



POWER OF SIMPLICITY

Implementation of TCS in Tally.ERP 9

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Contents

Introduction

| | |
|--|---|
| Scope & Applicability | 1 |
| TCS Nature of Goods | 1 |
| TCS on Transfer of Right | 2 |
| Meaning of Seller | 2 |
| Meaning of Buyer | 2 |
| Time & Mode of Payment | 3 |
| Credit for Tax Collected at Source | 3 |
| Issue of TCS Certificate | 3 |
| Returns under TCS | 3 |
| e-TCS Returns | 3 |
| Returns & Timelines | 4 |
| TCS Features in Tally.ERP 9 | 5 |

Lesson 1: Configuring Tally.ERP 9 for TCS

| | |
|---------------------------------------|----|
| 1.1 Enabling TCS in Tally.ERP 9 | 6 |
| 1.2 TCS Statutory Masters | 10 |
| 1.2.1 Collectee Types | 10 |
| 1.2.2 TCS Nature of Goods | 12 |

Lesson 2: Creating TCS Masters

| | |
|-------------------------------------|----|
| 2.1 Creation of TCS Masters | 13 |
| 2.1.1 Ledger Classifications | 13 |
| 2.2 Stock Item Classification | 21 |

Lesson 3: TCS Transactions

| | |
|---|----|
| 3.1 Sale of Goods Subject to TCS | 23 |
| 3.2 Sale of Goods Subject to TCS @ Lower Rate | 29 |
| 3.3 Sale of Goods Subject to TCS @ Nil Rate | 33 |
| 3.4 TCS on Transfer of Right to Use | 36 |
| 3.5 Sales Returns | 39 |
| 3.6 Payment of TCS | 42 |
| 3.7 Challan Reconciliation | 48 |
| 3.7.1 Form 281 Reconciliation/ TCS Reconciliation | 48 |

Lesson 4: TCS Reports

| | |
|-------------------------------------|----|
| 4.1 TCS Certificate | 50 |
| 4.1.1 Form 27D | 51 |
| 4.1.2 Form 27D Reconciliation | 55 |



| | |
|------------------------|----|
| 4.2 eTCS Returns | 57 |
| 4.2.1 Form 27EQ | 57 |
| 4.2.2 Form 27E | 60 |
| 4.2.3 Form 27B | 61 |

Introduction

Tax Collected at Source (TCS) refers to the collection of tax at source by the seller (collector) from the buyer (collectee/payee) on trading of the goods specified u/s 206C of the Income Tax Act, 1961. It is collected when accrued or paid, whichever is earlier.

Example:

*If purchase value of goods is **Rs.10,000/-**, the buyer will pay an amount of **Rs.10,000/- + X** (X being the value of TCS as prescribed under Income Tax Act, 1961) to the seller. The seller will deposit the **Tax Collected at Source (TCS)** at any of the designated branches of the authorised banks.*

Scope & Applicability

Tax has to be collected at source by the seller, while debiting the amount payable by the buyer to buyer's account (or) at the time of receipt of such amount from the buyer in cash or by issue of cheque/draft or by any other mode, whichever is earlier.

TCS Nature of Goods

As per section 206C (1), the list of goods covered under TCS and the Rate of tax is as shown:

| Sl.No. | Nature of Goods | Rate (%) |
|--------|---|----------|
| 1 | Alcoholic liquor for human consumption | 1% |
| 2 | Tendu leaves | 5% |
| 3 | Timber obtained under a forest lease | 2.5% |
| 4 | Timber obtained by any mode other than under a forest lease | 2.5% |
| 5 | Any other forest produce not being timber or Tendu leaves | 2.5% |
| 6 | Scrap | 1% |

TCS on Transfer of Right

As per Sec 206C (1C), every person who grants a lease or license or enters into a contract or otherwise transfers any right or interest, either in whole or in part, in any parking lot or toll plaza or mine or quarry to another person, other than a public sector company (referred as licensee or lessee) for business shall, at the time of debiting of the amount or on actual receipt, whichever is earlier, collect from the licensee TCS at the rates specified in the following table.

| SI.No | Nature of contract, license, lease etc. | Rate (%) |
|-------|---|----------|
| 1 | Parking Lot | 2% |
| 2 | Toll Plaza | 2% |
| 3 | Mining or Quarrying | 2% |

Figure 1.1 Table showing Transfer of Rights under TCS

Meaning of Seller

Seller means

- ❑ Central Government
- ❑ State Government
- ❑ Any local authority
- ❑ Corporation or authority established by or under a Central, State or Provincial Act
- ❑ Any company
- ❑ Firm
- ❑ Co-operative society

It also includes Individual or Hindu Undivided Family (HUF) whose total sales, gross receipts or turnover from the business or profession carried on by him exceeds the monetary limits specified under Clause (a) or Clause (b) of Section 44AB during the financial year immediately preceding the financial year in which the goods of the nature specified above are sold.

Meaning of Buyer

Buyer means a person who obtains in any sale, by way of auction, tender, or any other mode, goods of the nature specified above or the right to receive any such goods, but does not include

- ❑ A public sector company, the central government, a state government, an embassy, a high commission, legation, commission, consulate and the trade representation of a foreign state and a club; or
- ❑ A buyer in the retail sale of such goods purchased by him for personal consumption.

Time & Mode of Payment

All sums collected shall be paid to the credit of the Central Government within one week from the last day of the month in which the collection is made, into any designated branches of the authorised Banks accompanied by Income Tax Challan No. 281

However, if the collection is 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.

Credit for Tax Collected at Source

Any amount collected and paid under Section 206C(3) to the credit of Central Government, shall be deemed to be a payment of tax on behalf of the person from whom the amount has been collected and credit shall be given to such person for the amount so collected in a particular assessment year in accordance with the rules as may be prescribed.

Issue of TCS Certificate

As per Sec. 206C (5), any person responsible for collecting the tax is required to issue a certificate of collection of tax at source in Form No. 27D to the buyer (or licensee or lessee) within a period of one month of the end of the month during which the amount is debited to the account of the buyer (or licensee or lessee) or the payment received from the buyer, as the case may be.

However, where more than one certificate is required to be furnished to a buyer (or licensee or lessee) for tax collected at source in respect of the period ending on the 30th September and the 31st March in each financial year, the person collecting the tax, may on request from such buyer (or licensee or lessee), issue within one month from the end of such period, a consolidated certificate in Form No. 27D for tax collected during whole of such period.

Returns under TCS

Every person collecting tax in accordance with provisions of section 206C in respect of financial year, is required to furnish returns in the prescribed manner as detailed below (Figure 1.3) with the Income Tax Department. The returns ensure proper checks and balances on TCS collections and subsequent credit taken there of by the collectee/ payee.

TCS returns contain details of collectors (like TAN, Name, Address), tax deposited at the bank (like amount, challan identification number) collectee details (like PAN, Name, Amount paid, Tax collected at source) in the form prescribed by Income Tax Department.

e-TCS Returns

The Income Tax department has now notified 'Electronic Filing of Returns of Tax Collected at Source Scheme, 2005'. It is applicable to all deductors furnishing their TCS return in electronic form. As per this scheme,

- It is mandatory for corporate and government deductors to furnish their TCS returns in electronic form (e-TCS return) from financial year 2004-2005 onwards.

- Deductors (other than government and corporates) may file TCS returns in electronic or physical form.
- NSDL as the e-TCS intermediary (appointed by ITD) receives, on behalf of ITD, the e-TCS returns from the deductors.

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

Form 27B is a summary of e-TCS returns (Form 27E) which contains control totals of 'Amount paid' and 'Income tax collected at source'. The control totals mentioned on Form 27B should match with the corresponding control totals in e-TCS returns.

Returns & Timelines

The following Returns are required to be filed under TCS:

| Financial Year | Form No. | Particulars | Periodicity |
|----------------|-----------|---|------------------------------------|
| 2010-11 | Form 27E | Annual return of collection of tax under section 206C of Income Tax Act, 1961 | Annual |
| | Form 27B | Physical control charts containing control totals mentioned in TCS returns furnished electronically. Form 27B in physical form to be submitted along with e-TCS annual return Form 27E. | With each e-TCS returns Form 27E. |
| 2010-11 | Form 27EQ | Quarterly return of collection of tax. | Quarterly |
| | Form 27B | Physical control charts containing control totals mentioned in TCS returns furnished electronically. Form 27B in physical form to be submitted along with e-TCS quarterly return Form 27EQ. | With each e-TCS returns Form 27EQ. |

TCS Features in Tally.ERP 9

Tally.ERP 9's simple yet powerful TCS feature enables you to record transactions related to Tax Collected at Source with ease. The TCS functionality in Tally.ERP 9 has the following features:

- It is simple and user-friendly
- It is quick and easy to set up and use
- Tracks bill-wise (bill-by-bill) details, automatically calculates TCS payable and adjusts any advance tax paid and also provides flexibility to make adjustments later
- It facilitates automatic computation of TCS payable to Government
- Generates TCS Challan and other related reports
- Allows challan management and printing to ensure prompt and accurate filing of tax
- Generates TCS certificates in prescribed formats
- Generates statutory quarterly/annual e-TCS returns
- The auto helper feature prevents erroneous data inputs and expedites voucher entry

Lesson 1: Configuring Tally.ERP 9 for TCS

Lesson Objectives

On completion of this lesson, you will learn to

- Create TCS masters in Tally.ERP 9

1.1 Enabling TCS in Tally.ERP 9

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

M/s. Ganesh Enterprises, is a domestic company, which is engaged in trading of Timber & other allied products.

Step 1: Create Company

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

In the **Company Creation** screen,

- Specify **Ganesh Enterprises** 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 is displayed as shown.

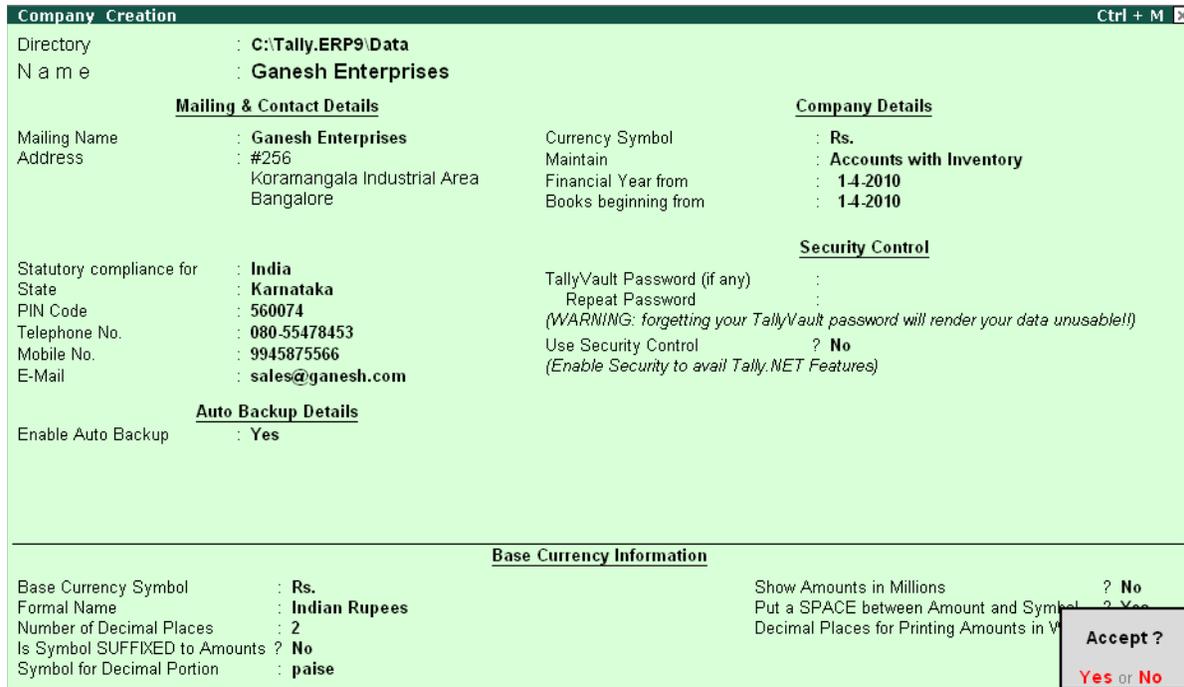


Figure 1.1 Completed Company Creation Screen

Step 2: Enable TCS

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

In **F11: Statutory & Taxation** screen

- ❑ Set **Enable Tax Collected at Source (TCS)** to **Yes**
- ❑ Enable **Set/ Alter TCS Details** to **Yes**

The F11: Statutory & Taxation features screen is displayed as shown.

Company: Ganesh Enterprises

Statutory & Taxation

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

Figure 1.2 F11: Statutory & Taxation

- Press **Enter**, the **Company TCS Collector Details** screen display
- In the **Company TCS Collector Details** screen,
 - Specify the **Tax Assessment Number** allotted to the Assessee
 - Specify the **Income Tax Circle /Ward (TCS) Details**
 - Specify the **Collector Type** (In case of **Government** Collectors, select **Government** as the **Collector Type** and if the Collector is **Non-Government** body, select **Others**)

The completed **Company TCS Collector Details** is displayed as shown.

Company TCS Collector Details

Tax Assessment Number : **BNUG45675F**
 Head Office Tax Assessment Number :

Income Tax Circle/Ward (TCS) : **111-W-2**
 Collector Type : **Others**
 Name of person responsible : **Rajesh Ram**
 Son/daughter of : **Manoj**
 Designation : **Chief Financial Officer**

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

Figure 1.3 Company TCS Collector Details screen

- Press **Enter** to Accept

Step 3: Enable VAT

In F11: Statutory & Taxation Features

- ❑ Set **Enable Value Added Tax (VAT)** to **Yes**
- ❑ Enable **Set /Alter VAT Details** to **Yes** and press **Enter** to view **VAT Details** screen

Company: Ganesh Enterprises

Statutory & Taxation

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

Tax Information

VAT TIN (Composition) :
VAT TIN (Regular) :
Local Sales Tax Number :
Inter-state Sales Tax Number :
PAN / Income - Tax No. :

F1: Accounts F2: Inventory F3: Statutory

Figure 1.4 F11: Statutory & Taxation

- ❑ In the **VAT Details** Screen,
 - Select the **State, Type of Dealer and Applicable Date**

VAT Details

State : Karnataka
Type of Dealer ? Regular
Regular VAT Applicable From : 1-4-2010

Additional Information

LVO/VSO Code : 012
Authorised Person : Rajesh Ram
Status / Designation : Chief Finance Officer
Place : **Bangalore**

Figure 1.5 VAT Details Screen

- Press **Enter** to accept

- ❑ Enter the **VAT TIN, PAN No. & other details**
- ❑ Press **Enter** to Accept.

1.2 TCS Statutory Masters

Before creating Masters, the following Statutory Masters are loaded into Tally.ERP 9

- ❑ Collectee Types
- ❑ TCS Nature of Goods

1.2.1 Collectee Types

Go to **Gateway of Tally > Display > Statutory Info. > Collectee Types**

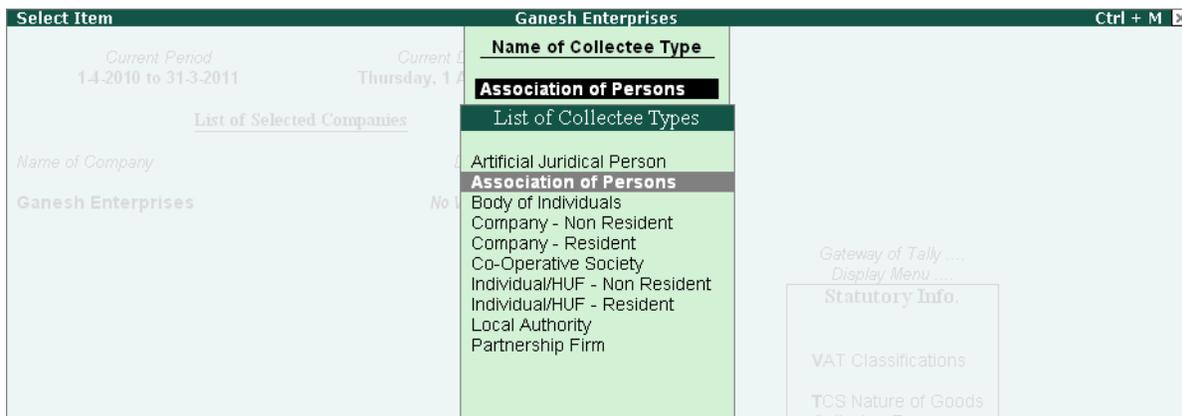


Figure 1.6 List of Collectee Types

- ❑ Select a **Collectee Type** from the list. (For e.g., select **Association of Persons**). The screen displays **Collectee TCS Details viz.**, Date of Applicability, Details of Surcharge Exemption Limit, Rate of Surcharge, Addl. Surcharge & Educational Cess etc.

Collectee Type Display appears as shown

| Collectee Type Display | | Ganesh Enterprises | | |
|--------------------------------|---------------------------|--------------------|-----------------------|-----------------------|
| Name : Association of Persons | | | | |
| Residential Status : Resident | | | | |
| Collectee Status : Non Company | | | | |
| Active ? Yes | | | | |
| Module Type : Both | | | | |
| <u>Collectee TCS Details</u> | | | | |
| Applicable From | Surcharge Exemption Limit | Surcharge | Addl Surcharge (Cess) | Addl Education (Cess) |
| 1-4-2004 | 10,00,000.00 | 10 % | 2 % | 1 % |
| 1-4-2007 | 10,00,000.00 | 10 % | 2 % | 1 % |
| 1-4-2009 | | 0 % | 0 % | 0 % |

Figure 1.7 Collectee Type Display Screen



*The buyers dealing in goods specified under Section 206C are required to be associated with the predefined **Collectee Types**.*

1.2.2 TCS Nature of Goods

Go to **Gateway of Tally > Display > Statutory Info. > TCS Nature of Goods**

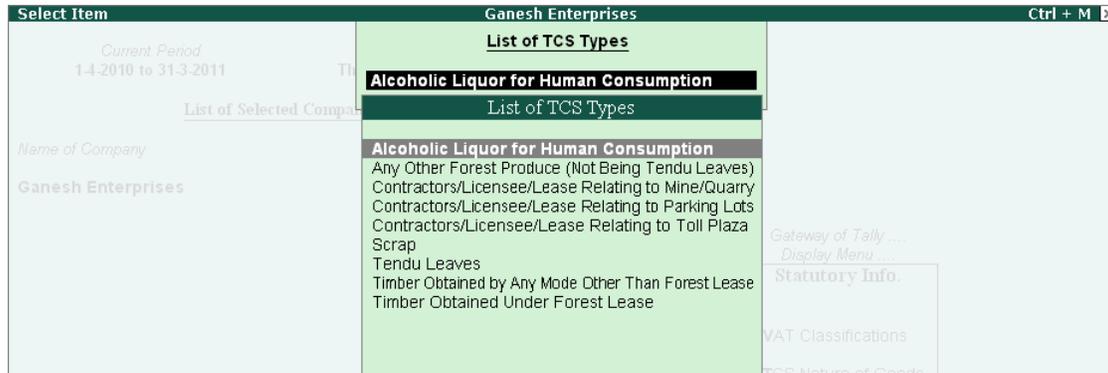


Figure 1.8 List of TCS Nature of Goods

- Select a **TCS Type** from the List of TCS Types (For e.g., select **Timber Obtained Under Forest Lease**)

The screen displays TCS details such as **Collectee Type**, **Date** from which the rate is applicable and **TCS Rate**.

| TCS Nature Of Goods Display | | |
|-------------------------------|--|------|
| Name | : Alcoholic Liquor for Human Consumption | |
| Section | : 206C | |
| Payment Code | : 6CA | |
| Tax Rate Details | | |
| Collectee Type | Applicable From | Rate |
| Body of Individuals | 14.2004 | 1 % |
| Association of Persons | 14.2004 | 1 % |
| Company - Non Resident | 14.2004 | 1 % |
| Company - Resident | 14.2004 | 1 % |
| Co-Operative Society | 14.2004 | 1 % |
| Individual/HUF - Non Resident | 14.2004 | 1 % |
| Individual/HUF - Resident | 14.2004 | 1 % |
| Local Authority | 14.2004 | 1 % |
| Partnership Firm | 14.2004 | 1 % |

Figure 1.9 TCS Nature of Goods



All the Tax ledgers have to be associated with relevant predefined TCS Nature of Goods Type.

Lesson 2: Creating TCS Masters

2.1 Creation of TCS Masters

Once the TCS feature is enabled in Tally.ERP 9, TCS options will now be available during creation of masters and recording transactions.

2.1.1 Ledger Classifications

The following Ledger masters are required to be created with the relevant TCS information

- ❑ Sales Accounts
- ❑ Tax Ledgers
- ❑ Party Ledgers
- ❑ Direct Income Ledgers
- ❑ Bank Ledger

i. Sales Accounts

| Ledger | Under | Inventory values are affected | Used in VAT returns | VAT/Tax Class |
|---------------|----------------|-------------------------------|---------------------|---------------|
| Sales @ 12.5% | Sales Accounts | Yes | Yes | Sales @ 12.5% |
| Sales @ 20% | Sales Accounts | Yes | Yes | Sales @ 20% |

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

Create Sales Ledgers

- ❑ Type **Sales @ 12.5%** as the **Ledger Name**
- ❑ Select **Sales Accounts** in the **Group** field
- ❑ Set **Inventory values are affected** to **Yes**
- ❑ Set **Used In VAT Returns** to **Yes** and press **Enter** to view **VAT/Tax Class** Screen
- ❑ In **VAT/Tax Class** Screen select **Sales @ 12.5%** as **VAT/Tax Class**

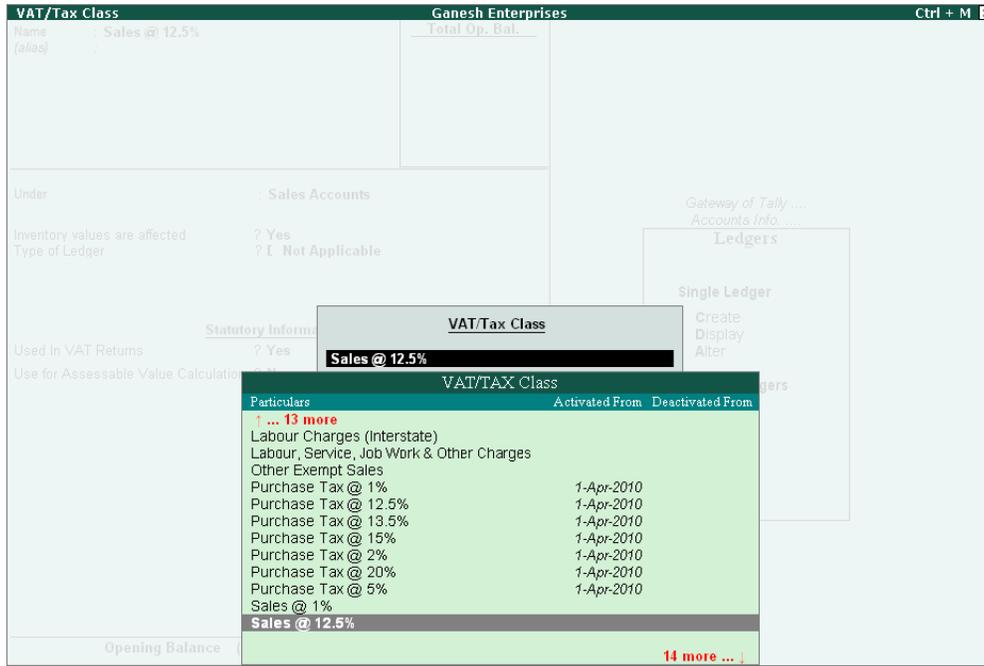


Figure 2.1 VAT/Tax Class Selection Screen

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

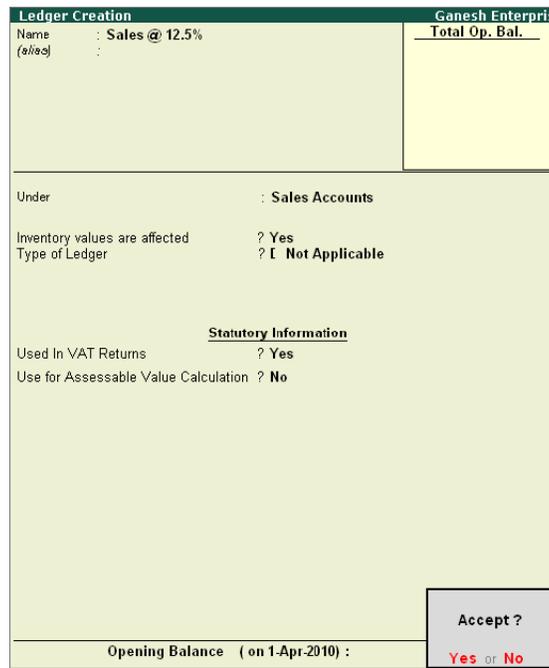


Figure 2.2 Completed Sales Ledger Creation Screen

- Press **Enter** to Accept.

Similarly create **Sales @ 20%** Ledger

ii. Tax Ledgers

Create the following Tax ledgers:

- TCS Ledgers
- VAT Ledgers

TCS Ledgers

| Ledger | Under | Type of Duty/ Tax | Nature of Goods/Contract/License/ Lease |
|------------|------------------|-------------------|---|
| TCS @ 2.5% | Duties and Taxes | TCS | Timber Obtained Under Forest Lease |
| TCS @ 0.5% | Duties and Taxes | TCS | Alcoholic Liquor for Human Consumption |
| TCS @ 2% | Duties and Taxes | TCS | Contractors/Licensee/Lease Relating to Parking Lots |

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

In the **Ledger Creation** screen,

- Type **TCS @ 2.5%** as the **Ledger Name**
- Group it under **Duties & Taxes** group
- Select **TCS** as the **Type of Duty/Tax**
- Select **Timber Obtained Under Forest Lease** in the **Nature of Goods/Contract/License/ Lease** field.

The completed **TCS @ 2.5%** ledger screen is displayed as shown

The screenshot shows the 'Ledger Creation' window for 'Ganesh Enterprises'. The 'Name' field is set to 'TCS @ 2.5%'. The 'Under' field is 'Duties & Taxes (Current Liabilities)'. The 'Type of Duty/Tax' is 'TCS'. The 'Nature Of Goods/Contract/License/Lease' is 'Timber Obtained Under Forest Lease'. At the bottom, there is an 'Opening Balance (on 1-Apr-2010)' field and an 'Accept?' button with 'Yes' or 'No' options.

Figure 2.3 Completed TCS Ledger Creation Screen

- Press **Enter** to Accept.

Similarly, create **TCS @ 0.5%** and **TCS @ 2%** ledgers (select the appropriate **Nature of Goods/ Contract/License/Lease**)

VAT Ledger

| Ledger | Under | Type of Duty/ Tax | VAT Sub Type | VAT/Tax Class |
|--------------------|----------------|-------------------|--------------|--------------------|
| Output VAT @ 12.5% | Duties & Taxes | VAT | Output VAT | Output VAT @ 12.5% |
| Output VAT @ 20% | Duties & Taxes | VAT | Output VAT | Output VAT @ 20% |

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

In the **Ledger Creation** screen,

- ❑ Type **Output VAT @ 12.5%** as the **Ledger Name**
- ❑ Group it under **Duties & Taxes** group
- ❑ Select **Output VAT @ 12.5%** as the **VAT/Tax Class**
- ❑ Set **Inventory values are affected** to **No**
- ❑ based on the VAT/Tax Class, **Percentage of Calculation** and **Method of Calculation** fields are updated automatically
- ❑ Select **Not Applicable** in **Rounding Method** field.

The completed **Output VAT @ 12.5%** ledger screen is displayed as shown.

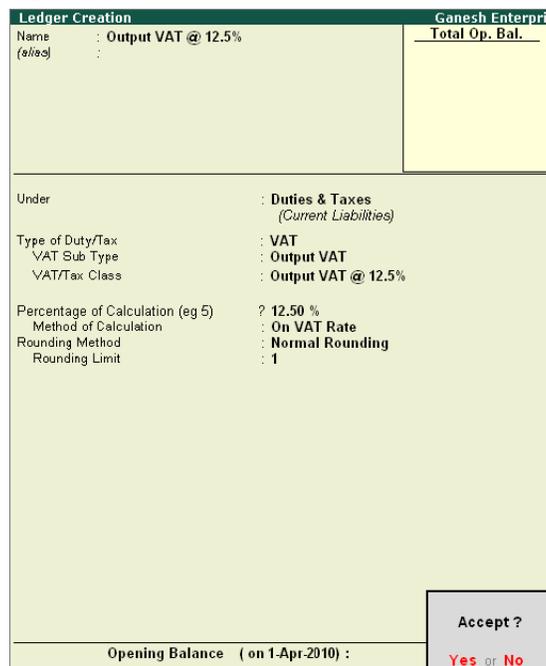


Figure 2.4 Completed VAT Ledger Creation Screen

- ❑ Press **Enter** to Accept.

Similarly create **Output VAT @ 20%** ledger.

iii. Party Ledger

| Ledger | Under | Maintain balances bill-by-bill | Is TCS Applicable | Buyer/Lessee (Collectee Type) |
|---------------------|----------------|--------------------------------|-------------------|-------------------------------|
| Chandra Timbers | Sundry Debtors | Yes | Yes | Association of Persons |
| Royal Liquors | Sundry Debtors | Yes | Yes | Company – Resident |
| Prakash Enterprises | Sundry Debtors | Yes | Yes | Body of Individuals |
| Mahesh Timbers | Sundry Debtors | Yes | Yes | Association of Persons |

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

In the **Ledger Creation** screen,

Setup:

In **F12: Configuration** (Ledger Configuration) set the below option to **Yes**

- Allow ADVANCED entries in Masters**
- Use ADDRESSES for Ledger Accounts**
- Use Contact Details for Ledger Accounts**

In **Ledger Creation** screen

- Type **Chandra Timbers** as the **Ledger Name**
- Group it under **Sundry Debtors** group
- Set **Maintain balances bill-by-bill** to **Yes**
- Mention the **Default Credit Period**, if any
- Enable the option **Is TCS Applicable** to **Yes**

| Ledger Creation | | Ganesh Enterprises | | Total Op. Bal. |
|--------------------------------|--------------------------------------|------------------------|-------------------|----------------|
| Name (alt+s) | : Chandra Timbers | | | |
| Under | : Sundry Debtors (Current Assets) | | | |
| Maintain balances bill-by-bill | ? Yes | | | |
| Default Credit Period | : | | | |
| Inventory values are affected | ? No | | | |
| Statutory Information | | Mailing Details | | |
| Is TCS Applicable | ? Yes | Name | : Chandra Timbers | |
| | | Address | : | |
| | | State | : | |
| | | PIN Code | : | |
| | | Contact Person | : | |
| | | Telephone No. | : | |
| | | Fax | : | |
| | | E-Mail | : | |
| | | Tax Information | | |
| | | PAN / IT No. | : | |

Figure 2.5 Enabling TCS option in Ledger Master

- Press **Enter** to view **TCS Details** Screen
- In the **TCS Details** screen
 - Select **Association of Persons** as the **Buyer/Lessee**
 - Set **Is Lower/ No Collection Applicable** to **No**
 - Set **Ignore Surcharge Exemption Limit** to **No**

The completed **TCS Details** screen is displayed as shown.

| <u>TCS Details</u> | |
|-----------------------------------|---------------------------------|
| Buyer/Lessee | : Association of Persons |
| Is Lower/No Collection Applicable | ? No |
| Ignore Surcharge Exemption Limit | ? No |

Figure 2.6 TCS Details Screen



- i. **Is Lower/ No Collection Applicable** is set to **Yes**, if a buyer is entitled for a lower rate of TCS or is waived off from the payment of TCS. When this field is set to **Yes**, two additional fields are activated
 - **Section Number** – This field contains the Section under which the provisions are made for exemption or lower rate (waive off).
 - **TCS Lower Rate (%)**: This field contains the percentage of TCS applicable under the relevant section

| <u>TCS Details</u> | |
|-----------------------------------|---------------------------------|
| Buyer/Lessee | : Association of Persons |
| Is Lower/No Collection Applicable | ? Yes |
| Section Number | : 206C |
| TCS Lower Rate (%) | : 2 % |
| Ignore Surcharge Exemption Limit | ? No |

Figure 2.7 TCS Details - Section & TCS Rate

- ii. **Ignore Surcharge Exemption Limit** option is applicable when the turnover of the Buyer/Lessee exceeds the threshold limit. However it is not applicable for Buyer / Lessee Types such as Co-Operative Society and Local Authority.

When this option is set to **Yes**, surcharge will be calculated without considering the **surcharge exemption limit** of the **collectee types**. And if this option is set to **No**, surcharge will be calculated only when the Buyer/Lessee turnover exceeds the prescribed **Surcharge Exemption Limit**.

In Tally.ERP 9, this option is user-definable, in cases where this option is not set to **Yes** and later if the Buyer/Lessee exceeds the Surcharge limits and is subject to Surcharge calculation, the Surcharge amount will be calculated retrospectively on the entire turnover at the prescribed rates.

- Enter the Customer's **Mailing Details** and **Tax Information**.

The completed **Chandra Timbers** ledger creation screen is displayed as shown.

| Ledger Creation | | Ganesh Enterprises | | Total Op. Bal. |
|-------------------------------------|--------------------------------------|------------------------|------------------------------------|-----------------------|
| Name | : Chandra Timbers | | | |
| (s/lec) | : | | | |
| Under | : Sundry Debtors (Current Assets) | Mailing Details | | |
| Maintain balances bill-by-bill | ? Yes | Name | : Chandra Timbers | |
| Default Credit Period | : | Address | : # 25 MICO Layout Bangalore | |
| Inventory values are affected | ? No | State | : Karnataka | |
| | | PIN Code | : 560065 | |
| | | Contact Person | : Sharath | |
| | | Telephone No. | : 080-56897581 | |
| | | Fax | : 080-55963544 | |
| | | E-Mail | : sales@chandra.com | |
| | | Tax Information | | |
| Is TCS Applicable | ? Yes | PAN / IT No. | : AERVT4587S | |
| | | Set/Alter VAT Details | ? Yes | |
| Opening Balance (on 1-Apr-2010) : | | | | Accept ? Yes or No |

Figure 2.8 Completed Ledger Creation screen

- Press **Enter** to Accept.

Similarly create **Royal Liquors**, **Prakash Enterprises** and **Mahesh Timbers** ledgers

iv. Direct Incomes Ledger

| Ledger Name | Under |
|--------------|----------------|
| Parking Fees | Direct Incomes |

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

- Type **Parking Fees** as the **Ledger Name**
- Group it under **Direct Incomes** group
- Set **Inventory values are affected** to **No**
- In **Type of Ledger** field select **Not Applicable**
- Set **Used in VAT Returns** to **No**

- Set **Use for Assessable Value Calculation** to **No**

The completed **Direct Incomes** ledger is displayed as shown.

| Ledger Creation | | Ganesh Enterprises | |
|---|--|------------------------|----------------|
| Name : Parking Fees (s/lec) : | | | Total Op. Bal. |
| Under : Direct Incomes | | Mailing Details | |
| Inventory values are affected ? No | | Name : | |
| Type of Ledger ? [Not Applicable | | Address : | |
| | | State : | |
| | | PIN Code : | |
| | | Contact Person : | |
| | | Telephone No. : | |
| | | Fax : | |
| | | E-Mail : | |
| | | Tax Information | |
| | | PAN / IT No. : | |
| Statutory Information | | | |
| Used In VAT Returns ? No | | | |
| Use for Assessable Value Calculation ? No | | | |
| Opening Balance (on 1-Apr-2010) : | | Accept ? | |
| | | Yes or No | |

Figure 2.9 Completed Income Ledger Creation screen

- Press **Enter** to Accept.

v. Bank Ledger

| Ledger | Under | Opening Balance |
|---------------------|---------------|-----------------|
| State Bank of India | Bank Accounts | 20,00,000 |

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

In the **Ledger Creation** screen,

- Type **State Bank of India** as the **Ledger Name**
- Group it under **Bank Accounts** group

The Completed **State Bank of India** ledger screen is displayed as shown.

| Ledger Creation | | Ganesh Enterprises | |
|---|--|---|-----------------------|
| Name : State Bank of India (alias) : | | | Total Op. Bal. |
| Under : Bank Accounts (Current Assets) | Effective Date for Reconciliation ? 1-Apr-2010 | Mailing Details Name : State Bank of India Address : # 56 5th Cross 3rd Block Koramangala Bangalore State : Karnataka PIN Code : 560075 A/c No. : 0014575154 Branch Name : Koramangala BSR Code : 00758421 Contact Person : Mohan Telephone No. : 080-45589964 Fax : 080-59663331 E-Mail : bank@sbi.com | |
| Opening Balance (on 1-Apr-2010) : | | | Accept ? Yes or No |

Figure 2.10 Completed Bank Ledger Creation Screen

- Press **Enter** to Accept.

2.2 Stock Item Classification

To enter transactions of Purchase and Sales with inventory details, create **Stock Items** with **Unit of Measure**. By this, the user will be able to raise the Item Invoice and get the Stock Summary details.

Create the following Stock Items:

| Stock Item | TCS Nature of Goods | Under | Units of Measure |
|---------------|--|---------|------------------|
| Timber | Timber Obtained Under Forest Lease | Primary | MT |
| Liquor (IMFL) | Alcoholic Liquor for Human Consumption | Primary | Ltrs |

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

- ❑ Type **Timber** as the **Stock Item Name**
- ❑ Group it under **Primary** group
- ❑ In **Units** field select **MT (Metric Tones)**
- ❑ In **Tariff Classification** field select **Not Applicable**
- ❑ Enter the **Rate of Duty**, if applicable
- ❑ In **TCS Nature of Goods** field, select **Timber Obtained Under Forest Lease** from the **List of TCS Types**
- ❑ In **Commodity** field select **Not Applicable**
- ❑ In **Rate of VAT** field, enter **12.5%** as the VAT rate.
- ❑ Enter the **Opening Balance** as **1000 MT** in **Quantity** field

The completed **Stock Item Creation** screen for Timber is displayed as shown.

| Stock Item Creation | | Ganesh Enterprises | |
|---------------------|---------------------|------------------------|--------------------------------------|
| Name | : Timber | | |
| (alias) | : | | |
| Under | : I Primary | <u>Tax Information</u> | |
| Units | : MT | Tariff Classification | : I Not Applicable |
| | | Rate of Duty (eg 5) | : 0 |
| | | TCS Nature Of Goods | : Timber Obtained Under Forest Lease |
| | | <u>VAT Details</u> | |
| | | Commodity | : I Not Applicable |
| | | Rate of VAT (%) | : 12.50 |
| Opening Balance | Quantity : 1,000 MT | Rate per | Value |
| | | | Accept ? |
| | | | Yes or No |

Figure 2.11 Completed Stock Item Creation Screen

- ❑ Press **Enter** to Accept.

Similarly, create **Liquor (IMFL)** as the Stock Item with **Ltrs** as Unit of measurement and **Opening Quantity** as **10,000 Ltrs**.

Lesson 3: TCS Transactions

Lesson objectives

On completion of this lesson, you will learn how to

- Record TCS transactions in Tally.ERP 9
- Reconcile TCS Challans

As discussed earlier, a seller is liable to collect Tax at source from buyer/licensee, on sale of goods or transfer of rights under Section 206C(1). Consider the following scenarios to understand the implementation of TCS in Tally.ERP 9:

- Sale of Goods subject to TCS
- Sale of Goods subject to TCS @ Lower Rate
- Sale of Goods subject to TCS @ Nil Rate

Before recording the above transactions ensure whether all the necessary Purchases, Sales & Tax ledgers are created as discussed in the earlier chapter.

3.1 Sale of Goods Subject to TCS

Example 1:

On 1-4-2010, M/s. Ganesh Enterprises sold the following goods to M/s. Chandra Timbers

| <i>Item Description</i> | <i>Qty</i> | <i>Rate (Rs.)</i> | <i>TCS(%)</i> | <i>VAT (%)</i> |
|-------------------------|---------------|-------------------|---------------|----------------|
| <i>Timber</i> | <i>100 MT</i> | <i>7500</i> | <i>2.5%</i> | <i>12.5%</i> |

The above Timber was obtained under forest lease.

The same is accounted as shown:

Setup:

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

- Ensure **Use Common Ledger A/c for Item Allocation** is set to **Yes** and **Use Defaults for Bill Allocations** is set to **No**.

| <u>Sales Invoice Configuration</u> | |
|--|--------------|
| Accept Supplementary Details <i>(Address Details, Despatch Details etc.)</i> | ? Yes |
| Allow Separate Buyer and Consignee Names | ? No |
| Use Common Ledger A/c for Item Allocation | ? Yes |
| Use Defaults for Bill Allocations | ? No |
| Use Additional Description(s) for Item Name | ? No |
| Consolidate Stock Items with same rates | ? No |
| <u>Exporters' Options</u> | |
| Specify Export Shipping details | ? No |
| Specify Marks & Nos./Container No. | ? No |
| Specify No. and Kind of Packages | ? No |
| <u>Other Options</u> | |
| Show turnover achieved with Customer | ? No |
| Allow modification of ALL fields during entry | ? No |
| Warn on Negative Stock Balance | ? Yes |
| Calculate Tax on current Sub-Total <i>(else calculations are on Inventory Total only)</i> | ? Yes |
| Allow selection of VAT/Tax Class during entry | ? No |
| Warn on Mismatch in VAT Rates | ? No |
| Activate 'E1' or 'E2' Transaction (VAT) | ? No |
| Allow Alteration of TCS Rate for Lower Collection | ? No |
| Activate Cash/Trade Discount | ? No |

Figure 3.1 Sales Invoice Configuration

Step 1: Create Sales Invoice

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

1. Press **Alt+I** for **Item Invoice mode**
2. Press **F2** and change the date to **01-04-2010**
3. Select **Chandra Timbers** in **Party's A/c Name**
4. In **Sales Ledger** field, select **Sales @ 12.5%** ledger from the List of Ledger Accounts
5. **VA/ Tax Class** will be defaulted based on the vat class selected in the Ledger
6. In **Name of Item** field, select **Timber** from **List of Items**
7. Specify **100** as **Quantity**
8. Specify **7500** as **Rate** and press **Enter**
9. Press **Enter** twice
10. Select **Output VAT @ 12.5%** and press Enter to prefill the VAT amount
11. Select **TCS @ 2.5%** and press **Enter**, the TCS Details screen displays

The **TCS Details** subscreen is displayed as shown.

| TCS Computations | | Ganesh Enterprises | | Ctrl + M |
|--|-----------------|--------------------------|-------------|------------------------|
| Ref : | Sales No. 1 | | | 1-Apr-2010 Thursday |
| Party's A/c Name : Chandra Timbers | | | | |
| Current Balance : | | | | |
| Sales Ledger : Sales @ 12.5% | | | | |
| VAT/Tax Class : Sales @ 12.5% | | | | |
| Name of Item | Quantity | Rate per | Amount | |
| Timber | 100 MT | 7,500.00 MT | 7,50,000.00 | |
| Output VAT @ 12.5% | | 12.50 % | 93,750.00 | |
| TCS @ 2.5% | | 2.50 % | 21,094.00 | |
| TCS Details | | | | |
| TCS Party Ledger : | Chandra Timbers | | | |
| Gross Amount : | 8,43,750.00 | | | |
| Income Tax : @ 2.50 % | 21,094.00 | | | |
| Surcharge : @ 0 % | | | | |
| Cess : @ 0 % | | | | |
| Addl Ed Cess : @ 0 % | | | | |
| Total TCS : | 21,094.00 | | | |
| TCS - Bill Wise Detail for : TCS @ 2.5% | | | | |
| Type of Ref | Name | Due Date, or Credit Days | Amount | Dr/ Cr |
| New Ref | Sale/1 | 7-May-2010 | 21,094.00 | Cr |
| | | | 100 MT | 8,64,844.00 |

Figure 3.2 TCS Details Screen

The **TCS amount** amount is automatically calculated at the prescribed rates based on the predefined **TCS Nature of Goods** classifications on the **Gross Amount (Item value + VAT amount)** and the **Collectee Types**. The Due date for payment of TCS collected is also automatically prefilled in the **TCS Bill Wise Details for** column.

12. Press **Enter** to accept TCS Details screen
13. Set **Show Statutory Details** to **Yes**. The Statutory Details screen appears
14. Press **Alt + F1** or **Click on F1: Detailed** to view the details of calculation

The **Statutory Details** screen appears as shown

| Statutory Details | | Ganesh Enterprises | | Ctrl + M |
|-----------------------|-------|--------------------------|--------------------------|------------------------|
| Ref : | Sales | Statutory Details | | 1-Apr-2010 Thursday |
| | | Particulars | | VAT |
| Party's A/c Name : | | Assessable Value | | 7,50,000.00 |
| Current Balance : | | Timber | | 7,50,000.00 |
| Sales Ledger : Sales | | Item Value | | 7,50,000.00 |
| VAT/Tax Class : Sales | | VAT Amount | | |
| Name of Item | | Output VAT @ 12.5% | | 93,750.00 |
| Timber | | Timber | @ 12.50 % On 7,50,000.00 | 93,750.00 |
| Output VAT @ 12.5% | | | | 93,750.00 |
| TCS @ 2.5% | | | | 21,094.00 |

Figure 3.3 Statutory Details Screen

15. In **Bill-wise Details** accept the default Bill allocations.
 The completed **TCS Sales Voucher** is displayed as shown

| Accounting Voucher Creation | | Ganesh Enterprises | | Ctrl + M |
|------------------------------------|----------|--------------------|-------------|------------------------|
| Sales No. 1 | | | | 1-Apr-2010 Thursday |
| Ref. : | | | | |
| Party's A/c Name : Chandra Timbers | | | | |
| Current Balance : | | | | |
| Sales Ledger : Sales @ 12.5% | | | | |
| VAT/Tax Class: Sales @ 12.5% | | | | |
| Name of Item | Quantity | Rate per | Amount | |
| Timber | 100 MT | 7,500.00 MT | 7,50,000.00 | |
| Output VAT @ 12.5% | | 12.50 % | 93,750.00 | |
| TCS @ 2.5% | | 2.50 % | 21,094.00 | |
| Show Statutory Details ? Yes | | | | |
| Narration: | | | | |
| | | | | 100 MT |
| | | | | Accept ? |
| | | | | Yes or No |

Figure 3.4 Completed Sales Voucher At Normal Rate

16. Press **Enter** to Accept.

Step 2: Print TCS Sales Invoice

- Press **Pg Up** from the above voucher entry screen
- Press **Alt+P**, the **Voucher Printing** screen appears

| Voucher Printing | |
|--------------------------|--|
| 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 | |
| INVOICE | |
| (with Print Preview) | |
| Print ? | |
| Yes or No | |

Figure 3.5 Voucher Printing Screen

- Press **F12: Configure** to view Invoice Printing Configuration screen.
 - Type **TAX INVOICE** in the **Title of the Document** field
 - Set **Print VAT Analysis of Items** to **Yes**.

| Invoice Printing Configuration | | | |
|--|--------------|----------------------------------|---------------------|
| Title of Document | : | TAX INVOICE | |
| (for Optional Voucher) | : | PROFORMA INVOICE | |
| Sub Title (if any) | : | | |
| Height of Normal Invoice (inches) | : | 10 | Simple: 10 |
| Width of Normal Invoice (inches) | : | 7.50 | Simple: 7.50 |
| Space to leave on top (default 0.25) | : | 0.25 | Simple: 0.25 |
| Space to leave on left (default 0.5) | : | 0.50 | Simple: 0.50 |
| Print in Simple Format | ? No | Print Serial No. | ? Yes |
| Print Voucher Reference | ? Yes | Print Part No. | ? No |
| Print Order Details | ? Yes | Print Quantity Column | ? Yes |
| Print Terms of Payment and Delivery | ? Yes | Print Actual Quantity Column | ? No |
| Print details of Despatch | ? Yes | Print Rate Column | ? Yes |
| Print TCS Details | ? No | Print VAT % Column | ? No |
| Print Item Taxable Values | ? No | Print Date & Time | ? No |
| Print Tax Analysis of Items | ? No | Print Batch Details | ? Yes |
| Print VAT Analysis of Items | ? Yes | Print Rate of Duty with Items | ? No |
| Print Company's Tax Regn. Numbers | ? Yes | Print Sub-Totals after each line | ? No |
| Print Buyer's Tax Regn. Number | ? Yes | Print Narration | ? No |
| Print Buyer's CST Regn. Number | ? Yes | Print Narration for each entry | ? No |
| Print Declaration | ? Yes | | |
| Method to use for Stock Item Name : Name Only | | | |
| Jurisdiction : Bangalore | | | |
| Generated by : This is a Computer Generated Invoice | | | |

Figure 3.6 F12: Invoice Printing Configuration screen

- Press **Enter** to accept **Invoice Printing Configuration** and **Voucher Printing** screen. Accounting Voucher Display screen.



To view the Sales Invoice in a **preview mode**, click on **I**: **With Preview** button or press **Alt+I**.

- In **Accounting Voucher Display** screen click on **Zoom** or press **Alt + Z** to view the print preview of Sales Invoice.

The Print Preview of TCS Sales Invoice displayed as shown.

| TAX INVOICE | | | | | | | | | | | |
|--|---------------------------|---|-----------------------|-----|--------------------|-------|------------------|------------|---------|-------------|-----------|
| Ganesh Enterprises #256 Koramangala Industrial Area Bangalore E-mail : sales@ganesh.com | | Invoice No. | Dated | | | | | | | | |
| | | 1 | 1-Apr-2010 | | | | | | | | |
| | | Delivery Note | Mode/Terms of Payment | | | | | | | | |
| Buyer Chandra Timbers #25 MICO Layout Bangalore | | Supplier's Ref. | Other Reference(s) | | | | | | | | |
| | | Buyer's Order No. | Dated | | | | | | | | |
| | | Despatch Document No. | Dated | | | | | | | | |
| | | Despatched through | Destination | | | | | | | | |
| | | Terms of Delivery | | | | | | | | | |
| SI No. | Description of Goods | Quantity | Rate | per | Amount | | | | | | |
| 1 | Timber | 100 MT | 7,500.00 | MT | 7,50,000.00 | | | | | | |
| | <i>Output VAT @ 12.5%</i> | | 12.50 % | | 93,750.00 | | | | | | |
| | <i>TCS @ 2.5%</i> | | 2.50 % | | 21,094.00 | | | | | | |
| | | | | | 8,64,844.00 | | | | | | |
| Total | | 100 MT | | | 8,64,844.00 | | | | | | |
| Amount Chargeable (in words) E. & O.E Rs. Eight Lakh Sixty Four Thousand Eight Hundred Forty Four Only | | | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">VAT %</td> <td style="text-align: right;">Assessable Value</td> <td style="text-align: right;">VAT Amount</td> </tr> <tr> <td style="text-align: right;">12.50 %</td> <td style="text-align: right;">7,50,000.00</td> <td style="text-align: right;">93,750.00</td> </tr> </table> | | | | | | VAT % | Assessable Value | VAT Amount | 12.50 % | 7,50,000.00 | 93,750.00 |
| VAT % | Assessable Value | VAT Amount | | | | | | | | | |
| 12.50 % | 7,50,000.00 | 93,750.00 | | | | | | | | | |
| VAT Amount (in words) Rs. Ninety Three Thousand Seven Hundred Fifty Only (Rs. 93,750.00) | | | | | | | | | | | |
| Company's VAT TIN : 25452899644 Company's CST No. : 25452899644 Buyer's VAT TIN : 48962123454 Buyer's CST No. : 48962123454 | | | | | | | | | | | |
| Declaration We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct. | | for Ganesh Enterprises Authorised Signatory | | | | | | | | | |
| SUBJECT TO BANGALORE JURISDICTION This is a Computer Generated Invoice | | | | | | | | | | | |

Figure 3.7 Print Preview of TCS Invoice

3.2 Sale of Goods Subject to TCS @ Lower Rate

Where the Assessing Office is satisfied that the total income of the buyer (or licensee or lessee) justifies the collection of tax at any lower rate than the relevant rate specified in section 206C (1) shall, on an application made by the buyer (or licensee or lessee) under sub-section (9) of section 206 C in Form No.13, for collection of tax at such lower rate than the relevant rate specified in sub-section (1) of that section. The certificate granted shall be valid for the assessment year specified and is valid only for the person named therein.

Example 2:

On 10-4-2010, M/s. Ganesh Enterprises sold the following goods to M/s. Royal Liquors

| Item Description | Qty | Rate (As.) | TCS(%) | VAT (%) |
|------------------|-------------|------------|--------|---------|
| Liquor (IMFL) | 4000 Litres | 150 | 0.5% | 20% |

M/s. Royal Liquors is granted TCS collection at lower rate of 0.5%.

The same is accounted as shown:

In order to configure Lower Rate of TCS for M/s. Royal Liquors, follow the steps given below:

Setup:

Go to **Gateway of Tally > Accounts Into.> Ledgers > Alter > Select Royal Liquors**

In the **Ledger Alteration** screen,

1. Tab down to **Is TCS Applicable** field and press Enter to view **TCS Details** screen
2. In the **TCS Details** screen
 - ❑ Select **Company - Resident** in the **Buyer/Lessee** field
 - ❑ Set **Is Lower/ No Collection Applicable** to **Yes**
 - ❑ In **Section Number** field, **206 C** is displayed automatically
 - ❑ Specify **0.5%** in **TCS Lower Rate (%)** field
 - ❑ Set **Ignore Surcharge Exemption Limit** to **No**

The completed **TCS Details** screen is displayed as shown.

| TCS Details | |
|-----------------------------------|-----------------------------|
| Buyer/Lessee | : Company - Resident |
| Is Lower/No Collection Applicable | ? Yes |
| Section Number | : 206 C |
| TCS Lower Rate (%) | : 0.50 % |
| Ignore Surcharge Exemption Limit | ? No |

Figure 3.8 TCS Details with Lower Rate of Tax

- ❑ Press **Enter** to accept the **TCS Details** screen
- ❑ Press **Enter** to accept the ledger alteration screen.

Step 1: Create Sales Voucher

Setup:

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

- Set **Use Common Ledger A/c for Item Allocation** to **Yes**

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

1. Press **Alt + I** for **Item Invoice mode**
2. Press **F2** and change date to **10-04-2010**
3. Select **Royal Liquors** in **Party's A/c Name** field
4. In **Sales Ledger** field select **Sales @ 20%**
5. The **VAT/Tax Class** is defaulted automatically as **Sales @ 20%**
6. In **Name of Item** field select **Liquor (IMFL)** from **List of Items**
7. Specify **4000** as **Quantity**
8. Specify **150** as **Rate** and press **Enter**. **Amount** will be calculated and displayed automatically.
9. Select the VAT Ledger - **Output VAT @ 20%** to account the VAT amount on the transaction.
10. Select **TCS @ 0.5%** and press **Enter**, the **TCS Details** screen displays

The completed **TCS Details** screen is displayed as shown.

| TCS Computations | | Ganesh Enterprises | | Ctrl + M |
|---|------------|--------------------------|-------------|-------------------------|
| Sales No. 2 | | | | 10-Apr-2010 Saturday |
| Ref : | | | | |
| Party's A/c Name : Royal Liquors | | | | |
| Current Balance : | | | | |
| Sales Ledger : Sales @ 20% | | | | |
| VAT/Tax Class : Sales @ 20% | | | | |
| Name of Item | Quantity | Rate per | Amount | |
| Liquor (IMFL) | 4,000 Ltrs | 150.00 Ltrs | 6,00,000.00 | |
| Output VAT @ 20% | | 20 % | 1,20,000.00 | |
| TCS @ 0.5% | | 0.50 % | 3,600.00 | |
| TCS Details | | | | |
| TCS Party Ledger : | | Royal Liquors | | |
| Gross Amount : | | 7,20,000.00 | | |
| Income Tax : | @ 0.50 % | 3,600.00 | | |
| Surcharge : | @ 0 % | | | |
| Cess : | @ 0 % | | | |
| Addl Ed Cess : | @ 0 % | | | |
| Total TCS : | | 3,600.00 | | |
| TCS - Bill Wise Detail for : TCS @ 0.5% | | | | |
| Type of Ref | Name | Due Date, or Credit Days | Amount | Dr/ Cr |
| New Ref | Sale/2 | 7-May-2010 | 3,600.00 | Cr |
| | | | 4,000 Ltrs | 7,23,600.00 |

Figure 3.9 TCS Details At Lower Rate of Tax

Observe, TCS is calculated at the lower rate (i.e., **0.5%**) and not at the regular rate of 1% applicable on such nature of goods.

The Printed **TCS Sales Invoice** is as shown:

| TAX INVOICE | | | | | | |
|---|-------------------------|---------------------------------|------------|--------|--|-------------|
| Ganesh Enterprises #256 Koramangala Industrial Area Bangalore E-mail : sales@ganesh.com | | Invoice No. | 2 | | Dated | 10-Apr-2010 |
| | | Delivery Note | | | Mode/Terms of Payment | |
| | | Supplier's Ref. | | | Other Reference(s) | |
| Buyer Royal Liquors No. 25/1 14 Cross , BTM Bangalore | | Buyer's Order No. | | | Dated | |
| | | Despatch Document No. | | | Dated | |
| | | Despatched through | | | Destination | |
| | | Terms of Delivery | | | | |
| SI No. | Description of Goods | Quantity | Rate | per | Amount | |
| 1 | Liquor (IMFL) | 4,000 Ltrs | 150.00 | Ltrs | 6,00,000.00 | |
| | <i>Output VAT @ 20%</i> | | | 20 % | 1,20,000.00 | |
| | <i>TCS @ 0.5%</i> | | | 0.50 % | 3,600.00 | |
| | | | | | 7,23,600.00 | |
| | | Total | 4,000 Ltrs | | 7,23,600.00 | |
| Amount Chargeable (in words) | | | | | <i>E. & O.E</i> | |
| Rs. Seven Lakh Twenty Three Thousand Six Hundred Only | | | | | <i>VAT % Assessable Value VAT Amount</i> | |
| VAT Amount (in words) | | | | | 20 % 6,00,000.00 1,20,000.00 | |
| Rs. One Lakh Twenty Thousand Only (Rs. 1,20,000.00) | | | | | | |
| Company's VAT TIN : 25452899644 | | Company's CST No. : 25452899644 | | | | |
| Buyer's VAT TIN : 58515525558 | | Buyer's CST No. : 58515525558 | | | | |
| Declaration | | for Ganesh Enterprises | | | | |
| We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct. | | Authorised Signatory | | | | |
| SUBJECT TO BANGALORE JURISDICTION | | | | | | |
| This is a Computer Generated Invoice | | | | | | |

Figure 3.11 Print Preview of TCS Sales Invoice

3.3 Sale of Goods Subject to TCS @ Nil Rate

In case, if the goods referred in Section 206C(1) are to be utilized for the purposes of manufacturing, processing or producing articles or things and not for trading purposes, the buyer is required to submit a declaration in Form No. 27C. The duplicate of the declaration should be furnished to the person responsible for collecting tax. Such certificate shall be valid only for the person named therein.

In Tally.ERP 9, the user can record transactions subject to TCS at Nil Rate. Consider the following example.

Example 3:

On 12-4-2010, M/s. Ganesh Enterprises sold the following goods to M/s. Mahesh Timbers

| <i>Item Description</i> | <i>Qty.</i> | <i>Rate (Rs.)</i> | <i>TCS(%)</i> | <i>VAT (%)</i> |
|-------------------------|-------------|-------------------|---------------|----------------|
| <i>Timber</i> | <i>50</i> | <i>7600</i> | <i>Nil</i> | <i>12.5%</i> |

M/s. Mahesh Timbers is granted TCS collected @ Nil Rate.

The same is accounted as shown:

In order to configure Nil Rate of TCS for M/s. Mahesh Timbers, follow the steps given below:

Setup:

Go to **Gateway of Tally > Accounts Info.> Ledgers > Alter > Select Mahesh Timbers**

In the **Ledger Alteration** screen,

- Tab down to **Is TCS Applicable** field and press Enter to view **TCS Details** screen
- In the **TCS Details** screen
 - Select **Association of Persons** in the **Buyer/Lessee** field
 - Set **Is Lower/ No Collection Applicable** to **Yes**
 - In **Section Number** field, **206 C** is displayed automatically
 - Specify **0%** in **TCS Lower Rate (%)** field
 - Set **Ignore Surcharge Exemption Limit** to **No**

The completed **TCS Details** screen is displayed as shown.

| <u>TCS Details</u> | |
|-----------------------------------|--------------------------|
| Buyer/Lessee | : Association of Persons |
| Is Lower/No Collection Applicable | ? Yes |
| Section Number | : 206C |
| TCS Lower Rate (%) | : 0% |
| Ignore Surcharge Exemption Limit | ? No |

Figure 3.12 TCS Details with Lower Rate of Tax

- Press **Enter** to accept the **TCS Details** screen
- Press **Enter** to accept the ledger alteration screen.

Step 1: Create Sales Voucher

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

1. Press **Alt+I** for **Item Invoice mode**
2. Press **F2** and change date to **12-04-2010**
3. Select **Mahesh Timbers** in **Party's A/c Name** field
4. Select **Sales @ 12.5%** in the **Sales Ledger** field, the **VAT/Tax Class** is defaulted automatically as **Sales @ 12.5%**
5. Select **Timber** from **List of Items** in **Name of Item** field
6. Specify **50** as **Quantity**
7. Specify **7600** as **Rate** and press **Enter**
8. Press **Enter** twice
9. Select **Output VAT @ 12.5%** and press **Enter**, the VAT amount is prefilled automatically
10. Set the option **Show Statutory Details** to **Yes** to view **Statutory Details**
11. In **Bill-wise Details** accept the default Bill allocations.

The completed **Sales voucher** is displayed as shown.

| Accounting Voucher Creation | | Ganesh Enterprises | | Ctrl + M |
|-----------------------------------|----------|--------------------|-------------|---|
| Sales No. 3 | | | | 12-Apr-2010 |
| Ref. : | | | | Monday |
| Party's A/c Name : Mahesh Timbers | | | | |
| Current Balance : | | | | |
| Sales Ledger : Sales @ 12.5% | | | | |
| VAT/Tax Class: Sales @ 12.5% | | | | |
| Name of Item | Quantity | Rate per | Amount | |
| Timber | 50 MT | 7,600.00 MT | 3,80,000.00 | |
| Output VAT @ 12.5% | | 12.50 % | 47,500.00 | |
| Show Statutory Details ? Yes | | | | |
| Narration: | | | | |
| 50 MT | | | | <div style="border: 1px solid black; padding: 5px; display: inline-block;"> Accept ? Yes or No </div> |

Figure 3.13 Completed Sales Voucher At Nil Rate

12. Press **Enter** to Accept.



In the above illustration, TCS is chargeable at nil rate. Thus, the TCS ledgers is not selected for the transaction.

3.4 TCS on Transfer of Right to Use

Every person, who grants lease or a license or enters into a contract or otherwise transfers any right or interest (in any parking lot or toll plaza or mine or quarry) either in whole or in part to another person for the purpose of business, is liable to collect tax at source from the licensee or lessee of any such license, contract or lease at the prescribed percentage. Consider the following example.

Example 4:

On 14-4-2010 M/s. Ganesh Enterprises leased out the parking lot located at M.G. Road, Bangalore to M/s. Prakash Enterprises

| Nature of Contract/Lease/license | Amount | TCS(%) |
|----------------------------------|-----------|--------|
| Parking Fees | 10,00,000 | 2% |

The same is accounted as shown:

Step 1: Create Sales Voucher

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

1. Press **Alt+I** for **Acct Invoice mode**
2. Press **F2** and change date to **14-04-2010**
3. Select **Prakash Enterprises** in **Party's A/c Name** field
4. Select **Parking Fees** from **List of Ledger Accounts** in **Particulars** field
5. Specify **10,00,000** in the **Amount** field and press **Enter**
6. Select **TCS @ 2%** ledger and press **Enter** to view TCS details screen
7. In **TCS Details** screen the enter **Rs.10,00,000** in **Gross Amount** field. Based on the gross amount specified TCS gets calculated and dispalyed.

| TCS Computations | | Ganesh Enterprises | | Ctrl + M |
|--|---------------------|--------------------------|-----------|--------------------------|
| Sales | No. 4 | | | 14-Apr-2010 Wednesday |
| Party's A/c Name : Prakash Enterprises | | | | |
| Current Balance | | | | |
| Particulars | Rate per | Amount | | |
| Parking Fees | | 10,00,000.00 | | |
| TCS @ 2% | 2 % | 20,000.00 | | |
| TCS Details | | | | |
| TCS Party Ledger | Prakash Enterprises | | | |
| Gross Amount | 10,00,000.00 | | | |
| Income Tax | @ 2 % | 20,000.00 | | |
| Surcharge | @ 0 % | | | |
| Cess | @ 0 % | | | |
| Addl Ed Cess | @ 0 % | | | |
| Total TCS | | 20,000.00 | | |
| TCS - Bill Wise Detail for : TCS @ 2% | | | | |
| Type of Ref | Name | Due Date, or Credit Days | Amount | Dr/ Cr |
| New Ref | Sale/4 | 7-May-2010 | 20,000.00 | Cr |
| | | | | 10,20,000.00 |

Figure 3.14 TCS Details Screen

8. Press **Enter** to accept the screen
9. Set **Show Statutory Details** to **Yes** to view Statutory Details
10. In **Bill-wise Details** accept the default Bill allocations

The Completed **Sales voucher** is displayed as shown.

| Accounting Voucher Creation | | Ganesh Enterprises | | Ctrl + M |
|--|------|--------------------|--------|---|
| Sales No. 4 | | | | 14-Apr-2010 |
| Ref. : | | | | Wednesday |
| Party's A/c Name : Prakash Enterprises | | | | |
| Current Balance : | | | | |
| Particulars | Rate | per | Amount | |
| Parking Fees | | | | 10,00,000.00 |
| TCS @ 2% | 2 % | | | 20,000.00 |
| Narration: | | | | |
| | | | | <div style="border: 1px solid black; padding: 5px; display: inline-block;"> Accept ? Yes or No </div> |

Figure 3.15 Completed Sales Voucher

11. Press **Enter** to Accept.

Step 2: Print TCS Invoice

- Press **Pg Up** from the above voucher entry screen
- Press **Alt+P**, the **Voucher Printing** screen appears
- Press **F12: Configure** and ensure that
 - **Title of the Document** is set as **SALE INVOICE**
 - Press **Ctrl+A** to accept and return to **Voucher Printing** screen
- Press **Enter** to print **TCS Invoice**

The Printed **TCS Sales Invoice** is as shown.

| TAX INVOICE | | | | | |
|--|--|--|-----------------------|-----|---|
| Ganesh Enterprises #256 Koramangala Industrial Area Bangalore E-mail : sales@ganesh.com | | Invoice No. | Dated | | |
| | | 4 | 14-Apr-2010 | | |
| | | Delivery Note | Mode/Terms of Payment | | |
| Buyer Prakash Enterprises #758 Rajajinagar Bangalore | | Supplier's Ref. | Other Reference(s) | | |
| | | Buyer's Order No. | Dated | | |
| | | Despatch Document No. | Dated | | |
| | | Despatched through | Destination | | |
| | | Terms of Delivery | | | |
| SI No. | Particulars | Quantity | Rate | per | Amount |
| | Parking Fees TCS @ 2% | | | 2 % | 10,00,000.00 20,000.00 10,20,000.00 |
| Total | | | | | 10,20,000.00 |
| Amount Chargeable (in words) E. & O.E Rs. Ten Lakh Twenty Thousand Only | | | | | |
| Company's VAT TIN : 25452899644 Company's CST No. : 25452899644 Buyer's VAT TIN : 82569633322 Buyer's CST No. : 82569633322 | | for Ganesh Enterprises _____ Authorised Signatory | | | |
| SUBJECT TO BANGALORE JURISDICTION This is a Computer Generated Invoice | | | | | |

Figure 3.16 Printed TCS Sales Invoice

3.5 Sales Returns

Example 5:

On 20-4-2010 M/s. Chandra Timbers Returned the following goods to M/s. Ganesh Enterprises against the sales made on 1-4-2010

| Item Description | Qty | Rate (Rs.) | TCS(%) | VAT (%) |
|------------------|------|------------|--------|---------|
| Timber | 2 MT | 7500 | 2.5% | 12.5% |

Setup:

In F11: Features (Accounting Features)

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

Company: **Ganesh Enterprises**

Accounting Features

| | | | |
|---|-------|--|--------------|
| General | | Invoicing | |
| 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 | ? Yes |
| | | Use Invoice mode for Credit Notes | ? Yes |
| | | Use Invoice mode for Debit Notes | ? No |
| Outstandings Management | | Budgets & Scenario Management | |
| Maintain Bill-wise Details (for Non-Trading A/c's also) | ? Yes | Maintain Budgets and Controls | ? No |
| Activate Interest Calculation (use advanced parameters) | ? No | Use Reversing Journals & Optional Vouchers | ? No |
| | ? No | | |
| Cost/Profit Centres Management | | Other Features | |
| Maintain Payroll | ? No | Enable Cheque Printing | ? No |
| Maintain Cost Centres | ? No | Set/Alter Cheque Printing Configuration | ? No |
| Use Cost Centre for Job Costing | ? No | Allow Zero valued entries | ? No |
| More than ONE Payroll / Cost Category | ? No | | |
| Use Pre-defined Cost Centre Allocations during Entry | ? No | | |
| Show Opening Balance for Revenue Items in Reports | ? No | | |

F1: Accounts F2: Inventory F3: Statutory

Figure 3.17 Accounting Features

Create Credit Note

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

1. Press **Alt+I** for **Item Invoice mode**
2. Press **F2** and change **date** to **20-04-2010**
3. Select **Goods Sold Returned** in **Used for** field

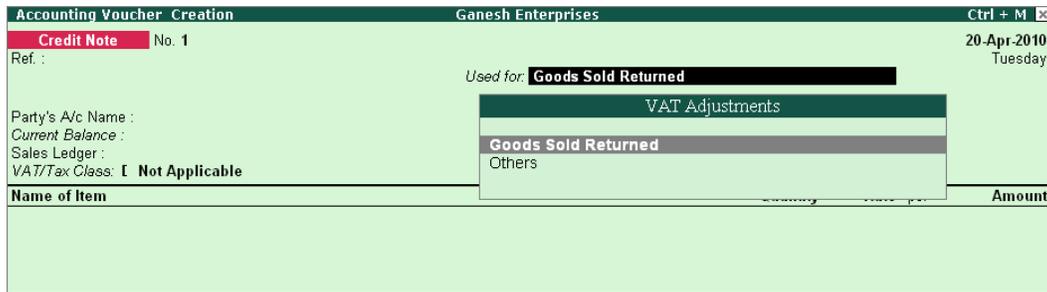


Figure 3.18 Selection of VAT Adjustments

4. Select **Chandra Timbers** in **Party's A/c Name** field
5. Select **Sales @ 12.5%** in the **Sales Ledger** field, the **VAT/Tax Class** is defaulted automatically as **Sales @ 12.5%**
6. Select **Timber** from **List of Items** in the **Name of Item** field
7. Enter **2** as **Quantity**
8. Enter **7500** as **Rate** and press **Enter**
9. Press **Enter** twice and select **Select Output VAT @ 12.5%** and press **Enter**, the VAT amount is prefilled automatically
10. Select **TCS @ 2.5%** and press **Enter**, the TCS Details screen displays
11. In **TCS Details** screen
 - In **Type of Ref** Field, select **Agst Ref** with **Sale/1** as **Name** to account the TCS on sales returns.

The **TCS Details** subscreen is displayed as shown.

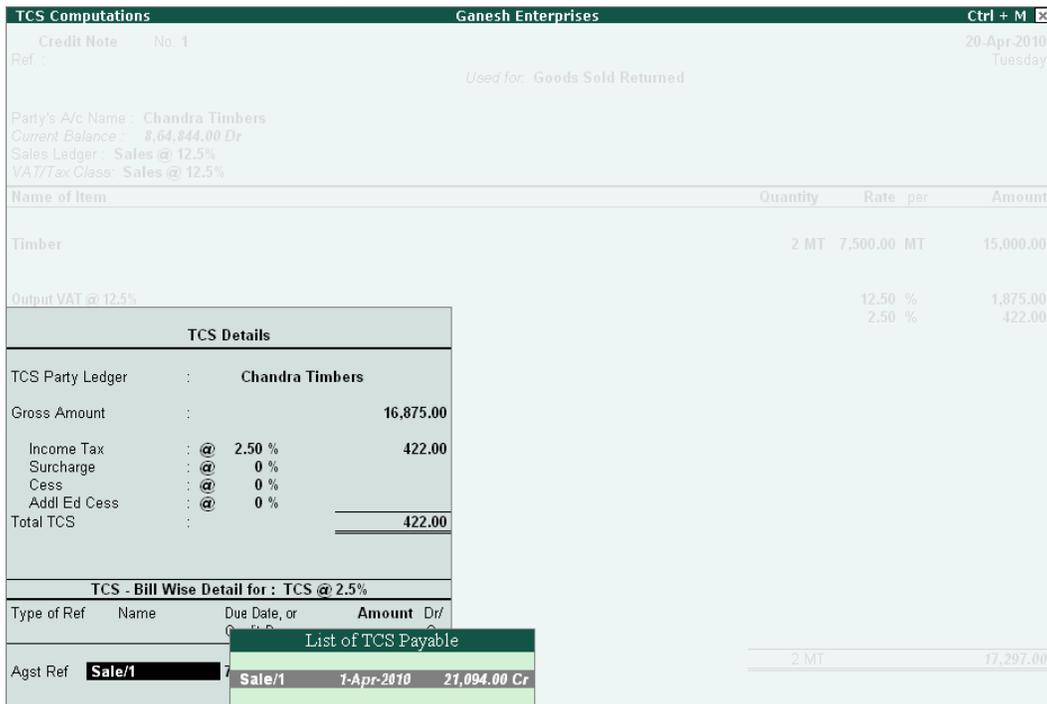


Figure 3.19 TCS Details screen

- 12. Press **Enter** to accept TCS Details screen
 - 13. Set Show Statutory Details to Yes to view Statutory Details
 - 14. Press **Alt + F1** or Click on **F1: Detailed** to view the statutory details
- The Statutory Details screen is displayed as shown

| Statutory Details | | Ganesh Enterprises | | Ctrl + M |
|--------------------|--------------------------------------|--------------------|------------------|------------------------|
| Credit Note Ref : | Statutory Details | | | 20-Apr-2010 Tuesday |
| | Particulars | | VAT | |
| Party's A/c Name : | Assessable Value | | 15,000.00 | |
| Current Balance : | <i>Timber</i> | | 15,000.00 | |
| Sales Ledger : Sal | <i>Item Value</i> | | 15,000.00 | |
| VAT/Tax Class : S | | | | |
| Name of Item | VAT Amount | | 1,875.00 | Amount |
| Timber | <i>Output VAT @ 12.5%</i> | | 1,875.00 | 15,000.00 |
| | <i>Timber @ 12.50 % On 15,000.00</i> | 12.50 % | 1,875.00 | |
| Output VAT @ 12.5% | | | | 1,875.00 |
| TCS @ 2.5% | | | | 422.00 |

Figure 3.20 Statutory Details

- 15. In the **Bill-wise Details** screen adjust the sales returns, against the sales bill dated 1-4-2010

| Bill-wise Details for : Chandra Timbers | | | | |
|--|----------|--------------------------|---------------------|-----------------------|
| Upto: Rs. 17,297.00 Cr | | | | |
| Type of Ref | Name | Due Date, or Credit Days | Amount | Dr/ Cr |
| Pending Bills | | | | |
| Agst Ref | 1 | 1 | 1-Apr-2010 | 8,64,844.00 Dr |
| | | | 17,297.00 Cr | |

Figure 3.21 Bill-wise Details Screen

The completed **Credit Note** voucher is displayed as shown.

| Accounting Voucher Creation | | Ganesh Enterprises | | Ctrl + M |
|------------------------------------|----------|-------------------------------|-----------|------------------------|
| Credit Note No. 1 | | | | 20-Apr-2010 Tuesday |
| Ref. : | | Used for: Goods Sold Returned | | |
| Party's A/c Name : Chandra Timbers | | | | |
| Current Balance : 8,64,844.00 Dr | | | | |
| Sales Ledger : Sales @ 12.5% | | | | |
| VAT/Tax Class: Sales @ 12.5% | | | | |
| Name of Item | Quantity | Rate per | Amount | |
| Timber | 2 MT | 7,500.00 MT | 15,000.00 | |
| Output VAT @ 12.5% | | 12.50 % | 1,875.00 | |
| TCS @ 2.5% | | 2.50 % | 422.00 | |
| Show Statutory Details ? Yes | | | | |
| Narration: | | | | |
| | | | 2 MT | Accept ? |
| | | | | Yes or No |

Figure 3.22 Completed Credit Note

16. Press **Enter** to Accept.

3.6 Payment of TCS

All sums collected shall be paid to the credit of the Central Government within seven days from the last day of the month in which the collection is made into designated branches of authorised banks accompanied by Income Tax Challan No. 281.

Example 6:

On 7-5-2010, M/s. Ganesh Enterprises made payment of TCS payable for the month of April 2010 through Cheque No. 557874

Setup:

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

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

Step 1: Create Payment Voucher

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

1. Press **F2** and change **date** to **07-05-2010**
2. Press **Alt + S** or click on **S: Stat Payment** from the buttons bar, the **Statutory Details** screen will be displayed.

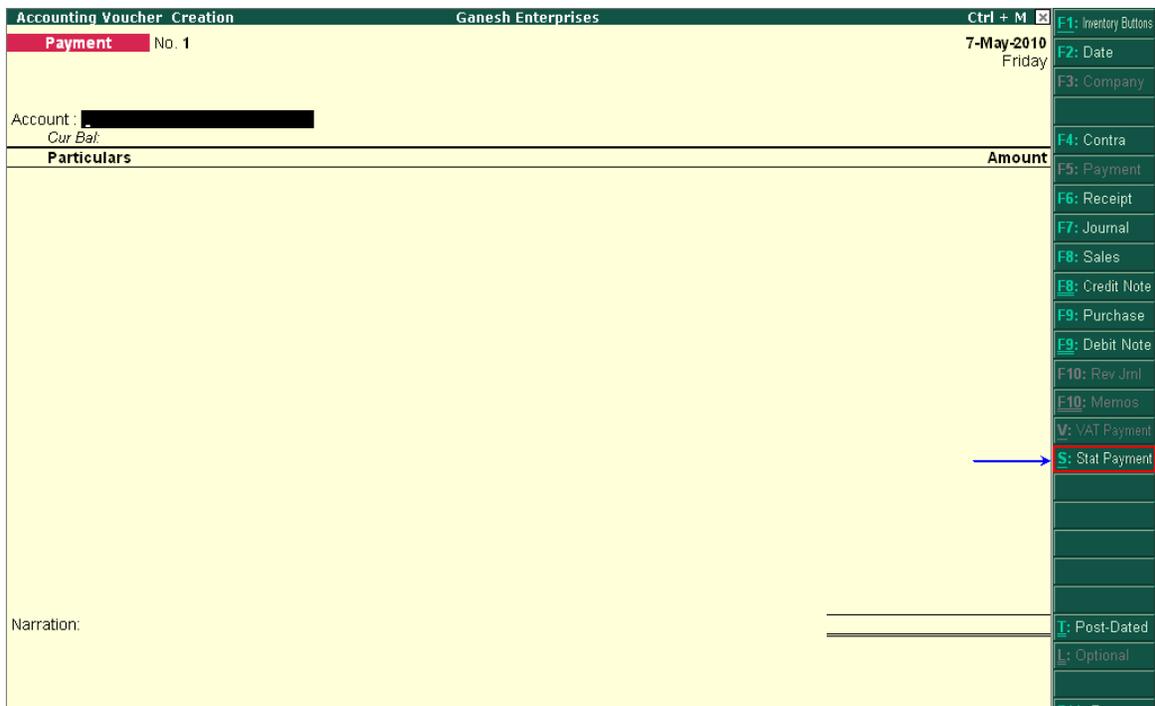


Figure 3.23 Selection of Stat Payment Button

3. In the **Statutory Details** 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 **TCS** duty payment entry, hence select **TCS** from the Type of Duty/Tax.

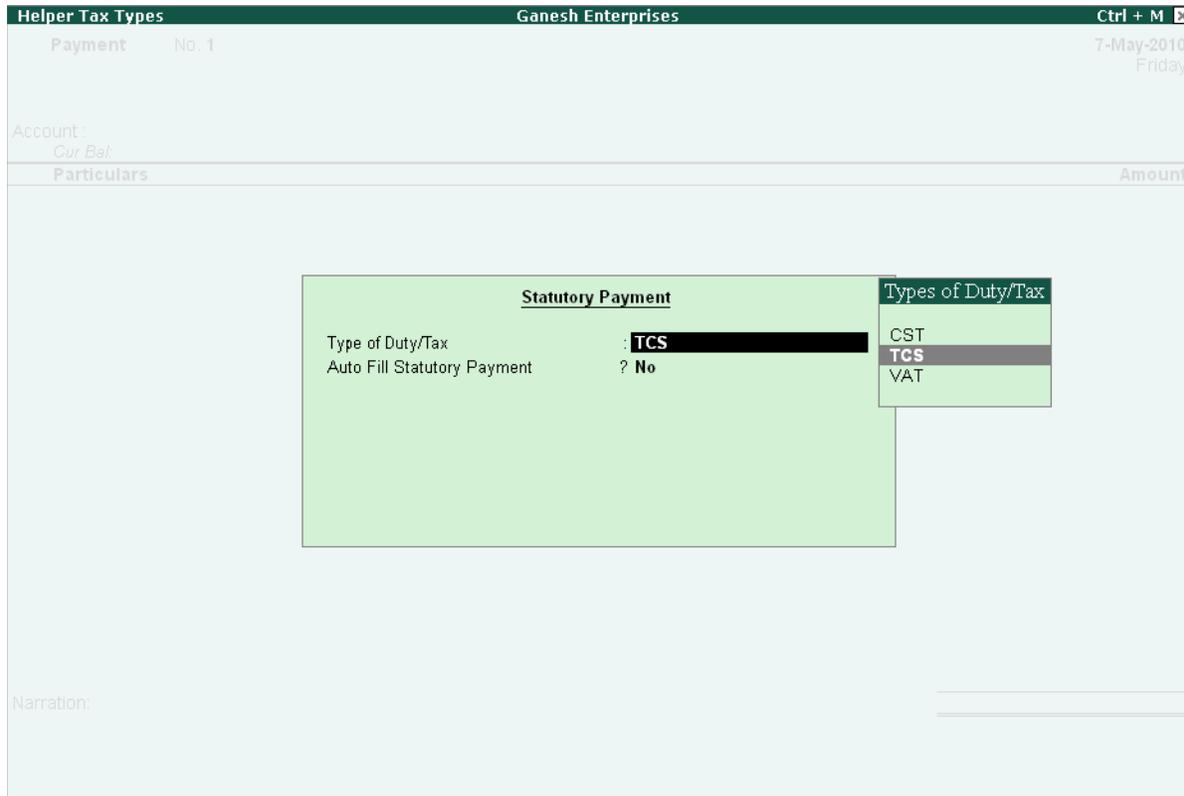


Figure 3.24 Selection of Type of Duty/Tax



*The **Types of Duty/Tax** will be displayed based on the statutory features enabled in **F11: Features** for the company.*

- ❑ **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. Ganesh Enterprises wants to auto fill duty 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.
- ❑ **TCS Ledger:** In this field select the TCS ledger towards which the Tax to be paid to the government. Select **TCS @ 2.5%** ledger.
- ❑ **Buyer/Lessee Status:** Select **Non-Company** from the list.
- ❑ **To Date:** In this field enter to date of the period for which the TCS values should be computed and auto-filled.

The completed **Statutory Payment** screen appears as shown

| <u>Statutory Payment</u> | |
|-----------------------------|--------------------|
| Type of Duty/Tax | : TCS |
| Auto Fill Statutory Payment | ? Yes |
| TCS Ledger | : TCS @ 2.5% |
| Buyer/Lessee Status | : Non Company |
| To Date | : 30.4.2010 |

Figure 3.25 Statutory Payments Screen

- Press **Enter** to save the Statutory Payment details



Separate Payment Vouchers have to be created for making TCS payments in respect of Tax collected at different rates.

4. On accepting the **Statutory Payments**, the **TCS value** will be calculated and auto-filled to the Payment Voucher.

| Accounting Voucher Creation | | Ganesh Enterprises | | Ctrl + M |
|---|-------|-----------------------------|--|----------------------|
| Payment | No. 1 | | | 7-May-2010 Friday |
| Account : [REDACTED] | | Statutory Payment for : TCS | | |
| Cur Bal: | | | | |
| Particulars | | Amount | | |
| TCS @ 2.5% | | 20,672.00 | | |
| Cur Bal: 0.00 Dr | | | | |
| TCS Details for : TCS @ 2.5% | | | | |
| Agst Ref Sale/1 7-May-2010 20,672.00 Dr | | | | |
| Provide Details : No | | | | |
| Narration: | | <u>20,672.00</u> | | |

Figure 3.26 Auto Filled Payment Voucher

5. In **Account** field, select bank ledger - **State Bank of India** from the List of Ledger Accounts.
6. in **Narration** field, enter the cheque number.

The completed TCS Payment Voucher is displayed as shown

| Accounting Voucher Creation | | Ganesh Enterprises | Ctrl + M |
|---|-----------|--------------------|----------------------|
| Payment | No. 1 | | 7-May-2010 Friday |
| Statutory Payment for : TCS | | | |
| Account : State Bank of India Cur Bal: 19,79,328.00 Dr | | | |
| Particulars | Amount | | |
| TCS @ 2.5% Cur Bal: 0.00 Dr TCS Details for : TCS @ 2.5% Agst Ref Sale/1 7-May-2010 20,672.00 Dr | 20,672.00 | | |
| Provide Details : No | | | |
| Narration: Ch. No. :588298 | | | |
| | | | 20,672.00 |
| | | | 20,672.00 |

Accept ?
 Yes or No

Figure 3.27 Completed TCS Payment Voucher

7. Press **Enter** to Accept.

Step 2: Print TCS Challan 281

1. Press **Pg Up** from the above voucher entry screen
2. Press **Alt+P**, the Voucher Printing screen appears

| 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) |
| <u>Report Titles</u> | |
| Payment Voucher | |
| (with Print Preview) | |
| Print as TCS Challan ? | Yes |
| TDS/TCS Regular Assessment (Raised by I.T. Dept.) ? | No |
| Filing Date : | 7-May-2010 |
| Print ? | |
| Yes or No | |

Figure 3.28 Voucher Printing Screen

3. Ensure **Alt + I: With Preview** option is selected to view the print preview of the TCS Challan
4. Press **Enter** to print.

The Print Preview of **TCS Challan 281** is displayed as shown.

| T.C.S. TAX CHALLAN | | Single Copy (to be sent to ZAO) |
|---|--|--|
| CHALLAN No./ ITNS 281 | Tax Applicable (Tick one)* TAX COLLECTED AT SOURCE FROM (0020) COMPANY DEDUCTEES <input type="checkbox"/> (0021) NON-COMPANY DEDUCTEES <input checked="" type="checkbox"/> | Assessment Year 2011-12 |
| Tax Deduction Account No. (T.A.N.) BNUG45675F | | |
| Full Name GANESH ENTERPRISES | | |
| Complete Address with City & State #256, Koramangala Industrial Area, Bangalore | | |
| Karnataka | | |
| Tel. No 080-55478453 | | Ph 560074 |
| Type of Payment | | Code * 6CB |
| TCS Payable by Taxpayer (200) <input checked="" type="checkbox"/> | | FOR USE IN RECEIVING BANK Debitto A/c / Cheque credited on DD MM YY SPACE FOR BANK SEAL Rs. 20,672.00 |
| TCS Regular Assessment (Raised by I.T. Deptt.) (400) <input type="checkbox"/> | | |
| DETAILS OF PAYMENTS | | |
| | Amount (In Rs. Only) | |
| Income Tax | 20,672.00 | |
| Surcharge | | |
| Education Cess | | |
| Interest | | |
| Penalty | | |
| Total | 20,672.00 | |
| Total (In words): | | |
| CRORES | LACS | THOUSANDS |
| Zero | Zero | Twenty |
| HUNDREDS | TENS | UNITS |
| Six | Seven | Two |
| Pald In Cash/ Debit to A/c /Cheque No. <input type="checkbox"/> | | Dated 7-May-2010 |
| Drawn on <input type="checkbox"/> | | |
| | | (Name of the Bank and Branch) |
| Date : 7-May-2010 | | Signature of person making payment |
| ----- Tear Here ----- | | |
| Taxpayers Counterfoil (To be filled up by taxpayer) | | |
| TAN BNUG45675F | | |
| Received from GANESH ENTERPRISES | | |
| (Name) | | |
| Cash/ Debit to A/c /Cheque No. <input type="checkbox"/> | | For Rs. 20,672 |
| Rs. (In words) Twenty Thousand Six Hundred Seventy Two Only. | | |
| Drawn on <input type="checkbox"/> | | |
| (Name of the Bank and Branch) | | |
| on account of Tax Collected at Source(TCS) from 6CB for the Assessment Year 2011-12 | | |
| Rs. 20,672.00 | | |

Figure 3.29 Print Preview of TCS Challan 281

You will find that TCS Challan 281 contains all the required information in respect of Amount paid, Code No. of Nature of TCS goods sold and the payment details etc.

3.7 Challan Reconciliation

As per Income Tax Act, the details of payment of Tax collected at Source by the Seller are required to be furnished in the TDS certificate issued to the Buyer / Lessee / Licensee. For this purpose, the Challan details containing the information in respect of Bank Challan No. & Date, Bank Name, BSR Code etc., are required to be specified. Tally.ERP 9 allows to enter all the required information as specified by the statutes, by using the Challan Reconciliation facility.

3.7.1 Form 281 Reconciliation/ TCS Reconciliation

The TCS challan reconciliation is generally done depending upon the nature of TCS ledger (i.e., rate of Tax collected at source). For each TCS ledger, the TCS Challan reconciliation is required to be done separately. To reconcile TCS Challan details, follow the steps given below.

Go to **Gateway of Tally > Display > Account Books > Ledger > TCS @ 2.5%**

| Ledger Vouchers | | Ganesh Enterprises | | Ctrl + M | |
|--------------------|---------------------|--------------------|---------|--------------------------|-----------|
| Ledger: TCS @ 2.5% | | | | 1-May-2010 to 7-May-2010 | |
| Date | Particulars | Vch Type | Vch No. | Debit | Credit |
| 7-5-2010 | State Bank of India | Payment | 1 | 20,672.00 | |
| | | | | Opening Balance : | 20,672.00 |
| | | | | Current Total : | 20,672.00 |
| | | | | Closing Balance : | |

F2: Period
 F3: Company
 F4: Ledger
 F5: Reconcile
 F6: Dly Brk-up
 F7: Monthly
 F8: Columnar
 B: Bill-wise
 C: Contact
F5: Challan Reconcile
 F8: Other Rep
 F9: Inv Rep
 F10: Acc Rep
 F11: Features
 F12: Configure

Figure 3.30 Ledger Vouchers

- Press **Alt + F5** or Click on **F5: Challan Reconcile** button on the buttons bar for **Challan Reconciliation**, the **TCS Challan Reconciliation** screen appears
- In the **TCS Challan Reconciliation** screen
 - Specify the **Cheque/DD No.**
 - **Name of the Bank:** In this field mention the **Name** of the **Bank** through which the tax amount is paid to the Government. Select State Bank of India from the List of Banks.

In this field Tally.ERP 9 displays the **List of Banks** which lists all the banks which are already created to carry out the regular business, option (**New Name**) to create new Bank and the option **Not applicable** if the payment is made by **Cash**.



*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**.*

- **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



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.

- Specify the **Challan No.** and **Challan Date**

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

| TCS Challan Reconciliation | | Ganesh Enterprises | | | | Ctrl + M | | |
|----------------------------|---------------------|--------------------|---------------------|----------|-------------|--------------------------|---------|-----------|
| TCS Challan Reconciliation | | | | | | 1-May-2010 to 7-May-2010 | | |
| (Reconciliation) | | | | | | | | |
| Date | Particulars | Cheque/DD No. | Name of Bank | BSR Code | Challan No. | Challan Date | Vch No. | Amount |
| 7-5-2010 | State Bank of India | 588298 | State Bank of India | 00758421 | 855962 | 7-5-2010 | 1 | 20,672.00 |

Accept ?

Yes or No

Figure 3.31 TCS Challan Reconciliation Screen

Press **Enter** to accept the **TCS Challan Reconciliation** screen.

Lesson 4: TCS Reports

Lesson Objectives

On completion of this lesson, you will learn to

- ❑ Generate and file eTCS Returns
- ❑ Generate TCS Reports & Certificates
- ❑ Reconcile TCS Certificates

Tally.ERP 9 provides all the required TCS reports viz., TCS Challans, Certificates, Reports and also facilitates generation of Statutory eTCS returns in the prescribed forms.

4.1 TCS Certificate

The Tax collected at Source in respect of sale of goods specified in Section 206C by the Seller from the Buyer / Lessee / License and paid to the credit of the Central Government shall be deemed to be a payment of tax on behalf of the person from whom the amount has been collected and credit shall be given to such person for the amount so collected in a particular assessment year.

The person collecting tax at source in accordance with provisions of Section 206C, is required to issue a certificate of collection of tax at source in Form No. 27D to the Buyer (or lessee or licensee) from whom the tax is collected. Such certificate shall be furnished within one month from the end of the month during which the amount is debited to the account of the buyer (or licensee or lessee) or payment is received from the buyer (or licensee or lessee).

However, where more than one certificate is required to be furnished to a buyer (or licensee or lessee) for the period ending 30th September or 31st March in a financial year, the person collecting the tax on request from such buyer issue a consolidated certificate in Form 27D for tax collected during whole of such period.

4.1.1 Form 27D

Form 27D can be printed for a **party** selecting the party Ledger or for **multiple parties** using **Multi account Printing**.

To print **Form 27D** for a Party selecting the Party Ledger

Go to **Gateway of Tally > Display > Statutory Reports > TCS Reports > Print Form 27D**

- ❑ Select **Chandra Timbers** from list of **TCS Party Ledgers** and press **Enter**, the **Printing TCS Form 27D** screen appears,
- ❑ In **Printing TCS Form 27D** screen, press **Backspace** and
 - Select **TCS @ 2.5%** in the **TCS Ledger** field

| Printer | | Paper Type : | |
|----------------|-------------|--------------|---|
| Printer | : (Ne00:) | Paper Type | : |
| No. of Copies | : 1 | | |
| Print Language | : English | | |
| 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 | | | |
|----------------------|--|--|--|
| TCS Form 27D | | | |
| (with Print Preview) | | | |

| | | | |
|----------------------------|---------------------------|-------------------------|-----------------------|
| Name | : Rajesh Ram | Place | : Bangalore |
| Son/Daughter of | : Manoj | Date | : 7-May-2010 |
| Designation | : Chief Financial Officer | Quarter | : Acknowledgement |
| Print as Previous Format | : No | Apr-Jun | : 428856962555452 |
| TCS Ledger | : TCS @ 2.5% | Jul-Sep | : |
| From (blank for beginning) | : 1-4-2010 | Oct-Dec | : |
| To (blank for end) | : 30-6-2010 | Jan-Mar | : |
| Challan Date Till | : 7-7-2010 | | |
| Type of Copy | : Default | CIT(TDS) Details | |
| Certificate No | : 001 | Name | : Ashok Jah |
| | | Address | : # 235, Shivajinagar |
| | | City | : Bangalore |
| | | Pin Code | : 560047 |

Figure 1.1 Printing TCS Form 27D - Selection of TCS Ledger

- Specify **1-4-2010** and **30-6-2010** in **From** and **To** fields respectively.
- Specify **07-07-2008** in the **Challan Date Till** field
- Select **Default** in the **Type of Copy** field as shown

| Printing TCS Form 27D | | | |
|-------------------------------------|-------------------------|---------------------|--|
| Printer : | (Ne00:) | Paper Type : | Letter |
| No. of Copies : | 1 | Paper Size : | (Printing Dimensions) 8.50" x 10.98" or (216 mm x 279 mm) |
| Print Language : | English | Print Area : | 8.03" x 10.63" or (204 mm x 270 mm) |
| Method : | Neat Mode | | |
| Page Range : | All | | |
| Report Titles | | | |
| TCS Form 27D | | | |
| (with Print Preview) | | | |
| Name : | Rajesh Ram | Place : | |
| Son/Daughter of : | Manoj | Date : | 7-May-2010 |
| Designation : | Chief Financial Officer | Quarter : | Acknowledgement |
| Print as Previous Format : | No | Apr-Jun | |
| TCS Ledger : | TCS @ 2.5% | Jul-Sep | |
| From (blank for beginning) : | 1-4-2010 | Type of Copy | |
| To (blank for end) : | 30-6-2010 | Default | |
| Challan Date Till : | 7-7-2010 | User Defined | |
| Type of Copy : | Default | | |
| Certificate No : | 001 | City | |
| | | Pin Code | |

Figure 1.2 Printing TCS Form 27D - Selection of Type of Copy



To rename the **type of copy** as per the user requirements, select **User Defined** and specify the **Copy Type** for e.g., Duplicate, Copy or Original etc.

- In **Certificate No** field specify the certificate number - **001**
- In **Place** field mention the place of Printing Form 27D. Mention **Bangalore** in this field
- In **Acknowledgement** field mention the acknowledgement number against the first quarter.
- **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 TCS Form 27D** configuration screen is displayed as shown.

| Printing TCS Form 27D | | | | | |
|--|-------------------------|---|--|---------|-----------|
| Printer : (Ne00:) | Paper Type : | Letter | | | |
| No. of Copies : 1 | | <i>(Printing Dimensions)</i> | | | |
| Print Language : English | Paper Size : | (8.50" x 10.98") or (216 mm x 279 mm) | | | |
| Method : Neat Mode | Print Area : | (8.09" x 10.63") or (204 mm x 270 mm) | | | |
| Page Range : All | | | | | |
| Report Titles | | | | | |
| TCS Form 27D | | | | | |
| (with Print Preview) | | | | | |
| Name : Rajesh Ram | Place : | Bangalore | | | |
| Son/Daughter of : Manoj | Date : | 7-May-2010 | | | |
| Designation : Chief Financial Officer | Quarter : | Acknowledgement | | | |
| Print as Previous Format : No | Apr-Jun : | 428856962555452 | | | |
| TCS Ledger : TCS @ 2.5% | Jul-Sep : | | | | |
| From (blank for beginning) : 1-4-2010 | Oct-Dec : | | | | |
| To (blank for end) : 30-6-2010 | Jan-Mar : | | | | |
| Challan Date Till : 7-7-2010 | | | | | |
| Type of Copy : Default | CIT(TDS) Details | | | | |
| Certificate No : 001 | Name : | Ashok J | | | |
| | Address : | # 235, S | | | |
| | City : | Bangalore | | | |
| | Pin Code : | 560047 | | | |
| | | <table border="1"> <tr> <td>Print ?</td> </tr> <tr> <td>Yes or No</td> </tr> </table> | | Print ? | Yes or No |
| Print ? | | | | | |
| Yes or No | | | | | |

Figure 1.3 Form 27D Printing Configuration screen

- Press **Enter** to print **Form 27D**

The Print Preview of **Form 27D** is displayed as shown

| | | | |
|--|---|---|--|
| Certificate No. : 001/206C | | | |
| FORM NO. 27D | | | |
| [See rule 37D] | | | |
| Certificate under section 206C of the Income-tax Act, 1961 for Tax collected at source | | | |
| Name and address of the Collector | | Name and address of the Collectee | |
| Ganesh Enterprises #256 Koramangala Industrial Area Bangalore | | Chandra Timbers # 25 MICO Layout Bangalore | |
| PAN of the Collector | TAN of the Collector | PAN of the Collectee | |
| AESDR4587A | BNUG45675F | AERVT4587S | |
| CIT(TDS) | | Assessment Year | Period |
| Address Ashok Jah, # 235, Shivajinagar | | 2011 - 12 | From To 1-4-2010 30-6-2010 |
| City Bangalore | Pin Code 560047 | | |
| Summary of receipt | | | |
| Amount received/debited | Nature of receipt | Date of receipt/debit | |
| 8,26,875.00 | Timber Obtained Under Forest Lease | 7-5-2010 | |
| Summary of tax collected at source | | | |
| Quarter | Receipt Number of original quarterly statements of TCS under proviso to sub-section (3) of section 206C | Amount of tax collected in respect of the collectee | Amount of tax deposited/remitted in respect of the collectee |
| Apr - Jun | 428856962555452 | 20,672.00 | 20,672.00 |
| Jul - Sep | | | |
| Oct - Dec | | | |
| Jan - Mar | | | |
| DETAILS OF TAX COLLECTED AND DEPOSITED IN THE CENTRAL GOVERNMENT ACCOUNT THROUGH CHALLAN (The Collector to provide payment wise details of tax collected and deposited with respect to the collectee) | | | |
| S.No. | Tax Deposited in respect of the collectee (Rs.) | Challan identification number (CIN) | |
| | | BSR Code of the Bank Branch | Date on which tax deposited (dd/mm/yyyy) |
| | | Challan Serial Number | |
| 1 | 20,672.00 | 00758421 | 7-5-2010 |
| Total | 20,672.00 | | |
| Verification | | | |
| I, Rajesh Ram, son/daughter of Manoj working in the capacity of Chief Financial Officer (designation) do hereby certify that a sum of Rs. 20,672.00 [Rs. Twenty Thousand Six Hundred Seventy Two Only (in words)] has been collected at source 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, TCS statements, TCS deposited and other available records. | | | |
| Place | Bangalore | | |
| Date | 7-May-2010 | Signature of person responsible for collection of tax | |
| Designation: | Chief Financial Officer | Full Name: Rajesh Ram | |

Figure 1.4 Print Preview of Form 27D

It is essential to reconcile Form 281 Challan (in the manner as discussed in the previous chapter) to display payment details in Form 27D.



Tally.ERP 9 also allows to print multiple Form 27D from Gateway of Tally > Amulti Account Printing > Multi-Form27D Printing

4.1.2 Form 27D Reconciliation

The information regarding the number of certificates issued by the Seller in Form 27D to the Buyer (or Lessee or Licensee) for tax collected at source for any financial year is required to be maintained for the purpose of verification and scrutiny by the department. In Tally.ERP 9, you can record information pertaining to TCS certificates issued to the buyers with issue date using Reconciliation facility.

Go to **Gateway of Tally > Display > Account Books > Ledger > Chandra Timbers**

| Ledger Vouchers | | Ganesh Enterprises | | Ctrl + M | |
|-------------------------|---------------|--------------------|---------|--------------------------|----------------------------|
| Ledger: Chandra Timbers | | | | 1-Apr-2010 to 7-May-2010 | |
| Date | Particulars | Vch Type | Vch No. | Debit | Credit |
| 1-4-2010 | Sales @ 12.5% | Sales | 1 | 8,64,844.00 | |
| 20-4-2010 | Sales @ 12.5% | Credit Note | 1 | | 17,297.00 |
| | | | | Opening Balance : | |
| | | | | Current Total : | 8,64,844.00 17,297.00 |
| | | | | Closing Balance : | 8,47,547.00 |

F2: Period
 F3: Company
 F4: Ledger
 F5: Reconcile
 F6: Dly Brk-up
 F7: Monthly
 F8: Columnar
 B: Bill-wise
 C: Contact
F5: Form27D Reconcile
 F8: Other Rep
 F9: Inv Rep
 F10: Acc Rep
 F11: Features
 F12: Configure

Figure 1.5 Ledger Vouchers

- Press **Ctrl+F5** for **Form 27D Reconcile**. The **Form 27D Reconciliation** screen appears,
- In **Form 27D Reconciliation** screen,
 - Specify the date of Issue of Form 27D in the **Form 27D Issue** field

| Form 27D Reconciliation | | Ganesh Enterprises | | | Ctrl + M | |
|-------------------------|---------------|--------------------------|----------|---------|-------------|--------|
| Ledger: Chandra Timbers | | 1-Apr-2010 to 7-May-2010 | | | | |
| Date | Particulars | Form27D Issue | Vch Type | Vch No. | Debit | Credit |
| 1-4-2010 | Sales @ 12.5% | 7-7-2010 | Sales | 1 | 8,63,063.00 | |

Accept ?
Yes or No

Figure 1.6 Form 27D Reconciliation Screen

- Press **Enter** to accept the **Form 27D Reconciliation** screen



To default dates in **Form 27D Issue date** field, press **ALT+S: Set all Dates**.

4.2 eTCS Returns

Following the automation of TDS returns in 2003, ITD notified an 'electronic filing of returns of tax Collected at source scheme, 2005. It is applicable to all deductors furnishing their TCS return in electronic form. As per this scheme:

- ❑ It is mandatory for corporate and government deductors to furnish their TCS returns in electronic form (e-TCS return) from F.Y. 2004-2005 onwards.
- ❑ Deductors (other than government and corporates') may file TCS return in electronic or physical form.
- ❑ NSDL as the e-TCS intermediary (appointed by ITD) receives, on behalf of ITD, the e-TCS returns from the deductors.

The following returns are required to be filed under TCS:

| Form | Periodicity | Due Date |
|-----------|--------------------|---|
| Form 27EQ | Quarterly | on or before 15th July, 15th October, 15th January and 30th April. |
| Form 27E | Annual | on or before 30th June, following the financial year. |
| Form 27B | Annual / Quarterly | Filed in physical form with each return i.e., Form 27E and Form 27EQ. |

4.2.1 Form 27EQ

Form 27EQ is a Quarterly return of collection of tax under section 206C of Income Tax Act, 1961. Follow the steps given below to generate Quarterly eTCS returns in Form 27EQ:

Go to **Gateway of Tally > Display > Statutory Reports> TCS Reports > ETCS Forms**

In the **Exporting eTCS Forms** screen,

- ❑ By default, the **Language** and **Format** is preset as **Restricted (ASCII Only)** and **SDF (Fixed Width)** respectively
- ❑ Press **Backspace** and specify the **Output File Name** as **Form 27EQ.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)
- ❑ Select **Yes** or **No** as applicable, in **Is Change in Address since last Return** field.
- ❑ In the **Other Details** column,
 - Select the **Category (Dedcutor/Collector)** form the List of Deductor Category
 - Specify the applicable date in the **From** and **To** fields
 - Specify **07-07-2010** in the **Challan Date Till** field (i.e., Challan date to be considered for TCS payments made for the respective quarter/period)
 - Select the **Form Type** as **27EQ** in the **Form Name** field as shown

| Exporting eTCS Forms | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|----------------------------|---------------|------------------|---|--------------------------|--|--|---------------------------------------|---|-------------------------------------|--------------------|------------------------------|-----------------|--------------------------|---------------------------------------|--------------------------|--------------------------|--|--------------------------|--|---------------------------------|--|----------------------------------|--|---|--|
| Language | : Restricted (ASCII Only) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Format | : <i>SDF (Fixed Width)</i> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Export Location | : C:\Tally.ERP9_Release 2.0 final | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Output File Name | : Form 27EQ.txt | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Person Responsible Details</th> <th>Other Details</th> </tr> </thead> <tbody> <tr> <td>Flat No : #256</td> <td>Category (deductor/collector): Association of Person (AOP)</td> </tr> <tr> <td>Name : Rajesh Ram</td> <td>From (blank for beginning) : 1-4-2010</td> </tr> <tr> <td>Designation : Chief Financial Officer</td> <td>To (blank for end) : 30-6-2010</td> </tr> <tr> <td>Name of the premises/building: Koramangala Industrial Area</td> <td>Challan Date Till : 7-7-2010</td> </tr> <tr> <td>Road/Street/Lane :</td> <td>Form Name : Form 27EQ</td> </tr> <tr> <td>Area/Location :</td> <td>Place : Bangalore</td> </tr> <tr> <td>Town/City/District : Bangalore</td> <td>Date : 7-Jul-2010</td> </tr> <tr> <td>State : Karnataka</td> <td></td> </tr> <tr> <td>Pin code : 560074</td> <td></td> </tr> <tr> <td>Telephone : 080-55478453</td> <td></td> </tr> <tr> <td>E-mail : sales@ganesh.com</td> <td></td> </tr> <tr> <td>Is Change in Address since last Return? No</td> <td></td> </tr> </tbody> </table> | | Person Responsible Details | Other Details | Flat No : #256 | Category (deductor/collector): Association of Person (AOP) | Name : Rajesh Ram | From (blank for beginning) : 1-4-2010 | Designation : Chief Financial Officer | To (blank for end) : 30-6-2010 | Name of the premises/building: Koramangala Industrial Area | Challan Date Till : 7-7-2010 | Road/Street/Lane : | Form Name : Form 27EQ | Area/Location : | Place : Bangalore | Town/City/District : Bangalore | Date : 7-Jul-2010 | State : Karnataka | | Pin code : 560074 | | Telephone : 080-55478453 | | E-mail : sales@ganesh.com | | Is Change in Address since last Return? No | |
| Person Responsible Details | Other Details | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Flat No : #256 | Category (deductor/collector): Association of Person (AOP) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Name : Rajesh Ram | From (blank for beginning) : 1-4-2010 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Designation : Chief Financial Officer | To (blank for end) : 30-6-2010 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Name of the premises/building: Koramangala Industrial Area | Challan Date Till : 7-7-2010 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Road/Street/Lane : | Form Name : Form 27EQ | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Area/Location : | Place : Bangalore | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Town/City/District : Bangalore | Date : 7-Jul-2010 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| State : Karnataka | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pin code : 560074 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Telephone : 080-55478453 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| E-mail : sales@ganesh.com | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Is Change in Address since last Return? No | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Form Types</th> </tr> </thead> <tbody> <tr> <td>Form 27E</td> </tr> <tr> <td>Form 27EQ</td> </tr> </tbody> </table> | | Form Types | Form 27E | Form 27EQ | | | | | | | | | | | | | | | | | | | | | | | |
| Form Types | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Form 27E | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Form 27EQ | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>NOTE : Validate the exported file through the NSDL's File Validation Utility before submitting the data.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Figure 1.7 Exporting eTCS Forms — Form Type selection

- Specify the **Place** and **Date** of filing returns

The **Exporting eTCS Forms** configuration screen is displayed as shown.

| Exporting eTCS Forms | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|----------------------------|---------------|----------------|---|--------------------------|--|--|---------------------------------------|---|-------------------------------------|--------------------|------------------------------|-----------------|--------------------------|---------------------------------------|--------------------------|--------------------------|--|--------------------------|--|---------------------------------|--|----------------------------------|--|---|--|
| Language | : Restricted (ASCII Only) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Format | : <i>SDF (Fixed Width)</i> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Export Location | : C:\Tally.ERP9_Release 2.0 final | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Output File Name | : Tally.txt | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Person Responsible Details</th> <th>Other Details</th> </tr> </thead> <tbody> <tr> <td>Flat No : #256</td> <td>Category (deductor/collector): Association of Person (AOP)</td> </tr> <tr> <td>Name : Rajesh Ram</td> <td>From (blank for beginning) : 1-4-2010</td> </tr> <tr> <td>Designation : Chief Financial Officer</td> <td>To (blank for end) : 30-6-2010</td> </tr> <tr> <td>Name of the premises/building: Koramangala Industrial Area</td> <td>Challan Date Till : 7-7-2010</td> </tr> <tr> <td>Road/Street/Lane :</td> <td>Form Name : Form 27EQ</td> </tr> <tr> <td>Area/Location :</td> <td>Place : Bangalore</td> </tr> <tr> <td>Town/City/District : Bangalore</td> <td>Date : 7-Jul-2010</td> </tr> <tr> <td>State : Karnataka</td> <td></td> </tr> <tr> <td>Pin code : 560074</td> <td></td> </tr> <tr> <td>Telephone : 080-55478453</td> <td></td> </tr> <tr> <td>E-mail : sales@ganesh.com</td> <td></td> </tr> <tr> <td>Is Change in Address since last Return? No</td> <td></td> </tr> </tbody> </table> | | Person Responsible Details | Other Details | Flat No : #256 | Category (deductor/collector): Association of Person (AOP) | Name : Rajesh Ram | From (blank for beginning) : 1-4-2010 | Designation : Chief Financial Officer | To (blank for end) : 30-6-2010 | Name of the premises/building: Koramangala Industrial Area | Challan Date Till : 7-7-2010 | Road/Street/Lane : | Form Name : Form 27EQ | Area/Location : | Place : Bangalore | Town/City/District : Bangalore | Date : 7-Jul-2010 | State : Karnataka | | Pin code : 560074 | | Telephone : 080-55478453 | | E-mail : sales@ganesh.com | | Is Change in Address since last Return? No | |
| Person Responsible Details | Other Details | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Flat No : #256 | Category (deductor/collector): Association of Person (AOP) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Name : Rajesh Ram | From (blank for beginning) : 1-4-2010 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Designation : Chief Financial Officer | To (blank for end) : 30-6-2010 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Name of the premises/building: Koramangala Industrial Area | Challan Date Till : 7-7-2010 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Road/Street/Lane : | Form Name : Form 27EQ | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Area/Location : | Place : Bangalore | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Town/City/District : Bangalore | Date : 7-Jul-2010 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| State : Karnataka | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pin code : 560074 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Telephone : 080-55478453 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| E-mail : sales@ganesh.com | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Is Change in Address since last Return? No | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>NOTE : Validate the exported file through the NSDL's File Validation Utility before sub</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <tr> <td>Export ?</td> </tr> <tr> <td>Yes or No</td> </tr> </table> | | Export ? | Yes or No | | | | | | | | | | | | | | | | | | | | | | | | |
| Export ? | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Yes or No | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Figure 1.8 Exporting eTCS Forms screen

- Press **Enter** to **Export Quarterly Returns in 27EQ**

The exported file is placed in the Tally.ERP 9 Directory with the file name as specified above.

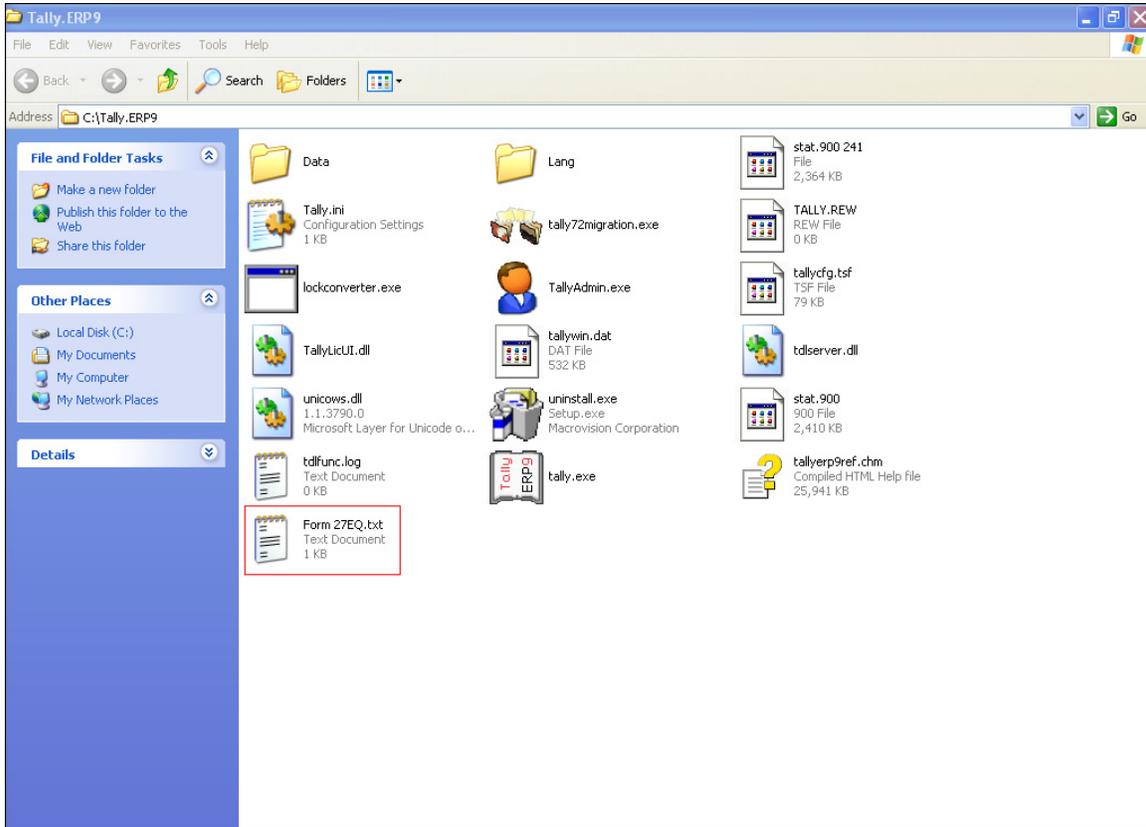


Figure 1.9 Exported Form 27EQ in Tally.ERP 9 Directory

The exported file (Form 27EQ) is required to be validated with the File Validation Utility (a freely downloadable utility from NSDL website) and after validation, the returns should be submitted to the department in CD along with Form 27B in physical Form.



- ❑ *It is mandatory to validate the TCS 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 27E & Form 27EQ in the text (.txt) format as prescribed by NSDL.*

4.2.2 Form 27E

Form 27E is a Annual return of collection of tax under section 206C of Income Tax Act, 1961. Follow the steps given below to generate Annual eTCS returns in Form 27E:

Go to **Gateway of Tally > Display > Statutory Reports> TCS Reports > ETCS Forms**

In the **Exporting eTCS Forms** screen,

- By default, the **Language** and **Format** is preset as **Restricted (ASCII Only)** and **SDF (Fixed Width)** respectively
- Press **Backspace** and specify the **Output File Name** as **Form 27E.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)
- Select **Yes** or **No** as applicable, in **Is Change in Address since last Return** field.
- In the **Other Details** column,
 - Specify the applicable date in the **From** and **To** fields
 - Specify **07-03-2010** in the **Challan Date Till** field (i.e., Challan date to be considered for TCS payments made for the respective quarter/period)
 - Select the **Form Type** as **27E** in the **Form Name** field as shown

| Person Responsible Details | | Other Details | |
|---|-------------------------------|-------------------------------|-------------------------------|
| Flat No | : #256 | Category (deductor/collector) | : Association of Person (AOP) |
| Name | : Rajesh Ram | From (blank for beginning) | : 1-4-2010 |
| Designation | : Chief Financial Officer | To (blank for end) | : 31-3-2011 |
| Name of the premises/building | : Koramangala Industrial Area | Challan Date Till | : 7-4-2011 |
| Road/Street/Lane | : | Form Name | : Form 27E |
| Area/Location | : | Place | : Bangalore |
| Town/City/District | : Bangalore | Date | : |
| State | : Karnataka | | |
| Pin code | : 560074 | | |
| Telephone | : 080-55478453 | | |
| E-mail | : sales@ganesh.com | | |
| Is Change in Address since last Return? | : No | | |

| Form Types |
|------------|
| Form 27E |
| Form 27EQ |

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

Figure 1.10 Exporting eTCS Forms — Form Type selection

- Specify the **Place** and **Date** of filing returns

The **Exporting eTCS Forms** configuration screen is displayed as shown.

| Exporting eTCS Forms | |
|--|--|
| Language | : Restricted (ASCII Only) |
| Format | : SDF (Fixed Width) |
| Export Location | : C:\Tally.ERP9_Release 2.0 final |
| Output File Name | : Form 27E.txt |
| Person Responsible Details | |
| Flat No | : #256 |
| Name | : Rajesh Ram |
| Designation | : Chief Financial Officer |
| Name of the premises/building | : Koramangala Industrial Area |
| Road/Street/Lane | : |
| Area/Location | : |
| Town/City/District | : Bangalore |
| State | : Karnataka |
| Pin code | : 560074 |
| Telephone | : 080-55478453 |
| E-mail | : sales@ganesh.com |
| Is Change in Address since last Return? | : No |
| Other Details | |
| Category (deductor/collector) | : Association of Person (AOP) |
| From (blank for beginning) | : 1-4-2010 |
| To (blank for end) | : 31-3-2011 |
| Challan Date Till | : 7-4-2011 |
| Form Name | : Form 27E |
| Place | : Bangalore |
| Date | : 7-Apr-2011 |
| <input type="button" value="Export ?"/> | |
| NOTE : Validate the exported file through the NSDL's File Validation Utility before sub Yes or No | |

Figure 1.11 Exporting eTCS Forms Configuration Screen

- Press **Enter** to **Export Annual Returns in Form 27E**

The exported file is placed in the Tally.ERP 9 Directory with the file name as specified above. The exported file (Form 27E) is required to be validated with the File Validation Utility (a freely downloadable utility from NSDL website) and after validation, the returns should be submitted to the department in CD alongwith Form 27B in physical Form.

4.2.3 Form 27B

Form 27B is a summary of TCS return which contains control totals of **amount** and **income tax collected at source**. Form 27B is to be filed in physical form with each return i.e., Form 27E and Form 27EQ. If the return is submitted in the paper form, form 27B need not be attached. Follow the steps given below to print Form 27B:

Go to **Gateway of Tally > Display > Statutory Reports > TCS Reports > Print Form 27B**

In the **Printing TCS Form 27B** screen,

- Press **Enter** to accept the **Person Responsible Details** (The Address details are automatically defaulted from the Company masters in the **Person Responsible Details** column)
- In the **Other Details** column,
 - Select **Category (Deductor/Collector)** from the list of Deductor Category

- Specify the applicable date in the **From** and **To** fields
- Specify **07-07-2010** in the **Challan Date Till** field (i.e., Challan date to be considered for TCS payments made for the respective quarter/period)
- Select the **Enclosed Form Type** as **27EQ** as shown
- Specify **Previous Receipt No.**, if any
- Specify **2 CD's** in the **No. of Annexures enclosed** field
- Specify **Other information**, if any
- Specify the **Place** and **Date** of filing returns

The completed **Printing TCS Form 27B** configuration screen is displayed as shown.

| PrintingTCSForm27B | |
|--|---|
| Printer : (Ne00:) No. of Copies : 1 Print Language : English Method : Neat Mode Page Range : All | Paper Type : Letter <small>(Printing Dimensions)</small> Paper Size : (8.50" x 10.98") or (216 mm x 279 mm) Print Area : (8.03" x 10.63") or (204 mm x 270 mm) |
| Report Titles | |
| TCSForm27B (with Print Preview) | |
| Person Responsible Details | Other Details |
| Flat No : #256 Name : Rajesh Ram Designation : Chief Financial Officer Name of the premises/building: Koramangala Industrial Area Road/Street/Lane : Area/Location : Town/City/District : Bangalore State : Karnataka Pin code : 560074 Telephone : 080 55478453 E-mail : sales@ganesh.com | Category (deductor/collector): Association of Person (AOP) From (blank for beginning) : 1-4-2010 To (blank for end) : 30-6-2010 Challan Date Till : 7-7-2010 Enclosed Form Type : Form 27EQ Previous Receipt No. : No. of Annexures enclosed: 2 CD's Other Information : Place : Bangalore Date : 7 Jul 2010 |
| <div style="border: 1px solid black; padding: 5px; display: inline-block;"> Print ? Yes or No </div> | |

Figure 1.12 Printing Form 27B configuration screen

- Press **Enter** to **Print Form 27B**

The print preview of **Form 27B** is as shown.

Form No. 27B

Form for furnishing information with the statement of collection of tax at source filed on computer media for the period
(From 1/4/2010 to 30/6/2010)

1 (a) Tax Collection Account No. (c) Financial Year
 (b) Permanent Account No. (d) Assessment Year
 (f) Previous receipt number
(In Case return / statement has been filed earlier)

2 Particulars of the collector

| | |
|---------------------------------|-----------------------------|
| (a) Name | Ganesh Enterprises |
| (b) Type of Collector* | Others |
| (b) Branch / Division (if any) | |
| (c) Address | |
| Flat No. | #256 |
| Name of the premises / building | Koramangala Industrial Area |
| Road / Street / Lane | Bangalore |
| Area / Location | |
| Town / City / District | |
| State | Karnataka |
| Pin code | 560074 |
| Telephone | 080-55478453 |
| E-mail | sales@ganesh.com |

3 Name of the person responsible for collection of tax

| | |
|---------------------------------|-----------------------------|
| (a) Name | Rajesh Ram |
| (b) Address | |
| Flat No. | #256 |
| Name of the premises / building | Koramangala Industrial Area |
| Road / Street / Lane | |
| Area / Location | |
| Town / City / District | Bangalore |
| State | Karnataka |
| Pin code | 560074 |
| Telephone | 080-55478453 |
| E-mail | sales@ganesh.com |

4 Control totals

| Sr.No. | No. of party records | Amount paid Rs. | Tax Collected | Tax deposited (Total challan amount) Rs. |
|--------|----------------------|-----------------|---------------|--|
| Total | 1 | 25,46,875.00 | 20,672.00 | 20,672.00 |

5 Total Number of Annexures enclosed

6 Other Information

VERIFICATION

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

Place: Bangalore Signature of person responsible for collecting tax at source _____
 Date: 7-Jul-2010 Name and designation of person responsible for collecting tax at source Rajesh Ram, Chief Financial Officer

Figure 1.13 Print Preview of Form 27B