**
3. Enter **Rs. 4,95,000** in **Amount** field and press enter to view **Bill-wise Details** screen
4. In **Bill-wise Details** screen
 - Select **Agst Ref** in the **Type of Ref**
 - Select **Bill-001** from the **List of Pending Bills** in **Name** field, **Amount** is defaulted automatically.

Completed **Bill-wise Details** screen is displayed as shown.

Bill-wise Details for : Pheonix Agencies Upto: Rs. 4,95,000.00 Dr				
Type of Ref	Name	Due Date, or Credit Days (wef. 8-4-2009)	Amount	Dr/ Cr
Agst Ref	Bill - 001		4,95,000.00	Dr
			4,95,000.00	Dr

Figure 2.13 Bill-wise Details Screen

5. Press **Enter** to accept the bill adjustment.

6. In **Credit** field select **Canara Bank** from the **List of Ledger Accounts**, Amount is defaulted automatically

7. Enter **Cheque No. 254781** in **Narration** field.

The completed **Payment Voucher** is displayed as shown

Accounting Voucher Creation		Universal Infotech		Ctrl + M
Payment No. 1				8-Apr-2009 Wednesday
Particulars		Debit	Credit	
Dr Phoenix Agencies		4,95,000.00		
<i>Cur Bal: 0.00 Dr</i>				
Agst Ref Bill - 001	4,95,000.00 Dr			
Cr Canara Bank			4,95,000.00	
<i>Cur Bal: 45,05,000.00 Dr</i>				
Narration:				
Ch. No. :254781				
		4,95,000.00	4,95,000.00	

Accept ?

Yes or No

Figure 2.14 Completed Payment Voucher

8. Press **Enter** to Save.

2.3 Payment of TDS

2.3.1 Payment of TDS (Using Auto Fill)

All the Tax deducted during a month is to be paid to the credit of Government on or before 7th of the next month. In case 7th of the month happens to be a Sunday or a bank holiday payment can be made on the next working day

TDS amount shall be paid to the government account through any designated branches of the authorised banks, along with Income Tax Challan No.281.

Example 3:

On May 6, 2009, Universal Infotech, paid TDS of Rs. 5,000 towards Advertisement Expenses, vide cheque no. 056330 for the month of April, 2009.

The same is accounted as follows

Setup:

In **F12: Configure (Payment Configuration)**

- Set Use Single Entry mode for Pymt/Rcpt/Contra to Yes

Record the transaction in Payment Voucher

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

1. Press **F2** and change date to **06/05/2009**
2. Press **Alt+S** or click **S: Stat Payment** button on the Buttons Bar to view Statutory Payment screen.

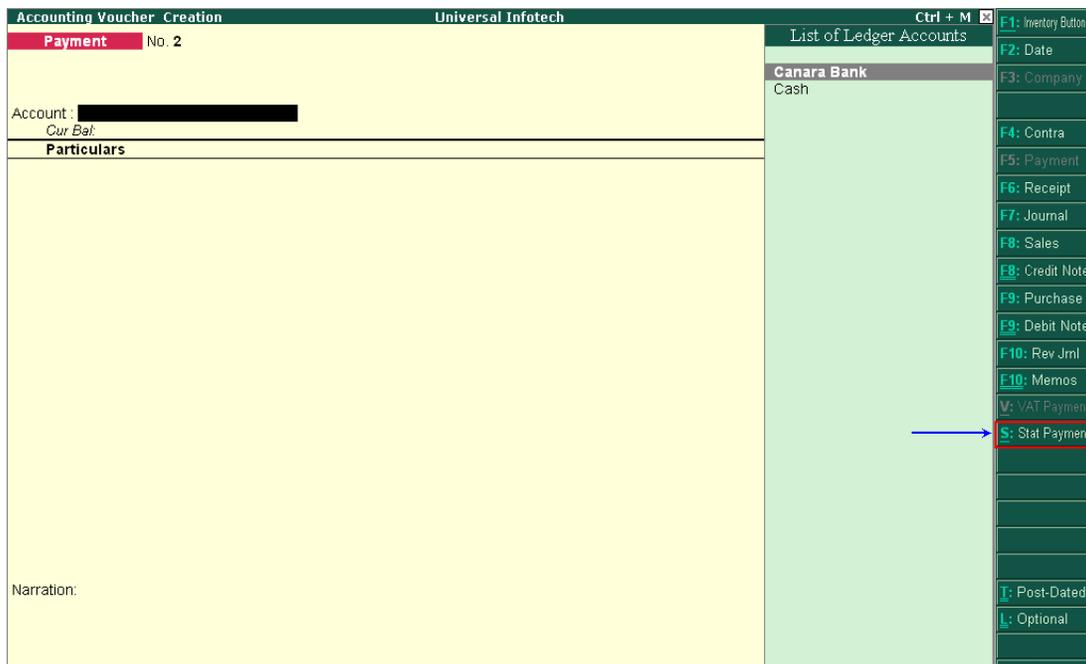


Figure 2.15 Selection of Stat Payment Button



The **Stat Payment** button will be available in payment voucher only if the option **Use Single Entry mode for Pymt/Rcpt/Contra?** is enabled in the **F12: Configure (Voucher Configuration)**.

3. In the **Statutory Payment** screen

- **Type of Duty/Tax:** In this field select the Tax/Duty Type towards which tax payment entry is being recorded. Here we are recording TDS payment entry, hence select **TDS** from the Type of Duty/Tax

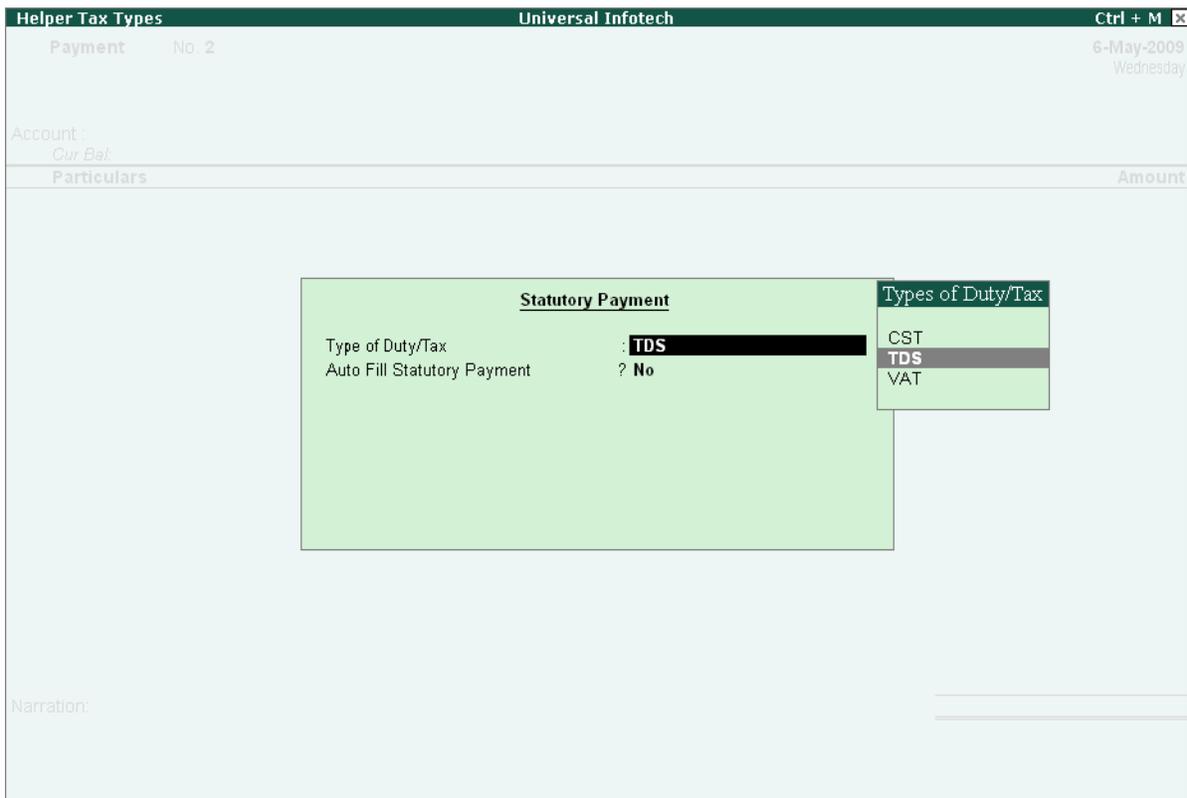


Figure 2.16 Selection of Type of Duty/Tax

- **Auto Fill Statutory Payment:** Set this option to **YES** to auto calculate and fill the duty payable to the Government. Set this option to **NO**, if the user wants to manually select the duty ledger and duty bills. Universal Infotech wants to auto fill tax details in payment voucher, hence the option **Auto Fill Statutory Payments** is set to **Yes**.
- On setting the option **Auto Fill Statutory Payments** to **Yes**, based on the Duty/Tax Type selected Tally.ERP 9 displays the appropriate statutory payment fields to fill the details.

- **Deducted Till Date:** In this field user may enter, till date of the period for which the TDS values should be computed and auto-filled.

Enter **30/04/2009** as the Till Date.

- **Section:** As per the Act, separate TDS challans to be submitted for the payment of tax under each section. In this field, Tally.ERP 9 displays all the **Sections** under which, Tax deducted is pending for payment.

Select **Section 194C** from the list of section.



*Payment Code of the **Section** selected for TDS payment will be printed on the TDS Challan.*

- **Nature of Payments:** Based on the section selected in the **Section** field, Tally.ERP 9 displays the section related **nature of payments** under which, Tax deducted is pending for payment.

Select **Payment to Contractors (Advertisement Contractors)** as the Nature of Payment

- **Deductee Status:** Select the Deductee Status as **Non Company**.



*The TDS transactions in a payment voucher can be entered for a particular **Deductee Status**, using the **Stat Payment** button.*

- **Cash/ Bank:** Depending on the mode of payment (Cash or Cheque) Cash or Bank ledger will be selected.

Select **Canara Bank** from the **List of Ledger Accounts**.

The completed **Statutory Payment** screen is displayed as shown

Figure 2.17 Completed Statutory Payment Screen

4. Press **Enter** to accept the **Statutory Payment**
5. The **Bank Name** through which the payment is made and **TDS payable amount** (with the respective bill details) will be auto-filled.

Particulars	Amount
TDS – Contractors	5,000.00
Cur Bal: 0.00 Dr	
Agst Ref Jrm / 1-1	5,000.00 Dr
Income Tax	5,000.00 Dr
Surcharge	
Education Cess	
Secondary Education Cess	
Total	5,000.00

Figure 2.18 Auto Filled Payment Voucher

6. Set the option **Provide Details** to **Yes** to enter TDS payment details
7. In the **Payment Details** Screen
 - **From Date:** In this field enter the **From** date of the period for which the payment is made
 - **To Date:** In this field enter the **To** date of the period for which the payment is made
 - **Cheque/DD No:** In this field user can enter either the cheque or the DD No through which the TDS payment is made. In this transaction payment is made through cheque no. **056330**.
 - **Name of the Bank:** This field is provided to mention the name of authorised bank, where the payment is made.

Payment Details	
From Date	: 1-Apr-2009
To Date	: 30-Jun-2009
<i>(Note: This payment belongs to the above Quarter)</i>	
Cheque/DD No	: 056330
Name of Bank	: [Redacted]
Bank Account Number	:
Branch Name	:
BSR Code	:
Challan No.	:
Challan Date	:
<i>(Note: All the above details will be used in Challan, Forms & Returns)</i>	

List of Banks

Not Applicable
Canara Bank
[New Name

Figure 2.19 Payment Details– List of Banks

Tally.ERP 9 displays the list of banks from where the user can

- Select **Not applicable**, when the bank details are not applicable for a payment.
- Select The banks which are already created to carry out the regular business
- Select **New Name** – New Name will be selected when the authorised bank through which the payment is made is different from the regular bank where the deposit account is maintained. The Bank name created here will not be available under the List of Ledgers.

Select **Canara Bank** from the List of Banks.

- **Bank Account Number:** Enter the bank account number in this filed
- **Branch Name:** Enter the bank Branch name in this field.
- **BSR Code:** Enter the BSR code of the branch. BSR code is a 7 digit number allotted by Reserve Bank of India (RBI) to bank branch.



Bank Account Number, Branch Name and BSR code details will be defaulted automatically, if the user selects the bank which is already created to carry out the regular business (with branch name and BSR code) in the Name of Bank field. User can change such defaulted details.

- **Challan No.:** In this field enter the TDS payment Challan number. If the TDS payment challan details are not available at the time of recording the TDS payment entry, such details can be either by reconciling the TDS ledger or by altering the payment voucher.

- **Challan Date:** Enter the Challan Date.

The completed Payment Details screen is displayed as shown

Payment Details	
From Date	: 1-Apr-2009
To Date	: 30-Jun-2009
<i>(Note: This payment belongs to the above Quarter)</i>	
Cheque/DD No	: 056330
Name of Bank	: Canara Bank
Bank Account Number	: 00758978
Branch Name	: M.G.Road
BSR Code	: 0240130
Challan No.	: 225678
Challan Date	: 6-5-2009
<i>(Note: All the above details will be used in Challan, Forms & Returns)</i>	

Figure 2.20 Completed Payment Details Screen

8. Press **Enter** to accept the payment details

9. Cheque number entered in the payment details is displayed in the **Narration**

The Completed TDS Payment voucher is displayed as shown

Accounting Voucher Creation		Universal Infotech	Ctrl + M
Payment	No. 2		6-May-2009 Wednesday
Account : Canara Bank		Statutory Payment for : TDS	
Cur Bal: 45,10,000.00 Dr			
Particulars		Amount	
TDS – Contractors		5,000.00	
Cur Bal: 0.00 Dr			
Agst Ref Jrnl / 1-1	5,000.00 Dr		
Income Tax	5,000.00 Dr		
Surcharge			
Education Cess			
Secondary Education Cess			
Provide Details	: Yes		
Narration:		5,000.00	
Ch. No.: 056330			

Accept ?
Yes or No

Figure 2.21 TDS Payment Voucher

3. Press **Enter** to Save.

Tally.ERP 9 also allows the user to enter **TDS payment entry**



- **Using Stat Payment** option by **manually** selecting the Tax ledgers and tax bills.
- **In Double Entry Mode**

2.3.2 Generating TDS Challan (ITNS 281)

Tax is remitted to the government account through Challans. For making the TDS payment, Challan No. 281 is used.

In Tally.ERP 9 **TDS Challan (ITNS 281)** will be printed from the TDS payment voucher.

To print the **TDS Challan** for the transaction entered on **06-05-2009**

1. Press **PageUp** to go back to payment voucher entry
2. Click on **Print** button or Press **Alt + P** from the payment voucher to view the **Voucher Printing** screen

Voucher Printing	
Printer : (Ne00:)	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 : (8.03" x 10.63") or (204 mm x 270 mm)
Report Titles	
Payment Voucher	
(with Print Preview)	
Print as TDS Challan	? Yes
TDS/TCS Regular Assessment (Raised by I.T. Dept.)?	No
Filing Date	: 6-May-2009
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Print ? Yes or No </div>	

Figure 2.22 Voucher Printing Screen

- To view the challan in a preview mode, click on **I: With Preview** button or press **ALT+I**
3. Press **Enter** to accept the Voucher Printing subscreen and to display the TDS Challan in Print Preview mode.
 4. Click **Zoom** or Press **Alt+Z** to view the TDS Challan

TDS Challan is displayed as shown

T.D.S. TAX CHALLAN						Single Copy (to be sent to ZAO)	
CHALLAN No./ ITNS 281	Tax Applicable (Tick one)* TAX DEDUCTED AT SOURCE FROM (0020) COMPANY DEDUCTEES <input type="checkbox"/> (0021) NON-COMPANY DEDUCTEES <input checked="" type="checkbox"/>				Assessment Year 2010-11		
Tax Deduction Account No. (T.A.N.) BANU07884F							
Full Name UNIVERSAL INFOTECH							
Complete Address with City & State # 45, AMR Tech Park, Hosur Road, Bangalore							
Karnataka							
Tel. No. 080-22356475					Ph 560064		
Type of Payment TDS Payable by Taxpayer (200) <input checked="" type="checkbox"/> TDS Regular Assessment (Raised by I.T. Deptt.) (400) <input type="checkbox"/>			Code * 94C		FOR USE IN RECEIVING BANK Debit to A/c / Cheque credited on DD MM YY SPACE FOR BANK SEAL Rs. 5,000.00		
DETAILS OF PAYMENTS			Amount (In Rs. Only)				
Income Tax			5,000.00				
Surcharge							
Education Cess							
Interest							
Penalty							
Total			5,000.00				
Total (In words):							
		CRORES	LACS	THOUSANDS	HUNDREDS	TENS	UNITS
		Zero	Zero	Five	Zero	Zero	Zero
Paid In Cash/ Debit to A/c /Cheque No. 056330			Dated 6-May-2009				
Drawn on Canara Bank - M.G.Road (Name of the Bank and Branch)							
Date : 6-May-2009			Signature of person making payment				
----- Tear Here -----							
Taxpayers Counterfoil (To be filled up by taxpayer)							
TAN BANU07884F							
Received from UNIVERSAL INFOTECH (Name)							
Cash/ Debit to A/c /Cheque No. 056330			For Rs. 5,000				
Rs. (In words) Five Thousand Only.							
Drawn on Canara Bank - M.G.Road (Name of the Bank and Branch)							
Non Company(0021) Deductees							
on account of Tax Deducted at Source (TDS) from 94C for the Assessment Year 2010-11							
						SPACE FOR BANK SEAL Rs. 5,000.00	

Figure 2.23 TDS Challan

5. Click on **Print** to print the **TDS Challan**.

Part - II

Recording Advanced TDS Transactions

In this section we shall understand how Tally.ERP 9's TDS feature can be used to process advanced TDS transactions.

We shall learn to record advanced TDS transactions such as

- ❑ Expenses partly Subject to TDS
- ❑ Accounting of expenses and deducting TDS later
- ❑ Accounting multiple expenses and deducting TDS later
- ❑ TDS on Advances
- ❑ TDS on expenses @ lower rate
- ❑ TDS on expenses @ zero rate
- ❑ Reversal of expenses with TDS and Reversal of TDS
- ❑ Accounting changes in TDS percentage
- ❑ Accounting TDS on payments made to non-residents
- ❑ TDS on Interest Payments
- ❑ TDS on Expenses with Inventory
- ❑ TDS on Fixed Assets
- ❑ Payment of TDS
- ❑ Payment of Interest and Penalties
- ❑ TDS on Sales Commission
- ❑ Reversal of Excess TDS Deducted

Record all the transactions in the books of Universal Infotech.

2.4 Transactions Involving TDS

2.4.1 Expenses Partly Subject to TDS (Journal Voucher)

In the event, where a part of the expenditure is not subject to TDS and the balance amount is subject to TDS, it is crucial to determine the accurate value of expenses for computation of TDS.

Tally.ERP 9 provides the flexibility to enter information in the same voucher. Consider the following scenario to illustrate the Expenses partly subject to TDS.

Example 4:

On 7th May, 2009, universal Infotech received a bill (vide no. 911) from Sridhar & Co. for Rs. 1,12,360 inclusive of other charges of Rs. 12,360 towards the auditing services provided.

In the above transaction Bill amount includes other charges of Rs. 12,360 on which TDS is not applicable. Let us understand how to configure Tally.ERP 9 to compute tax only on the Assessable Value (1,00,000).

To account the above transaction follow the steps given below

1. Create Masters
 - i. Expense Ledger
 - ii. Party Ledger
 - iii. Tax Ledger
2. Record the Transaction in Journal Voucher

1. Create Masters

i. Expenses Ledger

Ledger	Under	IS TDS Applicable	Default Nature of Payment
Auditing Expenses	Indirect Expenses	Yes	Fees for Professional Or Technical Services

Create Expenses Ledger

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

- ❑ Type **Auditing Expenses** as the **Ledger Name**
- ❑ Select **Indirect Expenses** in the **Under** field
- ❑ Select the appropriate **Rounding Method**.
- ❑ Set **Is TDS Applicable** to **Yes**

- In **Default Nature of Payment** filed select **Fees for Professional Or Technical Services** from the **List of TDS Nature of Pymt.**



- All the **Payments/Expenses** subject to **TDS** have to be associated with relevant pre-defined **TDS Nature of Payments**.
- Refer **Appendix** for more details on **TDS Nature of Payments**
- The Option **Any** can be selected from the **TDS Nature of Payment**, where the user doesn't want to define the **TDS Nature of payment** during Ledger creation. This allows the user to use a **Expense Ledger** (as a common ledger) to account multiple **TDS Nature of Payments**.

The completed **Expenses Ledger** screen is displayed as shown.

Ledger Creation		Universal Infotech	Ctrl
Name	: Auditing Expenses		Total Op. Bal.
(alias)	:		50,00,000.00 Dr
			<i>Difference</i>
			50,00,000.00 Dr
Under	: Indirect Expenses	Mailing Details	
Inventory values are affected	? No	Name	:
		Address	:
		State	:
		PIN Code	:
		Tax Information	
		PAN / IT No.	:
		<i>(PAN / IT No. is mandatory for eTDS, should be of 10 Characters)</i>	
		Sales Tax No.	:
Statutory Information			
Is TDS Applicable	? Yes		
Default Nature Of Payment	: Fees for Professional Or Technical Services		
Opening Balance (on 1-Apr-2009) :		Accept ?	
		Yes or No	

Figure 2.24 Completed Expenses Ledger Creation Screen

- Press **Enter** to Save

ii. Party Ledger

Ledger	Under	Maintain balances bill-by-bill	Is TDS Deductable	Deductee Type
Sridhar & Co.	Sundry Creditors	Yes	Yes	Partnership Firm

Create Party Ledger

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

In the **Ledger Creation** screen,

- ❑ Type **Sridhar & Co.** as the **Ledger Name**
- ❑ Group it under **Sundry Creditors** group
- ❑ Set **Maintain Balances bill-by-bill** to **Yes**
- ❑ Specify the **Default Credit Period**, if required
- ❑ Set **Is TDS Deductable** to **Yes**
- ❑ In the **Deductee Type** field select **Partnership Firm** from the **List of Deductee Types**



- ❑ *The sellers who are receiving the TDS nature of payments, are required to be associated with the pre-defined **Deductee Types**.*
- ❑ *Refer **Appendix** for more details on **Deductee Types***
- ❑ *The option **UnKnown** will be selected, when the Party's deductee type details are not available.*

- ❑ Enter the **Mailing Details**.
- ❑ Under **Tax Information** enter the **PAN/IT No.** (PAN/IT No. is mandatory for e-TDS). **PAN** is a **10 Digit Alphanumeric Number** allotted by the **Income Tax Department**.



- ❑ **PAN/IT No.** field is restricted to 10 digits, user can enter any ten Numbers or Alphabets or alphanumeric.
- ❑ The details provided in the **PAN/IT No.** field must be equal to ten Numbers or Alphabets or alphanumeric. Tally.ERP 9 won't accept any details less than 10 digits.
- ❑ In case, where the **PAN is not Available or Applied For**, such details can also be provided in the **PAN/IT No** field in the format, as specified by the Income tax Department.
 - i. For PAN not available – enter as **PANNOTAVBL**
 - ii. For PAN Applied - enter as **APPLIEDFOR**
- ❑ Under **Exception Report – PAN Not Available**, Tally.ERP 9 displays all the ledgers in which PAN/IT No is not mentioned. Before e-TDS validation user can check this report to make necessary changes in the ledger

The completed **Sundry Creditor** Ledger screen is displayed as shown

Ledger Creation		Universal Infotech		Ctrl
Name : Sridhar & Co. (alias) :			Total Op. Bal.	
			50,00,000.00 Dr	
			<i>Difference</i>	
			50,00,000.00 Dr	
Under : Sundry Creditors (Current Liabilities)		Mailing Details Name : Sridhar & Co. Address : # 9/18 CRM Building Gandhinagar Bangalore State : Karnataka PIN Code : 560001		
Maintain balances bill-by-bill ? Yes Default Credit Period : Inventory values are affected ? No		Tax Information PAN / IT No. : AAPLC4578N (PAN / IT No. is mandatory for eTDS, should be of 10 Characters) Sales Tax No. :		
Statutory Information Is TDS Deductable ? Yes Deductee Type : Partnership Firm				
Opening Balance (on 1-Apr-2009) :				Accept ? Yes or No

Figure 2.25 Completed Sundry Creditor Ledger Creation Screen

- ❑ Press **Enter** to Save.

iii. Tax Ledger

Ledger	Under	Type of Duty/ Tax	Nature of Payment	Inventory values are affected
TDS - Professional or Technical Services	Duties & Taxes	TDS	Fees for Professional or Technical Services	No

Create Tax Ledger

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

In the **Ledger Creation** screen,

- ❑ Type **TDS - Professional or Technical Services** as the **Ledger Name**
- ❑ Group it under **Duties & Taxes** group
- ❑ Select **TDS** as the **Type of Duty/Tax**
- ❑ Select **Fees for Professional or Technical Services** as the **Nature of Payment**.
- ❑ Set **Inventory values are affected** to **No**

The completed **Duty & Taxes** ledger screen is displayed as shown

Ledger Creation		Universal Infotech		Ctrl
Name	: TDS - Professional Or Technical Services			<u>Total Op. Bal.</u>
(alias)	:			50,00,000.00 Dr
				<u>Difference</u>
				50,00,000.00 Dr
Under	: Duties & Taxes (Current Liabilities)	Mailing Details		
Type of Duty/Tax	: TDS	Name	:	
Nature Of Payment	: Fees for Professional Or Technical Services	Address	:	
Inventory values are affected	? No	State	:	
		PIN Code	:	
		Tax Information		
		PAN / IT No.	:	
		Sales Tax No.	:	
Opening Balance (on 1-Apr-2009) :				Accept ?
				Yes or No

Figure 2.26 Completed TDS Ledger Creation Screen

- ❑ Press **Enter** to Save.

2. Record the Transaction in Journal Voucher

Set Up:

In F12: Configure (Journal configuration)

- Set **Allow Alteration of Nature of Payment in Expenses** to **Yes**

<u>Journal Configuration</u>	
Skip Date field in Create Mode (faster entry!)	? Yes
Use Cr/Dr instead of To/By during entry	? Yes
Warn on Negative Cash Balance	? Yes
Allow Cash Accounts in Journals	? No
Allow Alteration of TDS Rates for Lower Deduction	? No
Allow Alteration of TDS Nature of Payment in Expenses	? Yes
Use Common Table for TDS Helper	? No
Show Inventory Details	? Yes
Show Table of Bill Details for Selection	? Yes
Show Bill-wise Details	? Yes
Expand into multiple lines	? Yes
Show Ledger Current Balances	? Yes
Show Balances as on Voucher Date	? No

Figure 2.27 F12: Configure

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

1. Press **F2** and change the date to **07-05-2009**
2. Select **Auditing Expenses** in the **Debit** field and press **Enter**
3. Enter **1,12,360** in the **Amount** field and press **Enter**

The **Expense Allocation** screen is displayed as shown

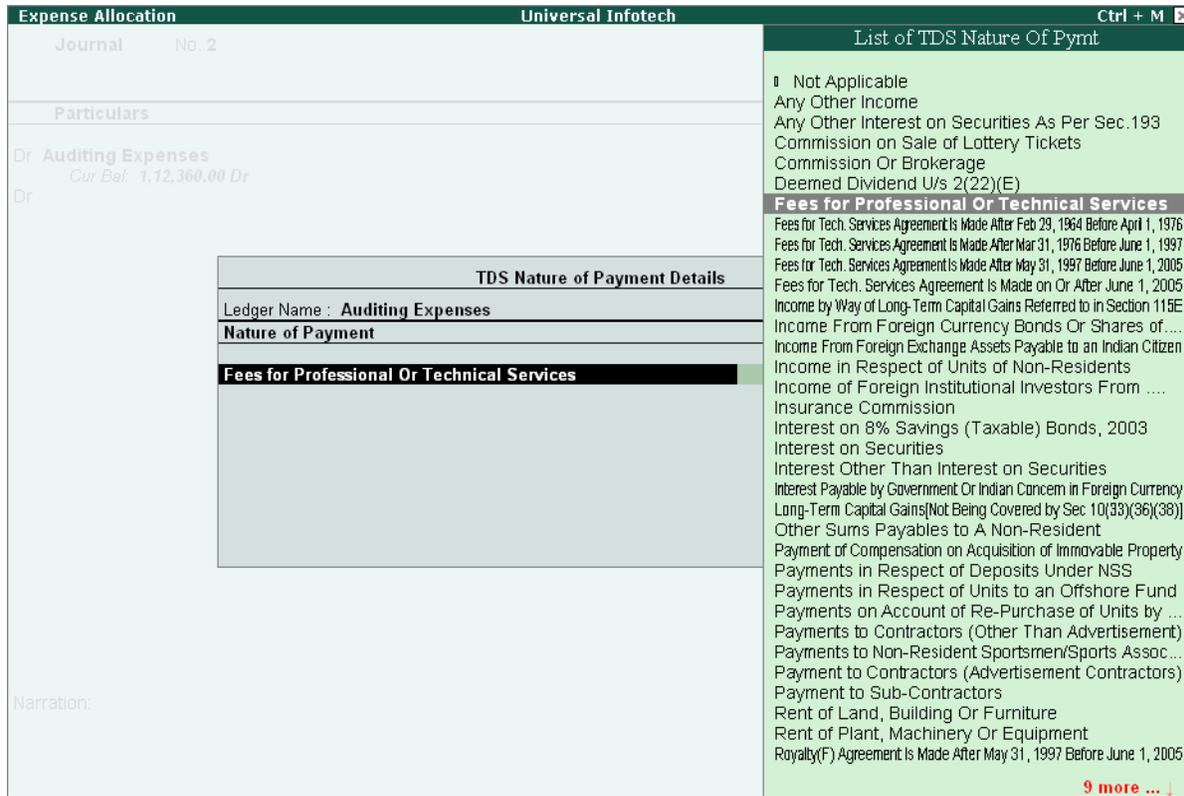


Figure 2.28 Expense Allocation Screen



*When **Allow Alteration of Nature of Payment in Expenses** is set to **Yes** in **F12: Voucher Entry Configuration**, Tally.ERP 9 facilitates Assigning/ Altering Nature of Payments and Assessable Value of the Expenses during voucher entry.*

4. The **TDS Nature of Payment Details** screen displays the **Nature of Payment** and the **Assessable Value** of the expenditure.
 - Press **Enter** to accept **Fees for Professional or Technical Services** as Nature of Payment.
 - The amount in the **Assessable Value** is defaulted to Rs. 1,12,360. Enter **Rs.1,00,000** in the Assessable Value and press Enter.

TDS Nature of Payment Details	
Ledger Name : Auditing Expenses	
Nature of Payment	Assessable Value
Fees for Professional Or Technical Services	1,00,000.00

Figure 2.29 TDS Nature of Payment Details with Assessable Value



***Assessable Value** is the amount on which the **TDS** will be computed. In the above transaction the Bill amount of Rs. 1,12,360 includes Service Tax of Rs 12,360 on which the Tax cannot be deducted. Thus assessable value is arrived at by deducting Service tax from the Bill amount*

Bill amount (1,12,360) – Service Tax (12,360) = Assessable Value (1,00,000)

- In the **Nature of Payment** field select **Not applicable** from the **List of TDS Nature of Payment** (balance amount of Rs 12,360 gets allocated automatically in the Assessable value field)

TDS Nature of Payment Details	
Ledger Name : Auditing Expenses	
Nature of Payment	Assessable Value
Fees for Professional Or Technical Services	1,00,000.00
Not Applicable	12,360.00

Figure 2.30 TDS Nature of Payment Details

5. Select **Sridhar & Co.** in the **Credit** field and press **Enter**.

6. In the **TDS Details** screen provide the following details

- ❑ **Type of Ref:** Select **New Ref** from the method of Adjustment. Tally.ERP 9 displays Two **Methods of Adj** viz., **Agst Ref** and **New Ref**. **New Ref** is selected for new Financial Transactions Where as, **Agst Ref** is selected to set off payment against the previously entered invoice.
- ❑ **Name:** This field display the **Reference Number** for the TDS Deducted. The default Reference Number displayed, is a combination of abbreviation of Journal, Voucher Number and Line Number. **Example: Jrnl/2-1** which can be changed by the user. TDS payments are tracked with these Reference Numbers.
- ❑ **Nature of Payment:** Select **Not Applicable** in Nature of Payment field. Assessable amount and Payment amount are defaulted as entered in **Expense Allocation** screen.

TDS Details						
Type of Ref	Name	Nature of Payment	TDS Duty	Assessable	Deduct now	TDS Payable Amount
New Ref	Jrnl / 2-1	Not Applicable	Fees for Professional Or Technical Services			12,360.00 Cr
	Income Tax	0 % On	Not Applicable		12,360.00 Cr	
	Surcharge	0 % On				
	Education Cess	0 % On				
	Secondary Education Cess	0 % On				
Total					12,360.00 Cr	12,360.00 Cr

Figure 2.31 Nature of Payment as Not applicable

- ❑ **Type of Ref:** Select **New Ref** from the method of Adjustment.
- ❑ **Name:** This field display the **Reference Number** for the TDS Deducted. The default Reference Number displayed, is a combination of abbreviation of Journal, Voucher Number and Line Number. **Example: Jrnl/2-2** which can be changed by the user. TDS payments are tracked with these Reference Numbers.
- ❑ **Nature of Payment:** Select **Fees for Professional or Technical Services** in Nature of Payment field. Assessable amount and Payment amount are defaulted as entered in **Expense Allocation** screen.
- ❑ **TDS Duty Ledger:** Select **TDS – Professional Or technical Services** from the list of **TDS Duty Ledgers**. List of **TDS Duty Ledgers** displays, ledgers created with specific nature of payment as well as the ledger created with the option **Any**.

- ❑ **Assessable Amount:** Tally.ERP 9 defaults the amount as specified in the TDS Nature of Payment Details against the expenses ledger and skips the field.
- ❑ **Deduct now:** This field will set to **Yes** or **No**, depending on the tax deduction. Set this field to **Yes** to deduct the Tax in the same voucher.
- ❑ **TDS Amount:** This field displays the Tax amount deducted at source
- ❑ **Payable Amount:** This field displays the amount (after TDS) payable to the Party.

The completed **TDS Details** screen is displayed as shown

TDS Details							
Type of Ref	Name	Nature of Payment	TDS Duty Ledger	Assessable Amount	Deduct now	TDS Amount	Payable Amount
New Ref	Jrnl / 2-1	[Not Applicable		12,360.00 Cr			12,360.00 Cr
	Income Tax	0 % On 12,360.00 Cr					
	Surcharge	0 % On					
	Education Cess	0 % On					
	Secondary Education Cess	0 % On					
New Ref	Jrnl / 2-2	Fees for Professional Or Technical Services	TDS - Professional Or Technical Services	1,00,000.00 Cr	Yes	10,000.00 Cr	90,000.00 Cr
	Income Tax	10 % On 1,00,000.00 Cr	10,000.00 Cr				
	Surcharge	0 % On	10,000.00 Cr				
	Education Cess	0 % On	10,000.00 Cr				
	Secondary Education Cess	0 % On	10,000.00 Cr				
Total				1,12,360.00 Cr		10,000.00 Cr	1,02,360.00 Cr

Figure 2.32 Completed TDS Details Screen

7. Press **Enter** to accept TDS Details
8. **Payable Amount** as calculated in the TDS Details screen will be defaulted in the Party's **Amount (Credit)** field. Press **Enter** to view Bill-wise Details screen.
9. In **Bill-wise Details** screen,
 - ❑ Select **New Ref** as the **Type of Ref**
 - ❑ In the Name field enter the Bill name as **Bill - 911**
 - ❑ Skip the **Due Date or Credit Days** field
 - ❑ Accept the default **amount** allocation and **Dr/Cr**. By default Tally.ERP 9 displays the **Bill amount** in the amount field as the credit balance.
 - ❑ Press Enter, select **New Ref** as **Type of Ref** and Enter Bill name as **Bill-911**
 - ❑ Skip the **Due Date or Credit Days** field and accept the default **amount** allocation and **Dr/ Cr**. By default Tally.ERP 9 displays the **Tax amount** in the amount field as the debit balance.

The Completed Bill-wise Details screen is displayed as shown

Bill-wise Details for : Sridhar & Co. Upto: Rs. 1,02,360.00 Cr				
Type of Ref	Name	Due Date, or Credit Days (wef. 6-5-2009)	Amount	Dr/ Cr
New Ref	Bill-911		1,12,360.00	Cr
New Ref	Bill-911		10,000.00	Dr
			1,02,360.00	Cr

(Note: 'Breaking of above bills helps to identify the original bill amount in the outstanding statement')

Figure 2.33 Bill-wise Details Screen

The above method of bill allocation helps to find the bill amount and the amount pending for payment after TDS.

10. In the **Credit** field select the duty ledger **TDS – Professional Or technical Services** from the List of Ledger Accounts and **Rs. 10,000** (1,12,360 - 1,02,360) is displayed automatically in the amount field.

The completed **Journal Voucher** is displayed as shown

Accounting Voucher Creation		Universal Infotech		Ctrl + M
Journal No. 2				6-May-2009 Wednesday
Particulars		Debit	Credit	
Dr Auditing Expenses		1,12,360.00		
<i>Cur Bal: 1,12,360.00 Dr</i>				
Cr Sridhar & Co.			1,02,360.00	
<i>Cur Bal: 1,02,360.00 Cr</i>				
New Ref Bill-911	1,12,360.00 Cr			
New Ref Bill-911	10,000.00 Dr			
Cr TDS - Professional Or Technical Services			10,000.00	
<i>Cur Bal: 10,000.00 Cr</i>				
Narration:		1,12,360.00	1,12,360.00	
				Accept? Yes or No

Figure 2.34 Journal Voucher

11. Press **Enter** to Save

2.4.2 Accounting of Expenses and Deducting TDS Later

It is always expected that, the deductor should deduct the tax in the same invoice in which the expenses are accounted. But in some cases, deductor may follow the procedure of accounting only expenses on the receipt of bills and later, deduct applicable tax on all such accounted expenses in one invoice.

Tally.ERP 9 provides the flexibility to account expenses and later deduct tax on such expenses. Consider the following scenario to illustrate Accounting of Expenses and deducting TDS later.

1. Accounting of Expenses

Example 5:

On 8th May, 2009 Universal Infotech received a bill (vide No. 689) from Digitech Computers for Rs. 25,000 towards commission charges.

The following example illustrates TDS transaction using a Purchase Voucher. Before recording the above transaction, create the following required ledgers.

To account the above transaction follow the steps given below

1. Create Masters
 - i. Expense Ledger
 - ii. Party Ledger
 - iii. Tax Ledger
2. Record the Transaction in Purchase Voucher

1. Create Masters

As per the given information create masters.

i. Expense Ledger

Ledger	Under	IS TDS Applicable	Default Nature of Payment
Commission Expenses	Indirect Expenses	Yes	Commission or Brokerage
Inventory values are affected: No			

ii. Party Ledger

Ledger	Under	Maintain balances bill-by-bill	Is TDS Deductable	Deductee Type
Digitech Computers	Sundry Creditors	Yes	Yes	Individual/HUF – Resident
In Mailing Details: Address: No-81/1, 8th main, Basaveshwaranagar, Bangalore. State: karnataka PIN Code: 560079 In Tax Information: PAN / IT No.: APRCL0497F				

iii. Tax Ledger

Ledger	Under	Type of Duty/ Tax	Nature of Payment	Inventory values are affected
TDS – Commission or Brokerage	Duties & Taxes	TDS	Commission or Brokerage	No

2. Record the Transaction in Purchase Voucher (Accounting Invoice Mode)

Set Up:

In **F12: Configure (Purchase Invoice Configuration)**

- Set **Use Common Ledger A/c for Item Allocation** to **No**
- Set **Use Defaults for Bill Allocations** to **No**

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

1. Press **Alt + I** for **Account Invoice mode**
2. Press **F2** and change the date to **08-05-2009**
3. In **Party's A/c Name** field select **Digitech Computers** from the **List of Ledger Accounts**
4. Under **Particulars** select **Commission Expenses** and press **Enter**
5. Enter **Rs. 25000** in the **Amount** field
6. Press **Enter** to view **TDS Nature of Payment Details** screen and accept the default details in the screen.
7. Press **Enter** twice to view **TDS details** screen. In **TDS Details** provide the following information.
 - In **Type of Ref** field select **New Ref**
 - **Name** field display the **Reference Number** for the TDS to be Deducted. The default Reference Number displayed, is a combination of abbreviation of Purchase, Voucher Number and Line Number. **Example: Purc / 1-1** which can be changed by the user. TDS deductions are tracked with these Reference Numbers.
 - In **Nature of Payment** field select **Commission or Brokerage** from the **List of Nature of Pymt(s)**
 - In **TDS Duty Ledger** field select **TDS – Commission or Brokerage**
 - **Assessable Amount** is defaulted to **Rs. 25000**

TDS Details					
Type of Ref	Name	Nature of Payment	TDS Duty Ledger	Assessable Amount	TDS Amount
New Ref	Purc / 1-1	Commission Or Brokerage	TDS - Commission Or Brokerage	25,000.00	Cr
	Income Tax	0 % On	25,000.00	Cr	
	Surcharge	0 % On			
	Education Cess	0 % On			
	Secondary Education Cess	0 % On			
Total				25,000.00	Cr

Figure 2.35 TDS Details

The **TDS Details** screen is provided for an expenditure for which Tax is not deducted at the time of accounting of expense, to provide the TDS details, which will be used as reference at the time of cumulative deduction of Tax.

8. Press **Enter** to accept the TDS Details
9. In the **Bill-wise Details** screen
 - Select **New Ref** as the **Type of Ref**
 - In the **Name** field enter the Bill name as **Bill - 689**
 - Skip the **Due Date or Credit Days** field

- Accept the default **amount** allocation and **Dr/Cr**. By default Tally.ERP 9 displays the **Bill amount** in the amount field as the credit balance.

Bill-wise Details for : Digitech Computers Upto: Rs. 25,000.00 Cr				
Type of Ref	Name	Due Date, or Credit Days (wef. 8-5-2009)	Amount	Dr/ Cr
New Ref	Bill - 689		25,000.00	Cr
			25,000.00	Cr

Figure 2.36 Bill-wise Details

10. Enter transaction details in the **Narration** field.

The Completed **Purchase Voucher** is displayed as shown

Accounting Voucher Creation		Universal Infotech		Ctrl + M
Purchase	No. 1	Date :	8-May-2009 Friday	
Supplier Invoice No. :		Date :		
Party's A/c Name : Digitech Computers				
Current Balance :				
Particulars	Rate	per	Amount	
Commission Expenses			25,000.00	
Narration:				
				<input type="button" value="Accept ?"/>
				<input type="button" value="Yes or No"/>

Figure 2.37 Purchase Voucher

11. Press **Enter** to Save.

In Tally.ERP 9, all the transactions in which TDS is not deducted are displayed in **TDS not Deducted Report** under Exception Reports.



- The above transaction can also be accounted using **Journal Voucher**.
- For more details on **TDS Not Deducted** report refer **Reports Chapter**.

Example 6:

On 12th May, 2009 Universal Infotech received a bill (vide No. 874) from Digitech Computers for Rs. 40,000 towards commission charges.

Record the transaction in Purchase Voucher (Accounting Invoice Mode)

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

1. Press **Alt + I** for **Account Invoice mode**
2. Press **F2** and change the date to **12-05-2009**
3. In **Party's A/c Name** field select **Digitech Computers** from the **List of Ledger Accounts**
4. Under **Particulars** select **Commission Expenses** and press **Enter**
5. Enter **Rs. 40000** in the **Amount** field
6. Press **Enter** to view **TDS Nature of Payment Details** screen and accept the default details in the screen.
7. Press **Enter** twice to view **TDS details** screen.
8. In **TDS Details** provide the following information.
 - In **Type of Ref** field select **New Ref**
 - In the **Name** field, Tally.ERP 9 displays **Purc / 2-1** as the reference number
 - In **Nature of Payment** field select **Commission or Brokerage** from the **List of Nature of Pymt(s)**
 - In **TDS Duty Ledger** field select **TDS – Commission or Brokerage**
 - **Assessable Amount** is defaulted to **Rs. 40000**

The above Details provided in the TDS Details screen will be used as reference at the time of cumulative deduction of Tax.

9. Press **Enter** to accept the TDS Details
10. In the **Bill-wise Details** screen
 - Select **New Ref** as the **Type of Ref**
 - In the Name field enter the Bill name as **Bill - 874**
 - Skip the **Due Date or Credit Days** field
 - Accept the default **amount** allocation and **Dr/Cr**. By default Tally.ERP 9 displays the **Bill amount** in the amount field as the credit balance.

11. Enter transaction details in the **Narration** field.

The Completed **Purchase Voucher** is displayed as shown

Accounting Voucher Creation		Universal Infotech	Ctrl + M
Purchase	No. 2		12-May-2009
Supplier Invoice No. :	Date :		Tuesday
Party's A/c Name : Digitech Computers			
Current Balance : 25,000.00 Cr			
Particulars	Rate	per	Amount
Commission Expenses			40,000.00
Narration:			Accept ?
			Yes or No

Figure 2.38 Completed Purchase Voucher

12. Press **Enter** to Save

2. TDS Deduction

Example 7:

On 14th May, 2009 Universal Infotech deducted tax towards Commission Expenses for the transactions dated 8th and 12th May.

The following example illustrates the **Cumulative deduction of Tax on expenses**, accounted in **2 different invoices**.

Record the transaction in Journal Voucher

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

1. Press **F2** and change the date to **14-05-2009**

2. Press **Alt +S** or click on **S: TDS Deduction** button on the buttons bar to view **TDS Deductions** screen.
3. In **TDS Deduction** screen
 - **Till Date:** In this field user may enter till date of the period for which the TDS to be deducted and auto-filled.
Enter **14-05-2009** as the **Till Date**.
 - **Party:** In this field Tally.ERP 9 displays the **List of Party ledgers** against whom the TDS deduction is Due.
Select **Digitech Computers** from the **List of Ledger(s)**

<u>TDS Deductions</u>	
Till Date	: 14-May-2009
Party	: [Redacted]
Nature of Payment	: [Redacted]

List of Ledger(s)	
Digitech Computers	

Figure 2.39 TDS Deductions – Party Selection

- **Nature of Payment:** Based on the **Party** selected in the **Party** field, Tally.ERP 9 displays all the party related **nature of payments** under which TDS deduction is pending.
Select **Commission Or Brokerage** from the List of Nature of Payments

<u>TDS Deductions</u>	
Till Date	: 14-May-2009
Party	: Digitech Computers
Nature of Payment	: [Redacted]

List of Nature of Pymt(s)	
Commission Or Brokerage	

Figure 2.40 TDS Deduction – Nature of Payment Selection

4. Press **Enter** to accept the **TDS Deductions**
5. The **TDS amount** with the respective bill details will be auto-filled.

Accounting Voucher Creation		Universal Infotech		Ctrl + M
Journal No. 3				14-May-2009 Thursday
Account : Digitech Computers Cur Bal: 58,305.00 Cr				
Particulars				Amount
TDS – Commission Or Brokerage				6,695.00
Cur Bal: 6,695.00 Dr				
Agst Ref	Purc / 1-1	2,575.00 Cr		
Income Tax	10 % On	25,000.00 Cr	2,500.00 Cr	
Surcharge	0 % On	2,500.00 Cr		
Education Cess	2 % On	2,500.00 Cr	50.00 Cr	
Secondary Education Cess	1 % On	2,500.00 Cr	25.00 Cr	
Agst Ref	Purc / 2-1	4,120.00 Cr		
Income Tax	10 % On	40,000.00 Cr	4,000.00 Cr	
Surcharge	0 % On	4,000.00 Cr		
Education Cess	2 % On	4,000.00 Cr	80.00 Cr	
Secondary Education Cess	1 % On	4,000.00 Cr	40.00 Cr	
Narration:				6,695.00

Figure 2.41 Journal Voucher with Auto filled TDS values

The Total TDS of **Rs.6500**, includes TDS of **Rs. 2,500** against **Purc / 1-1** and **Rs. 4,000** against **Purc / 2-1**.

6. In the **Bill-wise Details** screen

- ❑ Select **Agst Ref** in the **Type of Ref**
- ❑ In the **Name** field, Tally.ERP 9 displays **List of Pending Bills**. Select **Bill – 689** dated **8-May-2009** to adjust the TDS Deducted and press enter
- ❑ **Rs.2500** will be defaulted in the amount column (The TDS amount of Purc /1)and accept the default **Dr/Cr** allocation.
- ❑ Press **Enter**, select **Agst Ref** in the **Type of Ref** field and **Bill – 874** dated **12-May-2009** in Name field.
- ❑ The amount of **Rs. 4000** (6695 - 2500) is defaulted automatically. Accept the default **Dr/Cr** allocation.

The completed **Bill-wise Details** is displayed as shown

Bill-wise Details for : Digitech Computers Upto: Rs. 6,500.00 Dr				
Type of Ref	Name	Due Date, or Credit Days (wef: 14-5-2009)	Amount	Dr/ Cr
Agst Ref	Bill - 689		2,500.00	Dr
Agst Ref	Bill - 874		4,000.00	Dr
			6,500.00	Dr

Figure 2.42 Bill-wise Details screen

- In the **Bill-wise Details** screen, applicable TDS amount will be adjusted against the pending bills.
- Enter transaction details in the **Narration** field.

The Completed **Journal Voucher** is displayed as shown

Accounting Voucher Creation		Universal Infotech		Ctrl + M
Journal	No 3			14-May-2009 Thursday
Account : Digitech Computers Cur Bal: 58,500.00 Cr				
Particulars				Amount
TDS - Commission Or Brokerage				6,500.00
Cur Bal: 6,500.00 Dr				
Agst Ref	Purc / 1-1	2,500.00 Cr		
Income Tax	10 % On	25,000.00 Cr	2,500.00 Cr	
Surcharge	0 % On	2,500.00 Cr		
Education Cess	0 % On	2,500.00 Cr		
Secondary Education Cess	0 % On	2,500.00 Cr		
Agst Ref	Purc / 2-1	4,000.00 Cr		
Income Tax	10 % On	40,000.00 Cr	4,000.00 Cr	
Surcharge	0 % On	4,000.00 Cr		
Education Cess	0 % On	4,000.00 Cr		
Secondary Education Cess	0 % On	4,000.00 Cr		
Narration:				6,500.00
				6,500.00
				6,500.00

Figure 2.43 Journal Voucher

- Press **Enter** to Save.

2.4.3 Accounting Multiple Expenses and Deducting TDS Later

Under this, we will understand the accounting of multiple expenses (in the same voucher) and deducting TDS later.

Consider the following scenario to illustrate accounting of multiple expenses and deducting TDS later.

1. Accounting of Expenses

Example 8:

On 18th May, 2009 Universal Infotech received a bill (vide No. 412) from Pheonix Agencies for Rs. 2,50,000 towards

Commission Charges — Rs. 50,000

Advertisement Expenses — Rs. 2,00,000

Record the transaction in Purchase Voucher (Accounting Invoice Mode)

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

1. Press **Alt + I** for **Account Invoice mode**
2. Press **F2** and change the date to **18-05-2009**
3. In **Party's A/c Name** field select **Pheonix Agencies** from the **List of Ledger Accounts**
4. Under **Particulars** select **Commission Expenses** and press **Enter**
5. Enter **Rs. 50,000** in the **Amount** field
6. Press **Enter** to view **TDS Nature of Payment Details** screen and accept the default details in the screen and press **Enter**.
7. Under **Particulars** select **Advertisement Expenses** and press **Enter**
8. Enter **Rs. 2,00,000** in the **Amount** field
9. Press **Enter** to view **TDS Nature of Payment Details** screen and accept the default details in the screen and press **Enter**.
10. Press **Enter** twice to view **TDS details** screen.
11. In **TDS Details** provide the following information.
 - In **Type of Ref** field select **New Ref**
 - In **Name** field, accept the default reference number – **Purc / 3-1**
 - In **Nature of Payment** field, select **Commission Or Brokerage** from the List of Nature of Payments.

TDS Details				
Type of Ref	Name	Nature of Payment	TDS Duty	Assessable TDS Amount
New Ref	Purc / 3-1	Commission Or Brokerage	Commission Or Brokerage	
	Income Tax	0 % On 50,000.00 Cr		
	Surcharge	0 % On		
	Education Cess	0 % On		
	Secondary Education Cess	0 % On		
Total				50,000.00 Cr

Figure 2.44 TDS Details – Selection of Nature of Payment

The **List of Nature of payments** displays the Nature of Payments which are specific to the Expenses Ledgers, selected in the transaction.

- In **TDS Duty Ledger** field select **TDS – Commission or Brokerage**
- **Assessable Amount** is defaulted to **Rs. 50,000**
- In **Type of Ref** field select **New Ref**
- In **Name** field accept the default reference number – **Purc / 3-2**
- In **Nature of Payment** field, select **Payment to Contractors (Advertisement Contractors)** from the List of Nature of Payments.

TDS Details				
Type of Ref	Name	Nature of Payment	TDS Duty Ledger	Assessable TDS Amount
New Ref	Purc / 3-1	Commission Or Brokerage	TDS – Commission Or Brokerage	50,000.00 Cr
	Income Tax	0 % On 50,000.00 Cr		
	Surcharge	0 % On		
	Education Cess	0 % On		
	Secondary Education Cess	0 % On		
New Ref	Purc / 3-2	Payment to Contractors (Advertisement Contractors)		
	Income Tax	0 % On 2,00,000.00 Cr		
	Surcharge	0 % On		
	Education Cess	0 % On		
	Secondary Education Cess	0 % On		
Total				2,50,000.00 Cr

Figure 2.45 TDS Details

Here, the **List of Nature of Payments** displays only those nature of payments which are pending for selection.

- In **TDS Duty Ledger** field select **TDS – Contractors**
- **Assessable Amount** is defaulted to **Rs. 2,00,000**

12. Press **Enter** to accept the TDS Details

13. In the **Bill-wise Details** screen

- Select **New Ref** as the **Type of Ref**
- In the Name field enter the Bill name as **Bill - 412**
- Skip the **Due Date or Credit Days** field
- Accept the default **amount** allocation and **Dr/Cr.** By default Tally.ERP 9 displays the **Bill amount** in the amount field as the credit balance.

14. Enter transaction details in the **Narration** field.

The Completed **Purchase Voucher** is displayed as shown

Accounting Voucher Creation		Universal Infotech	Ctrl + M
Purchase No. 3		Date :	18-May-2009 Monday
Supplier Invoice No. :			
Party's A/c Name : Pheonix Agencies			
Current Balance :			
Particulars	Rate	per	Amount
Commission Expenses			50,000.00
Advertisement Expenses			2,00,000.00
Narration:			
			<input type="button" value="Accept ?"/> <input type="button" value="Yes"/> or <input type="button" value="No"/>

Figure 2.46 Completed Purchase Voucher

15. Press **Enter** to Save.

2. TDS Deduction

Example 9:

On 21st May, 2009 Universal Infotech deducted tax towards Commission and Advertisement Expenses for the transaction dated 18th May, 2009.

Record the transaction in Journal Voucher

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

1. Press **F2** and change the date to **21-05-2009**
2. Press **Alt +S** or click on **S: TDS Deduction** button on the buttons bar to view **TDS Deductions** screen.

In **TDS Deduction** screen

- **Till Date:** In this field user may enter till date of the period for which the TDS to be deducted and auto-filled.
Enter **21-05-2009** as the **Till Date**.
- **Party:** In this field Tally.ERP 9 displays the **List of Party ledgers** against whom the TDS deduction is Due.
Select **Pheonix Agencies** from the **List of Ledger(s)**
- **Nature of Payment:** Based on the Party selected in the **Party** field, Tally.ERP 9 displays all the party related **nature of payments** under which, TDS deduction is pending. User can select all the Nature of Payments (**All Items**) or any one of the Nature of payment from the list, for TDS Deduction.
Select **All Item** from the **List of Nature of payments**.

TDS Deductions	
Till Date	: 21-May-2009
Party	: Pheonix Agencies
Nature of Payment	: [REDACTED]
	List of Nature of Pymnt(s)
	<input checked="" type="checkbox"/> All Items Commission Or Brokerage Payment to Contractors (Advertisement Contractors)

Figure 2.47 TDS Deduction – Selection of Nature of Payment

3. Press **Enter** to accept the **TDS Deductions**
4. The **TDS amount** with the respective bill details will be auto-filled.

Accounting Voucher Creation		Universal Infotech		Ctrl + M
Journal No. 4				21-May-2009 Thursday
Account : Pheonix Agencies Cur Bal: 2,43,000.00 Cr				
Particulars				Amount
TDS – Contractors				2,000.00
Cur Bal: 7,000.00 Dr				
Agst Ref Purc / 3-2 2,000.00 Cr				
Income Tax	1 %	On	2,00,000.00 Cr	2,000.00 Cr
Surcharge	0 %	On	2,000.00 Cr	
Education Cess	0 %	On	2,000.00 Cr	
Secondary Education Cess	0 %	On	2,000.00 Cr	
TDS – Commission Or Brokerage				5,000.00
Cur Bal: 500.00 Dr				
Agst Ref Purc / 3-1 5,000.00 Cr				
Income Tax	10 %	On	50,000.00 Cr	5,000.00 Cr
Surcharge	0 %	On	5,000.00 Cr	
Education Cess	0 %	On	5,000.00 Cr	
Secondary Education Cess	0 %	On	5,000.00 Cr	
Narration:				7,000.00

Figure 2.48 Journal Voucher with Auto filled TDS values

The Total TDS of **Rs. 7,000**, includes TDS – Contractors **Rs. 2,000** and TDS – Commission or Brokerage **Rs. 5,000** against **Purc / 3-2** and **Purc / 3-1** respectively.

5. In the **Bill-wise Details** screen

- Select **Agst Ref** in the **Type of Ref**
- In the **Name** field, Select **Bill – 412** dated **18-May-2009** to adjust the TDS Deducted and press **Enter**
- Enter **Rs. 7,000** in the **amount** field and accept the default **Dr/Cr** details.

6. Enter transaction details in the **Narration** field.

The completed **Journal Voucher** is displayed as shown

Accounting Voucher Creation		Universal Infotech		Ctrl + M
Journal No. 4				21-May-2009 Thursday
Account : Pheonix Agencies Cur Bal: 2,43,000.00 Cr				
Particulars				Amount
TDS – Contractors				2,000.00
Cur Bal: 7,000.00 Dr				
Agst Ref Purc / 3-2 2,000.00 Cr				
Income Tax	1 %	On 2,00,000.00 Cr	2,000.00 Cr	
Surcharge	0 %	On 2,000.00 Cr		
Education Cess	0 %	On 2,000.00 Cr		
Secondary Education Cess	0 %	On 2,000.00 Cr		
TDS – Commission Or Brokerage				5,000.00
Cur Bal: 500.00 Dr				
Agst Ref Purc / 3-1 5,000.00 Cr				
Income Tax	10 %	On 50,000.00 Cr	5,000.00 Cr	
Surcharge	0 %	On 5,000.00 Cr		
Education Cess	0 %	On 5,000.00 Cr		
Secondary Education Cess	0 %	On 5,000.00 Cr		
Narration:				7,000.00

Accept ?
Yes or No

Figure 2.49 Journal Voucher

7. Press **Enter** to Save.

2.4.4 TDS on Advances

The below examples illustrate the accounting of TDS on Advances and adjustment of such advances against the Bill.

1. Accounting Advances

Example 10:

On 2nd June, 2009 Universal Infotech made an advance payment of Rs. 90000 to Pheonix Agencies towards Advertisement Expenses through cheque (No. 025687). TDS is deducted while making the payment.

Record the transaction in Payment Voucher

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

1. Press **F2** and change the date to **02/06/2009**
2. In **Account** field select **Canara Bank** from the List of Ledger Accounts
3. Under **Particulars** select **Pheonix Agencies** and press **Enter**
4. Enter **Rs. 90,000** in the **Amount** field and press **Enter** to view Bill-wise details screen
5. In **Bill-wise Details** screen
 - In **Type of Ref** field select **Advance** from the **Method of Adj**
 - In **Name** field enter the bill name as **Adv – 001**
 - Skip the **Due Date, or Credit Days** filed.
 - **Amount** is defaulted to **Rs. 90,000** accept the same.

Bill-wise Details for : Pheonix Agencies Upto: Rs. 90,000.00 Dr				
Type of Ref	Name	Due Date, or Credit Days (wef. 2-6-2009)	Amount	Dr/ Cr
Advance	Adv – 001		90,000.00	Dr
			90,000.00	Dr

Figure 2.50 Bill-wise details Screen

6. Press **Enter** to accept the **Bill-wise Details**
7. Under **Particulars** select **TDS – Contractors (to deduct Tax)** and press **Enter**
8. In **TDS Details** screen
 - In the **Type of Ref** field select **New Ref**
 - **Name** field display the **Reference Number** for the TDS Deducted. The default Reference Number displayed, is a combination of abbreviation of Payment, Voucher Number and Line Number. **Example: Pymt / 3-1** which can be changed by the user. TDS payments are tracked with these Reference Numbers.
Accept the default **Reference Number (Pymt / 3-1)** and press Enter.
 - In **Nature of Payment** field select **Payment to Contractors (Advertisement Contractors)** as the Nature of Payment.

The completed **TDS Details** screen is displayed as shown

TDS Details						
Type of Ref	Name	Nature of Payment	TDS Duty Ledger	Assessable Amount	TDS Amount	
New Ref	Pymt / 3-1	Payment to Contractors (Advertisement Contractors)	TDS – Contractors	90,000.00 Dr	900.00 Cr	
	<i>Income Tax</i>	1 % On	90,000.00 Cr	900.00 Cr		
	<i>Surcharge</i>	0 % On	900.00 Cr			
	<i>Educa</i>	On	900.00 Cr			
	<i>Second</i>	On	900.00 Cr			
	End of List					
	New Ref					
Total				90,000.00 Dr	900.00 Cr	

Figure 2.51 TDS Details Screen

9. Press **Enter** to accept the **TDS Details**
10. In the **Amount** field the **TDS amount (Rs. 900)** is displayed with negative sign
11. Enter **025687** in the **Narration** field.

The completed **Payment Voucher** is displayed as shown

Accounting Voucher Creation		Universal Infotech	Ctrl + M
Payment No. 3			2-Jun-2009 Tuesday
Account : Canara Bank Cur Bal: 44,10,900.00 Dr			
Particulars			Amount
Pheonix Agencies Cur Bal: 1,53,000.00 Cr			90,000.00
Advance Adv - 001 90,000.00 Dr			
TDS - Contractors Cur Bal: 2,900.00 Cr			(-900.00)
Narration:			
Ch. No. : 025687			

Accept ?
 Yes or No

Figure 2.52 Payment Voucher

12. Press **Enter** to Save.

2. Adjusting Advance against the Bill

Example 11:

On 15th June, 2009 Universal Infotech received a Bill (vide no. 982) from Pheonix Agencies for Rs. 1,50,000 towards the Advertisement services rendered.

Record the transaction in Journal Voucher

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

1. Press **F2** and change the date to **15-06-2009**
2. Select **Advertisement Expenses** in the Debit field and press **Enter**
3. Enter **1,50,000** in the **Amount** field and press **Enter**
4. In the **TDS Nature of Payment Details**, accept the default details.

5. Select **Phoenix Agencies** in the **Credit** field and press **Enter**.
6. In the **TDS Details** screen provide the following details
 - In **Type of Ref** select **Agst Ref** from the method of Adjustment, to adjust the advance (on which TDS is deducted) against the Bill amount.
 - In the **Name** field Tally.ERP 9 displays the party related **Pending Tax bills** for selection. Select **Pymt / 3-1** from the List.
 - Based on the **Tax Bill** selected, the details in the **Nature of Payment, TDS Duty Ledger, Assessable Amount and Payable Amount** field will be defaulted automatically.
 - In **Type of Ref** select **New Ref** to account the **Balance Amount (60,000 = 1,50,000 - 90,000)** payable to the party, to deduct the **TDS**.
 - In the **Name** field accept the default TDS reference number – **Jrnl / 5-2**
 - In **Nature of Payment** field select **Payment to Contractors (Advertisement Contractors)** from the List of nature of Payment(s)
 - Select **TDS – Contractors** in the **TDS Duty Ledger** field.
 - Set **Deduct now** field to **Yes** to deduct the Tax in the same voucher.
 - The **TDS Amount** field displays the Tax amount deducted at source
 - The **Payable Amount** field displays the amount (after TDS) payable to the Party.

The completed **TDS Details** screen is displayed as shown

TDS Details							
Type of Ref	Name	Nature of Payment	TDS Duty Ledger	Assessable Amount	Deduct now	TDS Amount	Payable Amount
Agst Ref	Pymt / 3-1	Payment to Contractors (Advertisement Contractors)	TDS – Contractors	90,000.00 Cr	Yes		90,000.00 Cr
	Income Tax	1 % On 90,000.00 Cr					
	Surcharge	0 % On					
	Education Cess	0 % On					
	Secondary Education Cess	0 % On					
New Ref	Jrnl / 5-2	Payment to Contractors (Advertisement Contractors)	TDS – Contractors	60,000.00 Cr	Yes	600.00 Cr	59,400.00 Cr
	Income Tax	1 % On 60,000.00 Cr	600.00 Cr				
	Surcharge	0 % On	600.00 Cr				
	Education Cess	0 % On	600.00 Cr				
	Secondary Education Cess	0 % On	600.00 Cr				
Total				1,50,000.00 Cr		600.00 Cr	1,49,400.00 Cr

Figure 2.53 TDS Details Screen

7. Press **Enter** to accept the TDS details

8. **Payable Amount** as calculated in the **TDS Details** screen will be defaulted in the **Party's Amount (Credit)** field. Press **Enter** to view **Bill-wise Details** screen.
9. In **Bill-wise Details** screen,
 - Select **Agst Ref** in **Type of Ref**, to adjust the Advance against the Bill amount.
 - In the **Name** field select **Adv - 001** from the **Pending Bills**
 - In the **Amount** field, Tally.ERP 9 displays **Rs. 90,000**, accept the default allocation and press **Enter**.
 - Select **New Ref** in the **Type of Ref** field to adjust the Balance amount payable to the party.
 - In the **Name** field enter the Bill name as **Bill - 982**
 - Skip the **Due Date or Credit Days** field
 - In the amount field enter the balance Bill amount Rs. 60,000[1,50,000 – Advance (90,000)] in the amount field as the credit balance.
 - Press Enter, select **New Ref** as **Type of Ref** and enter Bill name as **Bill -982**
 - Skip the **Due Date or Credit Days** field and accept the default **amount** allocation and **Dr/ Cr**. By default Tally.ERP 9 displays the **Tax amount** in the amount field as the debit balance.

The completed Bill-wise Details is displayed as shown

Bill-wise Details for : Phoenix Agencies Upto: Rs. 1,49,400.00 Cr				
Type of Ref	Name	Due Date, or Credit Days (wef: 15-6-2009)	Amount	Dr/ Cr
Agst Ref	Adv – 001		90,000.00	Cr
New Ref	Bill - 982		60,000.00	Cr
New Ref	Bill - 982		600.00	Dr
			1,49,400.00	Cr

Figure 2.54 Bill-wise Details Screen

10. Press **Enter** to accept Bill-wise Details.

11. In the **Credit** field select the duty ledger **TDS – Contractor** from the List of Ledger Accounts and **Rs. 600** (1,50,000 - 1,49,400) is displayed automatically in the amount field.

12. Enter transaction details in the **Narration** field.

The completed **Journal Voucher** is displayed as shown

Accounting Voucher Creation		Universal Infotech		Ctrl + M
Journal No. 5				15-Jun-2009 Monday
Particulars		Debit	Credit	
Dr Advertisement Expenses		1,50,000.00		
<i>Cur Bal: 8,50,000.00 Dr</i>				
Cr Phoenix Agencies			1,49,400.00	
<i>Cur Bal: 3,02,400.00 Cr</i>				
Agst Ref Adv - 001	90,000.00 Cr			
New Ref Bill - 982	60,000.00 Cr			
New Ref Bill - 982	600.00 Dr			
Cr TDS – Contractors			600.00	
<i>Cur Bal: 3,500.00 Cr</i>				
Narration:		1,50,000.00	1,50,000.00	

Figure 2.55 Journal Voucher

13. Press **Enter** to Save.

2.4.5 TDS on Expenses @ Lower Rate

Assessing Officer shall issue a certificate for deduction of Tax at Lower rate than the relevant rate specified under the section, Where the assessing officer is satisfied that the total income of the recipient (Assessee) justifies the deduction of income tax at any lower rates than the rate specified under sections specified under the Act and has received an application in Form 13 from the assessee under sub-section (1) of section 197.

The certificate granted shall be valid for the assessment year specified and is valid only for the person named therein.

In Tally.ERP 9, the user can record and compute TDS on transactions, on which lower rate of deduction is applicable. Consider the following example.

Example 12:

On 25th June, 2009 Universal Infotech received a Bill (vide No. 260) from ACE Computers for Rs. 80,000 towards commission charges.

ACE Computers has a certificate for deduction of Income tax at Lower rate @ 5%, on Commission.

To account the above transaction

1. Create Masters
 - i. Party Ledger
2. Record the Transaction in Journal voucher

1. Create Masters

i Party Ledger

Ledger	Under	Maintain balances bill-by-bill	Is TDS Deductable	Deductee Type
ACE Computers	Sundry Creditors	Yes	Yes	Partnership Firm

Create Party Ledger

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

Setup:

Before creating the party ledger enable the following Configurations in **F12: Configure (Ledger Configuration)**

- Set Allow Advanced entries in TDS Masters to Yes.

<u>Ledger Configuration</u>	
Allow ALIASES along with Names	? Yes
Allow Language ALIASES along with Names	? No
Allow ADVANCED entries in Masters	? Yes
Allow ADVANCED entries in TDS Master	? Yes
Add NOTES for Ledger Accounts	? No
Use ADDRESSES for Ledger Accounts	? Yes
Use CONTACT DETAILS for Ledger Accounts	? No

Figure 2.56 F12: Configure

In the **Ledger Creation** screen,

- Type **ACE Computers** as the **Ledger Name**
- Group it under **Sundry Creditors** group
- Set **Maintain Balances bill-by-bill** to **Yes**
- Specify the **Default Credit Period**, if required
- Set **Is TDS Deductible** to **Yes**
- In the **Deductee Type** field select **Partnership Firm** from the **List of Deductee Types**
- Set **Use Advanced TDS Entries** to **Yes** and press **Enter**

Ledger Creation		Universal Infotech	Ctrl
Name : ACE Computers		<u>Total Op. Bal.</u>	
(alias) :		50,00,000.00 Dr	
		<u>Difference</u>	
		50,00,000.00 Dr	
Under : Sundry Creditors (Current Liabilities)		<u>Mailing Details</u>	
Maintain balances bill-by-bill : ? Yes		Name : ACE Computers	
Default Credit Period :		Address :	
Inventory values are affected : ? No		State :	
		PIN Code :	
<u>Statutory Information</u>		<u>Tax Information</u>	
Is TDS Deductible : ? Yes		PAN / IT No. :	
Deductee Type : Partnership Firm		(PAN / IT No. is mandatory for eTDS, should be of 10 Characters)	
Use Advanced TDS Entries : ? Yes		Sales Tax No. :	
Opening Balance (on 1-Apr-2009) :			

Figure 2.57 Ledger Creation – Enabling Advanced TDS Entries

The **Zero / Lower Deduction Details** screen is displayed as shown

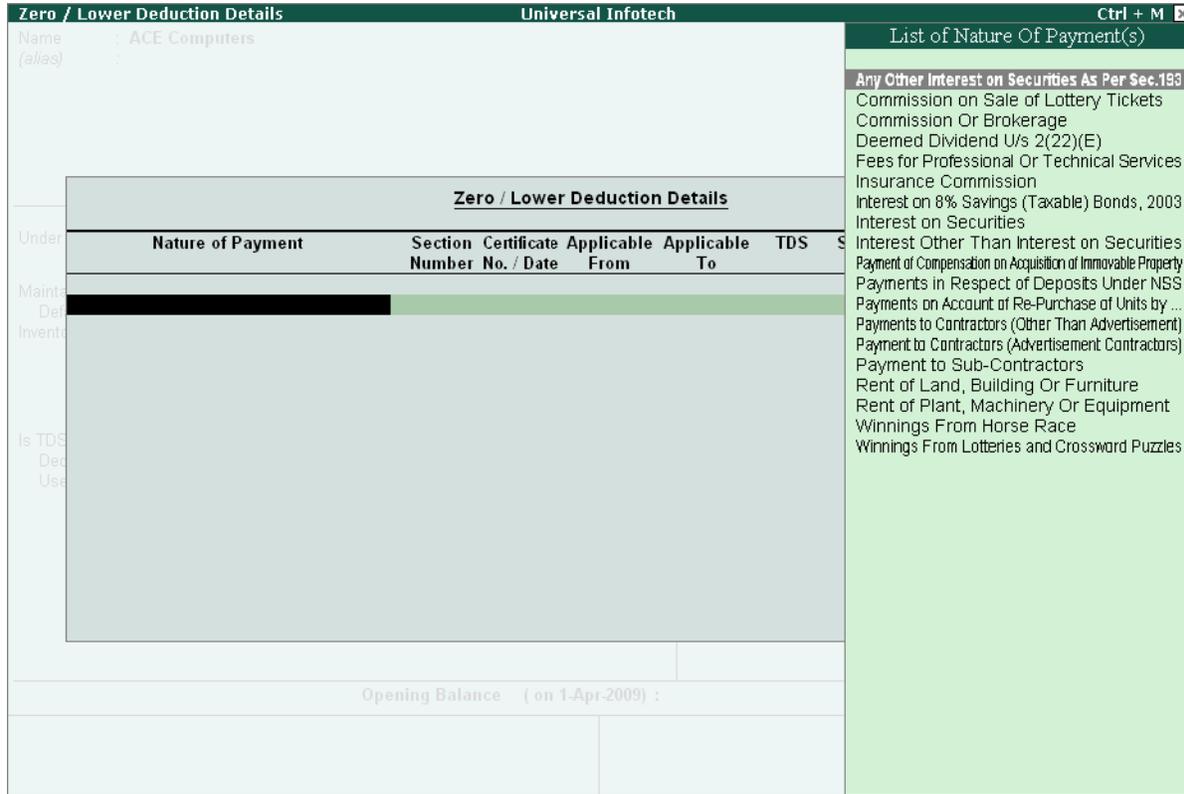


Figure 2.59 Zero / Lower Deduction Details Screen

In the **Zero / Lower Deduction Details** provide the following details

- **Nature of Payment:** In this field, select the Nature of payment for which the lower rate of income tax is allowed.
 Select **Commission Or Brokerage** from the **List of Nature of Payment(s)**
- **Section Number:** In this field, Tally.ERP 9 displays the Sections, under which an application for lower rate or Zero rate are approved.
 Select **197** as the **Section Number**
- **Certificate No./ Date:** In this field, enter certificate number and the date of issue.
 Enter **ADIT-17(1)/2009-10** in certificate No./ Date field.
- **Applicable From:** In this field, mention the date (as per the certificate) from when the lower rate is approved.
 Enter **12-05-2009** in **Applicable From** field
- **Applicable To:** In this field mention the date till when the certificate of Lower rate will remain in force.
 Enter **31-3-2010** in **Applicable To** field
- **TDS:** In this field mention the **Rate of Income Tax**
 Enter **5%** in the **TDS** field.

- In **Surcharge, Ed Cess and Sec Ed Cess** fields Zero will be defaulted automatically.

Zero / Lower Deduction Details									
Nature of Payment	Section Number	Certificate No. / Date	Applicable From	Applicable To	TDS	Surcharge	Ed Cess	Sec Ed Cess	
Commission Or Brokerage	197	ADT-17(1)/2009-10	12-5-2009	31-3-2010	5 %	0 %	0 %	0 %	

Figure 2.60 Completed Zero / Lower Deduction Details Screen

- Press **Enter** to accept Zero/Lower Deduction Details.
- Under **Advanced TDS Entries**, set **Deduct TDS in Same Voucher if applicable** to **Yes**. **Deduct TDS in Same Voucher if applicable** is enabled only when, the income tax will be deducted in the same voucher where the Due/ Payment is accounted for the party.

The **Deduct TDS in Same Voucher if applicable** screen is displayed as shown

Figure 2.61 Deduct TDS in Same Voucher if applicable

6. In the **TDS Details** screen provide the following details
 - ❑ In **Type of Ref** select **New Ref**
 - ❑ In the **Name** field accept the default TDS reference number – **Jrnl / 6-1**
 - ❑ In **Nature of Payment** field select **Commission Or Brokerage** from the List of nature of Payment(s)
 - ❑ In **Is Zero / Lower Rate**, Tally.ERP 9 displays the Sections, under which an application for lower rate or Zero rate are approved. Select **197** from the List.
 - ❑ Select **TDS – Commission Or Brokerage** in the **TDS Duty Ledger** field.
 - ❑ **Deduct now** field will be defaulted to **Yes** and Tally.ERP 9 won't allow the user to alter the setting.



*Deduct now filed will be defaulted to Yes, when the option **Deduct TDS in Same Voucher if applicable** is enabled in the Party Ledger for the Nature of Payment (selected in the transaction).*

- ❑ The **TDS Amount** field displays the Tax amount deducted at source
- ❑ The **Payable Amount** field displays the amount (after TDS) payable to the Party.

The completed **TDS Details** screen is displayed as shown

TDS Details								
Type of Ref	Name	Nature of Payment	Is Zero/Lower Rate	TDS Duty Ledger	Assessable Amount	Deduct now	TDS Amount	Payable Amount
New Ref	Jrnl / 6-1	Commission Or Brokerage	197	TDS – Commission Or Brokerage	80,000.00 Cr	Yes	4,000.00 Cr	76,000.00 Cr
	Income Tax	5 % On	80,000.00 Cr				4,000.00 Cr	
	Surcharge	0 % On	4,000.00 Cr					
	Education Cess	0 % On	4,000.00 Cr					
	Secondary Education Cess	0 % On	4,000.00 Cr					
Total					80,000.00 Cr		4,000.00 Cr	76,000.00 Cr

Figure 2.63 TDS Details Screen

7. Press **Enter** to accept the TDS details

8. **Payable Amount** as calculated in the **TDS Details** screen will be defaulted in the Party's **Amount (Credit)** field. Press **Enter** to view Bill-wise Details screen.
9. In **Bill-wise Details** screen,
 - Select **New Ref** as the **Type of Ref**
 - In the Name field enter the Bill name as **Bill - 260**
 - Skip the **Due Date or Credit Days** field
 - Accept the default **amount** allocation and **Dr/Cr**. By default Tally.ERP 9 displays the **Bill amount** in the amount field as the credit balance.
 - Press Enter, select **New Ref** as **Type of Ref** and Enter Bill name as **Bill - 260**
 - Skip the **Due Date or Credit Days** field and accept the default **amount** allocation and **Dr/Cr**. By default Tally.ERP 9 displays the **Tax amount** in the amount field as the debit balance.

The completed Bill-wise Details is displayed as shown

Bill-wise Details for : ACE Computers Upto: Rs. 76,000.00 Cr				
Type of Ref	Name	Due Date, or Credit Days (wef: 25-6-2009)	Amount	Dr/ Cr
New Ref	Bill - 260		80,000.00	Cr
New Ref	Bill - 260		4,000.00	Dr
			76,000.00	Cr

(Note: 'Breaking of above bills helps to identify the original bill amount in the outstanding statement')

Figure 2.64 Bill-wise Details Screen

10. Press **Enter** to accept Bill-wise Details.
11. In the **Credit** field select the duty ledger **TDS – Commission Or Brokerage** from the List of Ledger Accounts and **Rs. 4,000** (80,000 – 76,000) is displayed automatically in the amount field.
12. Enter transaction details in the **Narration** field.

The completed **Journal Voucher** is displayed as shown

Accounting Voucher Creation		Universal Infotech		Ctrl + M
Journal No. 6				25-Jun-2009 Thursday
Particulars		Debit	Credit	
Dr Commission Expenses		80,000.00		
<i>Cur Bal: 1,95,000.00 Dr</i>				
Cr ACE Computers			76,000.00	
<i>Cur Bal: 76,000.00 Cr</i>				
New Ref Bill - 260	80,000.00 Cr			
New Ref Bill - 260	4,000.00 Dr			
Cr TDS - Commission Or Brokerage			4,000.00	
<i>Cur Bal: 15,500.00 Cr</i>				
Narration:		80,000.00	80,000.00	

Figure 2.65 Journal Voucher

13. Press **Enter** to Save.

2.4.6 TDS on Expenses @ Zero Rate

A Deductee (other than Company or Firm) can submit a declaration in Form 15G under sub section (1) of section 197A, for TDS deduction at Zero Rate. Declarations can be given only by those deductees whose income is below the taxable limit and the income falls under section 193, 194, 194A, 194EE and 194K.

The certificate granted shall be valid for the assessment year specified and is valid only for the person named therein.

Example 13:

On 30th June, 2009 Universal Infotech received a Bill (Vide No. 452) from Gokul Co-operative Building Society for Rs. 10,00,000 towards Rent on Building and Furniture.

Gokul Co-operative Building Society has a certificate for non-deduction (zero rate) of Income tax on Rent.

To account the above transaction

1. Create Masters
 - i. Expense Ledger
 - ii. Party Ledger
2. Record the transaction in Journal Voucher

1. Create Masters

i. Expense Ledger

Ledger	Under	IS TDS Appli- cable	Default Nature of Payment
Rent Expenses	Indirect Expenses	Yes	Rent of Land, Building Or Furniture
Set Inventory values are affected to No			

As per the given information, create the above ledger

iii. Party Ledger

Ledger	Under	Maintain bal- ances bill-by-bill	Is TDS Deductable	Deductee Type
Gokul Co-operative Building Society	Sundry Creditors	Yes	Yes	Co-Operative Society

To Create Party Ledger

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

In the **Ledger Creation** screen,

- Type **Gokul Co-operative Building Society** as the **Ledger Name**
- Group it under **Sundry Creditors** group
- Set **Maintain Balances bill-by-bill** to **Yes**
- Specify the **Default Credit Period**, if required
- Set **Is TDS Deductible** to **Yes**
- In the **Deductee Type** field select **Co-Operative Society** from the **List of Deductee Types**
- Set **Use Advanced TDS Entries** to **Yes** and press **Enter**
- In the **Advanced TDS Entries** screen
 - Enable **Set Zero / Lower Deduction to Yes (Gokul Co-operative Building Society** has submitted the Certificate for non-deduction (zero rate) of income tax) and press **Enter**
- In the **Zero / Lower Deduction Details** provide the following details
 - In **Nature of Payment** field select **Rent of Land, Building Or Furniture** from the **List of Nature of Payment(s)**
 - **Section Number**: In this field, Tally.ERP 9 displays the Sections, under which an application for lower rate or Zero rate are approved.
Select **197A** as the **Section Number**
 - Enter **ADIT-2(5)/2009-10** in **certificate No./ Date** field.
 - Enter **01-06- 2009** in **Applicable From** field
 - Enter **31-12-2010** in **Applicable To** field
 - **TDS, Surcharge, Ed Cess and Sec Ed Cess** fields will be defaulted to **0%**.

Zero / Lower Deduction Details								
Nature of Payment	Section Number	Certificate No. / Date	Applicable From	Applicable To	TDS	Surcharge	Ed Cess	Sec Ed Cess
Rent of Land, Building Or Furniture	197A	ADIT-2(5)/2009-10	1-6-2009	31-12-2010	0 %	0 %	0 %	0 %

Figure 2.66 Completed Zero / Lower Deduction Details Screen

- Press **Enter** to accept Zero/Lower Deduction Details.
- **Deduct TDS in Same Voucher if applicable** is enabled, when the income tax will be deducted in the same voucher where the Due/ Payment is accounted for the party.
Set **Deduct TDS in Same Voucher if applicable** to **Yes** and Press **Enter**

- In **Deduct TDS in same Voucher if applicable** screen, select **Rent of Land, Building Or Furniture** from the List of nature of payment(s)
- Press **Enter** to accept the details in the **Deduct TDS in same Voucher if applicable** screen
- Enter **Address, State and PIN Code** under **Mailing Details**
- Enter **PAN/IT No.** under **Tax Information**

The completed **Ledger Creation** screen is displayed as shown

Ledger Creation		Universal Infotech	Ctrl
Name : Gokul Co-Operative Building Society (alias) :		<u>Total Op. Bal.</u>	
		50,00,000.00 Dr	
		<u>Difference</u>	
		50,00,000.00 Dr	
Under : Sundry Creditors (Current Liabilities)		<u>Mailing Details</u> Name : Gokul Co-Operative Building Society Address : # 10 Gokul Complex Vijayanagar Mysore State : Karnataka PIN Code : 570004	
Maintain balances bill-by-bill : ? Yes Default Credit Period : Inventory values are affected : ? No		<u>Tax Information</u> PAN / IT No. : ABDFS0047C (PAN / IT No. is mandatory for eTDS, should be of 10 Characters) Sales Tax No. :	
<u>Statutory Information</u> Is TDS Deductable : ? Yes Deductee Type : Co-Operative Society Use Advanced TDS Entries : ? Yes			
Opening Balance (on 1-Apr-2009) :		<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Accept ? Yes or No </div>	

Figure 2.67 Completed Sundry Creditor Ledger Creation Screen

- Press **Enter** to Save.

2. Record the Transaction in Journal voucher

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

1. Press **F2** and change the date to **30-06-2009**
2. Select **Rent Expenses** in the **Debit** field and press **Enter**
3. Enter **10,00,000** in the **Amount** field and press **Enter**
4. In the **TDS Nature of Payment Details**, accept the default details.
5. Select **Gokul Co-operative Building Society** in the **Credit** field and press **Enter**.
6. In the **TDS Details** screen provide the following details
 - In **Type of Ref** select **New Ref**

- In the **Name** field accept the default TDS reference number – **Jrnl / 7-1**
- In **Nature of Payment** field select **Rent of Land, Building Or Furniture** from the List of nature of Payment(s)
- In **Is Zero / Lower Rate**, Tally.ERP 9 displays the Sections, under which an application for lower rate or Zero rate are approved. Select **197A** from the List.

The completed **TDS Details** screen is displayed as shown

TDS Details								
Type of Ref	Name	Nature of Payment	Is Zero/Lower Rate	TDS Duty Ledger	Assessable Amount	Deduct now	TDS Amount	Payable Amount
New Ref	Jrnl / 7-1	Rent of Land, Building Or Furniture	197A		10,00,000.00	Cr No		10,00,000.00
	Income Tax	0 % On			10,00,000.00	Cr		
	Surcharge	0 % On						
	Education Cess	0 % On						
	Secondary Education Cess	0 % On						
Total					10,00,000.00	Cr		10,00,000.00

Figure 2.68 TDS Details Screen



In TDS Details screen, Tally.ERP 9 won't prompt the user to select the TDS Duty ledger or to deduct the tax in the same voucher, as the section (197A) selected indicates the Non deduction (Zero Rate) of Income tax

7. **Payable Amount** as displayed in the **TDS Details** screen will be defaulted in the Party's **Amount (Credit)** field. Press **Enter** to view Bill-wise Details screen.
8. In **Bill-wise Details** screen,
 - Select **New Ref** as the **Type of Ref**
 - In the Name field enter the Bill name as **Bill - 452**
 - Skip the **Due Date or Credit Days** field
 - Accept the default **amount** allocation and **Dr/Cr**. By default Tally.ERP 9 displays the **Bill amount** in the amount field as the credit balance.

The completed Bill-wise Details is displayed as shown

Bill-wise Details for : Gokul Co-Operative Building Society Upto: Rs. 10,00,000.00 Cr				
Type of Ref	Name	Due Date, or Credit Days (wef: 30-6-2009)	Amount	Dr/ Cr
New Ref	Bill - 452		10,00,000.00	Cr
			10,00,000.00	Cr

Figure 2.69 Bill-wise Details Screen

9. Press **Enter** to accept Bill-wise Details.

10. Enter transaction details in the **Narration** field.

The completed **Journal Voucher** is displayed as shown

Accounting Voucher Creation		Universal Infotech	Ctrl + M
Journal	No. 7		30-Jun-2009 Tuesday
Particulars	Debit	Credit	
Dr Rent Expenses	10,00,000.00		
<i>Cur Bal: 10,00,000.00 Dr</i>			
Cr Gokul Co-Operative Building Society		10,00,000.00	
<i>Cur Bal: 10,00,000.00 Cr</i>			
New Ref Bill - 452	10,00,000.00	Cr	
Narration:		10,00,000.00	10,00,000.00
		Accept ? Yes or No	

Figure 2.70 Journal Voucher

11. Press **Enter** to Save.

2.5 Adjustments in TDS

2.5.1 Reversal Of Expenses and TDS

In case of Cancellation of transaction(s), the expenses and TDS deducted needs to be reversed. In Tally.ERP 9, such reversal of expenses and TDS is possible only when the cancellation is made before the payment of TDS to the Government.

Tally.ERP 9 provides the flexibility to account expenses and later reverse the expenses and TDS on cancelled transaction(s). In Tally.ERP 9, you can account the reversal of expenses and TDS using Debit Note.

1. Accounting Expenses
2. Reversal of Expenses and TDS

Consider the following scenario to illustrate the Reversal of Expenses and TDS

1. Accounting Expenses

Example 14:

On 18th July, 2009 Universal Infotech received a bill (vide No. 631) from Pheonix Agencies for Rs. 80,000 towards advertisement services.

Record the Transaction in Journal voucher

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

1. Press **F2** and change the date to **18-07-2009**
2. Select **Advertisement Expenses** in the **Debit** field and press **Enter**
3. Enter **80,000** in the **Amount** field and press **Enter**
4. In the **TDS Nature of Payment Details**, accept the default details.
5. Select **Pheonix Agencies** in the **Credit** field and press **Enter**.
6. In the **TDS Details** screen provide the following details
 - In **Type of Ref** select **New Ref**
 - In the **Name** field accept the default TDS reference number – **Jrnl / 8-1**
 - In **Nature of Payment** field select **Payment to Contractors (Advertisement Contractors)** from the List of nature of Payment(s)
 - Select **TDS – Contractors** in the **TDS Duty Ledger** field.
 - Set **Deduct Now** to **Yes** to deduct the income tax in the same voucher.
 - The **TDS Amount** field displays the Tax amount deducted at source
 - The **Payable Amount** field displays the amount (after TDS) payable to the Party.
7. Press **Enter** to accept the TDS details

8. Payable Amount as calculated in the **TDS Details** screen will be defaulted in the Party's **Amount (Credit)** field. Press **Enter** to view Bill-wise Details screen.
9. In **Bill-wise Details** screen,
 - Select **New Ref** as the **Type of Ref**
 - In the Name field enter the Bill name as **Bill - 631**
 - Skip the **Due Date or Credit Days** field
 - Accept the default **amount** allocation and **Dr/Cr**. By default Tally.ERP 9 displays the **Bill amount** in the amount field as the credit balance.
 - Press Enter, select **New Ref** as **Type of Ref** and Enter Bill name as **Bill - 631**
 - Skip the **Due Date or Credit Days** field and accept the default **amount** allocation and **Dr/ Cr**. By default Tally.ERP 9 displays the **Tax amount** in the amount field as the debit balance.
10. Press **Enter** to accept Bill-wise Details.
11. In the **Credit** field select the duty ledger **TDS – Contractors** from the List of Ledger Accounts and **Rs. 800** (80,000 – 79,200) is displayed automatically in the amount field.
12. Enter transaction details in the **Narration** field.

Accounting Voucher Creation		Universal Infotech		Ctrl + M
Journal No. 8				18-Jul-2009 Saturday
Particulars		Debit	Credit	
Dr Advertisement Expenses		80,000.00		
<i>Cur Bal: 9,30,000.00 Dr</i>				
Cr Phoenix Agencies			79,200.00	
<i>Cur Bal: 3,81,600.00 Cr</i>				
	80,000.00 Cr			
New Ref Bill - 631				
New Ref Bill - 631	800.00 Dr			
Cr TDS – Contractors			800.00	
<i>Cur Bal: 4,300.00 Cr</i>				
Narration:		80,000.00	79,200.00	

Accept ?
 Yes or No

Figure 2.71 Completed Journal Voucher

13. Press **Enter** to Save.

2. Reversal of expenses and TDS

Example 15:

On 25th July, 2009 Pheonix agencies cancelled the transaction dated 18th July, 2009 for Rs. 80,000 (bill – 631) because of the non-availability of resources to carry out the contract.

Set Up:

In F11: Features (Accounting Features)

- ❑ Set Use Debit/Credit Notes to Yes
- ❑ Set Use Invoice mode for Debit Notes to Yes

Company: <u>Universal Infotech</u>			
<u>Accounting Features</u>			
<u>General</u>		<u>Invoicing</u>	
Integrate Accounts and Inventory	? Yes	Allow Invoicing	? Yes
Income/Expense Statement instead of P & L	? No	Enter Purchases in Invoice Format	? Yes
Allow Multi-Currency	? No	Use Debit/Credit Notes	? <input checked="" type="checkbox"/> Yes
<u>Outstandings Management</u>		Use Invoice mode for Credit Notes	? No
Maintain Bill-wise Details (for Non-Trading A/c's also)	? Yes	Use Invoice mode for Debit Notes	? <input checked="" type="checkbox"/> Yes
Activate Interest Calculation (use advanced parameters)	? No	<u>Budgets & Scenario Management</u>	
<u>Cost/Profit Centres Management</u>		Maintain Budgets and Controls	? No
Maintain Payroll	? No	Use Reversing Journals & Optional Vouchers	? No
Maintain Cost Centres	? No	<u>Other Features</u>	
Use Cost Centre for Job Costing	? No	Enable Cheque Printing	? No
More than ONE Payroll / Cost Category	? No	Set/Alter Cheque Printing Configuration	? No
Use Pre-defined Cost Centre Allcations during Entry	? No	Allow Zero valued entries	? No

Accept ?
Yes or No

Figure 2.72 F11:Features — Accounting Features

Record the transaction in Debit Note (Accounting Invoice Mode)

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

1. Press **Alt + I** for **Account Invoice mode**
2. Press **F2** and change the date to **25-07-2009**
3. In **Party's A/c Name** field select **Pheonix Agencies** from the **List of Ledger Accounts**
4. Under **Particulars** select **Advertisement Expenses** and press **Enter**
5. Enter **Rs. 80,000** in the **Amount** field

6. Press **Enter** to view **TDS Nature of Payment Details** screen and accept the default details in the screen and press **Enter**.
7. Under **Particulars** select **TDS – Contractors** and press **Enter** to view TDS Details screen.
8. In the **TDS Details** screen provide the following details
 - In **Type of Ref** select **Agst Ref**
 - In **Name** field, Tally.ERP 9 displays the Tax Details, based on the party and the nature of payment selected in the transaction. From Tax Details select the **Tax Reference Number** against which the TDS to be reversed.
Select **Jurl /8-1** from the Tax details
 - In **Nature of Payment** field select **Payment to Contractors (Advertisement Contractors)** from the List of nature of Payment(s)
 - Based on the tax reference number selected, Tally.ERP 9 defaults the details in **TDS Duty Ledger, Assessable Amount** and **TDS Amount** fields.

TDS Details					
Type of Ref	Name	Nature of Payment	TDS Duty Ledger	Assessable Amount	TDS Amount
Agst Ref	Jrnl / 8-1	Payment to Contractors (Advertisement Contractors)	TDS – Contractors	80,000.00 Dr	800.00 Dr
	Income Tax	1 % On 80,000.00 Cr	800.00 Dr		
	Surcharge	0 % On 800.00 Cr			
	Educ	Against Reference	800.00 Cr		
	Secord		800.00 Cr		
	End of List				
	Agst Ref				
Total				80,000.00 Dr	800.00 Dr

Figure 2.73 TDS Details

9. Press **Enter** to accept the TDS Details
10. TDS Amount as displayed in the **TDS Details** screen will be defaulted in the tax ledger **Amount** field with **negative sign**. Press **Enter** to view Bill-wise Details screen.
11. In **Bill-wise Details** screen,
 - Select **Agst Ref** as the **Type of Ref**
 - In the Name field select **Bill - 631** from the Pending Bills to reverse the expenses.
 - Skip the **Due Date or Credit Days** field
 - Accept the default **amount** allocation and **Dr/Cr**.

The completed Bill-wise Details screen is displayed as shown

Bill-wise Details for : Phoenix Agencies Upto: Rs. 79,200.00 Dr				
Type of Ref	Name	Due Date, or Credit Days (wef. 25-7-2009)	Amount	Dr/ Cr
Agst Ref	Bill - 631		79,200.00	Dr
			79,200.00	Dr

Figure 2.74 Bill-wise Details

12. Press **Enter** to accept Bill-wise Details.

13. Enter transaction details in the **Narration** field.

The completed Debit Note is displayed as shown

Accounting Voucher Creation		Universal Infotech	Ctrl + M
Debit Note No. 1		25-Jul-2009	
Ref. :		Saturday	
Party's A/c Name : Phoenix Agencies			
Current Balance : 3,81,600.00 Cr			
Particulars	Rate per	Amount	
Advertisement Expenses		80,000.00	
TDS - Contractors		(-)800.00	
Narration:			
			<input type="button" value="Accept ?"/>
			Yes or No

Figure 2.75 Debit Note

14. Press **Enter** to Save.

2.6 Accounting Changes in TDS percentage

Whenever a Cess is made applicable or Tax rate is changed, the same is affected through finance Bill. Finance Bill will be presented on 28th February and is generally passed and becomes Act around mid May.

Example: In the Finance Bill, rate of income tax on Fees for Professional and Technical services is changed from 5% to 10%. Before the finance bill is passed, the deductor accounted the transactions in April month against professional fees and deducted tax at 5%. Then the finance bill is passed in the month of May and the effective date for the change in rate of income tax on Fees for Professional and Technical services is mentioned as 1st April. In this case deductor has deducted the tax at a lower rate on the transactions booked before the Finance act and is expected to deduct the difference.

Changes in the TDS Percentages are updated in the Deductee Type statutory masters.

In Tally.ERP 9 such difference Income Tax amount can be deducted for all the transactions booked (at lower rate) before the change in the TDS rates by recording an adjustment entry in Journal Voucher (using TDS Deduction).



To account **Changes in TDS Percentage** user can follow the procedure as explained under the head **Surcharge calculation on Prior Period Expenses** (record a adjustment entry in Journal using **S: TDS Deduction**).

2.7 Accounting TDS on Payments made to Non Residents (DTAA)

For the services provided under section 195 to Non Residents (NRIs) of a country with which India has Double Taxation Avoidance Agreement, TDS will be deducted at a flat rate without surcharge and education cess. TDS as per DTAA can be accounted in Tally.ERP 9.

Example 16:

On 26th July, 2009 Universal Infotech paid Royalty of Rs. 15,00,000 to Alexon Group.

paid royalty of Rs.15,00,000 to Alexon Group

To account the above transaction follow the steps given below

1. Create Masters

- i. Expense Ledger
- ii. Tax Ledger
- iii. Party Ledger

2. Record the transaction in Journal Voucher

1. Create Masters

i. Expense Ledger

Ledger	Under	IS TDS Applicable	Default Nature of Payment
Royalty Expenses	Indirect Expenses	Yes	Royalty(F) Agreement Is Made on Or After June 1, 2005
Set Inventory values are affected to No			

ii. Tax Ledger

Ledger	Under	Type of Duty/ Tax	Nature of Payment	Inventory values are affected
TDS – Payments to Non-Residents	Duties & Taxes	TDS	Royalty(F) Agreement Is Made on Or After June 1, 2005	No

As per the given information, create the above ledgers.

iii. Party Ledger

Ledger	Under	Maintain balances bill-by-bill	Is TDS Deductable	Deductee Type
Alexon Group	Sundry Creditors	Yes	Yes	Company – Non Resident

To Create Party ledger

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

- Type **Alexon Group** as the **Ledger Name**
- Group it under **Sundry Creditors** group
- Set **Maintain Balances bill-by-bill** to **Yes**
- Specify the **Default Credit Period**, if required
- Set **Is TDS Deductible** to **Yes**
- In the **Deductee Type** field select **Company – Non Resident** from the **List of Deductee Types**
- Set **Use Advanced TDS Entries** to **Yes**
- In the **Advanced TDS Entries** screen
 - Enable the option **Set Zero/Lower Deduction/ DTAA** to **Yes** to view Zero/Lower Deduction details screen
- In the **Zero/Lower Deduction** details screen
 - select **Royalty(F) Agreement Is Made on Or After June 1, 2005**
 - In **Section Number** field select the option **DTAA**
 - In the **Certificate No./Date** enter the certificate number
 - In the **Applicable From** and **To** filed enter the period of applicability
 - In the **TDS** field **10%** will be defaulted automatically.
 - **Surcharge, Education Cess** and **Secondary Education Cess** fields will be set to **0%**

Zero / Lower Deduction Details									
Nature of Payment	Section Number	Certificate No. / Date	Applicable From	Applicable To	TDS	Surcharge	Ed Cess	Sec Ed Cess	
Royalty(F) Agreement Is Made on Or After June 1, 2005	DTAA	UIG/09-10	1-4-2009	31-3-2010	10 %	0 %	0 %	0 %	

Figure 2.76 Deduction as per DTAA

- Enter **Address, State** and **PIN Code** under **Mailing Details**
- Under **Tax Information**, **PAN /IT No.** is **not mandatory** as party is a non-resident.

The completed **Ledger Creation** screen is displayed as shown

Ledger Creation		Universal Infotech	Ctrl
Name	: Alexon Group		Total Op. Bal.
(alias)	:		50,00,000.00 Dr
			Difference
			50,00,000.00 Dr
Under	: Sundry Creditors (Current Liabilities)	Name	: Alexon Group
Maintain balances bill-by-bill	? Yes	Address	: Millbrea Alloway Ary UK
Default Credit Period	:	State	:
Inventory values are affected	? No	PIN Code	:
	Statutory Information		Tax Information
Is TDS Deductable	? Yes	PAN / IT No.	:
Deductee Type	: Company - Non Resident	(PAN / IT No. is mandatory for eTDS, should be of 10 Characters)	
Use Advanced TDS Entries	? Yes	Sales Tax No.	:
Opening Balance (on 1-Apr-2009) :			Accept ?
			Yes or No

Figure 2.77 Ledger Creation Screen

- Press **Enter** to Save.

2. Record the transaction in Journal Voucher

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

1. Press **F2** and change the date to **26-07-2009**
2. Select **Royalty Expenses** in the **Debit** field and press **Enter**
3. Enter **15,00,000** in the **Amount** field and press **Enter**
4. In the **TDS Nature of Payment Details**, accept the default details.
5. Select **Alexon Group** in the **Credit** field and press **Enter**.
6. In the **TDS Details** screen enter the following details
 - In **Type of Ref** select **New Ref**
 - In the **Name** field accept the default TDS reference number – **Jrnl / 9-1**
 - In **Nature of Payment** field select **Royalty(F) Agreement Is Made on Or After June 1, 2005** from the List of nature of Payment(s)
 - Select **TDS – Payments to Non-Residents** in the **TDS Duty Ledger** field
 - Set **Deduct Now** to **Yes** to deduct the income tax in the same voucher.
 - The **TDS Amount** field displays the Tax amount deducted at source

- The **Payable Amount** field displays the amount (after TDS) payable to the Party.

The completed **TDS Details** screen is displayed as shown

TDS Details								
Type of Ref	Name	Nature of Payment	Is Zero/Lower Rate	TDS Duty Ledger	Assessable Amount	Deduct now	TDS Amount	Payable Amount
New Ref	Jrnl / 9-1	Royalty(%) Agreement Is Made on Or After June 1, 2005 I Not Applicable		TDS - Payments to Non-Residents	15,00,000.00 Cr	Yes	1,50,000.00 Cr	13,50,000.00 Cr
	Income Tax	10 % On	15,00,000.00 Cr	1,50,000.00 Cr				
	Surcharge	0 % On	1,50,000.00 Cr					
	Education Cess	0 % On	1,50,000.00 Cr					
	Secondary Education Cess	0 % On	1,50,000.00 Cr					
Total					15,00,000.00 Cr		1,50,000.00 Cr	13,50,000.00 Cr

Figure 2.78 TDS Details

7. Press **Enter** to accept the TDS Details
8. Payable Amount as calculated in the **TDS Details** screen will be defaulted in the Party's **Amount (Credit)** field. Press **Enter** to view Bill-wise Details screen.
9. In **Bill-wise Details** screen,
 - Select **New Ref** as the **Type of Ref**
 - In the **Name** field enter the Bill name as **AG/01457**
 - Skip the **Due Date or Credit Days** field
 - Accept the default **amount** allocation and **Dr/Cr**. By default Tally.ERP 9 displays the **Bill amount** in the amount field as the credit balance.
 - Press Enter, select **New Ref** as **Type of Ref** and Enter Bill name as **AG/01457**
 - Skip the **Due Date or Credit Days** field and accept the default **amount** allocation and **Dr/Cr**. By default Tally.ERP 9 displays the **Tax amount** in the amount field as the debit balance.

Bill-wise Details for : Alexon Group Upto: Rs. 13,50,000.00 Cr				
Type of Ref	Name	Due Date, or Credit Days (wef: 26-7-2009)	Amount	Dr/ Cr
New Ref	AG:01457		15,00,000.00	Cr
New Ref	AG:01457		1,50,000.00	Dr
			13,50,000.00	Cr

(Note: 'Breaking of above bills helps to identify the original bill amount in the outstanding statement')

Figure 2.79 Bill-wise Details Screen

10. Press **Enter** to accept Bill-wise Details.

11. In the **Credit** field select the duty ledger **TDS – Payment to Non-Residents** from the List of Ledger Accounts and **Rs. 1,50,000** (15,00,000 – 13,50,000) is displayed automatically in the amount field.

The completed Journal Voucher is displayed as shown

Accounting Voucher Creation		Universal Infotech		Ctrl + M
Journal No. 12				26-Jul-2009 Sunday
Particulars		Debit	Credit	
Dr	Royalty Expenses <i>Cur Bal: 15,00,000.00 Dr</i>	15,00,000.00		
Cr	Alexon Group <i>Cur Bal: 13,50,000.00 Cr</i>		13,50,000.00	
	New Ref AG:01457	15,00,000.00 Cr		
	New Ref AG:01457	1,50,000.00 Dr		
Cr	TDS – Payments to Non-Residents <i>Cur Bal: 1,50,000.00 Cr</i>		1,50,000.00	
Narration:		15,00,000.00	15,00,000.00	
				Accept ? Yes or No

Figure 2.80 Completed Journal Voucher

12. Press **Enter** to Save.

2.8 TDS on Interest Payments

As per Section 194A of the Indian Income Tax Act TDS to be deducted on the any payment made as interest towards:

1. Loan taken from Parties
2. Overdue Payments

2.8.1 TDS on Interest Paid on Loans Taken

Example 17:

On 1st August, 2009 Universal Infotech took a loan of Rs. 18,00,000 from Smart Agencies @ 18% p.a for a period of 1 year on a condition that the Interest to be paid monthly after deducting TDS on Interest.

On 1st September, 2009 Interest of Rs. 24,765.81 (after deducting TDS) paid for the month of September.

To account the above transaction follow the steps given below

Set Up:

In **F11: Features (Accounting Features)**

- Set **Activate Interest Calculation** to **Yes**
- Enable **use advanced parameters** to **Yes**

1. Create Masters
 - i. Expense Ledger
 - ii. Tax Ledger
 - iii. Party Ledger
2. Record a Receipt Voucher (to account the receipt of loan amount)
3. Create Voucher Class for Credit Note
4. Record a Credit Note (to account interest on loan)
5. Record a Journal Voucher (to deduct TDS)
6. Record a Payment Voucher (payment of interest)

1. Create Masters

i. Expense Ledger

Ledger	Under	IS TDS Applicable	Default Nature of Payment
Interest Payable	Indirect Expenses	Yes	Interest Other Than Interest on Securities
Set Inventory values are affected to No			

ii. Tax Ledger

Ledger	Under	Type of Duty/ Tax	Nature of Payment
TDS–Interest	Duties & Taxes	TDS	Interest Other Than Interest on Securities
Set Inventory values are affected to No			

As per the given information, create the above ledgers.

iii. Party Ledger

Ledger	Under	IS TDS Applicable	Deductee Type
Smart Agencies	Sundry Creditors	Yes	Company - Resident
Set Activate Interest Calculation to Yes			

To create the party ledger

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

- ❑ In the **Name** field enter the Ledger Name e.g. **Smart Agencies**
- ❑ In the **Under** field select **Sundry Creditors** group
- ❑ Set **Maintain balances bill-by-bill** to **Yes**. Enter the **Default Credit Period**, if any
- ❑ Set **Activate Interest Calculation** to **Yes**
- ❑ In the **Interest Parameters** screen ensure the options selected are as shown

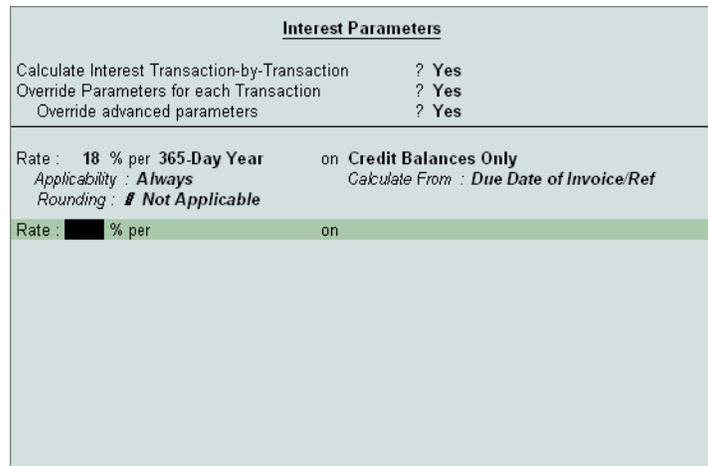


Figure 2.81 Interest Parameters screen

- ❑ Set the option **Is TDS Deductible** to **Yes**
- ❑ In the **Deductee Type** screen select **Company – Resident** from the List of Deductee Types

Interest Parameters				Universal Infotech		Ctrl + M	
Receipt No. 1						1-Aug-2009 Saturday	
Particulars				Debit	Credit		
Bill-wise Details for : Smart Agencies Upto: Rs. 18,00,000.00 Cr					18,00,000.00		
Type of Ref	Name	Due Date, or Credit Days (wef. 1-8-2009)	Amount	Dr/ Cr			
New Ref	Loan -001		18,00,000.00	Cr			
Interest Parameters							
Rate : 18 % per 365-Day Year		on Credit Balances Only					
Applicability : Always							
From : Due Date of Invoice/Ref		Date: 1-Aug-2009 To:					
Rounding : # Not Applicable							
Rate : 0 % per		on					
						18,00,000.00	

Figure 2.83 Interest Parameters

5. In the **Debit** field select **Canara Bank**
The completed Receipt Voucher is displayed as shown.

Accounting Voucher Creation				Universal Infotech		Ctrl + M	
Receipt No. 1						1-Aug-2009 Saturday	
Particulars				Debit	Credit		
Cr Smart Agencies Cur Bal: 18,00,000.00 Cr					18,00,000.00		
New Ref Loan -001				18,00,000.00	Cr		
Dr Canara Bank Cur Bal: 62,10,900.00 Dr					18,00,000.00		
Narration:						18,00,000.00	
Ch. No. :						18,00,000.00	
						Accept ?	
						Yes or No	

Figure 2.84 Receipt Voucher

6. Press **Enter** to Save.

3. Create Voucher Class for Credit Note

Go to **Gateway of Tally > Accounts Info. > Voucher Types > Alter > Select Credit Note**

- In the **Voucher Type Alteration** screen tab down to **Name of Class** field
- Enter **Interest** in the **Name of Class** field and press enter to view the Voucher Type Class screen
- In the **Voucher Type Class** screen
 - Set **Use Class for Interest Accounting** to **Yes**

Voucher Type Class		Universal Infotech				Ctrl + M
Name : Credit Note (alias) :		Class : Interest				Name of Class Interest
		Use Class for Interest Accounting ? Yes				
		Amounts to be treated as Compound Interest ? No				
		<i>If you wish to restrict the groups to which this class can be used, specify them here.</i>				
		Exclude these Groups		Include these Groups		
Type of Voucher : Cr	Ge					
Abbr. : Cr						
Method of Voucher Numbering						
Use Advance Configuration						
Use EFFECTIVE Dates for V						
Make 'Optional' as default						
Use Common Narration						
Narrations for each entry						
		<i>Default Accounting Allocations for each Item in Invoice</i>				
		Ledger Name	Percentage %	Rounding Method	Rounding Limit	Override using Item Default ?
		<i>Additional Accounting Entries (e.g. Taxes / Other charges) to be added in Invoice</i>				
		Ledger Name	Type of Calculation	Value Basis	Rounding Method	Rounding Limit
						Remove if Zero ?

Figure 2.85 Voucher Type Class screen

- Press enter to save the **Voucher Type Class** screen and **Voucher Type Alteration**.

- In the **Nature of Payment** field select **Interest other than Interest on Securities**
- In the **TDS Duty Ledger** field select **TDS – Interest** from the TDS Duty Ledgers list

TDS Details				
Type of Ref	Name	Nature of Payment	TDS Duty Ledger	Assessable Amount
New Ref	CNote / 1-1	Interest Other Than Interest on Securities	TDS-Interest	27,517.81 Cr
	Income Tax	0 %	27,517.81 Cr	
	Surcharge	0 %		
	Education Cess	0 %		
	Secondary Education Cess	0 %		
Total				27,517.81 Cr

Figure 2.87 TDS Details screen

The completed **Credit Note** Voucher is displayed as shown

Accounting Voucher Creation		Universal Infotech		Ctrl + M
Credit Note	No. 1	Voucher Class : Interest		1-Sep-2009 Tuesday
Ref. :				
Particulars		Debit	Credit	
Cr	Smart Agencies Cur Bal: 18,27,517.81 Cr New Ref: CN/001	27,517.81 Cr	27,517.81	
Dr	Interest Payable Cur Bal: 27,517.81 Dr	27,517.81		
Narration:		27,517.81	27,517.81	
		<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Accept ? Yes or No </div>		

Figure 2.88 Credit Note Voucher

10. Press **Enter** to save.

5. Record a Journal Voucher (to deduct TDS)

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

1. Press **F2** and change the date to **1-9-2009**
2. Press **Alt + S** or **S**: **TDS Deduction** to view TDS Deductions screen
3. In the **TDS Deductions** screen
 - In the **Till Date** field **1-Sep-2009** will be defaulted
 - In **Party** field select **Smart Agencies** form the List of Ledgers
 - In **Nature of Payment** field select **Interest Other Than Interest on Securities**
4. Accept the **TDS Deductions** to auto-fill the **TDS amount** with the respective bill details
5. In the **Bill-wise Details** screen, select the bills as shown
 - In the **Type of Ref** field select **Agst Ref**
 - In the **Name** field select **CN/001** dated 1-Sep-2009
 - Accept the default **Amount** allocation
6. Enter **Narration**, if required.

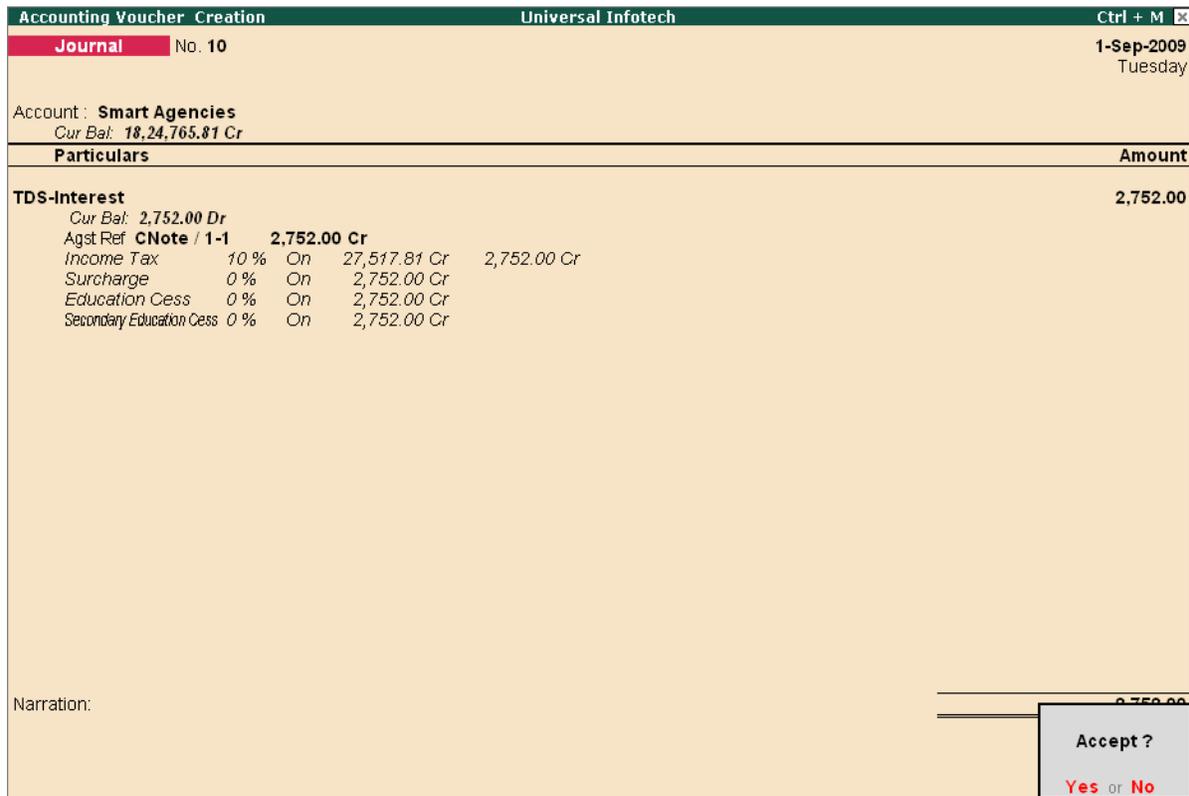


Figure 2.89 Journal Voucher

7. Press **Enter** to save.

6. Record a Payment Voucher (payment of interest)

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

1. Press **F2** and change the date to **1-9-2009**
2. In the **Account** field select **Canara Bank**
3. Under **Particulars** select **Smart Agencies**
4. Enter **Rs. 24,765.81** in the **Amount** field
5. In the **Bill-wise Details** screen
 - In **Type of Ref** field select **Agst Ref**
 - In the **Name** field select **CN/001**
 - In the **Amount** field accept the default bill allocation
6. Enter **Narration**, if required

Accounting Voucher Creation		Universal Infotech	Ctrl + M
Payment	No. 4		1-Sep-2009 Tuesday
Account : Canara Bank Cur Bal: 61,86,134.19 Dr			
Particulars		Amount	
Smart Agencies		24,765.81	
Cur Bal: 18,00,000.00 Cr			
Agst Ref: CN/001		24,765.81 Dr	
Narration:			
Ch. No.:			
		24,765.81	
		<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Accept ? Yes or No </div>	

Figure 2.90 Payment Voucher – Interest Paid

7. Press **Enter** to save.

2.8.2 TDS on Interest Paid Towards Overdue Payments

Example 18:

On 2nd August, 2009 Universal Infotech received bill (No- 1025) from Pheonix Agencies for Rs. 5,00,000 towards Advertising services with a credit period of 20days from the date of receipt of bill. In case of delay in payment of bill interest @ 12% to be paid on the pending amount.

On 25th October, 2009 Interest of Rs. 9373.34 (after deducting TDS) paid along with the bill amount of Rs. 4,95,000

To account the above transaction follow the steps given below

1. Alter Master
2. Record the transaction in Journal Voucher (to book the expenses)
3. Record a Credit Note (to accounting interest on over due payment)
4. Record a Journal Voucher (to deduct TDS)
5. Record a Payment Voucher (payment of bill amount with interest)

1. Alter Masters

Go to **Gateway of Tally > Accounts Info. > Ledgers > Alter > Select Pheonix Agencies**

In the **Ledger Alteration** screen

- Set the option **Activate Interest Calculation** to **Yes** to view **Interest Parameters** screen
- In the **Interest Parameters** screen set the options as shown below

<u>Interest Parameters</u>	
Calculate Interest Transaction-by-Transaction	? Yes
Override Parameters for each Transaction	? Yes
Override advanced parameters	? Yes
Rate : 12 % per 365-Day Year	on Credit Balances Only
Applicability : Always	Calculate From : Due Date of Invoice/Ref
Rounding : # Not Applicable	
Rate : <input type="text" value=""/> % per	on

Figure 2.91 Interest Parameters screen

- Press **Enter** to save the Ledger alteration.

2. Record the transaction in Journal Voucher (to book the expenses)

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

1. Press **F2** and change the date to **2-8-2009**
2. In **Debit** field select **Advertisement Expenses** from the List of Ledger Accounts
3. Enter **5,00,000** in the **Amount** field.
4. In the **TDS Nature of Payment Details** accept the default allocation
5. In the **Credit** field select **Phoenix Agencies** and press enter to view TDS Details screen
6. In the **TDS Details** screen
 - In **Type of Ref** field select **New Ref**
 - In **Name** field Tally.ERP 9 displays the reference number e.g. **Jurl /10-1**
 - In **Nature of Payment** field select **Payment to Contracts (Advertisements Contracts)** from the List of Nature of Payments.
 - In the **TDS Duty Ledger** field select **TDS – Contractors**
 - Set **Deduct Now** field to **Yes** to deduct TDS

TDS Details							
Type of Ref	Name	Nature of Payment	TDS Duty Ledger	Assessable Amount	Deduct now	TDS Amount	Payable Amount
New Ref	Jurl / 10-1	Payment to Contractors (Advertisement Contractors)	TDS – Contractors	5,00,000.00 Cr	Yes	5,000.00 Cr	4,95,000.00 Cr
	<i>Income Tax</i>	1 % On	5,00,000.00 Cr			5,000.00 Cr	
	<i>Surcharge</i>	0 % On	5,000.00 Cr				
	<i>Education Cess</i>	0 % On	5,000.00 Cr				
	<i>Secondary Education Cess</i>	0 % On	5,000.00 Cr				
Total				5,00,000.00 Cr		5,000.00 Cr	4,95,000.00 Cr

Figure 2.92 Tax Details screen

7. Press **Enter** to accept the **TDS Details**.
8. **Payable Amount** as calculated in the **TDS Details** screen will be defaulted in the **Party's Amount (Credit)** field.
9. In **Bill-wise Details** screen
 - Select **New Ref** as the **Type of Ref**
 - In the **Name** field enter the Bill name as **Bill - 1025**

- ❑ In the **Due Date or Credit Days** field enter the **20 days** as the credit days
- ❑ Accept the default **amount** allocation and **Dr/Cr**. By default Tally.ERP 9 displays the Bill amount in the amount field as the credit balance.
- ❑ Press **Enter** to view **Interest Parameters** screen

In the Interest Parameters screen ensure the options selected are as shown

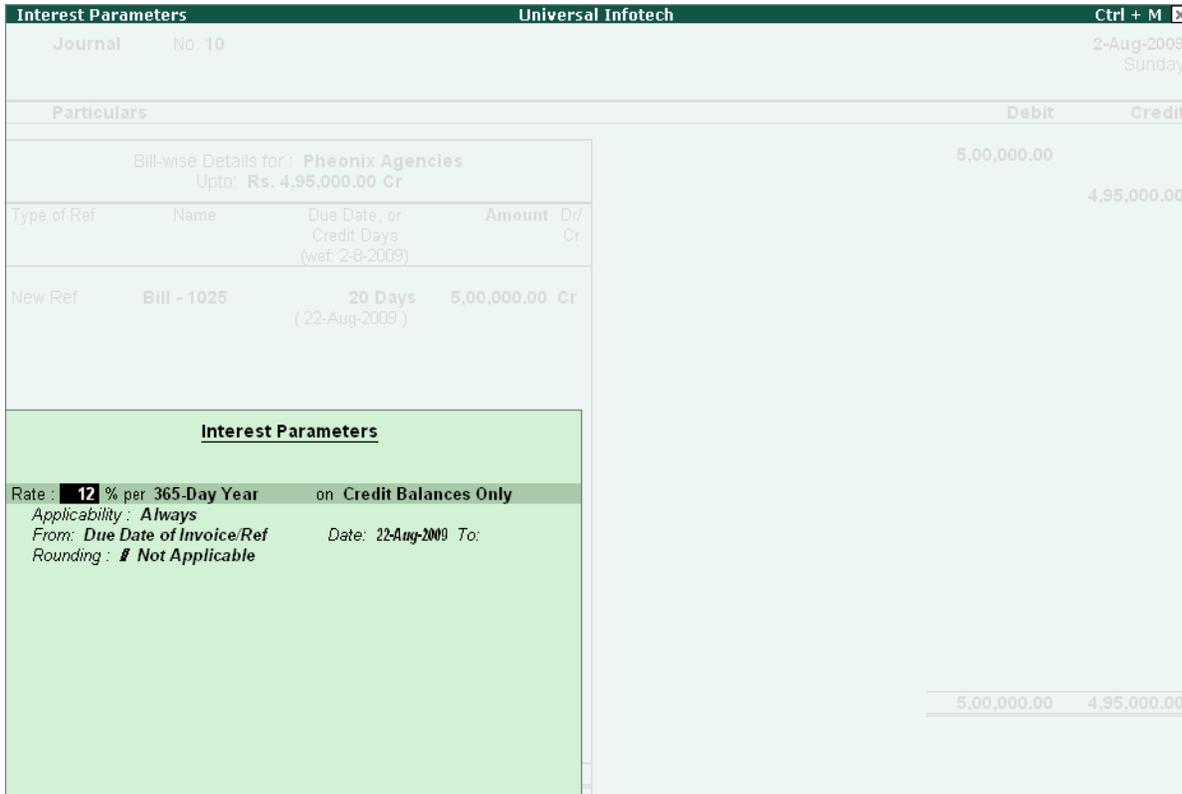


Figure 2.93 Interest Parameters screen

- ❑ Select **New Ref** as the **Type of Ref**
- ❑ In the **Name** field enter the Bill name as **Bill - 1025**
- ❑ Skip **Due Date or Credit Days** field
- ❑ Accept the default **amount** allocation and **Dr/Cr**. By default Tally.ERP 9 displays the Bill amount in the amount field as the credit balance

Bill-wise Details for : Phoenix Agencies Upto: Rs. 4,95,000.00 Cr				
Type of Ref	Name	Due Date, or Credit Days (wef: 2-8-2009)	Amount	Dr/ Cr
New Ref	Bill - 1025	20 Days (22-Aug-2009)	5,00,000.00	Cr
New Ref	Bill - 1025		5,000.00	Dr
			4,95,000.00	Cr

(Note: 'Breaking of above bills helps to identify the original bill amount in the outstanding statement')

Figure 2.94 Bill-wise Details screen

- In the Interest Parameters screen mention the rate of interest as **0%** in **Rate** filed, as Interest is not applicable on TDS.

10. In the **Credit** field select **TDS - Contractors**, tax amount of **Rs. 5000** (5,00,000 - 4,95,000) will be displayed automatically.

Accounting Voucher Creation		Universal Infotech		Ctrl + M
Journal	No. 10			2-Aug-2009 Sunday
Particulars		Debit	Credit	
Dr Advertisement Expenses		5,00,000.00		
<i>Cur Bal: 13,50,000.00 Dr</i>				
Cr Phoenix Agencies				4,95,000.00
<i>Cur Bal: 7,97,400.00 Cr</i>				
	New Ref Bill - 1025 20 Days 5,00,000.00 Cr			
		(22-Aug-2009)		
	New Ref Bill - 1025 5,000.00 Dr			
Cr TDS - Contractors				5,000.00
<i>Cur Bal: 8,500.00 Cr</i>				
Narration:		5,00,000.00	5,00,000.00	
				Accept ? Yes or No

Figure 2.95 Journal Voucher

11. Press **enter** to save.

3. Record a Credit Note (to accounting interest on over due payment)

Before making the payment to the party ascertain the amount of interest to be paid along with the pending Amount.

Account the interest amount by recording a **Credit Note** Voucher.

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

1. In the **Change Voucher Type** screen, in the **Class** field select **Interest** from the **Voucher Class List**
2. Press **F2** and change the date to **25-10-2009**
3. In the **Credit** field select **Phoenix Agencies** from the List of Ledgers to view the Interest Details screen
4. In the **Interest Details** screen select **Bill – 1025** from the List of Interest Bills



Figure 2.96 Interest Details screen

5. In the **Credit Amount** field **Rs. 10415.34** will be displayed automatically.
6. In the **Bill-wise Details** screen
 - In the **Type of Ref** field select **New Ref** as the Method of Adjustment
 - In **Name** field enter **CN/002**
 - Skip **Due Date, or Credit Days** field
 - In the **Amount** field accept the default allocation
7. In the **Interest Parameters** screen in **rate** field define **Zero**
8. In the **Debit** field select **Interest Payable** ledger to view **TDS Details** screen

9. In the **TDS Details** screen
 - In **Type of Ref** field select **New Ref** as the Method of Adjustment
 - In the **Name** field **CNote /2-1** will be defaulted as the Reference Number
 - In the **Nature of Payment** field select **Interest other than Interest on Securities**
 - In the **TDS Duty Ledger** field select **TDS–Interest** from the TDS Duty Ledgers list

10. Enter **Narration**, if required

Completed **Credit Note** voucher is displayed as shown

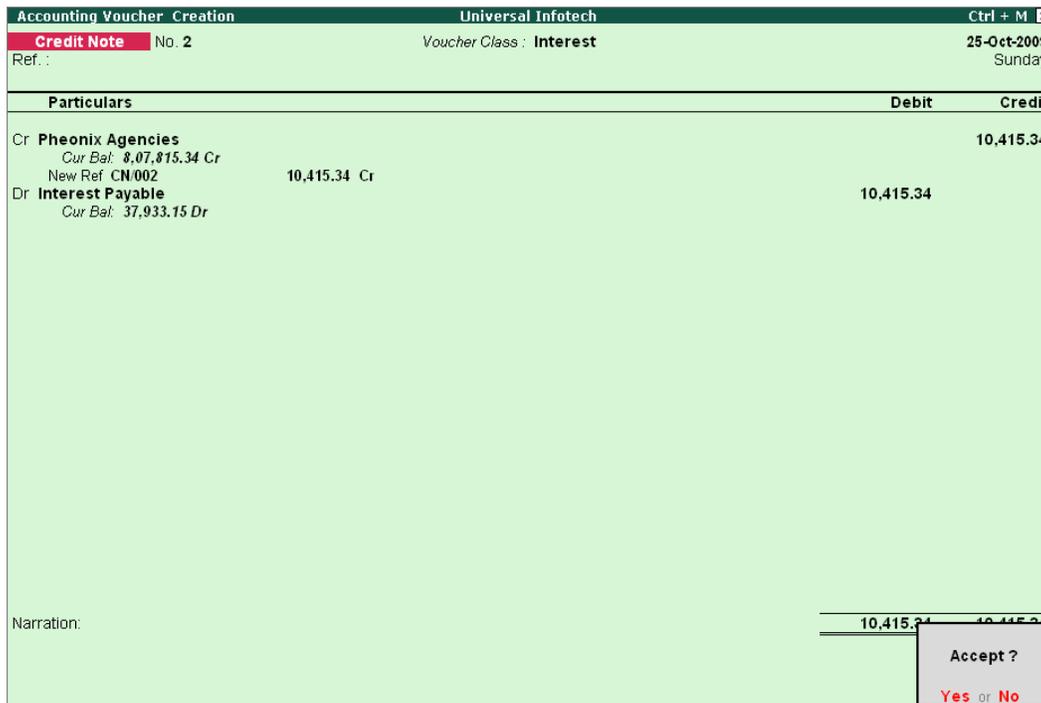


Figure 2.97 Credit Note

11. Press **Enter** to save.

4. Record a Journal Voucher (to deduct TDS)

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

1. Press **Alt + S** or **S**: **TDS Deduction** to view TDS Deductions screen
2. In the **TDS Deductions** screen
 - In the **Till Date** field **25-Oct-2009** will be defaulted
 - In **Party** field select **Pheonix Agencies** form the List of Ledgers
 - In **Nature of Payment** field select **Interest Other Than Interest on Securities**
 - Accept the **TDS Deductions** screen to auto-fill the TDS amount with the respective bill details
3. In the **Bill-wise Details** screen
 - In the **Type of Ref** field select **Agst Ref**

- In Name field select bill - **CN/002**
- **Amount** will be defaulted automatically.

Bill-wise Details for : Pheonix Agencies Upto: Rs. 1,042.00 Cr				
Type of Ref	Name	Due Date, or Credit Days (wef: 25-10-2009)	Amount	Dr/ Cr
Agst Ref	CN/002		1,042.00	Dr
			1,042.00	Dr

Figure 2.98 Bill-wise Details screen

4. Enter **Narration**, if any.

Accounting Voucher Creation		Universal Infotech		Ctrl + M
Journal	No. 12			25-Oct-2009 Sunday
Account : Pheonix Agencies Cur Bal: 8,06,773.34 Cr				
Particulars				Amount
TDS-Interest				1,042.00
Cur Bal: 1,710.00 Cr				
Agst Ref	CNote / 2-1	1,042.00 Cr		
Income Tax	10 % On	10,415.34 Cr	1,042.00 Cr	
Surcharge	0 % On	1,042.00 Cr		
Education Cess	0 % On	1,042.00 Cr		
Secondary Education Cess	0 % On	1,042.00 Cr		
Narration:				1,042.00
				1,042.00

Accept ?
Yes or No

Figure 2.99 TDS Deduction–Journal Voucher

5. Press **Enter** to save.

5. Record a Payment Voucher (payment of bill amount with interest)

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

1. Press **F2** and change the date to **25-10-2009**
2. In the **Account** field select **Canara Bank**
3. Under **Particulars** select **Pheonix Agencies**
4. Enter **Rs. 504373.34** [495000 + 9373.34 (10415.34 - 1042)] in the **Amount** field

In the **Bill-wise Details** screen select the bills as shown below

Bill-wise Details for : Pheonix Agencies Upto: Rs. 5,04,373.34 Dr				
Type of Ref	Name	Due Date, or Credit Days (wef: 25-10-2009)	Amount	Dr/ Cr
Agst Ref	Bill - 1025	20 Days (22-Aug-2009)	4,95,000.00	Dr
Agst Ref	CN/002		9,373.34	Dr
			5,04,373.34	Dr

Figure 2.100 Bill-wise Details screen

5. Enter **Narration**, if required

2.9 TDS on Expenses with Inventory

TDS on Expenses with the inventory details can be accounted in **Purchase Voucher** (in Item Invoice mode) and **Journal Voucher**.

Example 19:

On 4-8-2009 universal Infotech received the bill for Rs. 52000 (for the supply of 1000 cartons @ 50 per carton and VAT @ 4%) from AK Manufacturers. Cartons are printed with the company logo and other information as required on which (including the VAT amount) TDS is applicable.

To account the above transaction follow the steps given below

1. Create Stock Item
- 2 Create Masters
 - i. Party Ledger
 - ii. Purchase Ledger
 - iii. VAT Duty Ledger
 - iv. TDS Duty Ledger
3. Record a Purchase Voucher to account the Expenses with Inventory and Deduct TDS.

1. Create Stock Item

Stock Item	Under	Units
Cartons	Primary	Nos

2. Create Masters

i. Party Ledger

Ledger	Under	Maintain balances bill-by-bill	Is TDS Deductable	Deductee Type
AK Manufacturers	Sundry Creditors	Yes	Yes	Company-Resident

In Mailing Details:

Address: No-4/B, 21st Main, J.P.Nagar, Bangalore.

State: karnataka

PIN Code: 560063

In Tax Information: PAN / IT No.: APPLR4586H

ii. Purchase Ledger

Ledger	Under	Used in VAT Returns	VAT/Tax Class	Is TDS Deductible	Default TDS Nature of Payment
Purchase @ 4%	Purchase Accounts	Yes	Purchases @ 4%	Yes	Payment to Contractors (Other Than Advertisement)
Set Inventory values are affected to Yes					

Set Up:

In F11: Features > F3: Statutory & Taxation

- ❑ Set the option **Enable Value Added Tax (VAT)** to **Yes**
- ❑ Enable **Set/Alter VAT Details** to **Yes**

The completed Purchase Ledger is displayed as shown

Ledger Creation		Universal Infotech		Ctrl
Name	: Purchase @ 4%			Total Op. Bal.
(alias)	:			50,00,000.00 Dr
				<i>Difference</i>
				50,00,000.00 Dr
Under	: Purchase Accounts	Mailing Details		
Inventory values are affected	? Yes	Name	:	
Activate Interest Calculation	? No	Address	:	
		State	:	
		PIN Code	:	
Statutory Information		Tax Information		
Used In VAT Returns	? Yes	PAN / IT No.	:	
Is TDS Applicable	? Yes	<i>(PAN / IT No. is mandatory for eTDS, should be of 10 Characters)</i>		
Default Nature Of Payment	: Payments to Contractors (Other Than Advertisement)			
Use for Assessable Value Calculation	? No			
Opening Balance (on 1-Apr-2009) :				Accept ?
				Yes or No

Figure 2.102 Purchase Ledger Creation

iii. VAT Duty Ledger

Ledger	Under	Type of Duty/Tax	VAT/Tax Class	VAT Sub Type	Is TDS Applicable	Default Nature of Payment
Input VAT @ 4%	Duties & Taxes	VAT	Input VAT @ 4%	Input VAT	Yes	Payments to contractors (Other Than Advertisement)
Set Inventory values are affected to No						

The Completed VAT Duty Ledger is displayed as shown

Ledger Creation
Universal Infotech
C

Name : Input VAT @ 4% (alias) :	Total Op. Bal. 50,00,000.00 Dr <hr style="width: 50%; margin: 0 auto;"/> Difference 50,00,000.00 Dr
Under : Duties & Taxes <i>(Current Liabilities)</i> Type of Duty/Tax : VAT VAT Sub Type : Input VAT VAT/Tax Class : Input VAT @ 4% Inventory values are affected ? No Activate Interest Calculation ? No Percentage of Calculation (eg 5) ? 4 % Method of Calculation : On VAT Rate Rounding Method : Not Applicable Is TDS Applicable ? Yes Default Nature Of Payment : Payments to Contractors (Other Than Advertisement)	<div style="border-bottom: 1px solid black; padding-bottom: 5px;"> Mailing Details Name : Address : State : PIN Code : </div> <div style="padding-top: 10px;"> Tax Information PAN / IT No. : <i>(PAN / IT No. is mandatory for eTDS, should be of 10 Characters)</i> </div>
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Accept ? Yes or No </div>	
Opening Balance (on 1-Apr-2009) :	

Figure 2.103 VAT Duty Ledger Creation

iv. TDS Duty Ledger

Ledger	Under	Type of Duty/Tax	Nature of Payment
TDS – Contractor Other Than Adv.	Duties & Taxes	TDS	Payments to contractors (Other Than Advertisement)

3. Record a Purchase Voucher to account the Expenses(with Inventory) and Deduct TDS.

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

1. Ensure the **Purchase Voucher** is in **Item Invoice Mode**
2. Press **F2** and change the date to **04-08-2009**
3. In the **Supplier Invoice No.** field enter the reference number as **705**
4. In **Party A/c Name** field select **AK Manufacturers**
5. In the **Purchase Ledger** field select **Purchase @ 4%**
6. In the **VAT/Tax Class** field **Purchases @ 4%** will be defaulted automatically as defined in the ledger master
7. In the **Name of Item** field select **Cartons** from the List of Items
8. Enter **1000** in the **Quantity** field
9. In **Rate** field enter the **Rs.50**
10. **Rs.50000** will be automatically updated in the **Amount** filed
11. In the **TDS Nature of Payment Details** screen accept the default details



*The **TDS Nature of Payment** screen will be displayed to only when the option **Allow Alteration of TDS Nature of Payment in Expenses in F12: Configure (Voucher Entry Configuration)***

12. Select **Input VAT @ 4%** ledger from the List of Ledger Accounts.
13. VAT amount of **Rs.2000** will be updated automatically in the **Amount** filed and press enter to view the **TDS Nature of Payment Details** screen. Accept the default allocation.



***TDS Nature of Payment Details** screen is displayed even for the **VAT** ledger as the **Vat amount** is also considered for **TDS calculation**.*

14. Select **TDS – Contractor Other Than Adv** ledger and press enter to view **TDS Details** screen
15. In the **TDS Details** screen
 - In **Type of Ref** field select **New Ref**
 - In the **Name** field the reference number is defaulted as **Purc / 4-1**
 - In the **Nature of Payment** select **Payments to Contractors (Other Than Advertisement)**
 - **Assessable Amount** and **TDS Amount** is defaulted automatically

TDS Details					
Type of Ref	Name	Nature of Payment		Assessable Amount	TDS Amount
New Ref	Purc / 4.1	Payments to Contractors (Other Than Advertisement)		52,000.00 Cr	1,040.00 Cr
	Income Tax	2 %	On 52,000.00 Cr	1,040.00 Cr	
	Surcharge	0 %	On 1,040.00 Cr		
	Education Cess	0 %	On 1,040.00 Cr		
	Secondary Education Cess	0 %	On 1,040.00 Cr		
Total				52,000.00 Cr	1,040.00 Cr

Figure 2.104 TDS Details screen



The TDS amount of Rs. 1040 will be displayed with negative sign.

16. Set **Show Statutory Details** to **Yes** to view the duty calculation

17. In the **Bill-wise Details** screen

- ❑ In **Type of Ref** field select the **New Ref** as the Method of Adjustment
- ❑ In the **Name** field enter **Bill-705**
- ❑ In the **Amount** and **Dr/Cr** field retain the default allocation
- ❑ In the **Type of Ref** field select **New Ref**
- ❑ In the **Name** field enter **Bill-705**
- ❑ In the **Amount** and **Dr/Cr** field retain the default allocation

18. Enter the **Narration**, if required

Completed Purchase Voucher is displayed as shown

Accounting Voucher Creation		Universal Infotech		Ctrl + M
Purchase No. 4	Supplier Invoice No. : 705	Date : 4-Aug-2009	4-Aug-2009 Tuesday	
Party's A/c Name : AK Manufacturers				
Current Balance :				
Purchase Ledger : Purchase @ 4%				
VAT/Tax Class: Purchases @ 4%				
Name of Item	Quantity	Rate per	Amount	
Cartons	1,000 nos	50.00 nos	50,000.00	
			<hr/> 50,000.00	
Input VAT @ 4%		4 %	2,000.00	
TDS - Contractor Other Than Adv.			(-)1,040.00	
Show Statutory Details ? Yes Narration:				
			1,000 nos	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Accept ? Yes or No </div>

Figure 2.105 Purchase Voucher

19. Press **Enter** to save.

2.10 TDS on Fixed Assets

Tax to be deducted at source (TDS) on Expenses incurred to bring any fixed assets to usable state.

Example 20:

Universal Infotech purchased a machinery for Rs 5,00,000. To use this machine company requires a platform, pipe connections, electrical connections, fabrication works etc. at the cost of Rs. 1,00,000. On the expense of Rs. 1,00,000 tax to be deducted at source.

Universal Infotech made a contract with Arun Contractors for electrical and fabrication work. On 10-8-2009 Universal Infotech received bill for Rs. 60,000 from Arun contractors towards electrical and fabrication work

To account the above transaction follow the steps given below

1. Create Masters

- i. Fixed Asset Ledger
- ii. Party Ledger

2. Create Journal Voucher to account expenses and deduct TDS

1. Create Masters

i. Fixed Asset Ledger

Ledger	Under	Is TDS Deductable	Treat as TDS Expenses	Default TDS Nature of Payment
Capital Work In Progress (Machine)	Fixed Assets	Yes	Yes	Payment to Contractors (Other Than Advertisement)

Ledger Creation		Universal Infotech		Ctrl
Name	: Capital Work In Progress (Machine)			Total Op. Bal.
(alias)	:			50,00,000.00 Dr
				Difference
				50,00,000.00 Dr
Under	: Fixed Assets	Mailing Details		
Inventory values are affected	? No	Name	:	
Activate Interest Calculation	? No	Address	:	
Statutory Information		State	:	
Is TDS Deductable	? Yes	PIN Code	:	
Treat as TDS Expenses	? Yes	Tax Information		
Default Nature Of Payment	: Payments to Contractors (Other Than Advertisement)	PAN / IT No.	:	
Used In VAT Returns	? No	(PAN / IT No. is mandatory for eTDS, should be of 10 Characters)		
				Accept ?
Opening Balance (on 1-Apr-2009) :				Yes or No

Figure 2.106 Fixed Asset Ledger

ii. Party Ledger

Ledger	Under	Maintain balances bill-by-bill	Is TDS Deductable	Deductee Type
Arun Contractors	Sundry Creditors	Yes	Yes	Association of Persons
<p>Enter Mailing Details</p> <p>Address: No-45, T.R. Complex, Vijayanagar, Bangalore-560040</p> <p>Enter Tax Information</p> <p>PAN/IT No.: ADSCD5560L</p>				

2. Create Journal Voucher to account expenses and deduct TDS

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

1. Press **F2** and change the date to **10-08-2009**
2. In **Debit** field select **Capital Work In Progress (Machine)** from the List of Ledger Accounts
3. Enter **60,000** in the **Amount** field and press enter to view Expense Allocation screen
4. In **TDS Nature of Payments Details** screen accept the default details
5. In **Credit** field select **Arun Contractors** to view TDS Details screen
6. In the **TDS Details** screen
 - In **Type of Ref** field select **New Ref**
 - In the **Name** field **Jrnl /11-1** is defaulted
 - In the **Nature of Payment** field select **Payments to Contractors (Other Than Advertisement)**
 - In the **TDS Duty Ledger** field select **TDS – Contractor Other Than Adv.**
 - Assessable Amount** defaults the amount specified against the expenses ledger and skips the field.
 - Set **Deduct Now** field to **Yes**
 - TDS Amount** field displays the Tax amount deducted at source
 - Payable Amount** field displays the displays the amount (after TDS) payable to the Party

TDS Details								
Type of Ref	Name	Nature of Payment		TDS Duty Ledger	Assessable Amount	Deduct now	TDS Amount	Payable Amount
New Ref	Jrnl / 11-1	Payments to Contractors (Other Than Advertisement)		TDS - Contractor Other Than Adv.	60,000.00 Cr	Yes	1,200.00 Cr	58,800.00 Cr
	Income Tax	2 %	On	60,000.00 Cr			1,200.00 Cr	
	Surcharge	0 %	On	1,200.00 Cr				
	Education Cess	0 %	On	1,200.00 Cr				
	Secondary Education Cess	0 %	On	1,200.00 Cr				
Total					60,000.00 Cr		1,200.00 Cr	58,800.00 Cr

Figure 2.107 TDS Details

7. In the **Bill-wise Details** screen
 - ❑ In the **Type of Ref** field select **New Ref**
 - ❑ In the **Name** field enter **Bill-765**
 - ❑ Accept the default **Amount** and **Dr/Cr** allocations
 - ❑ In the **Type of Ref** field select **New Ref**
 - ❑ In the **Name** field enter **Bill-765**
 - ❑ Accept the default **Amount** and **Dr/Cr** allocations
8. In the **Credit** field **TDS- Contractor Other Than Adv.** In the Amount field the Tax deducted is defaulted automatically
9. Enter **Narration**, if any

2.11 Payment of TDS

2.11.1 Payment of TDS (Using Auto Fill)

All the Tax deducted during a month is to be paid to the credit of Government on or before 7th of the next month. In case 7th of the month happens to be a Sunday or a bank holiday payment can be made on the next working day

TDS amount shall be paid to the government account through any designated branches of the authorised banks, along with Income Tax Challan No.281.

Example 21:

On June 4, 2009, Universal Infotech, paid TDS of Rs. 11,500 towards Commission Expenses, vide cheque no. 325478 for the month of May, 2009.

The same is accounted as follows

Setup:

In F12: Configure (Payment Configuration)

- Ensure **Use Single Entry mode for Pymt/Rcpt/Contra to Yes**

Record the transaction in Payment Voucher

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

1. Press **F2** and change date to **04/06/2009**
 2. Press **Alt+S** or click **S: Stat Payment** button on the Buttons Bar to view Stat Payment screen.
 3. In the **Statutory Payment** Screen
 - **Type of Duty/Tax:** In this field select the Tax/Duty Type towards which tax payment entry is being recorded. Here we are recording TDS payment entry, hence select **TDS** from the Type of Duty/Tax
 - **Auto Fill Statutory Payment:** Set this option to **YES** to auto calculate and fill the duty payable to the Government. Set this option to **NO**, if the user wants to manually select the duty ledger and duty bills. Universal Infotech wants to auto fill tax details in payment voucher, hence the option **Auto Fill Statutory Payments** is set to **Yes**.
 - On setting the option **Auto Fill Statutory Payments** to **Yes**, based on the Duty/Tax Type selected Tally.ERP 9 displays the appropriate statutory payment fields to fill the details.
 - **Deducted Till Date:** In this field user may enter, till date of the period for which the TDS values should be computed and auto-filled.
Enter **31/05/2009** as the Till Date.
 - **Section:** As per the Act, separate TDS challans to be submitted for the payment of tax under each section. In this field, Tally.ERP 9 displays all the **Sections** under which, Tax deducted is pending for payment.
Select **Section 194C** from the list of section.
-



Payment Code of the Section selected for TDS payment will be printed on the TDS Challan.

- **Nature of Payments:** Based on the section selected in the **Section** field, Tally.ERP 9 displays the section related **nature of payments** under which, Tax deducted is pending for payment.

Select **Payment to Contractors (Advertisement Contractors)** as the Nature of Payment

- **Deductee Status:** Select the Deductee Status as **Non Company**.



The TDS transactions in a payment voucher can be entered for a particular Deductee Status, using the Stat Payment button.

- **Cash/ Bank:** Depending on the mode of payment (Cash or Cheque) Cash or Bank ledger will be selected.

Select **Canara Bank** from the **List of Ledger Accounts**.

The completed **Statutory Payment** screen is displayed as shown

Figure 2.109 Completed Statutory Payment Screen

4. Press **Enter** to accept the **Statutory Payment** screen.

5. The **Bank Name** through which the payment is made and **TDS payable amount** (with the respective bill details) will be auto-filled.
6. Set the option **Provide Details** to **Yes** to enter TDS payment details
7. In the **Payment Details** Screen
 - **From Date:** In this field enter the **From** date of the period for which the payment is made
 - **To Date:** In this field enter the **To** date of the period for which the payment is made
 - **Cheque/DD No:** In this field user can enter either the cheque or the DD No through which the TDS payment is made. In this transaction payment is made through cheque no. **345478**

Payment Details	
From Date	: 1-Apr-2009
To Date	: 30-Jun-2009
<i>(Note: This payment belongs to the above Quarter)</i>	
Cheque/DD No	: 345478
Name of Bank	: <input type="text" value="Not Applicable"/>
Bank Account Number	:
Branch Name	:
BSR Code	:
Challan No.	:
Challan Date	:
<i>(Note: All the above details will be used in Challan, Forms & Returns)</i>	

List of Banks

Not Applicable
Canara Bank
[New Name

Figure 2.110 Completed Payment Details Screen



Observe in the **Provide Details** screen **Name of Bank, Challan No. and Challan Date** information are not specified, as those details are not available during recording transaction in Tally.ERP 9. To update the Challan details you can use **Challan Reconciliation** option available in Tally.ERP 9

8. Press **Enter** to accept the payment details
9. Cheque number entered in the payment details is displayed in the **Narration**

The Completed TDS Payment voucher is displayed as shown

Accounting Voucher Creation		Universal Infotech	Ctrl + M
Payment	No. 4		4-Jun-2009 Thursday
Account : Canara Bank Cur Bal: 55,40,150.85 Dr		Statutory Payment for : TDS	
Particulars			Amount
TDS - Commission Or Brokerage			11,500.00
Cur Bal: 9,000.00 Cr			
Agst Ref Purc / 1-1	2,500.00 Dr		
Income Tax	2,500.00 Dr		
Surcharge			
Education Cess			
Secondary Education Cess			
Agst Ref Purc / 2-1	4,000.00 Dr		
Income Tax	4,000.00 Dr		
Surcharge			
Education Cess			
Secondary Education Cess			
Agst Ref Purc / 3-1	5,000.00 Dr		
Income Tax	5,000.00 Dr		
Surcharge			
Education Cess			
Secondary Education Cess			
Provide Details	: Yes		
Narration:			
Ch. No. : 345478			
			11,500.00
			Accept ?
			Yes or No

Figure 2.111 TDS Payment Voucher

10. Press **Enter** to Save.

Similarly record the TDS payment entry for the month of **July, August, September and October**.

2.11.2 Generating TDS Challan (ITNS 281)

Tax is remitted to the government account through Challans. For making the TDS payment, Challan No. 281 is used.

In Tally.ERP 9 **TDS Challan (ITNS 28)** will be printed from the TDS payment voucher.

To print the **TDS Challan** for the transaction entered on **04-06-2009**

1. Press **PageUp** to go back to payment voucher entry
2. Click on **Print** button or Press **Alt + P** from the payment voucher to view the **Voucher Printing** screen
3. To view the challan in a preview mode, click on **I: With Preview** button or press **ALT+I**
4. Press **Enter** to accept the Voucher Printing subscreen and to display the TDS Challan in Print Preview mode.
5. Click **Zoom** or Press **Alt+Z** to view the TDS Challan

2.12 Accounting Payment of Interest and Penalties

In the event of failure to pay tax deducted at source to government, interest @ 1% will be charged on the unpaid tax amount for the month or the part of the month during which the tax remained unpaid.

In Tally.ERP 9, interest and penalties paid/payable to government can be accounted.

Example 22:

On 11-8- 2009 ABC Company received a bill (658) from Phoenix Agencies for Rs. 3,00,000 towards Advertising services. ABC Company deducted TDS of Rs. 3,000.

On 7-10-2009 ABC Company paid the TDS of Rs. 3,000 to the government along with the Interest of Rs. 60 and Penalty of Rs. 50 (TDS deducted for the above transaction was due to be paid as on 7-9-2009)

To Account the above transaction follow the steps given below

1. Create Masters
 - i. Interest Ledger
 - ii. Penalty Ledger
2. Create Journal Voucher to book the Expenses and deduct TDS
3. Payment Voucher to account TDS payment with Interest and Penalty.

1. Create Masters

i. Interest Ledger

Ledger	Under	Inventory values are affected	Is TDS Applicable
Interest	Indirect Expenses	No	No

ii. Penalty Ledger

Ledger	Under	Inventory values are affected	Is TDS Applicable
Penalty	Indirect Expenses	No	No

2. Create Journal Voucher to book the Expenses and deduct TDS

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

1. Press **F2** and change the date to **11-08-2009**
2. Select **Advertisement Expenses** in **Debit** field
3. Enter **3,00,000** in **Amount** field
4. In the **TDS Nature of Payment Details** screen, accept the default details.
5. In **Credit** field select **Phoenix Agencies**

6. In **TDS Details** Screen select the ledgers as shown

TDS Details							
Type of Ref	Name	Nature of Payment	TDS Duty Ledger	Assessable Amount	Deduct now	TDS Amount	Payable Amount
New Ref	Jrnl / 12-1	Payment to Contractors (Advertisement Contractors)	TDS – Contractors	3,00,000.00 Cr	Yes	3,000.00 Cr	2,97,000.00 Cr
	Income Tax	1 % On		3,00,000.00 Cr		3,000.00 Cr	
	Surcharge	0 % On		3,000.00 Cr			
	Education Cess	0 % On		3,000.00 Cr			
	Secondary Education Cess	0 % On		3,000.00 Cr			
Total				3,00,000.00 Cr		3,000.00 Cr	2,97,000.00 Cr

Figure 2.113 TDS Details

7. **Payable Amount** as calculated in the TDS Details screen will be defaulted in the Party's Amount (Credit) field.
8. In **Bill-wise Details** screen
 - ❑ Select **New Ref** in **Type of Ref** field
 - ❑ In the **Name** field enter the **Bill - 658**
 - ❑ Skip **Due Date or Credit Days** field
 - ❑ Accept the default **amount** allocation and **Dr/Cr**. By default Tally.ERP 9 displays the Bill amount in the amount field as the credit balance.
 - ❑ In the **Interest parameters** screen specify the Rate of Interest as **Zero (0%)**
 - ❑ In **Type of Ref** field, select **New Ref** and in Name field enter the Bill name - **Bill - 658**
 - ❑ Skip **Due Date or Credit Days** field and accept the default **amount** allocation and **Dr/Cr**. By default Tally.ERP 9 displays the Tax amount in the amount field as the debit balance.
 - ❑ In the **Interest parameters** screen specify the Rate of Interest as **Zero (0%)**
9. In the **Credit** field select **TDS – Contractors** from the List of Ledger Accounts and **Rs. 3000** (3,00,000 – 2,97,000) is displayed automatically in the **Amount** field.
10. Enter **Narration**, if required

Accounting Voucher Creation		Universal Infotech		Ctrl + M
Journal No. 12				11-Aug-2009 Tuesday
Particulars		Debit	Credit	
Dr Advertisement Expenses		3,00,000.00		
<i>Cur Bal: 16,50,000.00 Dr</i>				
Cr Phoenix Agencies			2,97,000.00	
<i>Cur Bal: 5,99,400.00 Cr</i>				
New Ref Bill - 658	3,00,000.00 Cr			
New Ref Bill - 658	3,000.00 Dr			
Cr TDS – Contractors			3,000.00	
<i>Cur Bal: 11,500.00 Cr</i>				
Narration:		3,00,000.00	3,00,000.00	

Figure 2.114 Journal Voucher

11. Press **Enter** to save.

3. Payment Voucher to account TDS payment with Interest and Penalty (without Auto Fill).

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

1. Press **F2** and change date to **07-10-2009**.
2. Press **Alt+S** or click **S: Stat Payment** button on the Buttons Bar to view Stat Payment screen.
3. In the **Statutory Payment** Screen
 - **Type of Duty/Tax:** In this field select the Tax/Duty Type towards which tax payment entry is being recorded. Here we are recording TDS payment entry, hence select **TDS** from the Type of Duty/Tax
 - **Auto Fill Statutory Payment:** Set this option to **YES** to auto calculate and fill the duty payable to the Government. Set this option to **NO**, if the user wants to manually select the duty ledger and duty bills. Universal Infotech does not want to auto fill tax details in payment voucher, hence the option **Auto Fill Statutory Payments** is set to **No**.

Statutory Payment

Type of Duty/Tax : TDS

Auto Fill Statutory Payment ? **No**

Figure 2.115 Statutory Payments Screen

4. Press **Enter** to accept the **Statutory Payments** screen.
5. In **Account** field select bank ledger - **Canara Bank** from the **List of Ledger Accounts**
6. Under **Particular** field select **TDS – Contractors** from the List of Ledger Accounts and press enter to view TDS Details screen
7. In the **TDS Details** screen
 - In **Type of Ref** field select **Agst Ref**
 - In the **Name** field select **Jrn/12-1 (dated 11-8-2009)** from the Tax Details
 - **Rs. 3000** will be defaulted automatically in the **Paid Amount** field

TDS Details			
Type of Ref	Name	Nature of Payment	Paid Amount
Agst Ref	Jrn / 12-1	Payment to Contractors (Advertisement Contractors)	3,000.00 Cr
	Income Tax	3,000.00 Dr	
	Surcharge		
	Education Cess		
	Secondary Education Cess		
Total			3,000.00 Cr

Figure 2.116 TDS Details screen

8. Under **Particulars** field select **Interest** from the List of Ledger Accounts and press enter to view Payment Type screen

9. In the **Payment Type** screen, select **Interest** from the **Payment Type** list

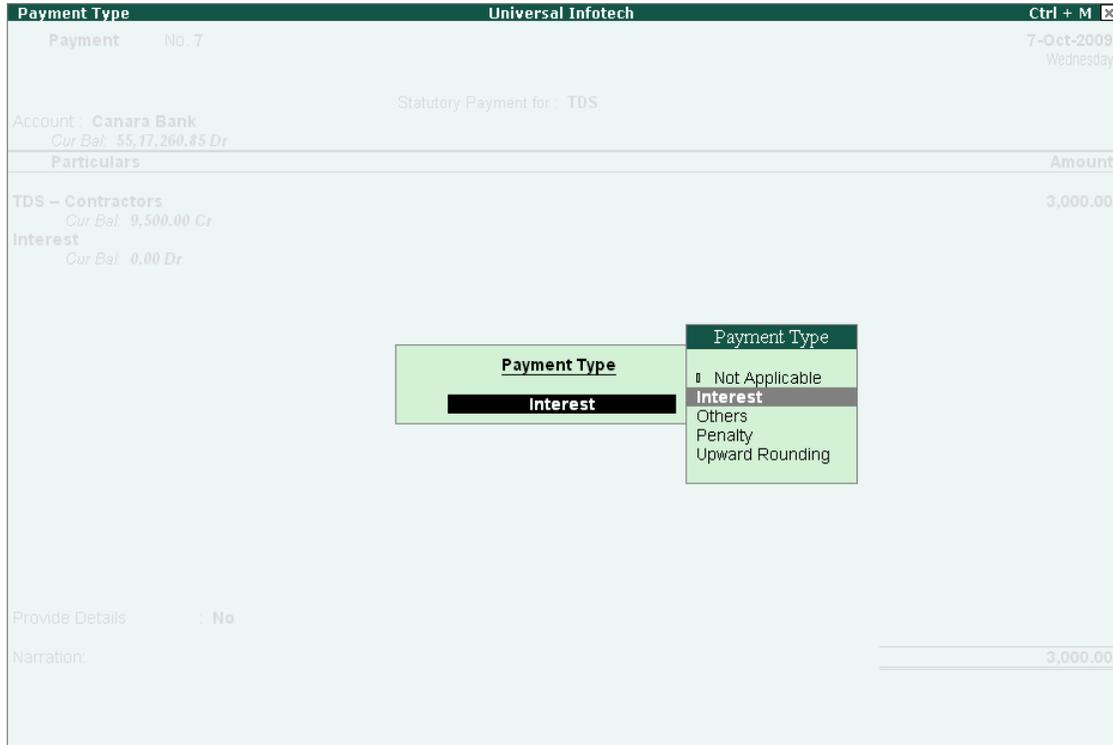


Figure 2.117 Payment Type Selection – Interest

10. Enter **Rs. 60** in the **Amount** field

11. Under **Particulars** field select **Penalty** from the List of Ledger Accounts and press enter to view Payment Type screen

12. In the **Payment Type** screen, select **Penalty** from the Payment Type list



Figure 2.118 Payment Type Selection – Penalty

13. Enter **Rs. 50** in the **Amount** field

14. Set **Provide Details** to **Yes** to view Payment Details screen. In the **Payment Details** screen

- ❑ Enter **From** and **To** date
- ❑ Enter the Cheque Number **556487**
- ❑ In the **Name of Bank** field select **Canara Bank**. Branch Name and BSR Code will be displayed automatically

- In the **Challan Number** and **Challan Date** field enter the challan number and date of payment of tax.

Payment Details	
From Date	: 1-Jul-2009
To Date	: 30-Sep-2009
<i>(Note: This payment belongs to the above Quarter)</i>	
Cheque/DD No	: 556487
Name of Bank	: Canara Bank
Bank Account Number	: 00758978
Branch Name	: M.G.Road
BSR Code	: 0240130
Challan No.	: 564254
Challan Date	: 7-10-2009
<i>(Note: All the above details will be used in Challan, Forms & Returns)</i>	

Figure 2.119 Payment Details

15. Enter **Narration**, if required

The completed Payment Voucher is displayed as shown

Accounting Voucher Creation		Universal Infotech	Ctrl + M
Payment	No. 7		7-Oct-2009 Wednesday
Statutory Payment for : TDS			
Account : Canara Bank Cur Bal: 55,17,150.85 Dr			
Particulars	Amount		
TDS – Contractors Cur Bal: 9,500.00 Cr	3,000.00		
Interest Cur Bal: 60.00 Dr	60.00		
Penalty Cur Bal: 50.00 Dr	50.00		
Provide Details : Yes			
Narration: Ch. No.: 556487			
			3,110.00
			<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Accept ? Yes or No </div>

Figure 2.120 Payment Voucher with Interest & Penalty

16. Press **Enter** to save.



*TDS Payments with Interest and Penalty can also be recorded without using **S**: Stat Payment option in **Single Entry Mode** or in **Double Entry Mode**.*

2.13 TDS on Sales Commission

In practice, most businesses follow the system of selling the goods to partners on a condition that, on each sale of a product/service/software certain amount or a percentage on the price will be paid as sales commission and while accounting the sales commission separate expense entry is not booked in Journal but directly a credit note is raised in favour of the partner (to reduce party outstandings) and TDS is deducted on commission.

In Tally.ERP 9, from release 1.8 you can record sales commission transactions in Credit Note and Deduct TDS on Commission

Example 23:

On 10th October, 2009 Universal Infotech accounts commission (sales) of Rs. 50,000 payable to partner Mark IT Solutions.

1. Record the transaction in Credit Note

Set up:

Ensure in **F11: Features (F1: Accounting Features)** following options are set to **Yes**

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

Go to **Gateway of Tally > Accounting Vouchers > Ctrl + F8: Credit Note** (Account Invoice Mode)

1. Press **F2** to change the **Date** to **10-10-2009**
2. In **Party A/c Name** field select **Mark IT Solutions**
3. Under **Particulars** field select **Commission Expenses** Ledger to account commission expenses
4. In **Amount** field enter **Rs.50,000** (total commission due for the party)
5. Under **Particulars** select **TDS - Commission Or Brokerage** ledger to deduct TDS on the payment of commission. Press enter to view TDS Details screen
6. In **TDS Details** screen
 - In **Type of Ref** field select **New Ref**
 - In **Name** field accept the default Reference Number – **CNote/ 2-1**

- In **Nature of Payment** field select **Commission Or Brokerage** will be defaulted automatically
- **Assessable Amount** and **TDS Amount** field details are defaulted automatically, based on the information provided in the voucher.

TDS Details					
Type of Ref	Name	Nature of Payment		Assessable Amount	TDS Amount
New Ref	CNote / 2-1	Commission Or Brokerage		50,000.00 Cr	5,000.00 Cr
	Income Tax	10 %	On 5,000.00 Cr		
	Surcharge	0 %	On		
	Education Cess	0 %	On		
	Secondary Education Cess	0 %	On		
Total				50,000.00 Cr	5,000.00 Cr

Figure 2.121 TDS Details Screen

- Press **Enter** to save **TDS Details** screen.
7. **TDS Deducted on Commission Rs. 5000** will be displayed with **Negative sign**
8. In **Bill-wise Details** screen
- In **Type of Ref** field select **New Ref** (if Required you can select Agst Ref to adjust against the sales bill)
 - In **Name** field enter the **Bill Reference Number** as **CN/001**
 - Skip the **Due Date or Credit Days** field
 - Accept the default amount allocation and **Dr/Cr**. By default Tally.ERP 9 displays the Bill amount in the amount field as the credit balance.
 - Press **Enter**, select **New Ref** as **Type of Ref** and enter **Bill name** as **CN/001**
 - Skip the **Due Date or Credit Days** field and accept the default amount allocation and **Dr/Cr**. By default Tally.ERP 9 displays the Tax amount in the amount field as the debit balance.

Completed Credit Note voucher is displayed as shown

Accounting Voucher Creation		Universal Infotech	Ctrl + M
Credit Note	No. 2	Voucher Class : I Not Applicable	10-Oct-2009
Ref. :		Used for: Others	Saturday
Party's A/c Name : Mark IT Solutions			
Current Balance : 2,50,000.00 Cr			
Particulars	Rate	per	Amount
Commission Expenses			50,000.00
TDS - Commission Or Brokerage			(-)5,000.00
Narration:			
			Accept ?
			Yes or No

Figure 2.122 Completed Credit Note Voucher

9. Press **Enter** to Save.

2.14 Reversal of Excess TDS Deducted

In case of partial cancellation of transaction (s), the expenses and excess TDS deducted needs to be reversed. In Tally.ERP 9, such reversal of expenses and TDS is possible only when the cancellation of transaction is made before the payment of TDS to the Government.

In Tally.ERP 9, reversal of expenses can be accounted using Debit Note and reversal of TDS deducted can be accounted using Credit Note.

Example 24:

On 20th October, 2009 Universal Infotech received bill from Pheonix Agencies for Rs. 75,000 towards Advertising Expenses.

On 22nd October, 2009 Universal Infotech cancelled the advertisement services to the extent of Rs.25,000 and Expenses and TDS deducted are reversed.

To account the above transaction follow the steps given below

1. Record the Expenses in Journal Voucher
2. Reversal of Expenses (Debit Note)
3. Reversal of TDS (Credit Note)

1. Record the Expenses in Journal Voucher

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

1. Press **F2** and change the date to **20-10-2009**
 2. In **Debit** field select **Advertisement Expenses** from the List of Ledger Accounts
 3. Enter **75,000** in the **Amount** field.
 4. In **Credit** field select **Phoenix Agencies** and press enter to view TDS Details screen
 5. In **TDS Details** screen
 - In **Type of Ref** field select **New Ref** from the Method of Adjustment.
 - In **Name** field accept the default reference number displayed (example: **Jrnl / 18-1**)
 - In **Nature of Payment** select **Payments to Contractors (Advertisement Contractors)** from the List of Nature of Pymt(s).
 - In **TDS Duty Ledger** field select **TDS – Contractors** from the list of TDS Duty Ledgers.
 - Amount specified against the expenses ledger will be displayed as the Assessable Amount
 - Set the option **Deduct now** to **Yes**.
 - **TDS Amount** field displays the Tax amount deducted at source
 - **Payable Amount** field displays the amount (after TDS) payable to the Party.
 - Press **Enter** to accept the TDS Details.
 6. **Payable Amount** as calculated in the TDS Details screen will be defaulted in the Party's **Amount** (Credit) field.
-

7. In **Bill-wise Details** screen specify the bill details as shown

Bill-wise Details for : Pheonix Agencies Upto: Rs. 73,500.00 Cr				
Type of Ref	Name	Due Date, or Credit Days (wef: 20-10-2009)	Amount	Dr/ Cr
New Ref	Bill-869		75,000.00	Cr
New Ref	Bill-869		1,500.00	Dr

Figure 2.123 Bill-wise Details Screen

8. In **Credit** field select TDS ledger **TDS – Contractors**. **Amount** will be defaulted automatically. Completed Journal Voucher is displayed as shown

Accounting Voucher Creation		Universal Infotech		Ctrl + M
Journal	No. 18			20-Oct-2009 Tuesday
Particulars		Debit	Credit	
Dr	Advertisement Expenses <i>Cur Bal: 31,75,000.00 Dr</i>	75,000.00		
Cr	Pheonix Agencies <i>Cur Bal: 18,72,900.00 Cr</i>		73,500.00	
	New Ref Bill-869 75,000.00 Cr			
	New Ref Bill-869 1,500.00 Dr			
Cr	TDS – Contractors <i>Cur Bal: 10,000.00 Cr</i>		1,500.00	
Narration:			75,000.00	75,000.00
				Accept ? Yes or No

Figure 2.124 Completed Journal Voucher

9. Press **Enter** to Save.

2. Reversal of Expenses (Debit Note)

Go to **Gateway of Tally > Accounting Vouchers > Ctrl+F9: Debit Note (Account Invoice Mode)**

1. Press **F2** and change the date to **22-10-2009**.
2. In **Party's A/c Name** field select **Phoenix Agencies** from the List of Ledger Accounts.
3. Under **Particulars** select **Advertisement Expenses**.
4. Enter **Rs. 25,000** in the **Amount** field.
5. In **TDS Nature of Payment Details** screen, accept the default details.
6. In **TDS Details** screen
 - In **Type of Ref** select **Agst Ref**
 - In **Name** field, select **JurI/18-1** to adjust the reversal of expenses
 - In **Nature of Payment** field select **Payments to Contractors (advertisement Contractors)**
 - Based on the **Tax Reference Number** selected, Tally.ERP 9 defaults **TDS Duty Ledger**.
 - In **Assessable Value** field **Rs. 25000** will be displayed indicating that Rs.25000 is reversed against the expenses booked on 20-10-2009

TDS Details					
Type of Ref	Name	Nature of Payment	TDS Duty Ledger	Assessable Amount	TDS Amount
Agst Ref	JurI / 18-1	Payment to Contractors (Advertisement Contractors)	TDS - Contractors	25,000.00 Dr	
	Income Tax	0 % On 25,000.00 Cr			
	Surcharge	0 % On			
	Educ	Against Reference			
	Secord				
	<div style="border: 1px solid black; padding: 2px;"> End of List Agst Ref </div>				
Total				25,000.00 Dr	

Figure 2.125 Reversal of Expenses



Observe, **TDS Amount** is not displayed as we are not reversing **TDS** in **Debit Note**

7. In **Bill-wise Details** screen

- ❑ Select **Agst Ref** as the **Type of Ref**.
- ❑ In the **Name** field select **Bill-869** dated 20-10-2009 from the Pending Bills to reverse the expenses.
- ❑ Skip the **Due Date or Credit Days** field.
- ❑ Accept the default amount allocation and **Dr/Cr**.

Completed Debit Note is displayed as shown

Accounting Voucher Creation		Universal Infotech	Ctrl + M
Debit Note No. 2		22-Oct-2009	
Ref. :		Thursday	
Party's A/c Name : Pheonix Agencies			
Current Balance : 18,72,900.00 Cr			
Particulars	Rate	per	Amount
Advertisement Expenses			25,000.00
Narration:			<input type="button" value="Accept?"/>
			<input type="button" value="Yes or No"/>

Figure 2.126 Completed Debit Note

8. Press **Enter** to Save.

3. Reverse the excess TDS Deducted (Credit Note)

Go to **Gateway of Tally > Accounting Vouchers > Ctrl+F8: Credit Note** (Account Invoice mode).

1. Press **F2** and change the date to **22-10-2009**.
2. In **Party's A/c Name** field select **Pheonix Agencies** from the List of Ledger Accounts.
3. Under **Particulars** select **TDS - Contractor** and press enter to view TDS Details screen
4. In **TDS Details** screen
 - ❑ In **Type of Ref** select **Agst Ref**

- In **Name** field, select **JurI/18-1** to adjust the reversal of TDS
- Based on the **Tax Reference Number** selected, Tally.ERP 9 defaults **Nature of Payment** and **TDS Amount**

TDS Details			
Type of Ref	Name	Nature of Payment	TDS Amount
Agst Ref	JurI / 18-1	Payment to Contractors (Advertisement Contractors)	500.00 Dr
	Income Tax	500.00 Dr	
	Surcharge		
	Educa		
	Secord		
	Against Reference		
	End of List		
	Agst Ref		
Total			500.00 Dr

Figure 2.127 TDS Details Screen

5. In **Bill-wise Details** screen

- Select **Agst Ref** as the **Type of Ref**.
- In the **Name** field select **Bill-869** dated **20-10-2009** from the Pending Bills to reverse TDS.
- Skip the **Due Date or Credit Days** field.
- Accept the default amount allocation and **Dr/Cr**.

Completed Credit Note is displayed as shown

Accounting Voucher Creation		Universal Infotech		Ctrl + M
Credit Note	No. 3	Voucher Class : I	Not Applicable	22-Oct-2009
Ref. :		Used for: Others		Thursday
Party's A/c Name : Phoenix Agencies				
Current Balance : 18,47,900.00 Cr				
Particulars	Rate	per	Amount	
TDS – Contractors			500.00	
Narration:				
				Accept ?
				Yes or No

Figure 2.128 Completed Credit Note

6. Press **Enter** to Save.

Lesson 3: TDS Reports

Lesson objectives

On completion of this lesson, you will learn to

- ❑ View TDS Computation
- ❑ Reconcile TDS Challans
- ❑ Generate TDS Forms & Certificates
- ❑ View TDS Outstandings
- ❑ View Exception Reports

3.1 TDS Reports

Tally.ERP 9 helps the user to generate the TDS Computation Report, Statutory Returns, Reconcile TDS Challans and view other related reports at the end of a month, quarter or year, as prescribed under the Act.

To view the TDS Reports

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

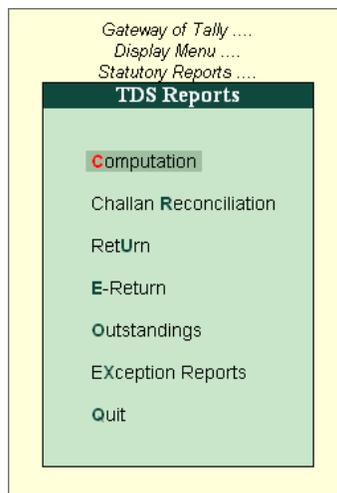


Figure 3.1 TDS Reports

3.2 Computation

TDS Computation report displays information about TDS transactions. It includes information about the total expenses and advances on which TDS is applicable, TDS amount deducted, balance TDS amount deductible, TDS amount paid and TDS amount pending for payment.

To view TDS Computation report

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

TDS Computation		Universal Infotech	Ctrl + M
TDS Computation		1-Apr-2009 to 25-Oct-2009	
Particulars	Amount	Tax	
Deduction Details			
Expenses & Advances	64,57,293.15	2,51,034.00	
TDS Not Applicable	12,360.00		
Under Exemption Limit			
Zero Rated	10,00,000.00		
Exempt in lieu of PAN available			
Taxable Expenses & Advances	54,44,933.15	2,51,034.00	
Deducted		2,04,034.00	
at Normal rate		2,00,034.00	
at Lower rate		4,000.00	
at Higher Rate (No PAN)			
Balance Deductible		47,000.00	
at Normal rate		47,000.00	
at Lower rate			
Excess Deducted			
at Normal rate			
at Lower rate			
at Higher Rate (No PAN)			
Payment Details			
Paid		1,69,500.00	
Previous Month(s)		1,69,500.00	
Current Month			
Balance Payable		34,534.00	

Figure 3.2 TDS Computation

TDS Computation report is divided into 2 sections

1. **Deduction Details:** This section displays the details of **Expenses & Advances, TDS Deducted and the Balance Deductible.**

- **Expenses & Advances:** This displays the total expenses amount and total tax amount of all the TDS applicable expenses and advances made to parties.
 - **TDS Not Applicable:** This field displays the total amount of Expenses on which TDS is not applicable
 - **Under Exemption Limit:** This field displays the total amount of Expenses which have not crossed the TDS Exemption Limit.
 - **Zero Rated:** This field displays the total amount of expenses on which TDS is deducted at Zero Rate
 - **Exempt in lieu of PAN available:** This field displays the total amount of expenses which are exempted from TDS on lieu of availability of PAN.

Example: Transport services are purchased. The service provider - Contractor or Sub contractor of transport business has furnished his PAN. As per law in case where Con-

tractor or Sub contractor of transport business has furnished the PAN, NIL (0%) Rate will be applicable. Exempted expenses of this nature will be displayed in Exempt in lieu of PAN available filed.

- **Taxable Expenses & Advances:** This field displays the total amount of taxable expenses and total tax amount
 - **Deducted:** This section displays the total amount of tax deducted at **Normal Rate**, at **Lower Rate** and at **Higher Rate** (in case of non-availability of PAN) till Date.
 - **Balance Deductable:** This section displays the balance tax amount to be deducted either at normal rate or at lower rate.
 - **Excess Deducted:** This section displays the excess tax deducted at Normal Rate, Lower rate and Higher rate (in case of non-availability of PAN)
2. **Payment Details:** This section displays the details of tax paid and tax Payable.
- **Paid:** This section displays the details of total tax paid in the previous month(s) and current month
 - **Balance Payable:** This section displays the details of total tax payable in the previous month(s) and current month

3.2.1 TDS Computation – Party Wise

To view **Party wise - TDS Computation** press **Enter** on any particular **Deduction Details** to drill down to a report that displays all the expenses marked with respective deduction details.

Select **Expenses & Advances** to drill down to Party Wise report

TDS Computation		Universal Infotech		Ctrl + M	
Expenses & Advances		1-Apr-2009 to 25-Oct-2009			
Particulars	Total	Tax Deductable	Balance Deductable	Excess Deducted	Balance to be Paid
ACE Computers	80,000.00	4,000.00			4,000.00
AK Manufacturers	52,000.00	1,040.00			1,040.00
Alexon Group	15,00,000.00	1,50,000.00			
Arun Contractors	60,000.00	1,200.00			1,200.00
Digitech Computers	65,000.00	6,500.00			
Gokul Co-Operative Building Society	10,00,000.00				
Mark IT Solutions	3,00,000.00	10,000.00	5,000.00		5,000.00
Pheonix Agencies	29,60,415.34	35,542.00	12,000.00		10,542.00
Smart Agencies	3,27,517.81	32,752.00	30,000.00		2,752.00
Sridhar & Co.	1,12,360.00	10,000.00			10,000.00
Total	64,57,293.15	2,51,034.00	47,000.00		34,534.00

Figure 3.3 TDS Computation – Party Wise

You can configure the Party wise report using **F12: Configure**

The options **Show Tax Deductible**, **Show Balance to be deducted** and **Show Balance Payable to Government** are by default set to **Yes**

<u>Configuration</u>	
Show Tax Deductible	? Yes
Show Tax Deducted	? No
Show Balance to be Deducted	? Yes
Show Tax Paid to Government	? No
Show Balance Payable to Government	? Yes

Figure 3.4 F12: Configure

3.2.2 TDS Computation – TDS Paid

TDS Paid report displays details of **Tax paid** along with **Date**, **Ref No.** **Nature of Payment**.

To view **TDS Paid - TDS Computation** press Enter on any particular Paid details to drill down to TDS Paid report. Select **Paid**

The **TDS Paid** report is displayed as shown

TDS Computation		Universal Infotech		Ctrl + M	
TDS Paid			1-Apr-2009 to 25-Oct-2009		
Date	Ref. No.	Nature of Payment	Opening Amount	Paid Amount	
21-May-2009	Purc / 3-1	Commission Or Brokerage	5,000.00 Cr	5,000.00 Cr	
14-May-2009	Purc / 2-1	Commission Or Brokerage	4,000.00 Cr	4,000.00 Cr	
14-May-2009	Purc / 1-1	Commission Or Brokerage	2,500.00 Cr	2,500.00 Cr	
26-Jul-2009	Jrnl / 9-1	Royalty(F) Agreement Is Made on Or After June 1, 2005	1,50,000.00 Cr	1,50,000.00 Cr	
11-Aug-2009	Jrnl / 12-1	Payment to Contractors (Advertisement Contractors)	3,000.00 Cr	3,000.00 Cr	
1-Apr-2009	Jrnl / 1-1	Payment to Contractors (Advertisement Contractors)	5,000.00 Cr	5,000.00 Cr	
			1,69,500.00 Cr	1,69,500.00 Cr	

Figure 3.5 TDS Paid Report

3.2.3 TDS Computation – TDS Payable

To view **TDS Payable** report from TDS Computation press Enter on any particular **Balance Payable** details. Select **Balance Payable**

The **TDS Payable** report is displayed as shown

TDS Computation		Universal Infotech		Ctrl + M		
TDS Payable			1-Apr-2009 to 25-Oct-2009			
Date	Ref. No.	Nature of Payment	Opening Amount	Pending Amount	Due on	Overdue days
2-Jun-2009	Pymt / 3-1	Payment to Contractors (Advertisement Contractors)	900.00 Cr	900.00 Cr	7-Jul-2009	110
4-Aug-2009	Purc / 4-1	Payments to Contractors (Other Than Advertisement)	1,040.00 Cr	1,040.00 Cr	7-Sep-2009	48
21-May-2009	Purc / 3-2	Payment to Contractors (Advertisement Contractors)	2,000.00 Cr	2,000.00 Cr	7-Jun-2009	140
25-Jun-2009	Jrnl / 6-1	Commission Or Brokerage	4,000.00 Cr	4,000.00 Cr	7-Jul-2009	110
15-Jun-2009	Jrnl / 5-2	Payment to Contractors (Advertisement Contractors)	600.00 Cr	600.00 Cr	7-Jul-2009	110
6-May-2009	Jrnl / 2-2	Fees for Professional Or Technical Services	10,000.00 Cr	10,000.00 Cr	7-Jun-2009	140
20-Oct-2009	Jrnl / 18-1	Payment to Contractors (Advertisement Contractors)	1,000.00 Cr	1,000.00 Cr	7-Nov-2009	0
10-Aug-2009	Jrnl / 11-1	Payments to Contractors (Other Than Advertisement)	1,200.00 Cr	1,200.00 Cr	7-Sep-2009	48
2-Aug-2009	Jrnl / 10-1	Payment to Contractors (Advertisement Contractors)	5,000.00 Cr	5,000.00 Cr	7-Sep-2009	48
10-Oct-2009	CNote / 2-1	Commission Or Brokerage	5,000.00 Cr	5,000.00 Cr	7-Nov-2009	0
25-Oct-2009	CNote / 2-1	Interest Other Than Interest on Securities	1,042.00 Cr	1,042.00 Cr	7-Nov-2009	0
1-Sep-2009	CNote / 1-1	Interest Other Than Interest on Securities	2,752.00 Cr	2,752.00 Cr	7-Oct-2009	18
			34,534.00 Cr	34,534.00 Cr		

Figure 3.6 TDS Payable Report

3.3 Challan Reconciliation

Reconciliation of Challan Payments made towards TDS accounts through bank can be done in Challan reconciliation.

To view Challn Reconciliation report

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Challan Reconciliation**

The **Challan Reconciliation** report is displayed as shown

TDS Challan Reconciliation									
Universal Infotech									
1-Apr-2009 to 25-Oct-2009									
Date	Particulars	E-TDS Quarter Period From To	Cheque/DD No.	Name of Bank	BSR Code	Challan No.	Challan Vch No. Date	Amount	
6-5-2009	Canara Bank	1-4-2009 30-6-2009	056330	Canara Bank	0240130	225678	6-5-2009 2	5,000.00	
4-6-2009	Canara Bank	1-4-2009 30-6-2009	345478				4	11,500.00	
5-8-2009	Canara Bank	1-7-2009 30-9-2009	567895	Canara Bank	0240130	45789	5-8-2009 5	1,50,000.00	
7-10-2009	Canara Bank	1-7-2009 30-9-2009	556487	Canara Bank	0240130	564254	7-10-2009 7	3,110.00	

Figure 3.7 Challan Reconciliation

TDS Challan Reconciliation screen displays all the vouchers for the period selected. Challan reconciliation is done only for those vouchers for which the payment details are not provided during voucher entry.

TDS Challans can be reconciled either by updating the **E-TDS Quarter Period (From & To) Cheque/DD No., Name of Bank, BSR Code, Challan No., and Challan Date** in the reconciliation screen OR by using **Set Challan Details (Alt +S)** button from the **Buttons Bar** to reconcile challans.

To Reconcile the TDS Challan Press **F5** key or click the button **F5: Challan Reconcile**

Select the voucher dated 4-6-2009, which needs to be reconciled and enter **E-TDS Quarter Period (From & To) Cheque/DD No., Name of Bank, BSR Code, Challan No., and Challan Date.**

TDS Challan Reconciliation		Universal Infotech						Ctrl + M		
TDS Challan Reconciliation								1-Apr-2009 to 25-Oct-2009		
(Reconciliation)										
Date	Particulars	E-TDS Quarter Period		Cheque/DD No.	Name of Bank	BSR Code	Challan No.	Challan Vch No.	Amount	
		From	To					Date		
6-5-2009	Canara Bank	1-4-2009	30-6-2009	056330	Canara Bank	0240130	225678	6-5-2009	2	5,000.00
4-6-2009	Canara Bank	1-4-2009	30-6-2009	345478	Canara Bank	0240130	758954	4-6-2009	4	11,500.00
5-8-2009	Canara Bank	1-7-2009	30-9-2009	567895	Canara Bank	0240130	45789	5-8-2009	5	1,50,000.00
7-10-2009	Canara Bank	1-7-2009	30-9-2009	556487	Canara Bank	0240130	564254	7-10-2009	7	3,110.00

<p style="margin: 0;">Accept ?</p> <p style="margin: 0; color: red;">Yes or No</p>
--

Figure 3.8 TDS Challan Reconciliation Screen

Press **Enter** to accept **TDS Challan Reconciliation.**

3.4 Return

Tally.ERP 9 allows the user to print **Form 16 A** and all the **Quarterly** and **Annual** TDS Return Forms and Annexures.

3.4.1 Print Form 16A

Form 16A is a certificate of proof that deductor has deducted the tax and paid the same to the government. This proof is essential to the deductee to claim the credit of tax in his Income Tax returns.

To print **Form 16A**

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Return > Print Form 16A**

In **Select Item** screen

- Select the party – **Pheonix Agencies** from the **List of TDS Party Ledgers**



Figure 3.9 Select Item Screen

- The **Printing TDS Form 16A** screen appears as shown

PrintingTDS Form16A			
Printer :	(Ne00:)	Paper Type :	Letter
No. of Copies :	1		
Print Language :	English		(Printing Dimensions)
Method :	Neat Mode	Paper Size :	(8.50" x 10.96") or (216 mm x 279 mm)
Page Range :	All	Print Area :	(8.09" x 10.63") or (204 mm x 270 mm)
Report Titles			
TDS Form16A			
(with Print Preview)			
Name :	Rajesh	Place :	
Son/Daughter of :	Manohar	Date :	7-0ct-2009
Designation :	Manager	Quarter :	Acknowledgement
Print as Previous Format :	No	Apr-Jun	
Nature of Payment :	Commission Or Brokerage	Jul-Sep	
From (blank for beginning) :	14-2009	Oct-Dec	
To (blank for end) :		Jan-Mar	
Challan Date Till :			
Type of Copy :		CIT(TDS) Details	
Certificate No :		Name	
Print Total :	No	Address	
		City	
		Pin Code	
			Print ? Yes or No

Figure 3.10 Printing TDS Form 16A screen

Press **Backspace** key to navigate to the fields in the Printing TDS Form 16A screen.

- **Name:** By default displays the name of the person entered in Company TDS Deductor Details as the Person Responsible. This name can be changed.
- **Son/Daughter of:** This field displays the Parent Name mentioned in Company TDS Deductor Details
- **Designation:** By default displays the designation of the person entered in Company TDS Deductor Details in designation field. This can be changed.
- **Print as Previous Format:** By default this field is set to **No**. Set this field to **Yes** to print Form 16 A in Previous format.

- **Nature of Payment:** Based on the **Party** selected in the **Select Item** screen, Tally.ERP 9 displays all the party related nature of payments under which TDS is deducted. User can select all the Nature of Payments (**All Items**) or **any one of the Nature of Payment** from the list, for printing Form 16A.

PrintingTDS Form16A			
Printer :	(Ne00:)	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 :	(8.03" x 10.63") or (204 mm x 270 mm)
Report Titles			
TDS Form16A			
(with Print Preview)			
Name :	Rajesh	Place :	
Son/Daughter of :	Manohar		
Designation :	Manager		
Print as Previous Format :	No		
Nature of Payment :	All Items		
From (blank for beginning) :	1-4-2009		
To (blank for end) :			
Challan Date Till :			
Type of Copy :			
Certificate No :			
Print Total :	No		
		CIT(TDS) Details	
		Name :	
		Address :	
		City :	
		Pin Code :	

Figure 3.11 Selection of Nature of Payment

- **From:** By default displays **1-4-2009** which can be changed.
- **To:** Enter the **To** date
- **Challan Till Date:** In this field enter the date to consider the challan payments made.
- **Type of Copy:** From Type of Copy select the option **Default** or **User Defined**
- **Print Total:** Set this option to print the total of tax paid.



Cursor will move to **Print Total** field only when the option **Print as Previous Format** is set to **Yes**.

- **Place:** Enter the **Place**
- **Date:** Mention the **Date of issue** of Form 16A
- **Quarter/Acknowledgement:** Mention the **Receipt Number** of the TDS returns filed against the appropriate Quarter.



Receipt Number is a 8 digit Alpha Number. This number to be mentioned on the Form 16A to be issued to the parties on behalf of whom the tax is deducted at Source and paid to the Government.

The **Receipt Number** to be mentioned on the **Form 16A** issued for the Financial Year 2010-11.

- **CIT (TDS) Details:** In this section enter the name and address of the Commissioner of Income Tax having jurisdiction as regards TDS statements of the assessee.
 - **Name:** In this field enter the **Name of the Commissioner**
 - **Address:** Enter the **address** of the commissioner office
 - **City:** Mention the **City name**
 - **Pin Code:** Enter the **PIN Code**.

The completed Printing TDS Form 16A appears as shown

PrintingTDS Form16A			
Printer : (Ne00:)		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 :	(6.03" x 10.63") or (204 mm x 270 mm)
Report Titles			
TDS Form16A			
(with Print Preview)			
Name :	Rajesh	Place :	Bangalore
Son/Daughter of :	Manohar	Date :	15-Oct-2009
Designation :	Manager	Quarter :	Acknowledgement
Print as Previous Format :	No	Apr-Jun :	256398725854471
Nature of Payment :	<input checked="" type="checkbox"/> All Items	Jul-Sep :	DKDXXEHM
From (blank for beginning) :	1-4-2009	Oct-Dec :	
To (blank for end) :	30-6-2009	Jan-Mar :	
Challan Date Till :	7-7-2009	CIT(TDS) Details	
Type of Copy :	Default	Name :	Ashok Kumar
Certificate No :	001	Address :	# 234, AJ Circle, Shivajinagar
Print Total :	No	City :	Bangalore
		Pin Code :	560089

Figure 3.12 Completed Printing TDS Form 16A

- Press **Enter** to view TDS Form 16A screen. Click on **Zoom** or press **Alt +Z** to view the Print Preview of Form 16A

The print preview of Form 16A is displayed as shown

Certificate No. : 001/			
FORM NO. 16A			
[See rule 31(1)(b)]			
Certificate under section 203 of the Income-tax Act, 1961 for Tax deducted at source			
Name and address of the Deductor		Name and address of the Deductee	
Universal Infotech # 45 AMR Tech Park Hosur Road Bangalore		Pheonix Agencies No - 45/1 Raheja Arcade Koramangala Bangalore	
PAN of the Deductor		PAN of the Deductee	
AGRTL0443L		ASPLC0245L	
TAN of the Deductor		Assessment Year	
BANU07884F		2010 - 11	
CIT(TDS)		Period	
Address Ashok Kumar, # 234, AJ Circle, Shivajinagar City Bangalore Pin Code 560089		From	To
		1-4-2009	30-6-2009
Summary of Payment			
Amount paid/credited		Nature of payment	
5,00,000.00		Payment to Contractors (Advertisement Contractors)	
50,000.00		Commission Or Brokerage	
		Date of payment/credit	
		1-4-2009	
		18-5-2009	
Summary of tax deducted at source in respect of deductee			
Quarter	Receipt Numbers of original quarterly statements of TDS under sub-section (3) of section 200	Amount of tax deducted in respect of the deductee	Amount of tax deposited/remitted in respect of the deductee
Apr - Jun	DKDXXEHM	10,000.00	10,000.00
Jul - Sep			
Oct - Dec			
Jan - Mar			
DETAILS OF TAX DEDUCTED AND DEPOSITED IN THE CENTRAL GOVERNMENT ACCOUNT THROUGH CHALLAN			
(The Deductor to provide payment wise details of tax deducted and deposited with respect to the deductee)			
S.No.	Tax Deposited in respect of the deductee (Rs.)	Challan identification number (CIN)	
		BSR Code of the Bank Branch	Date on which tax deposited (dd/mm/yyyy)
		Challan Serial Number	
1	5,000.00	0240130	6-5-2009
2	5,000.00	0240130	4-6-2009
Total	10,000.00		
Verification			
I, <u>Rajesh</u> , son/daughter of <u>Manohar</u> working in the capacity of <u>Manager</u> (designation) do hereby certify that a sum of Rs. <u>10,000.00</u> [Rs. <u>Ten Thousand Only</u> (in words)] has been deducted and deposited to the credit of the Central Government. I further certify that the information given above is true, complete and correct and is based on the books of account, documents, TDS statements, TDS deposited and other available records.			
Place	Bangalore		
Date	15-Oct-2009	Signature of person responsible for deduction of tax	
Designation:	Manager	Full Name: Rajesh	

Figure 3.13 Form 16A

3.4.2 Form 26Q

Form 26Q is a Quarterly return for deduction of tax in respect of payments made to residents other than salary.

To print Form 26Q

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Return > Form 26Q**

In **Printing TDS Form 26Q** press **Backspace** to make changes in **Person Responsible Details** or **Other Details** fields.

Person Responsible Details		Other Details	
Printer	: RND Printer (Ne01:)	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	: (8.19" x 10.71") or (208 mm x 272 mm)
Report Titles			
TDS Form26 Quartely			
(with Print Preview)			
Flat No	: # 09	Category (deductor/collector)	: Company
Name	: Rajesh	From (blank for beginning)	: 1-4-2009
Designation	: Manager	To (blank for end)	: 30-6-2009
Name of the premises/building	: AMR Tech Park	Challan Date Till	: 7-7-2009
Road/Street/Lane	: Hosur Road	Place	: Bangalore
Area/Location	:	Date	: 7-Jul-2009
Town/City/District	: Bangalore		
State	: Karnataka		
Pin code	: 560063		
Mobile No.	: 9880358745		
STD Code	:		
Telephone	:		
E-mail	: sales@abc.com		
			Print ? Yes or No

Figure 3.14 Printing TDS Form 26Q



As per requirement of the IT department for the payment made towards different Nature of Payment separate annexure should be printed in the prescribed Proforma.
Tally.ERP 9 prints separate annexure for different Nature of Payment.

3.4.4 Form 27 Q

Form 27Q is a Quarterly return for deduction of tax in respect of payments made to non-residents other than salary.

To print Form 27Q

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Return > Form 27Q**

In Printing TDS Form 27Q press **Backspace** to make changes in **Person Responsible Details** or **Other Details** fields.

The Print preview of **Form 27Q** appears as shown

Form No. 27Q	
[See sections 194E, 195, 196A, 196B, 196C, 196D and rule 31A and 37A]	
Quarterly statement of deduction of tax under sub-section (3) of section 200 of the I.T. Act, 1961 in respect of payments other than Salary made to non-residents for the quarter ended June/September/December/March (tick whichever applicable) 2009 - 10 (Year)	
1. (a) Tax Deduction and collection Account No.(TAN)	: BANU07884F
(b) Permanent Account No.(PAN)	: AGRTL0443L
(c) Financial year	: 2009 - 10
(d) Assessment year	: 2010 - 11
(e) Has any statement been filed earlier for this quarter (Yes/No)	: No
(f) If answer of (e) is 'Yes' then Provisional Receipt No. of original statement	:
2. Particulars of the deductor	
(a) Name	: Universal Infotech
(b) Type of deductor	: Others
(c) Branch / Division (if any)	:
(d) Address	:
Flat No.	: # 45
Name of premises / building	: AMR Tech Park
Road / Street / Lane	: Hosur Road
Area / Location	: Bangalore
Town / City / District	: Bangalore
State	: Karnataka
Pin code	: 560064
Telephone No.	: 080-22356475
E-mail	: sales@universal.com
3. Particulars of the person responsible for deduction of tax	
(a) Name	: Rajesh
(b) Address	:
Flat No.	: # 09
Name of premises / building	: AMR Tech Park
Road / Street / Lane	: Hosur Road
Area / Location	: Bommanahalli
Town / City / District	: Bangalore
State	: Karnataka
Pin code	: 560067
Telephone No.	: 080-5527665
E-mail	: sales@abc.com

Figure 3.19 Form 27Q – Page 1

3.4.5 Annexure to 27Q

Annexure to Form 27 Q gives the deductee wise break-up of TDS.

To Print **Annexure to Form 27 Q**

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Return > Annexure to Form 27Q**

In Printing TDS Form 27Q press **Backspace** to make changes in **Person Responsible Details** or **Other Details** fields.

Print preview of **Annexure to Form 27 Q** is displayed as shown

ANNEXURE - DEDUCTEE WISE BREAK-UP OF TDS					
[Please use separate Annexure for each line item in the table at S.No.4 of main Form 27Q]					
Details of amounts paid/credited during the quarter ended 7-Oct-2009 (DD-MM-YYYY) and of tax deducted at source					
BSR Code of the branch where tax is deposited 0240130			Name of Deductor Universal Infotech		
Date on which tax deposited (dd-mm-yyyy) 5-Aug-2009					
Challan Serial No. 45789					
Section under which payment made 195			TAN		BANU07884F
Total TDS to be allocated among deductees as in the vertical of Col. 725 1,50,000.00					
Interest					
Others					
Total of the above 1,50,000.00					
Sr.No	Deductee Code (01-Company, 02-Other than Company)	PAN of the deductee	Name of the deductee	Date of Payment / Credit	Amount paid/credited
714	715	716	717	718	719
1	01		Alexon Group	26-Jul-2009	15,00,000.00
Sr.No	Paid by book entry or otherwise	TDS	Surcharge	Education Cess Total (721+722+723)	Tax deducted (721+722+723) Rs.
714	720	721	722	723	724
1	No	1,50,000.00			1,50,000.00
Sr.No	Total tax deposited Rs.	Date of deduction	Rate at which deducted	Reason for non- deduction / lower deduction /	
714	725	726	727	728	
1	1,50,000.00	26-Jul-2009	10 %		
Verification					
I, Rajesh, hereby certify that all the particulars furnished above are correct and complete.					
Place : Bangalore		Signature of the person responsible for deducting tax at source _____			
Date : 7-Oct-2009		Name and designation of person responsible for deducting tax at source Rajesh, Manager			
Note:					
*Write 'A' if 'lower deduction' or 'no deduction' is on account of a certificate under section 197.					
Write 'B' if no deduction is on account of declaration under section 197A.					
*Write 'G' if grossing up has been done.					

Figure 3.21 Annexure to 27Q

3.4.6 Form 26

Form 26 is an **Annual** return for deduction of tax in respect of payments made to residents other than salary.

To print Form 26

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Return > Form 26**

- In Printing TDS Form 26 press **Backspace** to make changes in **Person Responsible Details** or **Other Details** fields.

PrintingTDS Form26	
Printer : RND Printer (Ne01:)	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 : (8.19" x 10.71") or (208 mm x 272 mm)
<u>Report Titles</u>	
TDS Form26	
(with Print Preview)	
<u>Person Responsible Details</u>	<u>Other Details</u>
Flat No : # 09	Category (deductor/collector): Company
Name : Rajesh	From (blank for beginning) : 1-4-2009
Designation : Manager	To (blank for end) : 31-3-2010
Name of the premises/building: AMR Tech Park	Challan Date Till : 31-3-2010
Road/Street/Lane : Hosur Road	Place : Bangalore
Area/Location :	Date : 31-Mar-2010
Town/City/District : Bangalore	
State : Karnataka	
Pin code : 560063	
Mobile No. : 9880358745	
STD Code :	
Telephone :	
E-mail : sales@abc.com	
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Print ? Yes or No </div>	

Figure 3.22 Printing TDS Form 26

- Press **enter** to view print preview of Form 26

The print preview of Form 26 appears as shown

Form No. 26

(See sections 193, 194, 194A, 194B, 194BB, 194C, 194D, 194EE, 194F, 194G, 194H, 194I, 194J, 194LA and rule 37)

Annual Return of deduction of tax under section 206 of I.T. Act, 1961 in respect of all payments other than 'Salaries' for the year ending 31st March'10

1. Particulars of the person making deduction of tax

(a) Name : Rajesh
 (b) Address : Flat / Door / Block No. : # 09
 Name of Premises / Building : AMR Tech Park
 Road / Street / Lane : Hosur Road
 Area / Locality : Bommanahalli
 Town / District / City : Bangalore
 PIN : 560067
 State : Karnataka
 (c) Tax Deduction Account Number : BANU07884F
 (d) Permanent Account Number : AGRTL0443L

2. Has address of the person making deduction of tax changed(1) Tick 'X' as applicable Yes No

3. Status as defined within the meaning of Section 204 read with Rule 30 Tick 'X' as applicable Central Govt Others

(a) Please tick the boxes below indicating the section and type of payment (other than 'Salaries') made during the year from which tax was required to be deducted at source by you under the Income Tax Act, 1961

193 194 194A 194B 194BB 194C 194D 194EE 194F 194G 194H 194I 194J 194LA

(b) Please furnish information in separate Annexures as per the enclosed proforma for each type of payment indicated in item(a) above viz. interest, rent, commission etc.

4. Details of tax deducted and paid to the credit of the Central Government

S.No	Section Code	TDS Rs.	Surcharge Rs.	Education Cess Rs.	Interest Rs.	Others Rs.	Total tax deposited	Cheque / DD No. if any	BSR Code	Date on which tax deposited	Transfer voucher/ Challan serial Number(2)	Whether TDS deposited by book entry? Yes/No
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	194C	5,000.00					5,000.00	056330	02401-30	6-May-2009	225678	No
2	194C	3,000.00			60.00	50.00	3,110.00	556487	02401-30	7-Oct-2009	564254	No
3	194H	11,500.00					11,500.00	005678	02401-30	4-Jun-2009	65879	No
Total		19,500.00			60.00	50.00	19,610.00					

VERIFICATION

I, Rajesh, hereby certify that all the particulars furnished above are correct and complete.

Place: Bangalore Signature of the person responsible for deducting tax at source _____

Date: 7-Apr-2010 Name and designation of person responsible for deducting tax at source Rajesh, Manager

Notes : 1. If address has changed give changed address in column 1(b).
 2. Where deduction is made by or on behalf of the Government to give particulars of transfer vouchers; other deductors to give particulars of challan no. regarding deposit into bank.
 3. Column is relevant only for Government deductors.

Figure 3.23 Form 26

3.4.7 Annexure to Form 26

To Print Annexure to Form 26

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Return > Annexure to Form 26**

In Printing TDS Form 26 press **Backspace** to make changes in **Person Responsible Details** or **Other Details** fields.

Annexure													
Details of <u>Commission Or Brokerage</u> paid / credited during the financial year and of tax deducted at source under Section <u>194H</u> of Income Tax Act, 1961 :-													
Ded- uctee Code	Permanent Account Number (PAN) of Deductee	Name and Address of Deductee (Address need not be given if PAN is mentioned)	Amount of payment (Rs.) paid / credited	Date on which amount / credited	Paid by book entry or other wise	Rate at which tax deducted	Amount of tax deducted (Rs.)	Date on which tax deducted	Bank Branch Code (5)	Date on which tax paid to the credit of Central Government	Challan number given by bank	Date of furnishing Tax Deduction Certificate	Reason for non- deduction / lower deduction if any
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
02	APRCL0493F		25,000.00	4-Jun-2009	No	10 %	2,500.00	14-May-2009	0240130	4-Jun-2009	65879	4-Jun-2009	
02	APRCL0493F		40,000.00	4-Jun-2009	No	10 %	4,000.00	14-May-2009	0240130	4-Jun-2009	65879	4-Jun-2009	
02	ASPLC02451		50,000.00	4-Jun-2009	No	10 %	5,000.00	21-May-2009	0240130	4-Jun-2009	65879	4-Jun-2009	

Notes :-

- Please state the nature of payment viz. interest, rent, contract payment etc.
- Please use separate Annexures for deductions made under different sections.
- Please enter Deductee Code 01 for companies, 02 for 'other than companies'.
- Write B if paid by book entry, write C otherwise.
- Where deduction is made by or on behalf of the Government, transfer voucher number may be entered in column (10).
- Write A if the 'lower deduction' or 'no deduction' is on account of a certificate under Section 197.
Write B if no deduction is on account of declaration under Section 197A.
- If necessary, please use additional sheets to give full details of payment in the above format. Please also give running serial number to all pages.

Signature of person responsible for deducting tax at source _____
 Name and designation of person responsible for deducting tax at source Rajesh, Manager

Figure 3.24 Annexure to Form 26



As per requirement of the IT department for each type of payment separate annexure will be printed in the prescribed Proforma.

Tally.ERP 9 prints separate annexure for each type of payment

3.4.8 Form 27

Form 27 is an **annual** return for deduction of tax in respect of payments other than salary made to Non-residents.

To print Form 27

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Return > Form 27**

In Printing TDS Form 27 press **Backspace** to make changes in **Person Responsible Details** or **Other Details** fields. Press enter to view print preview of Form 27

The print preview of **Form 27** appears as shown

Form No. 27
(See rule 37A)

Statement of deduction of tax from interest, dividends or any other sum payable to (i) persons, not being companies, who are non-residents or residents but not ordinarily residents, and (ii) companies which are neither Indian companies nor companies which have made the prescribed arrangements for the declaration and payment of dividends within India, for the period ending

1. Particulars of the person making deduction of tax

(a) Name : Rajesh
 (b) Address : Flat / Door / Block No. : # 09
 Name of Premises / Building : AMR Tech Park
 Road / Street / Lane : Hosur Road
 Area / Locality : Bommanahalli
 Town / District / City : Bangalore
 PIN : 560067
 State : Karnataka
 (c) Tax Deduction Account Number : BANU07884F
 (d) Permanent Account Number : AGRTL0443L

2. Has address of the person making deduction of tax changed(1) Tick 'X' as applicable Yes No

3. Status as defined within the meaning of Section 204 read with Rule 30 Tick 'X' as applicable Central Govt Others

(a) Please tick the boxes below indicating the section and type of payment (other than Salaries) made during the year from which tax was required to be deducted at source by you under the Income Tax Act, 1961

194E 195 196A 196B 198C 198D

Please furnish information in separate Annexures as per the enclosed proforma for each type of payment indicated above, viz, interest, dividends etc. including the payments on which no tax has been deducted on the basis of certificate issued by a chartered accountant.

4. Details of tax deducted and paid to the credit of the Central Government

S.No	Section Code	TDS Rs.	Surcharge Rs.	Education Cess Rs.	Interest Rs.	Others Rs.	Total tax deposited	Cheque / DD No. if any	BSR Code	Date on which tax deposited	Transfer voucher/ Challan serial Number(2)	Whether TDS deposited by book entry? Yes/No
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	195	1,50,000.00					1,50,000.00	5678-95	02401-30	5-Aug-2009	45789	No
Total		1,50,000.00					1,50,000.00					

VERIFICATION

I, Rajesh, hereby certify that all the particulars furnished above are correct and complete.

Place: Bangalore Signature of the person responsible for deducting tax at source _____

Date: 7-Apr-2010 Name and designation of person responsible for deducting tax at source Rajesh, Manager

Notes : 1. If address has changed give changed address in column 1(b).
 2. Where deduction is made by or on behalf of the Government to give particulars of transfer vouchers; other deductors to give particulars of challan no. regarding deposit into bank.
 3. Column is relevant only for Government deductors.

Figure 3.25 Form 27

3.4.9 Annexure to 27

To print Annexure to 27

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Return > Annexure to Form 27**

In Printing TDS Form 27 press **Backspace** to make changes in **Person Responsible Details** or **Other Details** fields. Press Enter to view Annexure to 27.

The print preview of Annexure to 27 appears as shown

Annexure													
Details of <u>Royalty/Agreement</u> Made on Or After <u>June 1, 2005</u> paid / credited during the financial year and of tax deducted at source under Section <u>195</u> of Income Tax Act, 1961 :-													
Ded-uctee Code	Permanent Account Number (PAN) of Deductee	Name and Address of Deductee (Address need not be given if PAN is mentioned)	Amount of payment (Rs./paid / credited)	Date on which amount was paid / credited	Paid by book entry or other-wise	Rate at which tax deducted	Amount of tax deducted (Rs.)	Date on which tax deducted	Bank Branch Code (5) of Central Government	Date on which tax paid to the credit of bank	Challan number given by Deduction Certificate	Date of furnishing Tax Deduction Certificate	Reason for non-deduction / lower deduction if any
108	109	110	111	112	113	114	115	116	117	118	119	120	121
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
01		Alexon Group, Millbrea, Alloway, Ary, UK	15,00,000.00	5-Aug-2009	No	10 %	1,50,000.00	26-Jul-2009	0240130	5-Aug-2009	45789	5-Aug-2009	

Notes :-

- Please state the nature of payment viz. interest, dividends.
- Please use separate Annexures for deductions made under different sections.
- Please enter Deductee Code 01 for companies, 02 for 'other than companies'.
- Write Y for Yes and N for No.
- Where deduction is made by or on behalf of the Government, transfer voucher number may be entered in column (10).
- Write 'X' if deduction is made at a lower rate or no tax deducted is on account of a certificate under section 197 or 195 or write 'B' if on account of certificate issued by a chartered accountant.
- If necessary, please use additional sheets to give full details of payment in the above format. Please also give running serial number to all pages.

Signature of person responsible for deducting tax at source _____

Name and designation of person responsible for deducting tax at source Rajesh, Manager

Figure 3.26 Annexure to Form 27

3.5 E-Returns

The Income Tax department has now notified 'Electronic Filing of Returns of Tax Deducted at Source Scheme, 2003'. It is applicable to all deductors furnishing their TDS return in electronic form. As per this scheme,

- ❑ It is mandatory for corporate deductors to furnish their TDS returns in electronic form (e-TDS return) with effect from June 1, 2003.
- ❑ For government deductors it is mandatory to furnish their TDS returns in electronic form (e-TDS return) from financial year 2004-2005 onwards.
- ❑ Deductors (other than government and corporates) may file TDS return in electronic or physical form.

Deductors furnishing TDS returns in electronic form (e-TDS) have to furnish Form 27A. Form 27A is a control chart to be furnished in physical form along with CD/ Floppy containing the e-TDS returns. Form No 27A is required to be furnished separately for each TDS return.

Form 27A is a summary of e-TDS returns which contains control totals of 'Amount paid' and 'Income tax deducted at source'. The control totals mentioned on Form 27A should match with the corresponding control totals in e-TDS returns.

Forms	Periodicity	Due Date
Form 26Q	Quarterly	On or before 15th July, 15th October, 15th January and 5th June
Form 27Q	Quarterly	On or before 14th July, 14th October, 14th January and 14th April or 14th June
Form 26	Annual	On or before 30th June, following the financial year.
Form 27	Annual	On or before 30th June, following the financial year.
Form 27A	Annual/Quarterly	Filed in physical form with each return i.e. Form 26Q, Form 27Q, Form 26 and Form 27.

3.5.1 E-TDS

E-TDS menu displays the eTDS Quarterly and Annual Forms, which can be exported from Tally.ERP 9 and validated using TDS/TCS File Validation Utility.

To view the **E-TDS Forms**

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > E-Return > E-TDS**

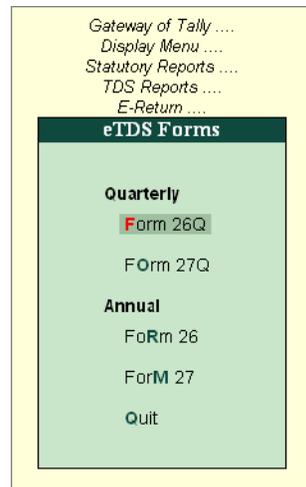


Figure 3.27 E-TDS Forms

3.5.2 Form 26Q

Form 26Q is a **Quarterly** return for deduction of tax in respect of payments made to residents other than salary.

To export Form 26Q

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > E>Returns > E-TDS > Form 26Q**

In Exporting eTDS Form press **Backspace** to make changes in **Person Responsible Details** or **Other Details** fields.

- ❑ By default, the **Language and Format** is preset as **Restricted (ASCII Only)** and **SDF (Fixed Width)** respectively.
- ❑ By default the **Export Location** is preset the Tally.ERP 9 folder as the location to export the file which can be changed by the user.
- ❑ In the **Output File Name** field specify the file name as **Form 26Q.txt**
- ❑ Press **Enter** to accept the **Person Responsible Details** (The Address details are automatically defaulted from the Company masters in the Person Responsible Details column)

- As per the new E-TDS structure introduced **Mobile Number** or **STD Code with Telephone number** have to be provided to generate E-TDS forms. To meet the requirement below fields are introduced
 - **Mobile Number:** This field is provided to specify the mobile number of the assessee
 - **STD Code:** This field is provided to enter the STD code
 - **Telephone:** This field is provided to enter the telephone number of the assessee



As per the new Data Structure either the **Mobile Number** or **STD Code with Telephone number** is must be specified in the E-TDS file.

- If the user tries to navigate without specifying the **Mobile number** or **STD Code** or **Telephone** number application will not allow the user to move further.

- Select **Yes** or **No** as applicable, in **Is Change in Address since last Return** field.
- Under **Other Details**,
 - In **Category (Deductor/Collector)** field select the applicable **Deductor Category** from the list. E.g. **Company**

Exporting eTDS Forms

Language	: Restricted (ASCII Only)
Format	: SDF (Fixed Width)
Export Location	: C:\Tally.ERP9_Rel 2.1
Output File Name	: Form 26Q.txt

<u>Person Responsible Details</u>	<u>Other Details</u>
Flat No : # 09	Category (deductor/collector): Company
Name : Rajesh	From (blank for beneficiary):
Designation : Manager	To (blank for beneficiary):
Name of the premises/building: AMR Tech Park	Challan Date T
Road/Street/Lane : Hosur Road	Form Name
Area/Location :	Place
Town/City/District : Bangalore	Date
State : Karnataka	
Pin code : 560063	
Mobile No. : 9880358745	
STD Code :	
Telephone :	
E-mail : sales@abc.com	
Is Change in Address since last Return? No	

Deductor Category

- Artificial Juridical Person
- Association of Person (AOP)
- Association of Person (Trust)
- Body of Individuals
- Branch / Division of Company
- Company**
- Firm
- Individual/HUF

NOTE : Validate the exported file through the NSDL's File Validation Utility before submitting the data.

Figure 3.28 Exporting eTDS Forms

- Specify the applicable date in the **From** and **To** fields
- Specify **07-07-2009** in the **Challan Date Till** field (i.e., Challan date to be considered for TDS payments made for the respective quarter/period)
- In **Form Name** field Tally.ERP 9 by default displays **Form 26Q**.
- Specify the **Place** and **Date** of Filing Returns

The **Exporting eTDS Forms** configuration screen appears as shown

Exporting eTDS Forms

Language	: Restricted (ASCII Only)
Format	: SDF (Fixed Width)
Export Location	: C:\Tally.ERP9_Rel 2.1
Output File Name	: Form 26Q.txt

<u>Person Responsible Details</u>	<u>Other Details</u>
Flat No : # 09	Category (deductor/collector): Company
Name : Rajesh	From (blank for beginning) : 1-4-2009
Designation : Manager	To (blank for end) : 30-6-2009
Name of the premises/building: AMR Tech Park	Challan Date Till : 7-7-2009
Road/Street/Lane : Hosur Road	Form Name : Form 26Q
Area/Location :	Place : Bangalore
Town/City/District : Bangalore	Date : 7-Jul-2009
State : Karnataka	
Pin code : 560063	
Mobile No. : 9880358745	
STD Code :	
Telephone :	
E-mail : sales@abc.com	
Is Change in Address since last Return? No	

Export ? Yes or No
--

NOTE : Validate the exported file through the NSDL's File Validation Utility before sub

Figure 3.29 Exporting eTDS Forms Screen

- Press **Enter** to Export Quarterly Return in 26Q

The exported file can be located in the path specified in the File Location field of the Exporting eTDS Forms screen with the file name as specified above

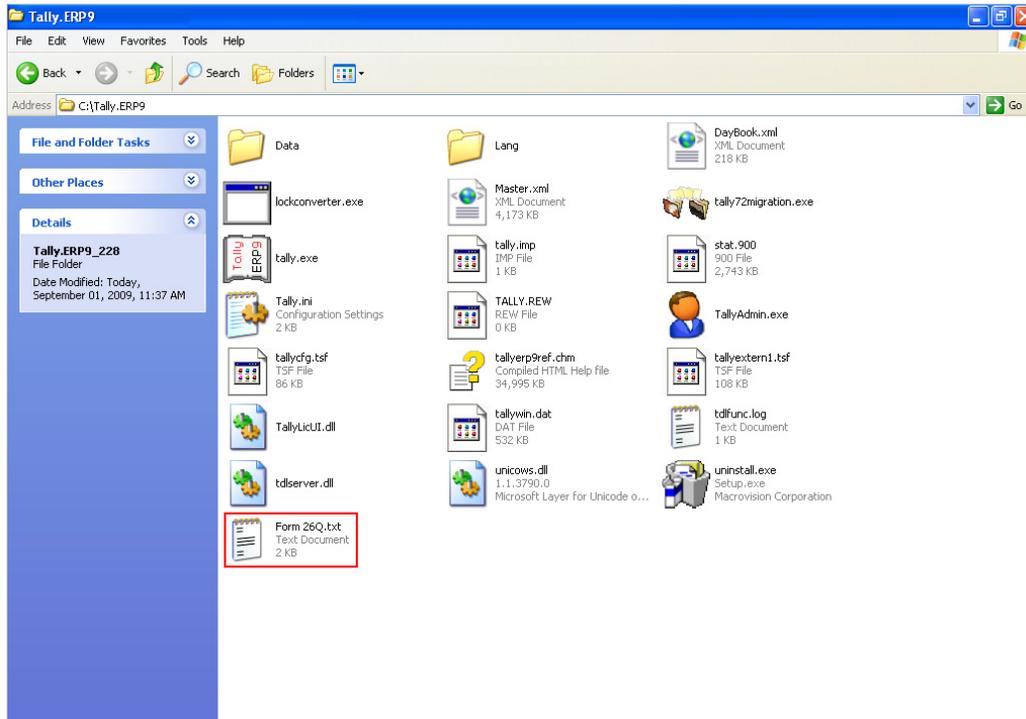


Figure 3.30 Exported Form 26Q in the File Location Specified

The exported file (form 26Q) is required to be validated with the File Validation Utility (a freely download able utility from NSDL website) and after validation, the returns should be submitted to the department in CD along with Form 27A in Physical Form.



- ❑ Similarly user can export Form 27Q, Form 26 and Form 27 from Tally.ERP 9.
- ❑ It is mandatory to validate the TDS returns with File Validation Utility to confirm to the requirements as prescribed by the Income tax department. In case of any errors in exported file (Returns), the FVU prompts a error message with error code, the assessee may correct the same and re-validate the returns. The File Validation Utility is available for Quarterly and Annual returns separately.
- ❑ Tally.ERP 9 exports Form 26Q, Form 27Q, Form 26 and Form 27 in the text (.txt) format as prescribed by NSDL.

3.5.3 Print Form 27A

Form 27A is a summary of TDS return which contains control totals of **Amount paid** and **Income tax deducted at source**. Form 27A is to be filed in physical form with each return i.e., Form 26Q, Form 27 Q, Form 26 and Form 27.

In case of returns submitted in the paper form, form 27A need not be attached. Follow the steps given below to print Form 27A

To print Form 27A

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > E-Return > Print Form 27A**.

The completed Printing **TDS Form 27A** configuration screen is displayed as shown.

PrintingTDS Form27A	
Printer : RND Printer (No01:)	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 : (8.19" x 10.71") or (208 mm x 272 mm)
<u>Report Titles</u>	
TDS Form27A	
(with Print Preview)	
<u>Person Responsible Details</u>	
Flat No : # 09	Category (deductor/collector) : Company
Name : Rajesh	From (blank for beginning) : 1-4-2009
Designation : Manager	To (blank for end) : 30-6-2009
Name of the premises/building : AMR Tech Park	Challan Date Till : 7-7-2009
Road/Street/Lane : Hosur Road	Enclosed Form Type : Form 26Q
Area/Location :	Previous Receipt No. : 4892778
Town/City/District : Bangalore	No. of Annexures enclosed: 1 CD
State : Karnataka	Other Information :
Pin code : 560063	Place : Bangalore
Mobile No. : 9880358745	Date : 7-Jul-2009
STD Code :	
Telephone :	
E-mail : sales@abc.com	
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Print ? Yes or No </div>	

Figure 3.31 Printing TDS Form 27A

- Press **Enter** to print **Form 27A**

The print preview of **Form 27A** is displayed as shown.

Form No. 27A

Form for furnishing information with the statement of deduction of tax at source filed on computer media for the period
(From 1/4/2009 to 30/6/2009)

1 (a) Tax Deduction Account No. (d) Financial Year

(b) Permanent Account No. (e) Assessment Year

(c) Form No. Form 26Q (f) Previous receipt number

(In Case return / statement has been filed earlier)

2 Particulars of the deductor

(a) Name	ABC Company
(b) Type of deductor*	Others
(c) Branch / Division (if any)	
(d) Address	
Flat No.	# 09
Name of the premises / building	AMR Tech Park
Road / Street / Lane	Hosur Road
Area / Location	Bangalore
Town / City / District	
State	Karnataka
Pin code	560063
Telephone	080-98857453
E-mail	sales@abc.com

3 Name of the person responsible for deduction of tax

(a) Name	Rajesh
(b) Address	
Flat No.	# 09
Name of the premises / building	AMR Tech Park
Road / Street / Lane	Hosur Road
Area / Location	
Town / City / District	Bangalore
State	Karnataka
Pin code	560063
Telephone	
E-mail	sales@abc.com

4 Control totals

Sr.No.	No. of deductee party records	Amount paid Rs.	Tax deducted Rs.	Tax deposited (Total challan amount) Rs.
Total	10	36,55,000.00	41,550.00	41,550.00

5 Total Number of Annexures enclosed

6 Other Information

VERIFICATION

I, Rajesh, hereby certify that all the particulars furnished above are correct and complete.

Place: Bangalore Signature of person responsible for deducting tax at source _____

Date: 7-Jul-2009 Name and designation of person responsible for deducting tax at source Rajesh, Manager

*Mention type of deductor- Government or Others
dd/mm/yy :- date/month/year

Figure 3.32 Print Preview of Form 27A

3.6 Outstandings

3.6.1 TDS payable

TDS Payable report gives you information on the status of **TDS payable (pending)** to Government amounts for a particular **Nature of Payment**.

To view TDS Payable report

Go to **Gateway of Tally > Display > TDS Reports > Outstanding > TDS Payables**

TDS Outstanding		Universal Infotech		Ctrl + M		
TDS Payable			1-Apr-2009 to 25-Oct-2009			
Date	Ref. No.	Nature of Payment	Opening Amount	Pending Amount	Due on	Overdue days
2-Jun-2009	Pymt / 3-1	Payment to Contractors (Advertisement Contractors)	900.00 Cr	900.00 Cr	7-Jul-2009	110
4-Aug-2009	Purc / 4-1	Payments to Contractors (Other Than Advertisement)	1,040.00 Cr	1,040.00 Cr	7-Sep-2009	48
21-May-2009	Purc / 3-2	Payment to Contractors (Advertisement Contractors)	2,000.00 Cr	2,000.00 Cr	7-Jun-2009	140
25-Jun-2009	Jrnl / 6-1	Commission Or Brokerage	4,000.00 Cr	4,000.00 Cr	7-Jul-2009	110
15-Jun-2009	Jrnl / 5-2	Payment to Contractors (Advertisement Contractors)	600.00 Cr	600.00 Cr	7-Jul-2009	110
6-May-2009	Jrnl / 2-2	Fees for Professional Or Technical Services	10,000.00 Cr	10,000.00 Cr	7-Jun-2009	140
20-Oct-2009	Jrnl / 18-1	Payment to Contractors (Advertisement Contractors)	1,000.00 Cr	1,000.00 Cr	7-Nov-2009	0
10-Aug-2009	Jrnl / 11-1	Payments to Contractors (Other Than Advertisement)	1,200.00 Cr	1,200.00 Cr	7-Sep-2009	48
2-Aug-2009	Jrnl / 10-1	Payment to Contractors (Advertisement Contractors)	5,000.00 Cr	5,000.00 Cr	7-Sep-2009	48
10-Oct-2009	CNote / 2-1	Commission Or Brokerage	5,000.00 Cr	5,000.00 Cr	7-Nov-2009	0
25-Oct-2009	CNote / 2-1	Interest Other Than Interest on Securities	1,042.00 Cr	1,042.00 Cr	7-Nov-2009	0
1-Sep-2009	CNote / 1-1	Interest Other Than Interest on Securities	2,752.00 Cr	2,752.00 Cr	7-Oct-2009	18
			34,534.00 Cr	34,534.00 Cr		

Figure 3.33 TDS Payable Report

Press **Alt+F1** or click on **F1: Detailed** to view the details of the transactions

3.6.2 Ledger

TDS Ledger Outstandings report displays ledger wise TDS outstandings. This report can be viewed for all the ledgers or for one ledger.

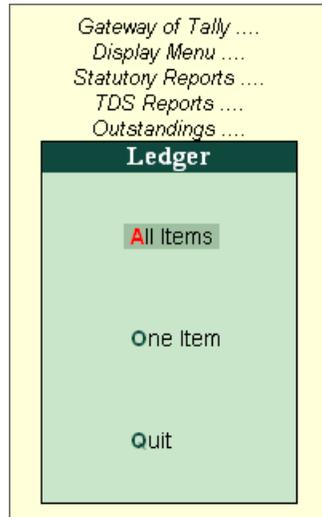


Figure 3.34 Ledger

To view **Ledger Outstandings** for all the ledgers select **All Items**

The **TDS Ledger Outstandings** report appears as shown

TDS Ledger Outstandings		Universal Infotech	Ctrl + M
Ledger : All Items		1-Apr-2009 to 25-Oct-2009	
Ledger Name	Pending Amount		
ACE Computers	4,000.00		
AK Manufacturers	1,040.00		
Arun Contractors	1,200.00		
Mark IT Solutions	5,000.00		
Pheonix Agencies	10,542.00		
Smart Agencies	2,752.00		
Sridhar & Co.	10,000.00		
Grand Total	34,534.00		

Figure 3.35 TDS Ledger Outstandings – All Item

To view **TDS Ledger Outstandings** for particular ledger select **One Item**

From the **List of TDS Party Ledgers** select **Pheonix Agencies** and press **Enter** to view **TDS Ledger Outstandings** report.

TDS Ledger Outstandings		Universal Infotech		Ctrl + M			
Ledger: Pheonix Agencies				1-Apr-2009 to 25-Oct-2009			
Date	Ref. No.	Nature of Payment	Opening Amount	Pending Amount	Due on	Overdue by days	
21-May-2009	Purc / 3-2	Payment to Contractors (Advertisement Contractors)	2,000.00 Cr	2,000.00	7-Jun-2009	140	
2-Jun-2009	Pyrm / 3-1	Payment to Contractors (Advertisement Contractors)	900.00 Cr	900.00	7-Jul-2009	110	
15-Jun-2009	Jrnl / 5-2	Payment to Contractors (Advertisement Contractors)	600.00 Cr	600.00	7-Jul-2009	110	
2-Aug-2009	Jrnl / 10-1	Payment to Contractors (Advertisement Contractors)	5,000.00 Cr	5,000.00	7-Sep-2009	48	
20-Oct-2009	Jrnl / 18-1	Payment to Contractors (Advertisement Contractors)	1,000.00 Cr	1,000.00	7-Nov-2009	0	
25-Oct-2009	CNote / 2-1	Interest Other Than Interest on Securities	1,042.00 Cr	1,042.00	7-Nov-2009	0	
			10,542.00 Cr	10,542.00			

Figure 3.36 TDS Ledger Outstandings – One Item

3.6.3 Nature of Payment

TDS Nature of Payment Outstandings report displays Nature of Payment wise TDS outstandings. This report can be viewed for all the Nature of Payment or for one Nature of Payments.



Figure 3.37 Nature of Payment

To view **Nature of Payment Outstandings** for all the Nature of Payment select **All Items**
 The **TDS Nature of Payment Outstandings** report is displayed as shown

TDS Nature of Payment Outstandings			
Nature of Payment :		1-Apr-2009 to 25-Oct-2009	
Nature of Payment			
	Company	Non Company	Total Pending
Commission Or Brokerage		9,000.00	9,000.00
Fees for Professional Or Technical Services		10,000.00	10,000.00
Interest Other Than Interest on Securities	2,752.00	1,042.00	3,794.00
Payments to Contractors (Other Than Advertisement)	1,040.00	1,200.00	2,240.00
Payment to Contractors (Advertisement Contractors)		9,500.00	9,500.00
Grand Total	3,792.00	30,742.00	34,534.00

Figure 3.38 TDS Nature of Payment Outstandings – All Item

To view **TDS Nature of Payment Outstandings** for **Particular Nature of Payment** select **One Item**

From the **List of TDS Nature of Payments** select **Commission Or Brokerage** and press **Enter** to view **TDS Nature of Payment Outstandings** report

TDS Nature of Payment Outstandings			
Nature of Payment :		1-Apr-2009 to 25-Oct-2009	
Date	Ref. No.	Partys' Name	Opening Amount
			Pending Amount
			Due on Overdue by days
25-Jun-2009	Jrnl / 6-1	ACE Computers	4,000.00 Cr
10-Oct-2009	CNote / 2-1	Mark IT Solutions	5,000.00 Cr
			4,000.00
			7-Jul-2009 110
			7-Nov-2009 0
			9,000.00 Cr
			9,000.00

Figure 3.39 TDS Nature of Payment Outstanding – One Item

3.7 TDS Not Deducted

TDS Not Deducted report displays party wise TDS not deducted details.

To view the TDS Not Deducted report

Go to **Gateway of Tally > Display > TDS Reports > Outstandings > TDS Not Deducted**

TDS Not Deducted Details		Universal Infotech		Ctrl + M	
TDS Not Deducted Details		1-Apr-2009 to 25-Oct-2009			
Particulars	PAN	Taxable Amount	Tax Deductable	Deducted Till Date	Balance to be Deducted
Mark IT Solutions	ASSEP6001N	2,50,000.00	5,000.00		5,000.00
Pheonix Agencies	ASPLC0245L	12,00,000.00	12,000.00		12,000.00
Smart Agencies	ACCPL4510L	3,00,000.00	30,000.00		30,000.00
Total		17,50,000.00	47,000.00		47,000.00

Figure 3.40 TDS Not Deducted Report

3.8 Exception Reports

Exception Reports user can view the reports related Migrate Tools, TDS Masters without PAN Details and deductee Type.

To view **TDS Exception Reports**

Go to **Gateway of Tally > Display> Statutory Reports > TDS Reports > Exception Reports**

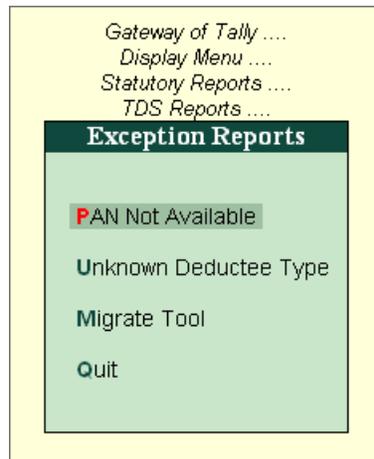


Figure 3.41 Exception Reports

The **Exception Reports** are

- PAN Not Available
- Unknown Deductee Type
- Migrate Tools

3.8.1 PAN Not Available

PAN Not Available report displays all the Party Ledgers for whom the **PAN details** is not available.

To view the **PAN Not Available** report

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Exception Reports > PAN Not Available**

Example: Create ledger **SYS Image** without providing **PAN / IT No.**

The **PAN Not Available** report is displayed as shown

PAN Not Available		Universal Infotech			Ctrl + M
List of All Ledger Masters (Where PAN Details Are Not Entered)					
Supplier Ledger Name	Deductee Type	Contact Person	Contact Number	PAN / IT No.	
Alexon Group	Company - Non Resident				
SYS Image	Association of Persons				

Figure 3.42 PAN Not Available Report

PAN Details of the Party can be updated from this screen. Once you update PAN details, such party ledgers will not be displayed further in the PAN Not Available report.

This Report is useful to trace the party ledgers for which the PAN Details are not available before filing the e-returns.

3.8.2 Unknown Deductee Type

Unknown Deductee Type report displays all the Party Ledgers for whom the Deductee Type is not defined.

To view the Unknown Deductee Type report

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports> Exception Reports > Unknown Deductee Type**

Example: Create ledger **Attra Infotech** without selecting **Deductee Type**

Unknown Deductee Type		Universal Infotech			Ctrl + M
List of All Ledger Masters (Where Deductee Type is Not Proper)					
Supplier Ledger Name	Deductee Type	Contact Person	Contact Number	PAN / IT No.	
Attra Infotech	Unknown				
Intel Com	Unknown				
Savani Roadways	Unknown				

Figure 3.43 Unknown Deductee Type

Deductee Type Details of the Party can be updated from this screen. Once you update Deductee Type details, such party ledgers will not be displayed further in the Unknown Deductee Type report.

This Report is useful to trace the party ledgers for which the Deductee Type Details are not available before filing the e-returns.

3.8.3 Migrate Tool

From Migrate Tool menu you can select migration related reports.

To view Migrate Tool

Go to **Gateway of Tally > Display > TDS Reports > Exception Reports > Migrate Tool**

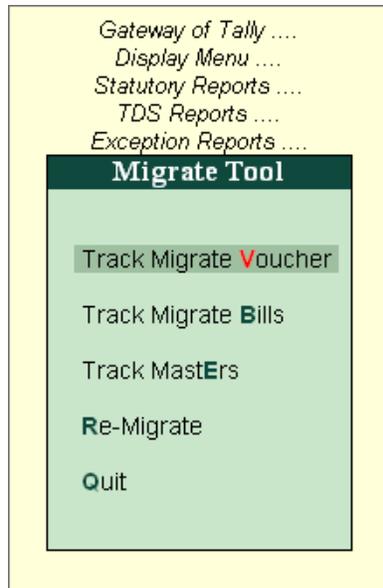


Figure 3.44 Migrate Tool



Migration related information will be displayed in any of the above reports, only when in the data (company) which is migrated from earlier versions of Tally (Tally 9/ Tally 8.1/Tally 7.2) to Tally.ERP 9

Track Migrate Vouchers

Track Migrate Vouchers report displays **TDS Party-wise Total, Migrated and Un-migrated vouchers** details. On selecting a particular party from this report Tally.ERP 9 displays the un-migrated vouchers with reasons for non-migration.

To view Track Migrate Vouchers report

Go to **Gateway of Tally > Display > Statutory Reports > TDS Reports > Exception Reports > Migrate Tools > Track Migrate Vouchers**

Track Migrate Bills

Track Migrate Bills report displays Tax bill name wise migrated and non-migrated voucher

Here user can identify **migrated/non- migrated vouchers** by comparing the Previous deduction amount and new deduction amount and previous payment amount and new payment amount are same.

If the **Deduction Amounts (Previous and New)** and **Payment Amounts (Previous and New)** are same then it is understood that the vouchers are **successfully migrated**.

If the **Deduction Amounts (Previous and New)** and **Payment Amounts (Previous and New)** are not same then it is understood that the vouchers are **not migrated**.

Track Masters

Track Masters Report displays TDS Ledger wise **Lower Deduction, Zero Deduction and IT Exemption details**.



*This Report can be used to check the details such as **Zero/Lower Deduction or IT Exemption in TDS Masters** which needs to be updated **manually** in migrated data.*

Re-Migrate

To un-migrate the TDS migrated vouchers click on **Re-migrate** option.

On clicking the Re-Migrate option, Tally.ERP 9 first un-migrates all the TDS vouchers and then re-migrates all the vouchers. If the migration is not complete the application displays the message - **TDS Migration did not complete successfully**.