Western India Regional Council of
The Institute of Chartered Accountants of India

Tally for Professionals

**Powered by Professionalism
Driven by Values**

Price : ₹ 100/-

Foreword

In the recent VUCA world (VUCA is an acronym to describe or to reflect on the volatility, uncertainty, complexity and ambiguity) the ROLE of Practising Chartered Accountants is becoming increasingly Challenging, Everchanging & inevitable use of Technology, Loads of Deadlines, Review and submission of huge data with granular level compliance.

INDIA is developing by leaps and bounds. Our country is blessed with a workforce that is competent, technologically savvy, and intelligence to adapt to situations and their grip on the subject has made the home to back office operations of many multinational corporates. In this competitive environment, one needs a special cutting edge, a little something extra, beyond the qualification to stand head and shoulders above the rest.

WIRC has brought this publication which focuses on Tally ERP 9 and how accountants and auditors can get the maximum usage from this software to use to their advantage. Presented in a lucid and simple format, this publication is an excellent guide, giving a detailed but easily comprehensible tutorial-manual which we professionals can use for our offices and more importantly to assist in utilising 'Tally' to its full capacity.

I am sure that this hand book will be an asset to all practicing organisations as the book has been written as a practitioner's guide for the 'Tally' system keeping the current auditing and accounting professional standards in mind.

You would surely benefit out of implementing the solutions and tips shared in this book. While compiling the contents of this book contributors have kept an eye on the primary reader of this book " YOU- CHARTERED ACCOUNTANT". They have tried to share quick and handy summaries of doing things in a right and efficient way. Also, an attempt has been made in compiling ways and means that can help you improvise your client engagement experiences and ensure you are having a better control over tasks and teams. I really appreciate the efforts of all the contributors namely CA. Amit Vaishampayan, CA. Ashwin Dedhia, CA Jiten Mehta & CA. Punit Mehta for putting their hard efforts in compiling this publication in such simple & lucid manner.

I also thank CA. Yashwant Kasar, Chairman, Digital Transformation & Technology Committee of WIRC of ICAI for his efforts to bring an up-to-date *Tally For Professionals*" publication.

I am confident that all members and students would derive maximum benefit from this publication, enabling them to stay current, relevant and assist them to become more efficient and offer better professional services to all.

CA Priti Savla
Chairperson, WIRC of ICAI

Preface

Digital Transformation & Technology Committee of WIRC of ICAI has been at the forefront in equipping Institute members on the latest developments and best practices.

Tally is an on-premise accounting solution that caters primarily to small and midsize businesses across several industries. It provides business functionalities including accounting, finance, inventory, sales, purchase, point-of-sales, manufacturing, job costing, payroll and branch management.

Tally's remote functionalities enable data collaboration between multiple systems.

This guide covers various tips and tricks for a professional to make effective use of Tally ERP.

I am thankful to team of contributors CA. Amit Vaishampayan, CA. Ashwin Dedhia, CA. Jiten Mehta, CA. Punit Mehta who have put in their sincere and hard efforts in bringing out this publication.

We are sure that the members and other interested readers would find this e-Book beneficial.

CA. Yashwant Kasar
Digital Transformation & Technology Committee of WIRC of ICAI

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AUDITORS & ACCOUNTANTS PERSPECTIVE OF THE AUDIT FEATURES AND FUNCTIONALITIES WITHIN TALLY.ERP9

Audit of Books of Accounts is mandated by the Statutes / Law of the Country. Chartered Accountant performs Audit of Books of Accounts and supporting documents and certifies the true and fair view of the state of Financial Statements and the accounting information recorded in the books.

Tally is one of the most widely used ERP Software in Indian Business Environment. Organizations prefer using Tally due to various factors, major amongst them being the **EASE of USE** (Power of Simplicity – as promoted by Tally).

The Core theme of Tally EASE of USE deriving from features like Codeless Masters, Flexible Data Entry, Anytime Data Modification, Merging of Data recorded in multiple Tally Instances **are Advantage for Accountants and Challenge for Auditors.**

As a solution to this challenge, Tally also added a lot of Features that are specifically relevant and useful for Auditors, coincidently not so popularly used for the purpose. Few of the Internal and External Auditors started using these features and also have mastered them. During our interactions generally during oursessions on using Tally as an Audit Tool, we heard a new punch line or a theme for from them **EASE of REVIEW or AUDIT.**

Tally.ERP 9 comes up with in built capabilities for Audit and Compliance facilities specifically focused and tailored for Indian Chartered Accountants, mapped to the needs and requirements of the statutes and recommendations of Indian Regulatory Bodies. Audit tools and features in Tally help in retrieving the relevant information and present them in the required form to help the Auditor form an opinion. Beyond being a good Internal Audit Tool it also facilitates the following:

Statutory Audit – Audit Documentation, Annexure to Auditors' Report (CARO), Data Analysis, Exception Checks, Audit Journals, Finalisation of Accounts, Grouping & Re-Grouping for Schedules, etc.

It also facilitates Faster Audit, various Exception Reports, General Ledger review, usage of different Sampling methods, application of Analytical procedures, Fixed Asset Analysis, Finalisation of Books of Accounts, etc. with proper Audit Visibility as well as good Documentation trail.

The data stored in Digital Format and its ease of use for analysis provides lot of options for review, however it also leads to lack of proper Audit Controls to be set. Due to data being maintained in software, the non-availability of physical books and records could lead to challenges in getting confidence of a True and Fair view of state of affairs of a business.

However, the challenges that are unique to a Chartered Accountant as an Auditor are now well managed in Tally.ERP 9 with various Audit features and functionalities for Auditors'. Tally.ERP 9 – has an inbuilt CAAT Tool that would come handy for Chartered

Accountants to comply with Audit Processes and related Activities. This CAAT Tool would help Auditors validate the Audit data maintained in Tally by business owners, identify risks, errors, omissions, confirm the business' compliances accuracies, and also maintain Audit Working papers within Tally.

Planning the AUDIT

Time is crucial for CA's and their team during Audit period. There are multiple clients and multiple members of the team required to conduct activities for Audit. To ensure the Firms team is able to provide the support services in a better and controlled manner Tally provides connecting to Tally in multiple ways like:

From CA's office using LOCAL Data in CA's Office

Here the Client can send the Tally Data to CA's office and Firms team can conduct the Audit and Analysis from within the CA's office, making a local copy of Client data. This provides flexibility and ability to complete tasks for multiple clients at a time eliminating the travel time.

From Clients Office using LOCAL Data in client's office

For many larger clients Firms would prefer to conduct the AUDIT ON-SITE. Audit team would visit and conduct the activities allocated to them within Clients Tally Data locally at Clients office. Suggesting Client to enable Audit team's login would give options for maintenance of Audit Working papers, Clarification Remarks, data for preparation of Reports, etc. within Clients Tally instance. The final review can be done easily and helping the finalization in a faster manner.
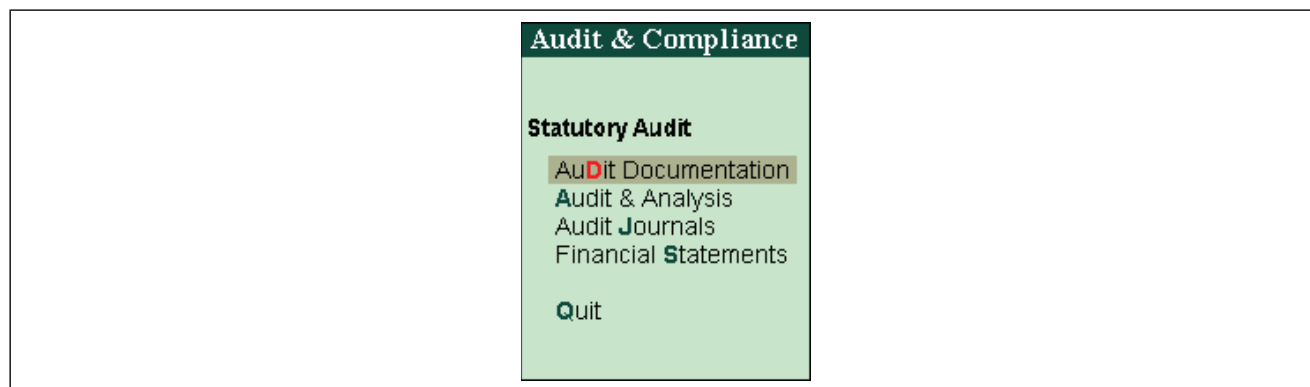
Accessing Clients data from ANYWHERE (CA's other offices, home, Other Clients offices)

This is very useful feature of Tally, particularly coming handy for seniors who have to attend to multiple client interactions. Auditors can connect to clients Tally instance from his / her laptop using Tally.Net ID.

Tally Administrator login at the Customer site would have full control over the functionalities and access to be granted using user security features within Tally. This provides access to the CA for auditing thereby ensuring controlled usage and proper

Audit trails is maintained within Tally Data, reliving all from the duplication of the data sets and reduced risk of errors and back-up process.

Audit season signifies the phase of planning, followed by a hectic schedule. Proper Management and Administration of Audit are critical. Use of CAAT Tools in the process can help in achieving better and faster control and audit compliance. The existing Audit features of Tally simplify the process of Audit Analysis, Verification and Collation of your client's data. An Auditor can define and store the Audit Programme, Audit Working Papers and reflect accurate results with professional standards.

Outlining an Audit Program and creating an Audit Checklist is now feasible and easy within Tally. You can use the Audit Program Menu to create a detailed Audit Program either before reviewing the Clients Data or after giving it a fast glance (as commonly done by Audit Heads) at the start of the Audit activity. Once you identify the activities to be coordinated you may assign the tasks to individual team members with your Notes or explanation.

Audit Programme			ABC Company		Ctrl + M
Audit Programme Set / Alter Client & Auditor Details ? Yes				Audit Period	: 1-Apr-2011 to 31-Mar-2012
S.No	Areas of Audit	Period Estimate / Actual	Extent of Verification	Verified By / Remarks	Reviewed By / Remarks
↑ ... 7 more					
5.	Credit Note / Debit Note Vouching	1 Days		Avinash D	
6.	Bank Book Vouching	2 Days		Akshaya T	
7.	Forex Transactions	3 Days		Shalini Kapoor	
8.	Journal Vouching	1 Days		Akshaya T, Rodney Fernando	
9.	Loans and Guarantee	2 Days		Shalini Kapoor	
10.	MSME Transactions	2 Days		Vidya Seshadri	
11.	Provision for Taxation - Checking with Assessment Order	3 Days		Avinash D, Rodney Fernando	
12.	Purchase Register / Purchase Journal Vouching	1 Days		Shalini Kapoor	
13.	Receivables and Payables	2 Days		Akshaya T	
14.	Related Party Transactions	1 Days		Avinash D	
15.	Salary and Wages Payments	1 Days		Rodney Fernando	
					Accept ? Yes or No

There is an option to record actual time spend to analyse the variance if any based on plan. Such information can help revise the plan for other clients or for next period. Not only this but such analysis can also help in judging the risks involved and overall internal control within the Auditee client.

Conducting the Audit

To ensure the Opinion is based on proper verification and review of records presented and prepared by the client (business), CAs have to conduct Audit of Accounting and related records of the business. They need to follow Audit steps, including Audit Planning, Assignment of audit tasks to their teams, Analysis of Data, Review, clarification and confirmation of their observations, remarks, and similar tasks. All this is now feasible and possible from within Tally.

Once Audit team has created the Check-List using above options, let's look at features and options available within Tally to enable conduct of Audit Tasks or activities in an efficient manner. Tally has grouped tasks pertaining to Data Analysis under the Data Analysis section.

Under the Menu **Audit & Compliance** on the Gateway of Tally you shall find a list of tasks that are required to be coordinated during the Audit with an option to update verification details for the same. Audit team shall find all the commonly audited elements handy there to ensure they don't miss out on the critical aspects of checking. Common probable exceptions are already grouped under each head to help the audit activity being conducted in a better manner. Team is allowed to insert verification remarks and status so the seniors can have a quick glance of the updates while completing the activities.

The options are very useful for auditing Client's data while conducting an External or Internal Audit. Efficiency increases when Exceptions are highlighted and classified so more time and attention can be awarded to review such set of masters or transactions. Some of such exceptions grouped in Data Analysis menu of Tally include:

Verification of Chart of Accounts provides list of exceptions to help scrutinize the Chart of Accounts and compare this with previous year Chart of Accounts and suggest the necessary corrections if required.
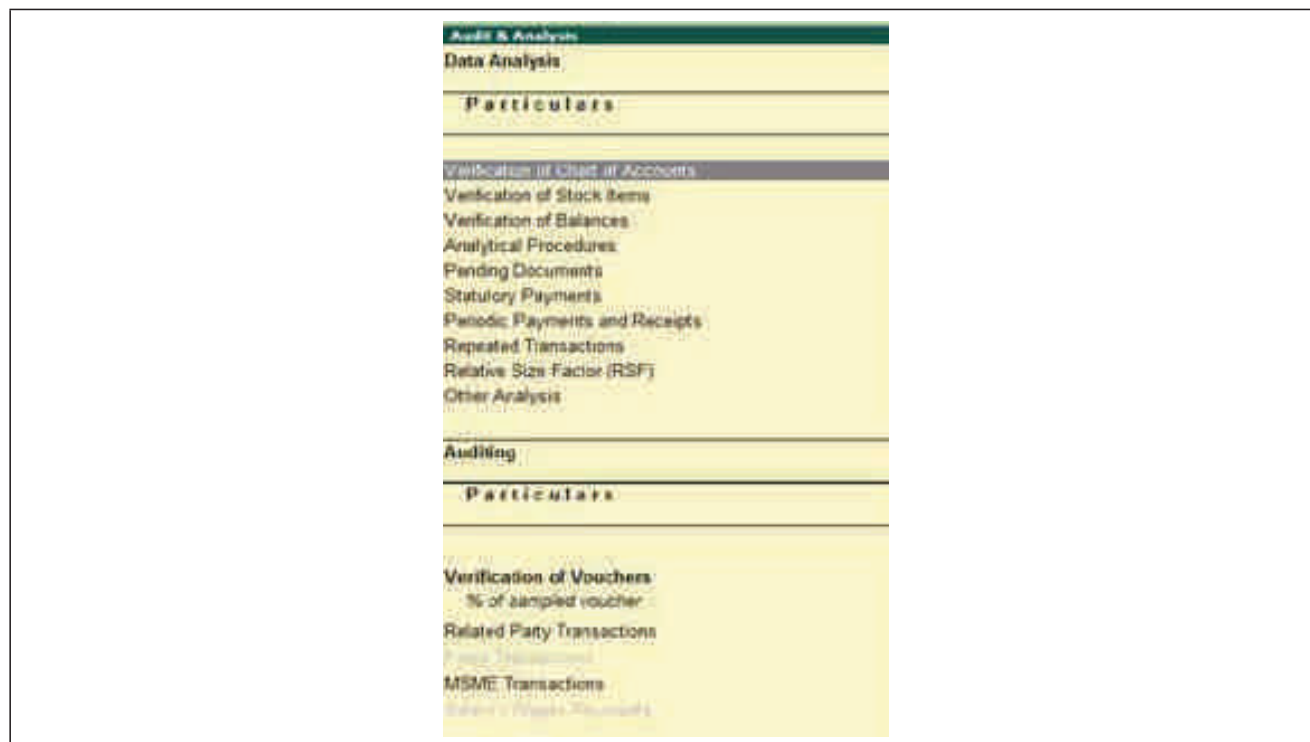
Verification of Stock Items provides list of exceptions to scrutinize various Stock Items and compare them with previous year data.

Verification of Balances becomes useful to scrutinize the difference in Opening Balances and transaction details during the selected year and analyse the exceptions highlighted. The Auditor can also generate the Ledger wise variance report for the Closing Balances.

Analytical Procedures can be used to analyse the data based on various parameters (e.g. Group, Cost Centre etc.) by initiating a detailed comparison.

Pending Documents segment will become useful when Auditee uses Tracking and Order processing Feature of Tally. Under this menu all the Pending Bills, Sales Orders, Purchase Orders and Receivables & Payables during the selected year are grouped so we can identify exceptions and analyse them in a better manner.

Statutory Payments Payable, Paid and Balance Payable if any during the selected year are identified for review. This needs to be analysed carefully as some Clients may not have grouped the Ledgers under Duties and Taxes leading to a risk of such items getting missed in classification.

Periodic Payments and Receipts listing becomes useful to analyse the regular transactions. Using various configuration options here we can trace the exceptions if any in the periodic or regular payments and receipts like Rent, Salary, Electricity, GST, etc.

Repeated Transactions helps us to trace the transactions for which the same amount is repeated more than once for each Ledger during the Audit Year. The Auditor can use this report to check the intentional human errors while passing the entries. Accountants of clients may have used feature to Duplicate Transactions available in Tally to save their time and missed updating the relevant details.

Relative Size factor (RSF) is a good option for analysing the variances in the transactions. There are instances that exceptionally high or low value transactions get recorded under a particular master. This report displays the Relative Size Factor for each Ledger Voucher which is arrived by dividing the highest Voucher amount to the second highest Voucher amount for the within any Ledger Vouchers.

Beyond the above commonly needed Exception, Tally also provides a few more options under the menu **Other Analysis**. They are listed below

Inter Bank Transactions helps to list transactions carried out between the Banks during the audit period. There are instances when Clients create some control Accounts (like for Post Dated Cheques) under Bank Group and using such reports we can trace if all recorded transactions are verifiable with other records maintained by the client.
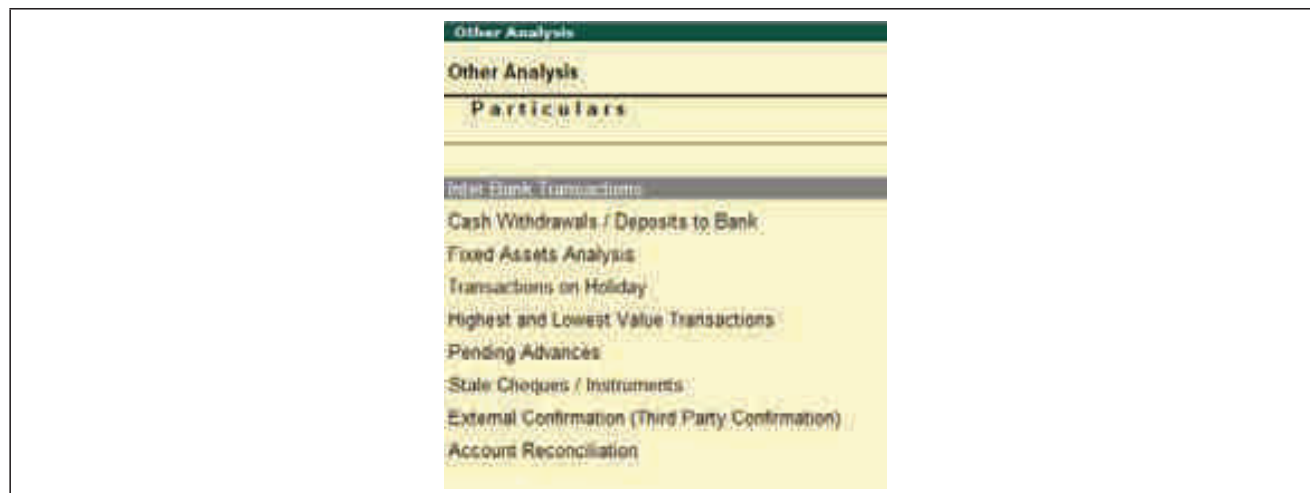
Analysis of **Cash Withdrawals/Deposits to Bank** during a particular period needs to be analysed in detail and also reported in the reports as well as returns. This option in Tally helps you get a list of transactions within bank ledgers from which the cash is withdrawn or deposits are made. This report also displays the Total Amount of transaction and the Number of vouchers through which the withdrawal or deposits are made during the selected year.

Fixed Assets Analysis can also be carried out with an option to record reportable sub-totals.

Analysing **Transactions on holiday** becomes very important to trace the risk of errors or fraud. There is a ready report to display all the transactions recorded on Weekly Off or Declared Holidays in the Audit Year. As the non-working days in each client may be different Tally also provides with an option to set the holidays to analyse the report.

Highest and Lowest Value Transactions are useful to identify the exceptional transactions recorded in a particular ledger. This report provides ledger wise Highest and Lowest value transactions carried out during the selected period along with Difference Range and Difference Range Percentage details. Audit team can then analyse this report and plan the Audit action of reviewing exceptional masters classified by the report, once you have audited or verified the master appropriate remarks can be attached with Audit Status.

Tracing **Pending Advances** help the Audit team to analyse if any knock-off entry was missed to be recorded or might have got posted to some other master. This report displays ledgers for which the advances made (Loan given) are pending during the Audit Year.

Tracing **Stale Cheque / Instruments** helps in analysing the Bank Ledgers as well as Reconciliations in a better manner.

Beyond Internal review it is important to get **External Confirmation (Third Party Confirmation)**. This report in the Data Analysis menu provides drill down to view Ledgers in the client's books and mark them for confirmation from the parties concerned. Confirmed balance can be recorded for the corresponding Ledgers here, and statements

of accounts received from the third parties can be reconciled with the corresponding ledgers in the client's books.

Similarly **Account Reconciliation** option helps in reconciling with the user's / client's books of accounts, the accounts of third parties/sister concerns/branch offices.

During the Audit process our team can update the Audit Verification Status in each of the above options while analysing the particular exception. Once the Audit Status is updated we can analyse the same in the Audit Documentation.

The next step obviously would be to decide the sampling method and the extent of the same to be applied for different areas under Audit including the Voucher Types in Tally. This if done well can help to be sure that the team has done appropriate and detailed check for the type of records or specifically identified transactions.
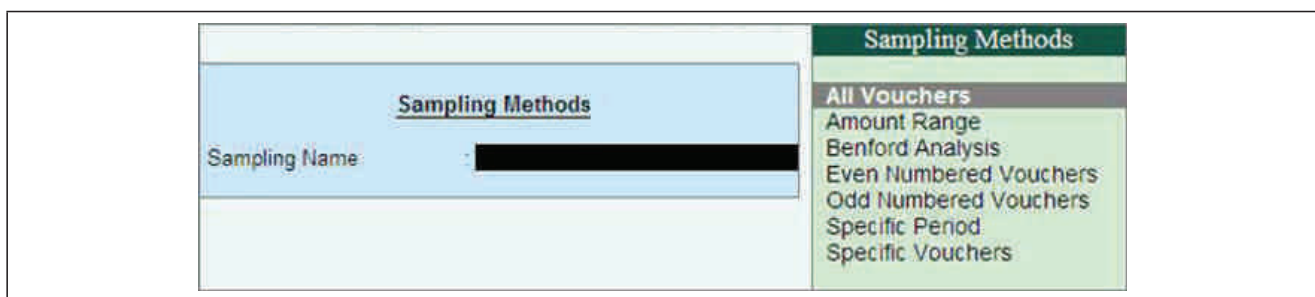
Selection of Sampling Method or the Transactions to be reviewed can be done from the Verification of Vouchers interface in the menu.

Verification of Master Data including verification of Chart of Accounts & Stock Items in Tally will help the Auditor to check the List used during the Audit Year and compare the same with the previous year. This report highlights all the exceptions in the Masters and prompts the Auditor to concentrate only on the exceptional items. Common Exceptions that get classified include the following.

Master Not Used during both current and previous Year either in Opening or in Transactions.

Master used in previous year but NOT Used in Current Year including those not having Opening or closing balances.

Masters with Only Balances which are not used in any Transactions during the Audit Year

It is common for Masters to be Re-grouped during the Year, Masters that have to be re- grouped in the current year are listed as exception so Auditors can review them appropriately.

Rarely Revenue Ledgers may be having Opening Balances and such Accounting Masters get highlighted as Exceptions.

Masters that have been created afresh and have been used Only in Current Year are also classified as exceptions for review.

Masters that have been discontinued (not present) in the current year will be listed as Masters Not Available in Current Year.

Masters having transactions with balances squared-off during the year.

Audit team can use Configure (F12) feature to analyse Masters that classified in other Statuses or are not considered as Exception listed above.

Vouching and verification of Ledgers or Voucher within a particular Group is the next activity that Audit Team would run through.

Recording the observations, clarifications or remarks identified during the Auditing func-tion are able to be recorded at the respective level like Company, Masters or Transactions. They can be viewed at regular intervals to help clarify the concerns and doubts. Team members can record the concern and share the same for clarification to the respective member of the client team. The recording of the concern and holding a particular master or voucher for clarification is one of the important step during the Audit. Members need to keep track of the open / queried items and also note the clarifications or resolutions received by them. The information so collected and clarified will form the basis of Audit Working papers. All these gets compiled within Tally dataset providing a lot of flexibility as well as control for the Auditors Team.

### Identification of Masters for specific reporting

There are instances where as Auditors we are required to identify the Masters as Related Party, MSME, etc. to ensure that appropriate checking and reporting is achieved. Tally provides a feature to mark a ledger with appropriate Tag and also provides reports based on the same. While analysing the Ledger Audit team member can mark a Ledger as one

or more of the tags that are relevant for the ledger and start analysing the transactions. In each of the Tag relevant information is further captured and stored for handy reference during reporting and compilation of Audit draft. A specimen interface marking one Supplier as MSME with additional details is visible for handy reference.
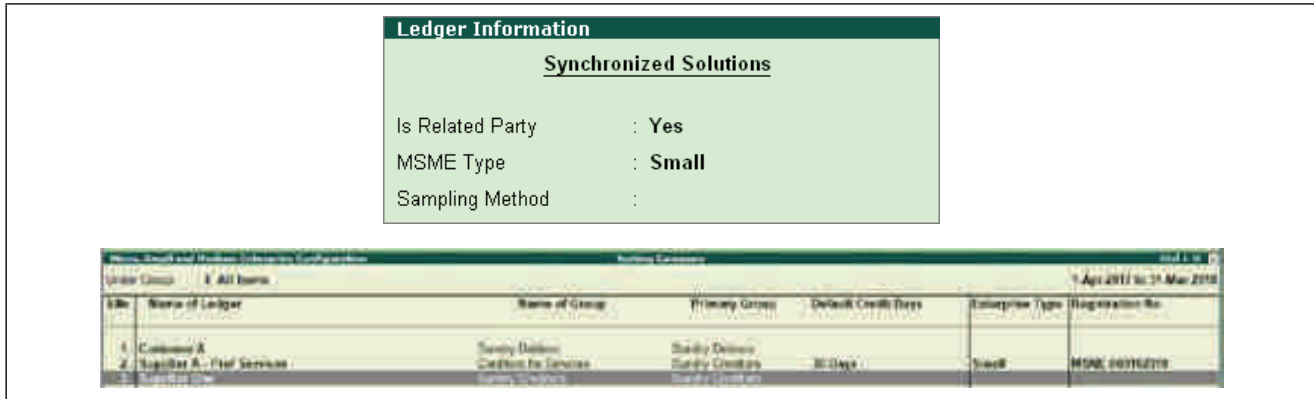
Compilation of Audit Working Notes

Audit Team is expected to compile matters observed as important for client feedback, internal review as well as discussion while preparation of the draft Audit Report. They also serve as evidence that the audit was carried out in accordance with the basic principles and practices.
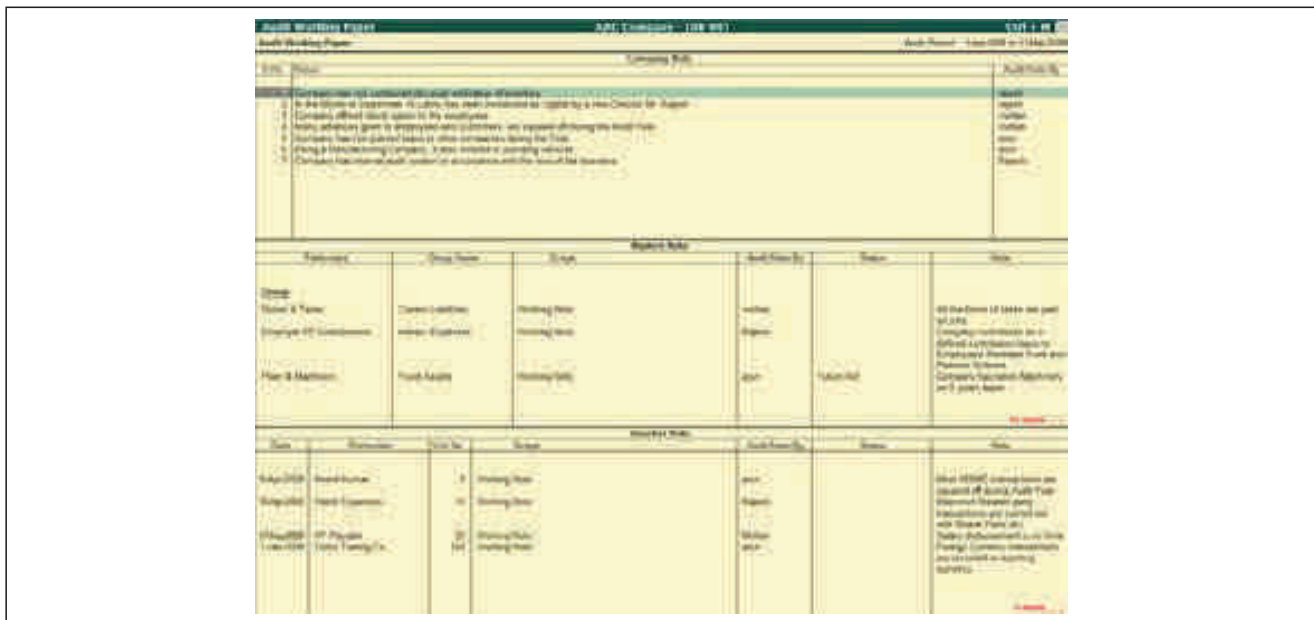
Working Papers aid in supervision and review and also provide evidence of the audit work performed to support the auditor's opinion. There is a facility to dynamically generate seg-ment-specific Audit Working Papers with the details such as audit activity, record data and time, Audit Team members name, sampling methods considered, Working Note, clarifications sought and received, etc.

Audit Notes can be added at different levels including Company, Masters, or Vouchers and the same can be accessible either as a working paper or also called for Future reference or in the CARO Reporting analysis. Once Audit team links the document to Audit working paper the same can be used in compilation of the reports.

Review of Accounting Standards, Accounting and Auditing Standards and CARO Reporting (Annexure)

Audit team can use the Annexures to Auditor's Report (CARO) within Tally to enable auditors to adhere to this checklist consisting of multiple clauses. All the important items that are required to be included in the Auditor's Report are available and Audit team is allowed to update status and feedback.

The auditor can specify whether the items in the checklist have been complied with, using the options in the Status list under Complied column

The content for checklist can be filled with pre-defined text or user configured text and the same gets stored along with Tally data. Another advantage is that the text becomes available as draft in subsequent years too.

Observations and comments can be recorded in the Remarks column and Conclusion drawn based on the auditing conducted as per the checklist can also be recorded. The Audit team can also create and save Conclusions to be filled in and the same can be used for filling the field.

During review of the transactions Audit team can update the Working notes along with linking the same to relevant CARO Reporting section along with a predefined Checklist and provision to note the remarks. This will help in enabling the compilation and analysis of the draft report in a more efficient manner.

This feature is very useful particularly when the Audit is coordinated by multiple members and on different computer systems either at Client Site or Auditors office but on the Client Data.

Auditors are required to ensure all the relevant Accounting Standards and Accounting and Auditing Standards are verified. Tally provides with a feature to maintain and validate checklist for different Standards and retain the feedback within Tally.

This can be updated by Audit Team after analysing the business process and relevant documentations. Once done this helps to ensure all the relevant points are getting covered in the draft Audit Report. There is also a feature to choose a predefined text or replace it with user defined text (paragraphs) across various points and the same can be exported in Excel and further taken to WORD for better formatting. Advantage of this is that the information gets stored in Tally and gets backed up with the Tally Data and becomes retrievable from time to time.

AUTOMATIC BANK RECONCILIATION

Does Tally.ERP9 has power to save time of the Users? Yes, One can save about 2-3 hours a week just by using one of most simple auto bank reconciliation tool.

First, one needs to enable the option provided for auto bank reconciliation in the bank ledger to reconcile the transactions made with that bank and create entries from Excel bank statement to Tally.

To enable auto bank reconciliation in bank ledger

1.   Go to Gateway of Tally >Accounts Info. >Ledgers >Create / Alter.

2.   Set the option Enable auto reconciliation? to Yes.

3.   Enable the option Set/alter auto BRS configuration? as shown below:

The Location of bank statements screen appears. Enter the details as shown below:

In the above screen,

o   Enter the Location of the bank statements downloaded from your bank account to your local system.

o   Enter the Location of imported bank statements where the output file generated after importing the bank statement in Tally.ERP9 has to be saved.

Note: Once the downloaded file is imported, the same gets deleted from the Location path and creates another file suffixed with imp in the Location of imported bank statements path.

4.   Press Enter to return to the Ledger Creation screen.

5.   Press Ctrl+A to accept..

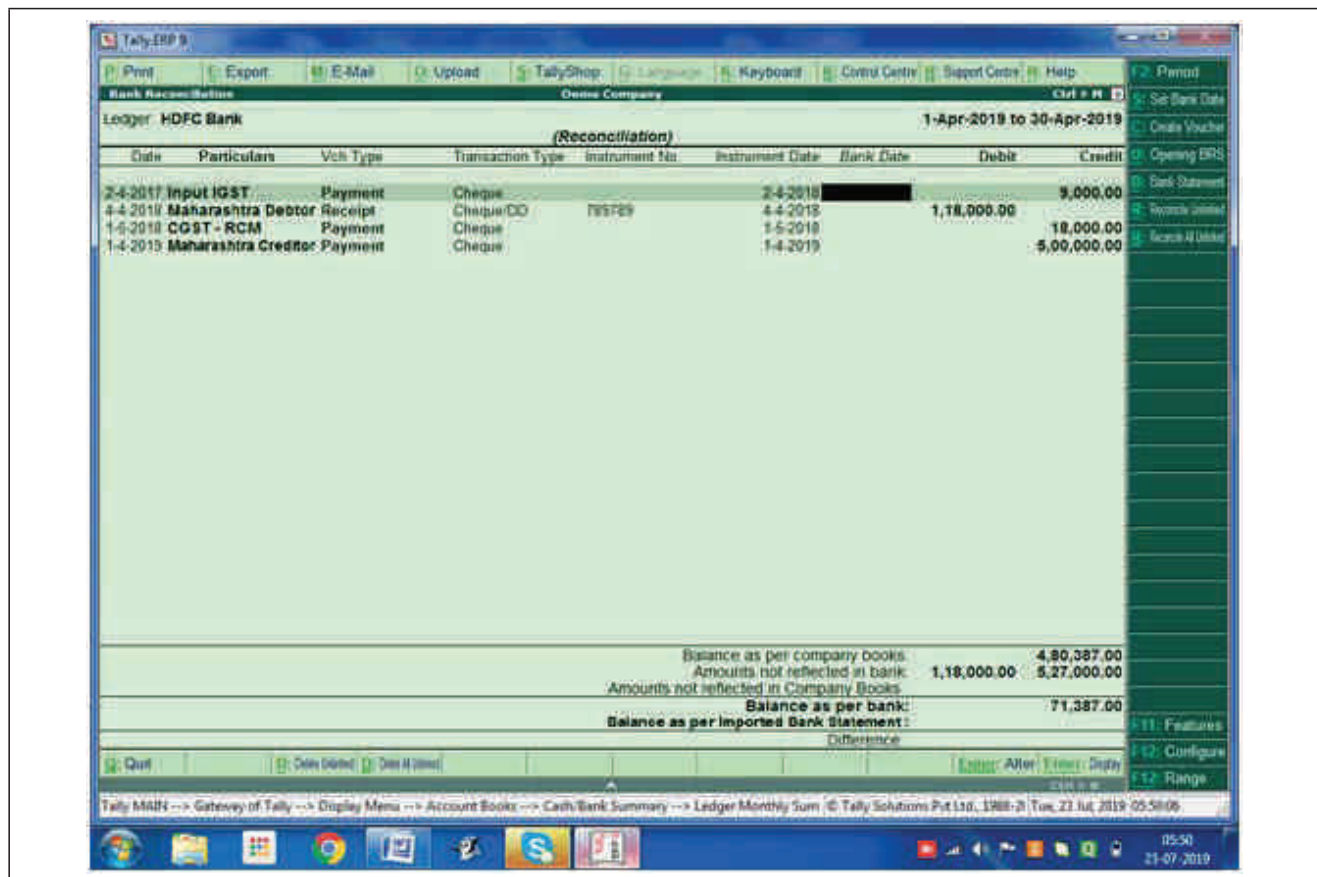1.   Go to Gateway of Tally >Banking >Bank Reconciliation.

2.   Select the required ledger from the List of Bank Ledgers as shown below:

Note: The List of Bank Ledgers displays only those banks for which the auto bank reconciliation option is enabled.

The Bank Reconciliation screen for the selected bank appears as shown below:

3.   Click B : Bank Statement to import the bank statement.

4. Select the File Name (bank statement downloaded from the bank) in the Select File screen, as shown below:
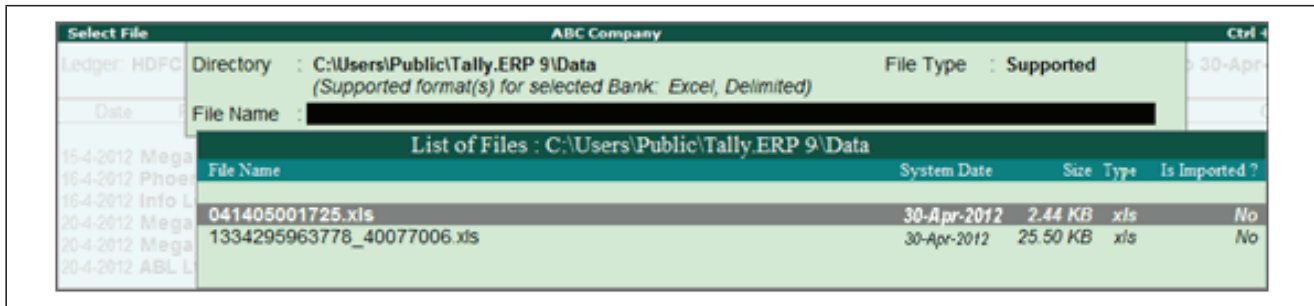
Note: If you want to change the File Type , press Backspace to make the required selection as shown below:
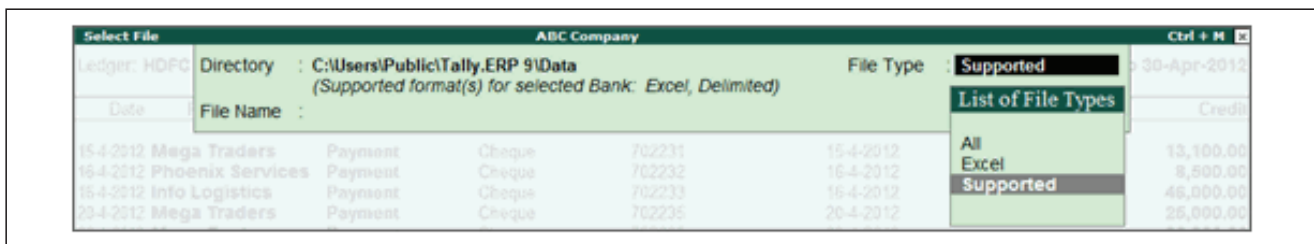
5. Press Enter . A confirmation message with the Total Entries in Bank Statement , number of Reconciled transactions, and Additional Bank Entries appears as shown below:
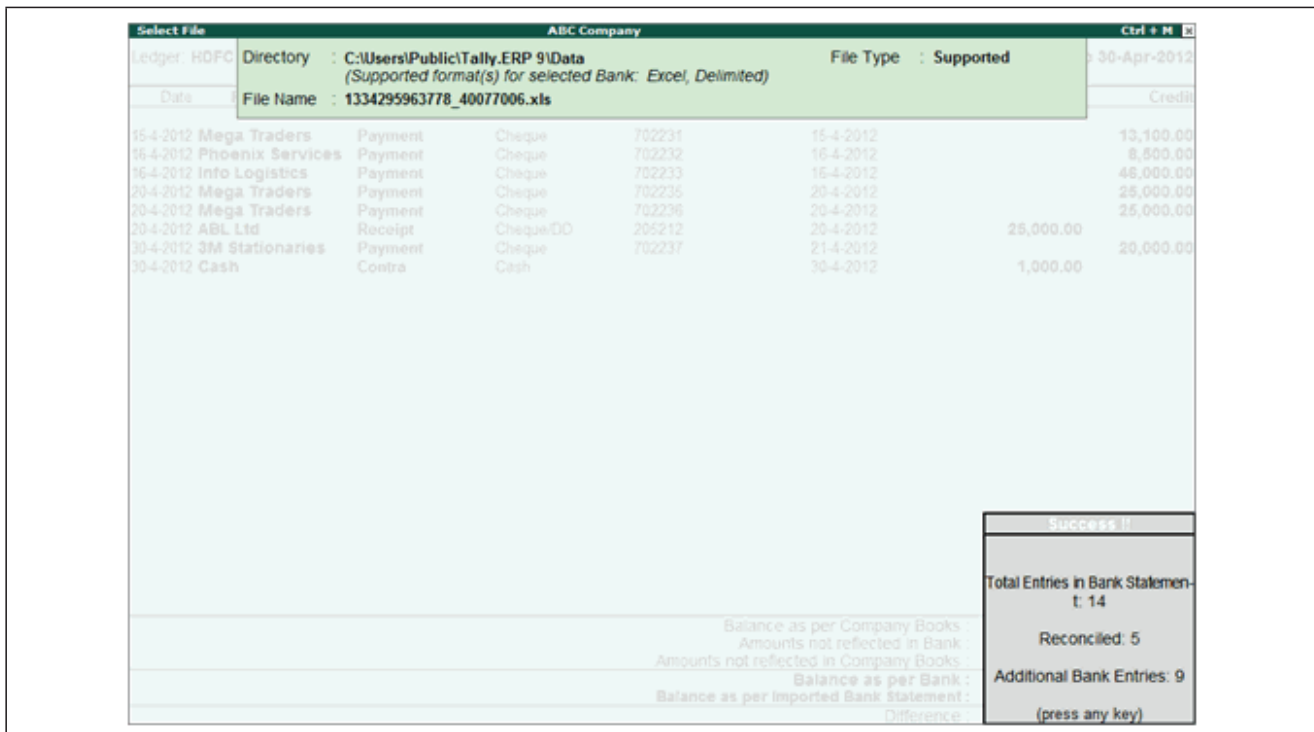
6. Press any key to view the Bank Reconciliation screen with the reconciled and additional transactions.

On importing the bank statement, the Bank Date appears for the reconciled transactions. The additional entries present in the bank statement appear under Amounts not Reflected in Company Books , as shown below:

QUICKER ENTRIES FROM BANK PASS BOOK

Create Voucher

You can instantly create entries which appear in the bank statement but not in the company books , from the Bank Reconciliation screen. You can use this function to post bank entries from Excel to Tally

• Select the required transaction, and click C: Create Voucher.

The voucher creation screen appears.
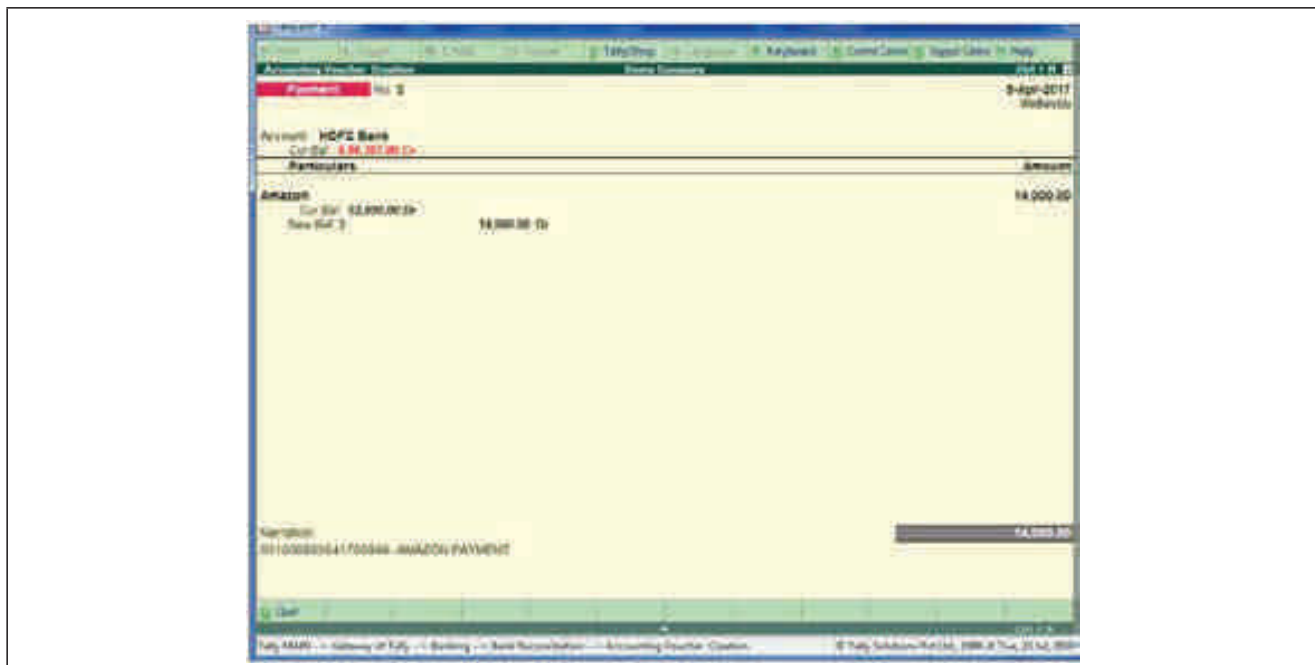
- The amount and narration appear automatically with details captured from the bank statement.

- Select the required ledger.

- The instrument number from the bank statement is automatically captured in the Bank Allocations screen

- Press Enter to accept.

Thus it can be seen instead of 12-14 inputs field to be selected in manual posting of entries Only 3 fields (ie Alt+C, Ledger selection and Ctrl+A) users shall be able to save more than 80 % of time and that too without compromising on accuracy.

MIS REPORTING

Creating Long Lasting Dashboard Reports for Important Management Decision making.

For Long it's been believed that Tally.ERP9 do not provide important business reports, Not many are aware of the wonderful power of the Sales Register in PIVOT TABLE form can be informative and incisive decision making tool.

This report not only provides intelligence but can be a sound basis for plotting trends, charts etc. The Sales/Purchase register can be exported in excel to be compatible to generate pivot table. This is so that the user may generate reports of various combinations based on specific requirements. Some of the sample reports which can be generatedare:-

Plotting of Charts (Pie Chart, Line Chart or Bar Chart) for Stock Group, Stock Item, Customer wise Sales.

Sales Trend – Stock Group, Stock Item, Customer Wise – Periodic.

Finding out highest margin customers

Identifying 80/ 20 Rule based on Stock Group, Stock Item, Customer Wise

Identifying customer purchase history and accordingly providing analysis of when customers can buy next.

Identifying which goods to be showcased to which customers.

Extracting Descriptive Statistical information of Count, Mean, Std and Min for each Stock Group, Stock Item, Customer Wise etc.

Eg:-

Sales Reports

Customer wise	Sum of Amount
Cash	653,290
Jagat Narayan Traders	489,150
Rashmi Traders	166,650
Sukanya Enterprises	334,074
Grand Total	**1,643,164**

To export the Sales Register for Pivot Table from the Sales Voucher Register screen

1.   Click E : Export or press Alt+E, to open the Exporting Sales Register screen.

2.   Select the required language from the list of languages displayed.

3.   Select Excel (Spreadsheet) under Format from the list of formats displayed.

4.   By default, the exported file will be stored in C:\Program Files\Tally.ERP9 for Windows 7 and above

5.   Press Enter to accept the default Output File Name or type the filename of your choice in order to save the file with a different name.

6.   Press Enter to accept the default Output Sheet Name .

7.   To update the existing file select Yes in Update Existing File.

8.   Set Yes to the option Export for Pivot Table.

Note: This option appears only when the Sales / Purchase Voucher Register / Extract is exported, and when the Company is maintaining Accounts with Inventory.

9.   To update the existing file select Yes in Update Existing File.

10.   To format the contents of the file select Yes in Excel (Spreadsheet) formatting.

11.   Select Yes for the field with Colour, to retain the background colour in the exported file.

12.   Accept to export the Sales Register Vouchers to an excel file for pivot table.

13.   Open the exported file from the specified folder.

14.   The Excel Sheet shall open as pivot data format :

15.   Create a Pivot table and set the Report filter, Row labels, Column labels and Values based on your requirement to generate a customised report.

The report generated from Pivot table Item-wise Godown-wise Batch-wise Party-wise is displayed as shown:

Note: The Export for Pivot Table will extract the data of only those Sales vouchers having Inventory allocated.The procedure to Export Purchase Register in Excel to generate Pivot Table is similar to that of Export Sales Register in Excel to generate Pivot Table explained above.

USING MARKED VOUCHER FEATURE
FOR SHARING CHANGES IN GST TRANSACTION

In GST era lot of exchange of data is happening between Tax Consultant and Assessee. The data sent by assessee is rectified / updated and updated with adjustment transactions at the consultants office.

Marking of vouchers is segregating certain vouchers within the database. It is a wonderful tool available for Users and Tax Consultants/ Auditors for sharing of incremental data - Perfect boon where Users are unable to complete the GST Readiness of books of accounts.

Let's understand marking of vouchers through an example:- User A has data file 10001 on machine 1, He sends it to Tax Consultant C for GST Return Review and Filing.

Now two copies of Data 10001 are there ie one in user A machine and Second in C machine. User A has made some changes in data ie Addition of vouchers (New GST transactions or Editing of old transactions). This information need to be updated on C machine data as well.

So before user A starts edit or add data he should go to F11 screen (Accounting Feature) -Activate Mark Vouchers.

Any new voucher created or Old vouchers edited would now get internally recorded separately. For viewing, user shall go to Display—EXceptional reports- Marked Vouchers he will get list of all marked vouchers.

Create an XML File from this report and send the file to client and import the same in his data from Import Voucher tab.

Reasons for using Mark Voucher Feature in Tally.ERP9.

1.   Data Sent to Tax Consultant. Changes made by Tax Consultants are returned

2.   Additional vouchers to be sent to Tax Consultant by client

3.   Data taken by Users at his Home, changes made at home can be updated.

4.   Exchange of additional Information between HO and Branches

5.   Incremental information to be shared for MIS purposes.

FAQ's for Marked Vouchers

Does the user require to remember which voucher is marked or not?

No, the system auto records the editing or creation of vouchers done

Can I remove the marking once the purpose for which marking is done is over?

Yes, you can click on button Ctrl+R for removing all internal markings in the marked voucher report.

Does the system also records changes made in ledger Masters?

No, The facility for marking is available only for vouchers and not for masters (ledger or item). Any change or creation of masters would have to be updated in the data manually.

Which type of Vouchers can be used for Marking?

All Accounting Vouchers, Inventory Vouchers and Optional Vouchers created and modified after marking is activated.

FOR PROFESSIONALS THEMSELVES

PROFESSIONAL SERVICES TAX INVOICE:

Professional Services Tax Invoice is prepared by Chartered Accountants who issue an invoice for services provided such as Financial Auditing Services, Corporate Tax Consulting and Preparation Services, etc.

The Scheme of Classification of Services adopted for the purposes of GST is a modified version of the United Nations Central Product Classification.

Major services provided by Chartered Accountants as per Classification of Services is as follows:

99822 Accounting, Auditing and Bookkeeping Services

998221 Financial Auditing Services

998222 Accounting and Bookkeeping Services

998223 Payroll Services

99823 Tax Consultancy and Preparation Services

998231 Corporate Tax Consulting and Preparation Services

998232 Individual Tax Preparation and Planning Services

Above services provided shall be created in ledger accounts masters under the Sub Group Professional Fees under Group Sales Accounts with respective SAC and Type of Supply as Services.

Following are the important component of a Tax Invoice.

1) ACCOUNT INVOICE

Account Invoice mode in sales voucher entry displays the ledger accounts of professional services rendered. Detailed description of services provided shall be given in ledger description field. Description may be a single line or multiple lines.

2) TAX INVOICE NUMBERING

Under Rule 46 of CGST Rules, a consecutive serial number not exceeding sixteen(16) characters, in one or multiple series, containing alphabets or numerals or special characters hyphen or dash and slash symbolised as - and / respectively, and any combination thereof, unique for a financial year.

Tax Invoice Numbering may have Prefix & Suffix which can be created in respective Voucher Types e.g. Prefix APJV/ and Suffix /19-20. Width of serial number may have prefilled zeros.

3) LOGO

CA Logo can be printed on Tax Invoices by setting the path in Accounting Features (F11) or configuring the same while giving command for printing in F12 stating where the Logo is stored.

4) PARTY DETAILS

Party details as per Party Ledger created and the same to be printed on Tax Invoice shall be configured by F12 during voucher entry.

5) HSN/SAC

HSN/SAC Column & Summary can be printed on Tax Invoice.

6) PLACE OF SUPPLY

An invoice should contain Place of supply along with the name of the State, in the case of a supply of Goods / Services.

7) BANK DETAILS FOR NEFT/RTGS

Bank details as per Bank Account created can be captured by selecting the same in Voucher Type and configured by F12.

8) INVOICE COPIES

Original Invoice: The original copy of the invoice is to be given to Party, and is marked as 'Original for recipient'.

Duplicate Copy: The duplicate copy is for the supplier, and is marked as 'Duplicate for supplier'.

Under Rule 47 of CGST Rules, the tax invoice must be issued within 30 days from the date of supply of the service

SAMPLE COPIES FOR REFERENCE

TAX INVOICE   (ORIGINAL FOR RECIPIENT)

APJV & Co.
180/9, Odit Mansion,
IT Lane, BKC, Bandra, Mumbai
Maharashtra - 400051, India
GSTIN/UIN: 27APJFA0819H1Z8
State Name : Maharashtra, Code : 27
Contact : 27981981, 9811899819
E-Mail : apjvco@gmail.com
Website : www.apjvco.com

Invoice No.	Dated
APJV/009/19-20	9-Sep-2019

Buyer
K Nine Enterprise Private Limited
99/18, Simple Mansion,
Easy Road,
Wadala, Mumbai
Maharashtra - 400031, India
GSTIN/UIN   : 27AAPCK1800T1Z9
PAN/IT No   : AAPCK1800T
State Name   : Maharashtra, Code : 27
Place of Supply : Maharashtra
Contact person : Mr. Guruprasad
Contact   : 24545459, 9454545945
E-Mail   : knine@gmail.com

Particulars	HSN/SAC	Amount
Financial Auditing Services	998221	63,000.00
Statutory Audit for FY 2018-19		
Corporate Tax Consulting and Preparation Services	998231	27,000.00
IT Return Filing for A.Y. 2019-20		
Outward CGST		8,100.00
Outward SGST		8,100.00
Total		**₹ 1,06,200.00**

E. & O.E

Amount Chargeable (in words)
INR One Lakh Six Thousand Two Hundred Only

HSN/SAC	Taxable Value	Central Tax Rate	Central Tax Amount	State Tax Rate	State Tax Amount	Total Tax Amount
998221	63,000.00	9%	5,670.00	9%	5,670.00	11,340.00
998231	27,000.00	9%	2,430.00	9%	2,430.00	4,860.00
Total	**90,000.00**		**8,100.00**		**8,100.00**	**16,200.00**

Tax Amount (in words) : **INR Sixteen Thousand Two Hundred Only**

Company's PAN   : APJFA0819H

Declaration
We declare that this invoice shows the actual rate of the services described and that all particulars are true and correct.

Company's Bank Details
Bank Name   : **Saraswat Co-Op. Bank Limited**
A/c No.   : **Current A/c : 009100100000999**
Branch & IFS Code : **BKC Branch & SRCB0000418**

Customer's Seal and Signature

for APJV & Co.

Authorised Signatory

SUBJECT TO MUMBAI JURISDICTION

TAX INVOICE (DUPLICATE FOR SUPPLIER)

APJV & Co.
180/9, Odit Mansion,
IT Lane, BKC, Bandra, Mumbai
Maharashtra – 400051, India
GSTIN/UIN: 27APJFA0819H1Z8
State Name : Maharashtra, Code : 27
Contact : 27981981,9811899819
E-Mail : apjvco@gmail.com
Website : www.apjvco.com

Invoice No.	Dated
APJV/009/19-20	9-Sep-2019

Buyer

K Nine Enterprise Private Limited
99/18, Simple Mansion,
Easy Road,
Wadala, Mumbai
Maharashtra - 400031, India
GSTIN/UIN   : 27AAPCK1800T1Z9
PAN/IT No   : AAPCK1800T
State Name   : Maharashtra, Code : 27
Place of Supply : Maharashtra
Contact person   : Mr. Guruprasad
Contact   : 24545459, 9454545945
E-Mail   : knine@gmail.com

Particulars	HSN/SAC	Amount
Financial Auditing Services	998221	63,000.00
Statutory Audit for FY 2018-19		
Corporate Tax Consulting and Preparation Services	998231	27,000.00
IT Return Filing for A.Y. 2019-20		
Outward CGST		8,100.00
Outward SGST		8,100.00
Total		**₹ 1,06,200.00**

E. & O.E

Amount Chargeable (in words)
INR One Lakh Six Thousand Two Hundred Only

HSN/SAC	Taxable Value	Central Tax		State Tax		Total Tax Amount
		Rate	Amount	Rate	Amount	
998221	63,000.00	9%	5,670.00	9%	5,670.00	11,340.00
998231	27,000.00	9%	2,430.00	9%	2,430.00	4,860.00
Total	**90,000.00**		**8,100.00**		**8,100.00**	**16,200.00**

Tax Amount (in words) : **INR Sixteen Thousand Two Hundred Only**

Company's PAN   : APJFA0819H

Declaration
We declare that this invoice shows the actual rate of the
services described and that all particulars are true and
correct.

Company's Bank Details
Bank Name   : Saraswat Co-Op. Bank Limited
A/c No.   : Current A/c : 009100100000999
Branch & IFS Code : BKC Branch & SRCB0000418

Customer's Seal and Signature

for APJV & Co.

Authorised Signatory

SUBJECT TO MUMBAI JURISDICTION

TAX INVOICE　　　　(ORIGINAL FOR RECIPIENT)

APJV & Co.
180/9, Odit Mansion,
IT Lane, BKC, Bandra, Mumbai
Maharashtra - 400051, India
GSTIN/UIN: 27APJFA0819H1Z8
State Name : Maharashtra, Code : 27
Contact : 27981981, 9811899819
E-Mail : apjvco@gmail.com
Website : www.apjvco.com

Invoice No.	Dated
APJV/010/19-20	9-Sep-2019

Buyer
Networking Enterprise
54/36, Emerald Tower, Sector-63, Noida, Uttar
Pradesh - 201301, India

GSTIN/UIN	: 09AAIPK7272R1Z9
PAN/IT No	: AAIPK7272R
State Name	: Uttar Pradesh, Code : 09
Place of Supply	: Uttar Pradesh
Contact person	: Raj Kashyap
Contact	: 0120-4500450, 8181818181
E-Mail	: wenetwork@gmail.com

Particulars	HSN/SAC	Amount
Accounting and Bookkeeping Services	998222	1,08,000.00
Accounts Writing Charges for FY 2018-19		
Individual Tax Preparation and Planning Services	998232	18,000.00
Tax Planning & IT Return Filing		
For A.Y. 2019-20		
Outward IGST		22,680.00
Total		**₹ 1,48,680.00**

E & O.E

Amount Chargeable (in words)
INR One Lakh Forty Eight Thousand Six Hundred Eighty Only

HSN/SAC	Taxable Value	Integrated Tax		Total Tax Amount
		Rate	Amount	
998222	1,08,000.00	18%	19,440.00	19,440.00
998232	18,000.00	18%	3,240.00	3,240.00
Total	**1,26,000.00**		**22,680.00**	**22,680.00**

Tax Amount (in words) : **INR Twenty Two Thousand Six Hundred Eighty Only**

Company's PAN　　　: APJFA0819H

Declaration
We declare that this invoice shows the actual rate of the
services described and that all particulars are true and
correct.

Company's Bank Details
Bank Name　　　: **Saraswat Co-Op. Bank Limited**
A/c No.　　　: Current A/c : 009100100000999
Branch & IFS Code　: BKC Branch & SRCB0000418

Customer's Seal and Signature

for APJV & Co.

Authorised Signatory

SUBJECT TO MUMBAI JURISDICTION

29

TAX INVOICE

(DUPLICATE FOR SUPPLIER)

APJV & Co. 180/9, Odit Mansion, IT Lane, BKC, Bandra, Mumbai Maharashtra - 400051, India GSTIN/UIN: 27APJFA0819H1Z8 State Name : Maharashtra, Code : 27 Contact : 27981981,9811899819 E-Mail : apjvco@gmail.com Website : www.apjvco.com	Invoice No. **APJV/010/19-20**	Dated **9-Sep-2019**

Buyer
Networking Enterprise
54/36, Emerald Tower, Sector-63, Noida, Uttar
Pradesh - 201301, India

GSTIN/UIN	: 09AAIPK7272R1Z9
PAN/IT No	: AAIPK7272R
State Name	: Uttar Pradesh, Code : 09
Place of Supply	: Uttar Pradesh
Contact person	: Raj Kashyap
Contact	: 0120-4500450, 8181818181
E-Mail	: wenetwork@gmail.com

Particulars	HSN/SAC	Amount
Accounting and Bookkeeping Services *Accounts Writing Charges for FY 2018-19*	998222	1,08,000.00
Individual Tax Preparation and Planning Services *Tax Planning & IT Return Filing* *For A.Y. 2019-20*	998232	18,000.00
Outward IGST		22,680.00
Total		**₹ 1,48,680.00**

Amount Chargeable (in words)   E. & O.E

INR One Lakh Forty Eight Thousand Six Hundred Eighty Only

HSN/SAC	Taxable Value	Integrated Tax		Total Tax Amount
		Rate	Amount	
998222	1,08,000.00	18%	19,440.00	19,440.00
998232	18,000.00	18%	3,240.00	3,240.00
Total	**1,26,000.00**		**22,680.00**	**22,680.00**

Tax Amount (in words) : **INR Twenty Two Thousand Six Hundred Eighty Only**

Company's PAN   : APJFA0819H

Declaration
We declare that this invoice shows the actual rate of the
services described and that all particulars are true and
correct.

Company's Bank Details
Bank Name   : Saraswat Co-Op. Bank Limited
A/c No.   : Current A/c : 009100100000999
Branch & IFS Code : BKC Branch & SRCB0000418

Customer's Seal and Signature

for APJV & Co.

Authorised Signatory

SUBJECT TO MUMBAI JURISDICTION

GST Reports

Professional can generate GSTR1, GSTR2A and GSTR3B from Tally erp9 for generating this return go to display –statutory report –GST report the following screen provide the over view of GSTR1, HSN summary and GSTR3B.

GSTR-1

HSN/SAC Summary

GSTR-3B

TIME ACCOUNTING

As a CA we all are strong and focused as far as money is concerned, be it ours or our clients. We see to it that each and every rupee is being properly recorded, accounted and analysed.

As professionals we get paid for our TIME. Normally, we as a small or mid-sized practicing firm we charge our clients a Fixed Fees or lump sum fees for a particular type of assignment. To quote the fees we generally try to judge the complexity, volume, type, etc. of assignment which would help us to estimatetime / efforts required (both of seniors and other team members)for that particular assignment.Rarely, only for some clients or assignment we get an opportunity for billing directly for the time invested by our firm with a per hour / day rate.

Our major revenue generating asset is the collective time of our firm including partner's time. But we seldom account for our professional time.Many CA prefer to have a detailed accounting of time in a manner similar to the money spent by their office on behalf of the client, which needs to be charged back to the client.Won't it become valuable if we are able to calculate the time, our office spent for a particular client or assignment, thereby helping us to calculate the effective cost for the assignment and resulting profitability from the same?

We, as Chartered Accountants have to use our professional skills and competence to complete almost any assignment given to us by our clients. We have to use our time prudently and judicially for any assignment. Unlike traders or manufacturers, we are not into a business where profit can be generated out of sales and purchases of goods that can remain in stock, for us if time is not used in productive and billable task, it is almost lost. For CA firm profit is generated from the time invested by our office for assignments that get billed.

Some of us have detailed time sheets of hours clocked by our employees across assignments, others wish to have it. This is a big problem faced by Small and Medium Practicing Chartered Accountants and most of them may not be aware of even the existence of such a problem, making it a blind spot. They presume that for maintaining timesheets they need to invest time and money on additional software's or tools. We are trying to mimic time accounting just like we do financial accounting. Yes, Small and Medium Practicing Chartered Accountants can develop it very easily with some effort, without incurring any further cost. We shall use Tally for Time Accounting.

The process is very simple - let us open a new company in Tally for our Firms Time Accounting. Say for e.g. APAJ/ DMVM Associates – Time Accounting, as all of us have all the hardware as well as Tally we do not require to invest any money in infrastructure and can start NOW. As an added advantage most of our staff knows Tally so there is no additional training required hence they can also be productive immediately.

Let us run you through step by step implementation of the same.

1.   Create a Company – Your FIRM – Time Accounting

2.   Create Masters – Clients (under Sundry Creditors) and Employees (under Sundry Debtors).

STEPS TO CREATE COMPANY FOR TIME ACCOUNTING

*   Define name of company.

*   Mention company address, State, Country.

Important Configurations To Be Done Are Mentioned Below:

*   Base currency as Hrs.

*   Formal Name as Hours.

*   Word representing amount after decimal Mins.

Steps to create Client & Employees Masters in tally.

*   Gateway of tally.

*   Accounting info.

*   Ledgers

- Create ledgers of [Clients under creditors] [Employees under debtors]
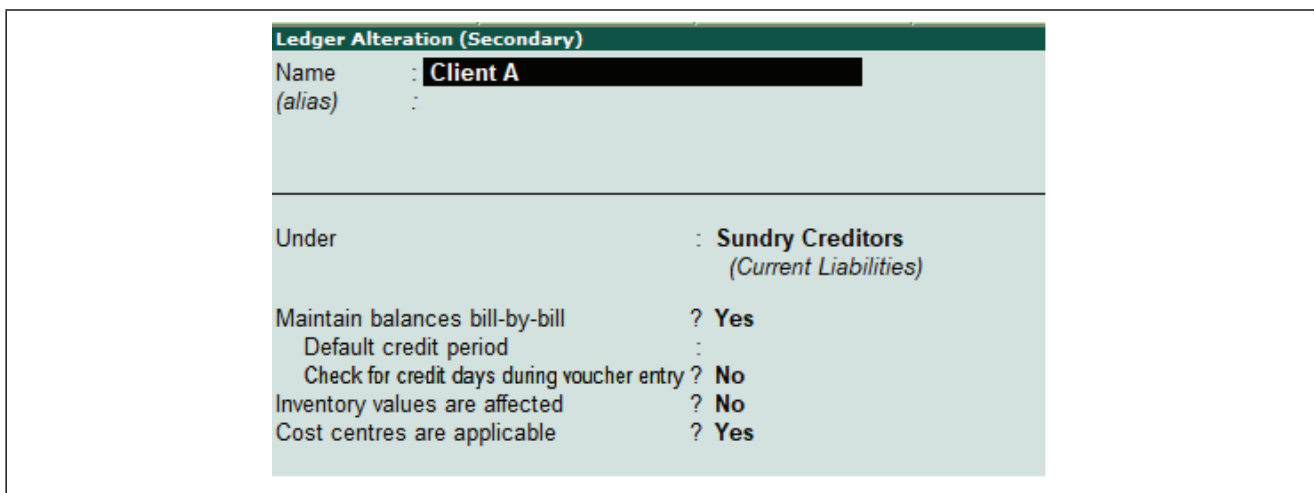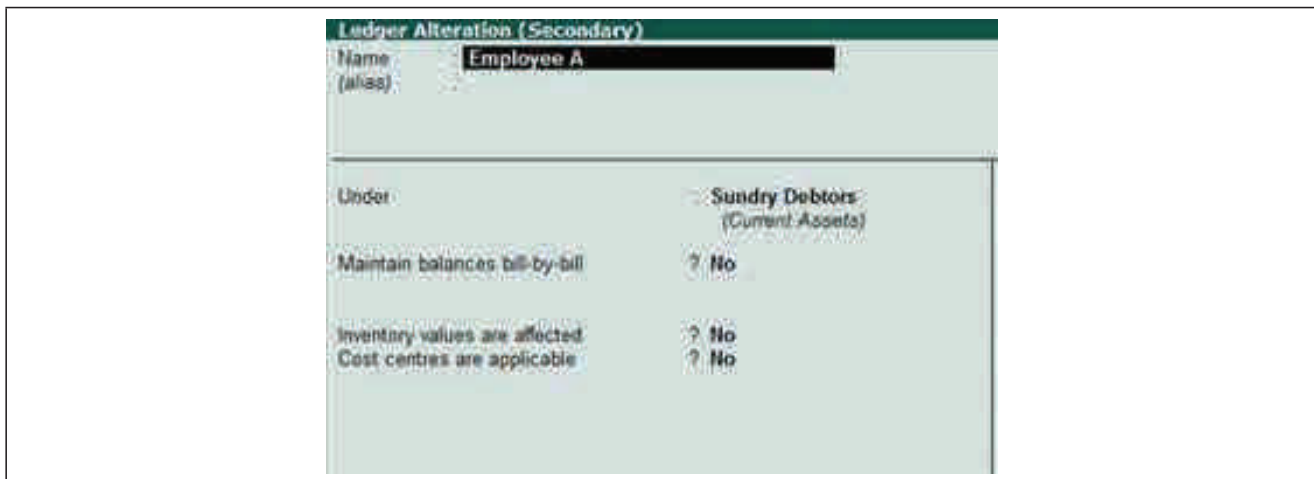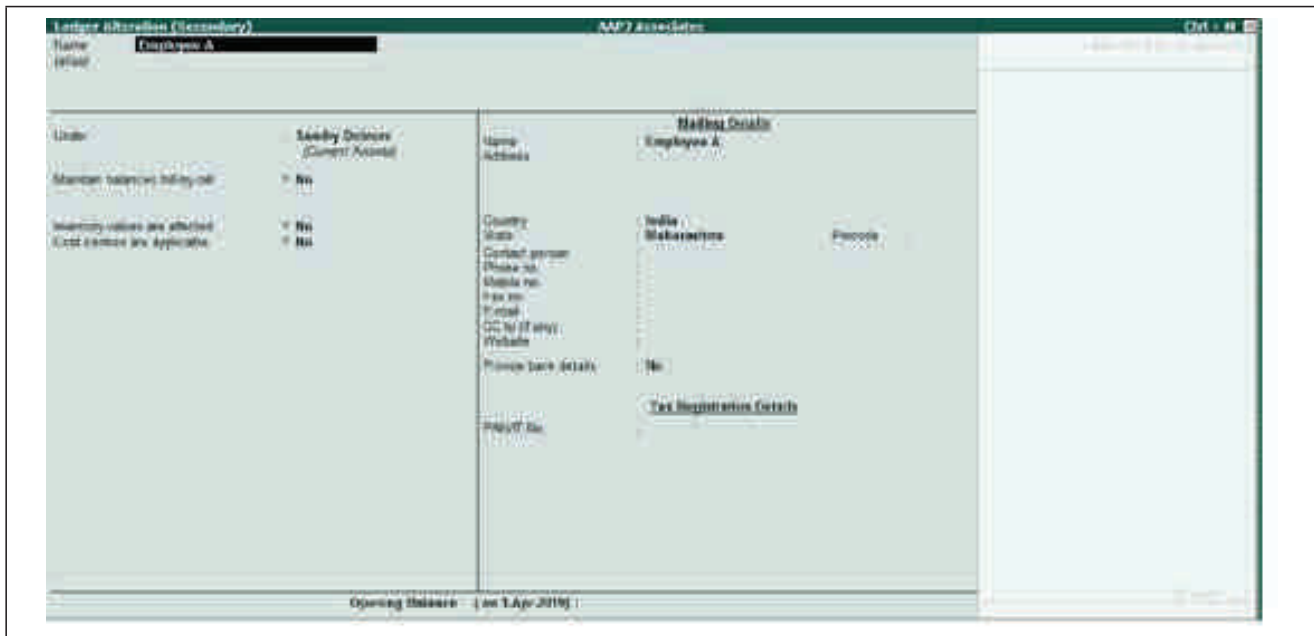
3. Ask your team to pass daily entries for their Time, they have to do the time accounting for him/herself. A simple Journal Entry needs to be passed - for any work done / time spent debit the client account and credit own account. In the amount he/she has to write the amount of time (number of hours) spent on the assignment.

4. Suggest them to provide details of the work done in the narration field. This will help you analyse the tasks done by the team during a day or assignment period.

5. If the work done does not pertain to any particular client, then the same may be credited to any Internal Work Account.

Let's look at the steps in more detail with an example. Team Member (Employee) 'A' has done Petty Cash Vouching for Client ABC for 6 hours in the process of executing the Audit Assignment for FY 2019-20.The entry will be

Employee A A/c Dr.   6

    To Client ABC A/c   6

Narration: Petty Cash vouching done as a part of Audit review and found 5 vouchers were without receiver's signature and 87 petty cash are available as well as recorded but yet to be approved on paper.

Thus, this entry is detailed record of the time invested by a member of your office for a particular client. It also provides detail of all the work done by the person with details of date, employee, client, time spent and narration. So at any point of time reviewing Ledger of Employee A will give you details of what work Employee 'A' has executed during a particular period.This indirectly provides a self-check on the employees wherein even if there is no one to monitor their work, one can easily come to know how they have utilised their time on a particular day or during a defined period. This is because the employee passed the entry and provided a detailed narration of the work done, so (s) heis also quantifying and justifying the time spent for a client on a particular assignment.

The efficiency of the office will automatically improve even without physical presence of seniors.

But by using this method of time accounting one knows time spent by the office to serve a particular client and assignment, by simply analysing the clients Ledger A/c. This helps in justifying if the fees charged is commensurate with the time invested by our office. Many a time when the assignment is over and bill is about to be raised one faces questions like is the bill amount commensurate with the work done? Is it too high? Is it too low? The Clients ledger in this case helps answer most questions.

Based on your preference and comfort you may choose to do Time Accounting with either depth as may be feasible to you.

• Client wise Time Accounting

• Assignment wise Client wise Time Accounting

For successful implementation using first scenario – client wise Time Accounting by employees is more than enough. Once entries are recorded in full by your team, both you and your team would be able to get qualitative analysis of time invested and services performed during a period.

For implementing Time Accounting with Assignment time tracking you may explore using the Cost Centre concept within Tally. Create Assignment types as Cost Centres and Enable Cost Centres in Client Ledgers.

It has been experienced that firms that are able to get Time Accounting using Tally implemented well, find the productivity of the entire office improving substantially. Employees start becoming alert on the time spent by them and seniors are able to estimate the efforts for an assignment in a more accurate manner as historical data across clients is available for usage.

TAX DEDUCTED AT SOURCE

Introduction

Tax Deducted at Source (TDS), was introduced in the Income Tax Act, 1961, to deduct tax on income, from the source of income. To get started, you have to enable the Tax Deducted at Source (TDS) module in Tally.ERP 9 and enter your company's registration details.

To Enable TDS

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

2. Set Enable Tax Deducted at Source (TDS) to Yes

3. Enable the option Set/alter TDS details? to display TDS Deductor Details screen.

4. Enter the TAN registration number.

5. Enter the Tax Deduction Account Number (TAN).

6. Select the Deductor Type.

7. Enter Deductor branch/division.

8. Enable the option Set/alter details of person responsible? to enter the Person Responsible Details screen.

9. Enter the Rate of TDS if PAN not available

10. Enable the option Ignore IT Exemption Limit for TDS Deduction? if required.

11. Enable the option Activate TDS for stock items? if required.

12. Press Enter.

13. Press Ctrl+A to save the details.

Person Responsible Details

Name : Rajesh
Son/daughter of : Venkatesh
Designation : Chief Financial Officer
PAN : KLHGK3887R

Flat no. : 28/1
Name of the premises/building : Aikya Apartments
Road/Street/Lane : 1st A Cross
Area/Location : Doddakammanahalli
Town/City/District : Bangalore
State : Karnataka
Pincode : 560076

Mobile no. : 9874574587
STD code : 080
Telephone : 22658444
E-mail ID : rajesh.v@gmail.com

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

Masters

TDS Nature of Payment   Creating Expense Ledger   Creating Party Ledger

Creating TDS Ledger   Creating Stock Item   Creating Fixed Asset Ledger

Ledger   Other Configurations in Masters

To create TDS Nature of Payment

1. Go to Gateway of Tally > Accounts Info. > Statutory Info. > TDS Nature of Pymts> Create.

TDS Nature of Payment Creation
Name : Income in Respect of Investment in Securitization Trust

Section : 194LBC
Payment code : LBC

Rate : 30 %

Threshold/exemption limit :

2.   Press Ctrl+C to view the list of Nature of Payment.

3.   Select the required Nature of Payment.The Section and Payment code are displayed automatically.

4.   Enter the Rate of TDS.

5.   Enter the Threshold/exemption limit as applicable.

6.   Click F12: Configure to configure more options.

7.   Press Ctrl+A to save the details.

- **To create an expense ledger**

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

2.   Enter the Name.

3.   Select Indirect Expenses as the group name in the under field.

4.   Set Inventory values are affected to No.

5.   Enable the option Is TDS Applicable?

6.   Select the Nature of Payment from the List of Nature of Payments.

7.   Press Ctrl+A to save the details.

- **To create a party ledger**

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

2. Enter the Name.

3. Select Sundry Creditor as the group name in the under field.

4. Enable the option Maintain bill-by-bill, if required.

5. Enable the option Is TDS Deductible?

6. Select a Deductee Type.

7. Enable Deduct TDS in Same Voucher, if required.

8. Enter the Name of the service provider under Mailing Details.

9. Enter the Address.

10. Select the Country from the List of Countries.

11. Select the State from the List of States.

12. Enter the PIN Code.

13. Enable Provide Bank Details, if required.

14. Enter the PAN under Tax Information.

15. Enable the option Provide PAN Details to enter PAN details of the party.

16. Press Ctrl+A to save the details.

- **To create a TDS tax ledger**

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

2. Enter the Name.

3. Select Duties and Taxes as the group name in the Under field

4. Select TDS as the Type of Duty/Tax.

5. Select a Nature of Payment from the List of Nature of Payments.

6. Press Enter.

7. Press Ctrl+A to save the details.
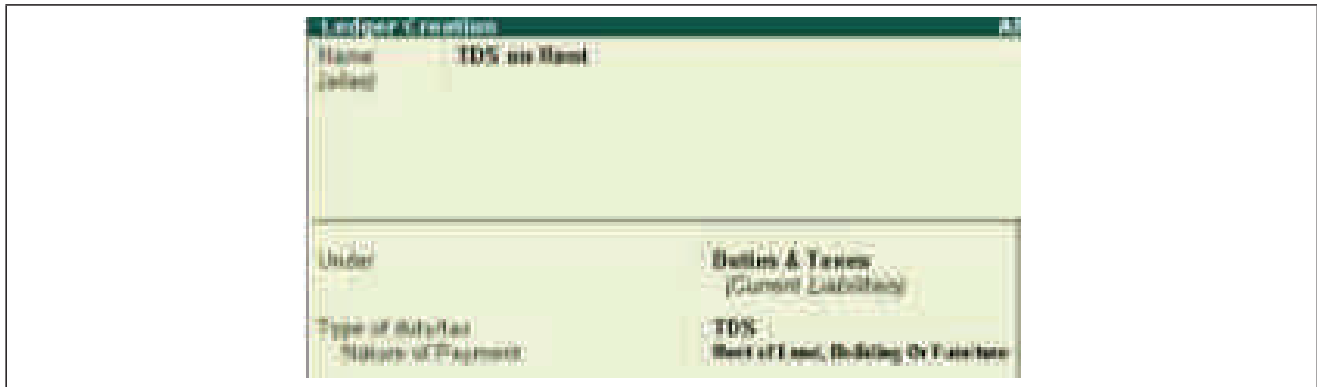
- **To create a Stock item for TDS**

1. Go to Gateway of Tally > Inventory Info. > Stock Item > Create.

2. Enter the Name.

3. Select a stock group from the List of Stock Groups in the Under field.

4. Select a unit of measurement in the Units field.

5. Enable the option Set/alter TDS details.

6. Select the Nature of Payment from the List of Nature of Payment.

7. Press Enter.

8. Press Ctrl+A to save the details.

- **To create a fixed asset ledger**
1. Go to Gateway of Tally > Accounts Info. > Ledgers > Create.

2. Enter the Name.

3. Select Fixed Assets as the group name in the under field.

4. Set Inventory values are affected to No.

5. Set Is TDS Deductible to Yes.

6. Set Treat as TDS Expenses to Yes.

7. Select the required Nature of Payment.

8. Enter the Mailing Details and Tax Registration Details, as required.

9. Press Ctrl + A to save the details.

Transactions

TDS on Expenses

TDS on Advance Payment

TDS at Lower Rate

TDS at Zero Rate

Recording Payment transaction (start Payment)

Accounting for Expenses Deducting TDS later

Reversal for Expenses with TDS

TDS on Expenses with Inventory

TDS on Fixed Assets

TDS on Transport

Deducting TDS when Expenses are paid through Cash

Deducting TDS in Different Vouchers

Deducting TDS on Partial Value

To create a journal voucher

1.   Go to Gateway of Tally > Accounting Voucher > F7: Journal.

2.   Enter The Date.

3.   Debit the Rent expense ledger.

4.   Enter 500000 in the amount field.

5.   Credit MAR Tech Park the amount after TDS deduction will appear in the Amount field automatically.

6.   Press Enter.

7.   Enter the Bill-wise Details, as required.

8.   Press Enter.

9.   Credit the TDS tax ledger. The TDS amount will automatically filled in the Amount field.

10.   Press Enter.

11.   Enter Narration, if required.

To create an advance payment

1.   Go to Gateway of Tally > Accounting Voucher > F5: Payment

2.   Click F2: Date to change the date to 01-05-2015.

3.   Select bank ledger in the Account field.

4.   Select MAR Tech Park in the particulars field.

5.   Enter 100000 in the amount field.

6.   Select the TDS tax ledger. The TDS amount will automatically filled in the Amount field.

7.   Press Enter.

8.   Enter the Bank Allocation Details, as required.

9.   Press Enter.

10.   Enter Narration, if required.

To record expenses in the journal voucher

1.   Go to Gateway of Tally > Accounting Voucher > F7: Journal.

2.   Click F2: to Enter date.

3.   Debit the Commission expense ledger.

4.   Enter 80000 in the amount field.

5.   Credit ACE Computers. The amount after TDS deduction will appear in the Amount field automatically.

6.   Press Enter.

7.   Enter the Bill-wise Details, as required.

8.   Press Enter.

9.   Credit the TDS tax ledger. The TDS amount will automatically filled in the Amount field.

10.   Press Enter.

11.   Enter Narration, if required.

To record expenses in the journal voucher

1.   Go to Gateway of Tally > Accounting Voucher > F7: Journal.

2.   Click F2: Enter date.

3.   Debit the Rent expense ledger.

4.   Enter 1000000 in the amount field.

5.   Credit Gokul Co-operative building society.

6.   Press Enter.

7.   Enter the Bill-wise Details, as required.

8.   Press Enter.

9.   Enter Narration, if required.

To record a payment transaction

1.   Go to Gateway of Tally > Accounting Vouchers > F5: Payment.

2.   Click S: Stat Payment.

3.   Select TDS as the Tax Type.

4.   Enter the Period From and to dates.

5.   Enter the Deducted Till Date.

6.   Select the Section from the List of Section.

7.   Select the required Nature of Payment.

8.   Select the Deductee Status.

9.   Select the Residential Status.

10.   Select either bank or cash ledger in the Cash/Bank field. The payment voucher will be automatically filled with the relevant values.

To create a journal voucher

1.   Go to Gateway of Tally > Accounting Voucher > F7: Journal.

2.   Click F2: Enter Date.

3.   Debit the Rent expense ledger.

4.   Enter 500000 in the amount field.

5.   Credit MAR Tech Park.

6.   Enter 500000 in the amount field.

7.   Press Enter

To record a purchase voucher

1.   Go to Gateway of Tally > Accounting Voucher > F9: Purchase.

2.   Enter the Supplier Invoice No. and Date.

3.   Select MAR Tech Park in the Party's A/c Name field.

4.   Select Rent in the Particulars field.

5.   Enter 500000 in the Amount field.

6.   Press Enter.

7.   Select TDS Any ledger in the Particulars field. The amount is automatically calculated.

8.   Press Enter.

9.   Enter the details in the Bill-wise Details screen.

10.   Press Enter.

To create a purchase voucher

1.   Go to Gateway of Tally > Accounting Voucher > F9: Purchase.

       Note: Ensure the purchase voucher is in item invoice mode.

2.   Click F2: Enter Date.

3.   Enter the Supplier Invoice No.

4.   Enter AK Enterprises in Party's A/c Name field.

5.   Enter the Purchase Ledger.

6.   Select Cartons from the List of Items in the Name of Item field.

7.   Enter 1000 in the Quantity field.

8.   Enter 50 In the Rate field.

9.   50000 is automatically updated in the Amount field.

10.   Select the TDS ledger, TDS amount is automatically filled in the Amount field.

11.   Enter the required details in the Bill-wise Details screen.

To create a journal voucher

1.   Go to Gateway of Tally > Accounting Voucher > F7: Journal.

2.   Click F2: Enter Date.

3.   Debit Capital Work in Progress (Machine) fixed asset ledger, by 60000.

4.   Credit AK Enterprises, amount is automatically filled.

5.   Enter the required details in the Bill-wise Details screen.

6.   Credit TDS - Contract ledger, amount is automatically filled.

7.   Enter Narration, if required.

To create a journal voucher

1.   Go to Gateway of Tally > Accounting Voucher > F7: Journal.

2.   Click F2: Enter Date.

3.   Debit Transport Expense ledger, by 50000.

4.   Credit ABC Transporter. amount is automatically filled.

5.   Enter the required details in the Bill-wise Details screen.

6.   Press Ctrl+A to save.

7.   Credit TDS ledger, amount is automatically filled.

8.   Enter Narration, if required.

To disable the option Deduct TDS in Same Voucher

1.   Go to Gateway of Tally > Accounts info > ledgers > Alter > Party master

2.   In party master under statutory information disable the option Deduct TDS in Same Voucher and save.

Deducting TDS when expenses are paid through Cash

1.	Go to Gateway of Tally > Accounts Vouchers > F9: Purchase

	•	Select Cash in Party's A/C name.

	•	In Supplementary Details screen,

To disable the option Deduct TDS in Same Voucher

1.	Go to Gateway of Tally > Accounts info > ledgers > Alter > Party master

2.	In party master under statutory information disable the option Deduct TDS in Same Voucher and save.

Deducting TDS on partial value

1.	Go to Gateway of Tally > Accounting Vouchers > F7: Journal

2.	 Press F12:Journal Standard Configuration.

3.	From Journal Standard Configuration Press F12:Journal Advanced Configuration.

4.	Enable Allow modification of Tax details of TDS.

TDS Reports

Form 26Q (TDS)

Statistics of Vouchers

Included Transaction Details (26Q)

Excluded Transaction Details (26Q)

Uncertain Transactions

Deduction Details

Payment Details

Saving Form 26Q

Exporting Form 26Q

Recomputing TDS Returns

To display the statistics report

1. Go to Gateway of Tally > Display > Statutory Reports > TDS Reports > Form 26Q or Form 27Q.

2. Select Total Number of Transactions.

3. Press Enter to view all transactions for the period.

4. Select any voucher type and press Enter to view the Voucher Monthly Register.

5. Select any month and press Enter to view Voucher Register. The Voucher Register screen appears.

6. Select the required voucher.

7. Press Enter to edit the voucher.

To view the Included Transactions Details

1. Go to Gateway of Tally > Display > Statutory Reports > TDS Reports > Form 26Q.

2. Select Included Transactions, and press Enter.

To view the Exclude Voucher Details

1. Go to Gateway of Tally > Display > Statutory Reports > TDS Reports > Form 26Q.

2. Select Excluded Transactions.

To view the Uncertain Transactions Details

1.   Go to Gateway of Tally > Display > Statutory Reports > TDS Reports > Form 26Q.

2.   Select Uncertain Transactions.

To view the Deduction Details

1.   Go to Gateway of Tally > Display > Statutory Reports > TDS Reports > Form 26Q or Form 27Q.

2.   Select the required deduction under Deduction Details, and press Enter.

To view the deduction voucher for each of the nature of payments

1.   Go to Gateway of Tally > Display > Statutory Reports > TDS Reports > Form 26Q.

To save the Form 26Q return

1.   Click F6: Save.

To export data to Form 26Q

1.   Go to Gateway of Tally > Display > Statutory Reports > TDS > Form 26Q.

2.   Press Ctrl+E to view the Export Report screen.

3.   Enter the Place and Date.

4.   Specify the options Is change in Address of Responsible since last Return? And is change in Address of Deductor since last Return as required.

5.   Select the required option in Appearance of Deductee Names.

6.   Specify the required option in Is Regular Return Filled for Previous Period.

7.   Enter the Receipt No. /Token No.

8.   Press Enter to export data.

To recomputed

Go to Display > Statutory Reports > TDS reports > Form 26Q/27Q > F5: recompute> Click F7: Saved as revised or F6: Overwrite.

Form 27Q (TDS)

Payment Details 27Q

Saving Form 27Q

Exporting Form 27Q

To view the deduction voucher for each of the nature of payments

1.   Go to Gateway of Tally > Display > Statutory Reports > TDS Reports > Form 27Q.

To save the Form 27Q

1.   Click F6: Save.

To export data to Form 27Q

1.   Go to Gateway of Tally > Display > Statutory Reports > TDS > Form 27Q.

2.   Press Ctrl+E to view the Export Report screen.

3.   Enter the Place and Date.

4.   Specify the options Is change in Address of Responsible since last Return? And is change in Address of Deductor since last Return as required.

5.   Select the required option in Appearance of Deductee Names.

6.   Specify the required option in Is Regular Return Filled for Previous Period.

7.   Enter the Receipt No. /Token No.

8.   Press Enter to export data.

Challan Reconciliation

To view the Challan Reconciliation report and reconcile TDS payment challans

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

2.   Click F5: Reconcile Challan.

3.   Enter the Challan No.

4.   Press Alt+S to set Challan Date.

5.   Press Alt+L to show all or pending challan.

TDS Outstanding Report

To view TDS Nature of Payment Outstanding report

•   Go to Gateway of Tally > Display > Statutory Reports > TDS Reports > TDS Outstanding.

Ledgers without PAN (TDS)

To view the party ledger for which PAN is not specified and enter the PAN

1.   Go to Gateway of Tally > Display > Statutory Reports > TDS Reports > Ledgers without PAN.

Filing TDS Returns

To validate the file and submit returns

1.   Open the file validation utility tool.

2. Browse and select the 26Q returns .txt file exported from Tally.ERP 9 in the field TDS/TCS Input File Name with Path.

3. Browse and select the challan status inquiry .csi file downloaded from TIN website in the field Challan Input File Name with Path.

4. Enter the location to save the validation error file in the field Error/Upload& Statistics Report File Path.

5. Click Validate.

6. Click OK to close the messages displayed after validation.

7. Print the Form 27A created by the validation tool.

8. Submit the Form 27A and 26Q returns.txt file (soft copy) at TIN-FC or upload on NSDL website.

GST GOODS AND SERVICE TAX

We all agree that Goods and Services Tax - GST has revolutionised the way business is done in India. Businesses now have to concentrate on single Tax Regime as opposed to complying with multiple taxes and laws. This has definitely eased the operations to a great extent. Compliance is yet to get streamlined the way it was presumed, thanks to the complexity and size of operations in our country. GSTIN portal has come a long way to manage expectations of country-men, yet there is a long way to go.

Adaptation of GST has changed the way we were helping our clients in the past. GST compliance requires a more detailed eye on the data to ensure timely and accurate compliance.

The 31st GST Council meeting had settled on introducing a new GST return filing model on a trial basis. To ensure better adaptation to the new GST return filing system, a transition plan has been worked out. With implementation of the new forms and data exchange models the Online Matching of transactions shall become stronger and transparent.

This change will expect the quality of data being filed to be more accurate. Errors in the source data would lead to lot of confusion and rework for both Registered Entities as well as Tax Practitioners. In order to have a better control on the data review activity and enable timely compliance for our multiple clients, it would be very useful to ensure the data is recorded correctly in the source system. As we have many of our clients using Tally for their day to day accounting, it would be of great help for us if they are setting the process right and we use capabilities of Tally to do the verification of data, instead of relying only on spreadsheets.

We have tried our best, to share some good practices with appropriate examples, wherever feasible, on the use of Tally for managing GST compliance. As is true for any Transaction processing system to streamline faster and provide us reliable outcomes, here too we have segregated the flow in 3 broad areas - Setup, Record & Reporting.

The explanation that follows is drafted with a view to help you explain or guide the user of Tally who is primarily responsible for recording transactions and providing source data for GST compliance. Most of the times it has been observed that due to ignorance of availability of features many client users are not using Tally the right way, leading to a lot of rework at consultants office. This user can be Accountants of the client or one of your team members in case you are helping your clients to maintain Accounting records along with compliance support. The reports and review section helps you to understand the options and features within Tally that can help you comply with greater confidence.

Setup

We shall quickly run through the steps that are required to make the client company enabled for data capturing and reporting with GST details. Since GST is implemented from July 2017, we are assuming most of the companies would have done some of this step, we are shortening the explanation to just review and validate steps.

Below is a broad framework of how the GST Tax Rates and Transaction Types are being setup in Tally. Understanding this will help you get the same planned for your client and ensure how users should record transactions. Moreover once you get a better grip on the below framework, you and your team would be able to trace Errors in GST reports quickly and with higher confidence.

While doing the Setup users are allowed to setup GST Tax Rate configurations and details at different levels. This is outlined as a facility for efficient data entry as well as good control for identification of errors or omissions as well as helping in reconciliation and verification of GST summaries.

Configuration or details provided at Company level will percolate to all levels. Users need not set the details at different Masters unless they need to override the working of that particular master. Similarly details configured at Masters will percolate to Transactions.

Configure or provide GST setup details at the level below which your details are least likely to change. Let us illustrate this with a few examples :

A Company dealing within a single state and having goods or services with a Single GST rate may configure GST details at the Company level. All other details will flow in the water-fall model and updated without a need to manually change at each level.

A Company having operations where multiple Tax Rates and HSN details are required to be managed may do so by configuring at ITEM Master / Group level if they are using Inventory or at Income / Expenses Ledgers or Groups instead of doing so at the Company Level. One can configure different Tax Rate and HSN details for each ledger / stock Item alternatively she can configure the same at Stock Group / Ledger Group level so all Stock Items / Ledgers created under the group will take the same configuration.

The above option helps to start transaction recording faster and with minimal risk of errors.

In practical business scenarios there are instances where my sales may have a pattern or Rate as well as HSN details, but expenses may not. Tally allows users to override the GST details at the Transaction level too.

Doesn't these seems to be scary from a Tax Consultants view, yes it is. But once you open GST reports you shall find a section titled as Returns Summary which provides details of all such exceptions or miss-outs in the transactions that do not match with Setup / Configuration done in the Master data.

Configuring Company Information

To ensure the accountant start working on GST enabled Tally, reconfirm if they are using one of the latest versions of Tally (Tally ERP.9 Release 6.x or higher).
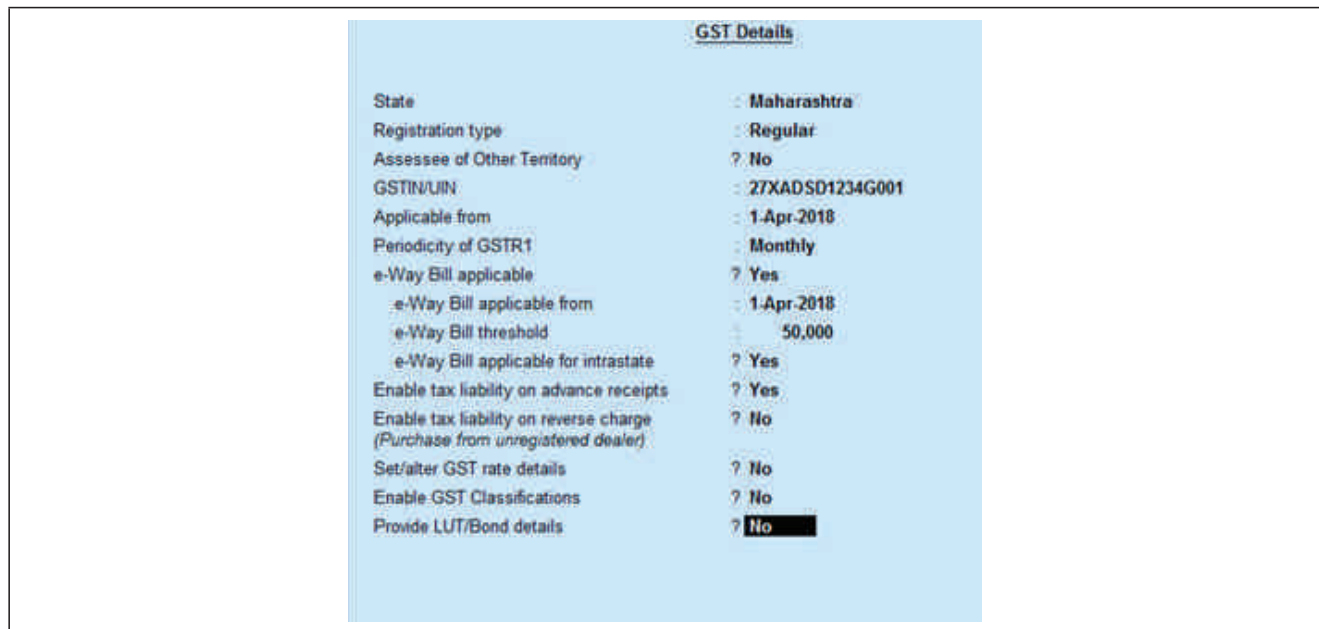
Press F11 - Features from the Gateway of Tally to verify if Enable GST is set to YES

Set / Alter GST details - here check if the Companies GST details are properly updated.

Check the GSTIN / UIN

Cross check e-way bill applicability details

Enable Tax on Advance Receipts, if billing is done after advances are received to ensure timely compliance and tracking of probable missouts in GST compliance for advances.

Update LUT / Bond details to be printed on Invoices in cases of Export supplies are to be done without charging of IGST on the Invoices.

The GST configuration can be done at Company Level on the screen

Configuring Accounting Master
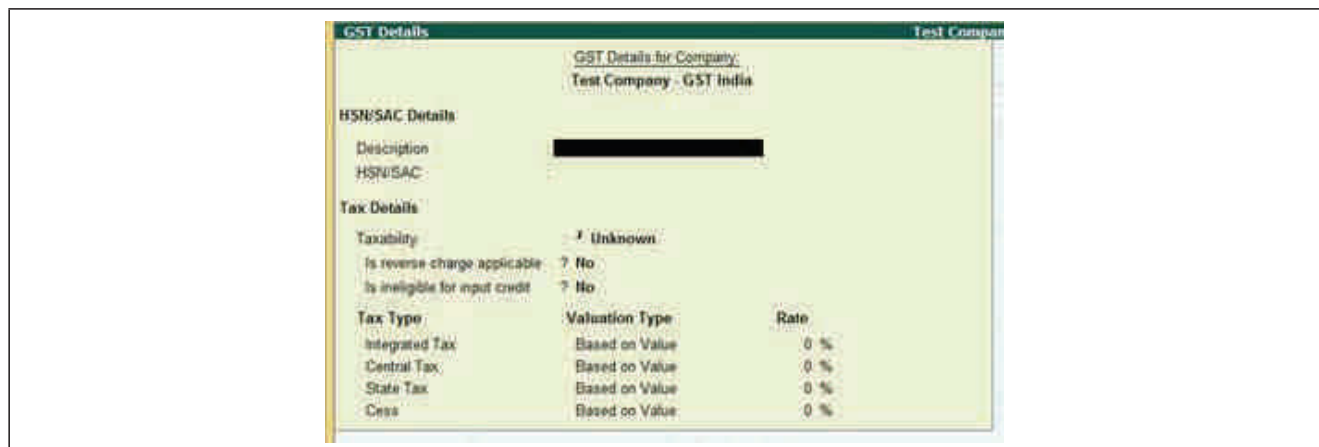
Suggested Ledgers (Creation Configuration)

Ledger creation configuration can be bifurcated in three broad types ie

1)   Party / Vendor Ledger ,

2)   Supply Ledgers(Inward / Outward) and

3)   Tax Ledgers.

Points that needs to be taken care while creating ledgers are as follows:-

1)   *Party / Vendor Ledger :-*

While creating masters ensure proper selection of Country and State, Registration Type (Regular, Consumer etc) and GSTIN number . In case the party is related to exempt category (UN, Exports, SEZ, Etc) then relevant configuration should be selected.

2)   *Supply Ledgers (Inward / Outward)*

Ledgers on which the tax amount is charged are the Supply ledgers. These supply Ledgers include those created under groups – a) Purchase / Sales ,2) Expenses / Income and 3) Current Liability / Fixed Assets.

In case of Supply Ledgers are grouped Non P&L based groupings , Kindly Ensure in F12 Ledger master configuration you have Enabled yes for "Allow GST for Non Revenue Accounts"

Transaction Type or Nature of Transaction selection is required for ensuring précised returns to be generated. The multiple transactions that are broadly as under :-

Natures of Transaction	Natures of Transaction
♪ Not Applicable	♪ Not Applicable
Branch Transfer Outward	Branch Transfer Inward
Deemed Exports Exempt	Imports Exempt
Deemed Exports Nil Rated	Imports Nil Rated
Deemed Exports Taxable	Imports Taxable
Exports Exempt	Interstate Purchase Exempt
Exports LUT/Bond	Interstate Purchase From Unregistered Dealer - Exempt
Exports Nil Rated	Interstate Purchase From Unregistered Dealer - Nil Rated
Exports Taxable	Interstate Purchase From Unregistered Dealer - Services
Interstate Sales Exempt	Interstate Purchase From Unregistered Dealer - Taxable
Interstate Sales Nil Rated	Interstate Purchase Nil Rated
Interstate Sales Taxable	Interstate Purchase Taxable
Interstate Sales to Embassy/UN Body Exempt	Intrastate Purchase Deemed Exports - Exempt
Interstate Sales to Embassy/UN Body Nil Rated	Intrastate Purchase Deemed Exports - Nil Rated
Interstate Sales to Embassy/UN Body Taxable	Intrastate Purchase Deemed Exports - Taxable
Intrastate Deemed Exports Exempt	Purchase Deemed Exports - Exempt
Intrastate Deemed Exports Nil Rated	Purchase Deemed Exports - Nil Rated
Intrastate Deemed Exports Taxable	Purchase Deemed Exports - Taxable
Sales Exempt	Purchase Exempt
Sales Nil Rated	Purchase From Composition Dealer
Sales Taxable	Purchase From SEZ - Exempt
Sales to Consumer - Exempt	Purchase From SEZ - LUT/Bond
Sales to consumer Nil Rated	Purchase From SEZ - Nil Rated
Sales to Consumer - Taxable	Purchase From SEZ - Taxable
Sales to SEZ - Exempt	Purchase From SEZ (Without Bill of Entry) - Exempt
Sales to SEZ - LUT/Bond	Purchase From SEZ (Without Bill of Entry) - Nil Rated
Sales to SEZ - Nil Rated	Purchase From SEZ (Without Bill of Entry) - Taxable
Sales to SEZ - Taxable	Purchase From Unregistered Dealer - Exempt
	Purchase From Unregistered Dealer - Nil Rated
	Purchase From Unregistered Dealer - Taxable
	Purchase Nil Rated
	Purchase Taxable

The configuration required for each of the transaction type shall be discussed later.

3)   *Tax Ledgers:-*

While creation of tax ledgers we suggest following to be created under the head subgroup head of GST ledgers which is under Duties and Taxes :-

CGST on Purchase	Outward CGST
SGST / UTGST on Purchase	Outward SGST / UTGST
IGST on Purchase	Outward I GST
GST Receivable	GST Payable
Reverse Charge CGST	
Reverse Charge SGST	
Reverse Charge IGST	

Now the software allows to create tax ledgers under the groups other than Duties and Taxes . In F-12 Ledger Master Configuration , One needs to set Yes for "Allow Creation of Tax Ledgers under groups" So we can create Input GST Ledger accounts under Current assets or Under Purchases as well.

Transaction configuration

Under GST posting a transaction with proper configuration helps in ease of reporting in GST Returns. The different elements for reporting required to be understood are Registration Types as configured in Party / Vendor masters and Transaction types - as configured in Supply Ledgers.

As in the masters

For the Transaction

1) ForB2C supplies to unregistered persons

Following Configuration is Required:

Registration types for Party master

Unregistered or Consumer or Unknown (without GSTIN)

Transaction Types:-

Interstate Sales Taxable

Sales Taxable

Sales to Consumer - Taxable

Sales to Consumer - Exempt

Sales to consumer Nil Rated

Interstate Sales Nil Rated

Interstate Sales Exempt

Sales Exempt

Sales Nil Rated

2)   B2B Supplies:-

Registration types

Regular with party type set to Embassy/UN Body

Composition

Unknown (with GSTIN/UIN)

Transaction Types

Sales Taxable

Interstate Sales - Exempt

Interstate Sales - Nil Rated

Sales Exempted

Sales Nil Rated

Interstate Sales to Embassy/UN Body Nil Rated

Interstate Sales to Embassy/UN Body Exempt

Interstate Sales to Embassy/UN Body Taxable

3)   Exempted supplies:-

Registration types:-Any

Transaction Types

Interstate Sales Exempt

Interstate Sales to Embassy/UN Body Exempt

Sales to Consumer - Exempt

Sales Exempt

4)   Nil rated supplies:-

   Registration types: :- Any

Nature of transaction:

o Sales Nil Rated

o Sales to consumer Nil Rated

o Interstate Sales Nil Rated

o Interstate Sales to Embassy/UN Body Nil Rated

5) Non-GST Supplies:-

The option Is non-GST goods is enabled in Supply ledger or stock item

Export / SEZ / Deemed Export Chart :-

Transaction Nature	Party Registration	With Payment	Without payment
Exports	Country Other Than India	Exports Taxable	Exports LUT/Bond
		Exports Nil Rated	
		Export Exempt	
SEZ Supplies	Regular with party type set to SEZ	Sales to SEZ - Exempt	Sales to SEZ -LUT/ Bond
		Sales to SEZ - Nil Rated	
		Sales to SEZ - Taxable	
Deemed Exports	Registration type - Regular and Unknown (with or without GSTIN) with party type set to Deemed Export	Deemed Exports Exempt	
		Deemed Exports Nil Rated	
		Deemed Exports Taxable	
		Intrastate Deemed Exports Exempt	
		Intrastate Deemed Exports Nil Rated	
		Intrastate Deemed Exports Taxable	

Monthly adjustment entries

As the users file their returns, certain checks and balances are required for ensuring changes made in the filed data is identified and corrective actions are taken. We suggest following entries are to be passed on month to month basis (Or as per the return filing ie monthly or quarterly) and ensure that balance available in ITC ledgers is setoff against Output ledgers, both are NIL and the payment made through cash ledger reflect the final payable amount.

GST portal has 3 distinct information on ledgers ie

1   Credit Ledger – It shows Input Tax Credit balance. It can be checked with ITC taken in GSTR3B.

2   Liability Ledger–It shows Accumulated Output Tax as collected in Sales Invoice. It can be checked with GSTR1 and GSTR3B.

3.   Cash Ledger – All GST Payments are shown in Cash Ledger.

Lets Consider a scenario where there is Output IGST , CGST and SGST liability and Input Credit available.

	IGST	CGST	SGST
Output Tax	37,080.00	16,470.00	16,470.00
Input Tax	9,000.00	5,850.00	5,850.00
Tax Payable	28,080.00	10,620.00	10,620.00
Total Payable	49,320.00		

Set Off Entries

Entry No. 1: Setoff Entry Journal

(Select Adjustment Class as "Decrease of Tax Liability")

Output IGST A/c (Liability Ledger)		37080
Output CGST A/c (Liability Ledger)		16470
Output SGST A/c (Liability Ledger)		16470
	To Input IGST A/c (Credit Ledger)	9000
	To Input CGST A/c (Credit Ledger)	5850
	To Input SGST A/c (Credit Ledger)	5850
	To Integrated Tax A/c (Cash Ledger)	28080
	To Central Tax A/c (Cash Ledger)	10620
	To State Tax A/c (Cash Ledger)	10620

Entry No. 2: Payment Entry

Integrated Tax A/c (Cash Ledger)	28080
Central Tax A/c (Cash Ledger)	10620
State Tax A/c (Cash Ledger)	10620
To Bank A/c	49320

As mentioned above the objective of these entries are to ensure books of accounts and portal reflect the same values.

Adjustment Entries – Detailed analysis.

Many times transactions requiring update of GST information is available after or during the period end. Tally.ERP9 has provided essential flags in accounting entries so as to ensure a) Users are following standardised mechanism for entering transactions b) It becomes easier for software to reconsigne the essential entries and reflect in the relevant columns / boxes of the returns.

Nature of Adjustment	Additional Details	Ledgers to be Debited and Credited
Decrease of Tax Liability	Adjustment Against Credit	Explained in Posting of Monthly Vouchers for Adjustments Against Tax Credits under GST
	Cancellation of Advance Payments under Reverse Charge	Debit - Central and state tax or integrated tax, and cess ledgers.

Nature of Adjustment	Additional Details	Ledgers to be Debited and Credited
		Credit - Expenses or current assets ledger.
	Cancellation of Advance Receipts	Debit - Central and state tax or integrated tax, and cess ledgers.
		Credit - Expenses or current assets ledger.
	Cancellation of Advance Receipts for Exports/SEZ sales	Debit - Integrated tax and cess ledgers.
		Credit - Expenses/current assets ledger.
	Purchase against Advance Payment	Debit - Central and state tax or integrated tax, and cess ledgers.
		Credit - Expenses or current assets ledger.
	Sales against Advance Receipts	Debit - Integrated tax and cess ledgers.
		Credit - Expenses/current assets ledger.
	Sales against Advance Receipts for Export/SEZ sales	Debit - Integrated tax and cess ledgers.
		Credit - Expenses/current assets ledger.
Increase of Input Tax Credit	Import of Capital Goods	Debit - Central and state tax or integrated tax, and cess ledgers.
		Credit - Current assets ledger.
	Import of Goods	Debit - Central and state tax or integrated tax, and cess ledgers.
		Credit - Current assets ledger.
	Import of services	Debit - Integrated tax and cess ledgers.

Nature of Adjustment	Additional Details	Ledgers to be Debited and Credited
		Credit - Current assets ledger.
	ISD Transfer	Debit - Central and state tax or integrated tax, and cess ledgers.
		Credit - Party ledger.
	Others	Debit - Central and state tax or integrated tax, and cess ledgers.
		Credit - Expenses/current assets ledger.
	Purchase from SEZ	Debit - Central and state tax or integrated tax, and cess ledgers.
		Credit - Expenses/current assets ledger.
	Purchase from Unregistered dealer	Debit - Central and state tax or integrated tax, and cess ledgers.
		Credit - Expenses or current assets ledger.
	Purchase under reverse charge	Debit - Central and state tax or integrated tax, and cess ledgers. Credit - Expenses or current assets ledger.
	Re-claim of reversal ITC (on account of buyer payment)	Debit - Central and state tax or integrated tax, and cess ledgers.
		Credit - Expenses or current assets ledger.
	Re-claim of reversal ITC - Rule 42 (2)(b)	Debit - Central and state tax or integrated tax, and cess ledgers.
		Credit - Expenses or current assets ledger.

Nature of Adjustment	Additional Details	Ledgers to be Debited and Credited
	TCS Adjustment	Debit - Central and state tax or integrated tax, and cess ledgers. Credit - Current assets ledger.
	TDS Adjustment	Debit - Central and state tax or integrated tax, and cess ledgers. Credit - Current assets ledger.
	Transitional Credit	Debit - Central and state tax or integrated tax, and cess ledgers. Credit - Current assets ledger
Increase of Tax Liability	Advance Receipts for Export/SEZ sales	Debit - Expenses or current assets ledger. Credit - Integrated tax and cess ledgers.
	Advances Paid under Reverse Charge	Debit - Expenses or current assets ledger. Credit - Central and state tax or integrated tax, and cess ledgers.
	Import of Capital Goods	Debit - Current assets ledger. Credit - Central and state tax or integrated tax, and cess ledgers.
	Import of Goods	Debit - Current assets ledger. Credit - Central and state tax or integrated tax, and cess ledgers.
	Import of services	Debit - Current assets ledger.

Nature of Adjustment	Additional Details	Ledgers to be Debited and Credited
		Credit - Integrated tax and cess ledgers.
	Interest	Debit - Expenses or party ledger.
		Credit - Central and state tax or integrated tax, and cess ledgers.
	Late Fees	Debit - Expenses or party ledger.
		Credit - Central and state tax or integrated tax, and cess ledgers.
	On Account of Advance Receipts	Debit - Expenses or current assets ledger.
		Credit - Central and state tax or integrated tax, and cess ledgers.
	Others	Debit - Expenses or party ledger.
		Credit - Central and state tax or integrated tax, and cess ledgers.
	Penalty	Debit - Expenses or party ledger.
		Credit - Central and state tax or integrated tax, and cess ledgers.
	Purchase from Unregistered dealer	Debit - Expenses or current assets ledger.
		Credit - Central and state tax or integrated tax, and cess ledgers.
	Purchase under reverse charge	Debit - Expenses/current assets ledger.
		Credit - Central and state tax or integrated tax, and cess ledgers.

Nature of Adjustment	Additional Details	Ledgers to be Debited and Credited
Increase of Tax Liability & Input Tax Credit	Import of Services	Debit - Central and state tax or integrated tax, and cess ledgers. Credit - Central and state tax or integrated tax, and cess ledgers.
	Purchase from Unregistered dealer	Debit - Central and state tax or integrated tax, and cess ledgers. Credit - Central and state tax or integrated tax, and cess ledgers.
	Purchase under reverse charge	Debit - Central and state tax or integrated tax, and cess ledgers. Credit - Central and state tax or integrated tax, and cess ledgers.
Opening Balance	---	This Procedure is required for in Transferring Tax Credits of VAT, excise and service tax to GST
Refund	Not Applicable	Debit - Bank ledger Credit - Central and state tax or integrated tax, and cess ledgers, or current assets ledger
	Interest	Debit - Bank ledger Credit -Central and state tax or integrated tax, and cess ledgers, or current assets ledger
	Late Fees	Debit - Bank ledger Credit - Central and state tax or integrated tax, and cess ledgers, or current assets ledger

Nature of Adjustment	Additional Details	Ledgers to be Debited and Credited
	Others	Debit - Bank ledger
		Credit - Central and state tax or integrated tax, and cess ledgers, or current assets ledger
	Penalty	Debit - Bank ledger
		Credit - Central and state tax or integrated tax, and cess ledgers, or current assets ledger
Reversal of Input Tax Credit	Not Applicable	Debit - Expenses or party ledger.
		Credit - Central and state tax or integrated tax, and cess ledgers.
	Capital credit due to exempted supplies - Rule 43(1) (h)	Debit - Expenses or current assets ledger.
		Credit - Central and state tax or integrated tax, and cess ledgers.
	Exempt and non-business supplies - Rule 42(1)(m)	Debit - Expenses or current assets ledger.
		Credit - Central and state tax or integrated tax, and cess ledgers.
	Import of services	Debit - Expenses or current assets ledger.
		Credit - Central and state tax or integrated tax, and cess ledgers.
	Ineligible credit	Debit - Expenses or current assets ledger.
		Credit - Central and state tax or integrated tax, and cess ledgers.
	ISD credit note - Rule 39(1) (j)(ii)	Debit - Expenses or current assets ledger.

Nature of Adjustment	Additional Details	Ledgers to be Debited and Credited
		Credit - Central and state tax or integrated tax, and cess ledgers.
	Non payment to the buyer - Rule 37 (2)	Debit - Expenses or current assets ledger.
		Credit - Central and state tax or integrated tax, and cess ledgers.
	On account of claiming more - Rule 42 (2)(a)	Debit - Expenses or current assets ledger.
		Credit - Central and state tax or integrated tax, and cess ledgers.
	Others	Debit - Expenses or current assets ledger.
		Credit - Central and state tax or integrated tax, and cess ledgers.
	Purchase from Unregistered dealer	Debit - Expenses or current assets ledger.
		Credit - Central and state tax or integrated tax, and cess ledgers.
	Purchase under reverse charge	Debit - Expenses or current assets ledger.
		Credit - Central and state tax or integrated tax, and cess ledgers.
Reversal of Tax Liability	Import of Services	Debit - Central and state tax or integrated tax, and cess ledgers.
		Credit - Expenses or current assets ledger.
	Purchase from Unregistered dealer	Debit - Central and state tax or integrated tax, and cess ledgers.

Nature of Adjustment	Additional Details	Ledgers to be Debited and Credited
		Credit - Expenses or current assets ledger.
	Purchase under reverse charge	Debit - Central and state tax or integrated tax, and cess ledgers.
		Credit - Expenses or current assets ledger.

Important Tips and Tricks –GST

Verify GST numbers available in masters from those stored in transactions

Users have come across rectification request from the clients to correct the GST number as filed in GSTR1. The number as filed in returns may not be the same as available in transaction because of the following reasons:- 1) Users using editing the party name after posting the transaction , the same has not been updated in "Party Details" Screen after selection of party a/c name in invoice 2) User using short cut key Alt+2 Function to duplicate transaction for invoice, Thus GST and other supplementary details of old invoice is copied in new transaction.

To ensure such discrepancies of transactions are not carried forward in return following can be adopted before filing of return.

Step 1) Go to GST Reports (D-O-G) - Update party GSTN Select the relevant group and thereafter click on F5 to get list of all party GST numbers. Export the same in Excel format.

Step 2) In GSTR1 Report Go to Return wise View select B2B transaction –Voucherwise view - This shall give all Transaction ledger name and Masters Export the same in Excel Format.

Step 3) Compare the Two excel sheets generated as above using VLookup Formula to find Discrepancy if any.

Mismatch rectification or error resolution

Mismatch or Error Resolution is an important configuration which every user shall resolve before generating any GST Report from Tally.ERP9 Here we present complete set of Error resolution Matrix before you report any figures from the software for your GST reporting.

Types of Mismatch and Resolution of Incomplete/incorrect details.

When you have vouchers that are not included in annual computation due to incomplete or incorrect GST details, a part your GST transactions are not included. This will lead to incorrect annual computation. **Tally.ERP 9** does not only identify these transactions

and classify them based on the type of exception, but allows you to make the necessary corrections to include them in computation. **Drill down from the Incomplete/Mismatch in information (to be resolved) line to view the exceptions grouped into different categories.**

No. of vouchers with incomplete/mismatch in information:

Drill down from this line to view the list of all vouchers with exceptions with description of the exception. Select any voucher and press enter to view the **Voucher Details** Screen. In this screen you can provide the required details to resolve the exception. Once the exception is resolved, the voucher is included in the annual computation and is not listed as exception. In case voucher has multiple exceptions, it will move to the next category of exception.

• You can view exceptions arising out of incomplete or incorrect details in item masters by clicking **I : Item Exceptions** . Also, use the **L: Ledger Exceptions** option to view only exceptions resulting from ledger with incomplete details.

• Use the CTrl+**X : Exclude Vouchers** option to exclude any voucher from annual computation. Such voucher will move to **Excluded by Users** bucket in the **Not relevant for Annual Computation** vouchers.

• Two methods of Correcting the mismatch Either Drill down to different categories of mismatch and resolve each element of mismatch Or press enter on "No of mismatch tab" and use Ctrl+Enter to edit the transaction.

For the convenience of users 9 Mismatches and there resolutions are suggested below.

1) **UoM not mapped to Unit Quantity Code (UQC):** Drill down from this line to view the units that are not mapped to UQC.

   • You can map the unit to a UQC using the **S: Map to UQC** option.

   • You can exclude this unit from the computation using the **X: Exclude from Summary** option.

   Reporting Unit Quantity Code (UQC) not selected for stock items with multiple UQC: Drill down from this line to view the units for which alternate units are defined but reporting UQC has not been mapped.

   • You can map the unit to its RUQC using the **A: Map to RUQC** option.

2) **Country, state and dealer type not specified:** Drill down from this line to view the vouchers of dealers with no information of country, state, dealer type or GSTIN.

   • You can resolve the exception by recording the missing information in the respective columns and saving the changes.

3) **Tax rate/tax type not specified :** Drill down from this line to view the vouchers where tax type or rate of tax is missing.

   • You can resolve the exception by selecting the Nature of transaction to identify the tax type and by recording the tax rate.

4) **Nature of transaction, Taxable value, rate of tax modified in Voucher :**

In posting GST based transaction users may inadvertently select different nature of transaction as mentioned in ledger/ Item master. Further if the GST assessable value and the amount /rate of Tax is also not synch with other then Tally's internal checks shows them as mismatch / error.

To resolve the same drill down from this line to view vouchers in which nature of transaction, assessable value or rate of tax defined in the ledger master was changed during recording of the transaction.

- You can use the option **R: Resolve** option and select required nature of transaction, enter taxable value and tax rate.

- In case you are sure of the correct value then you can also include the voucher in annual computation with the existing GST details using the **A: Accept** as is option.

5) **Incorrect tax type selected in tax ledger:** Drill down from this line to view the vouchers in which tax ledgers are not selected or are incorrectly selected.

- Select the correct tax ledgers in the tax type columns provided to resolve the exception

6) **Purchases from composition dealers with interstate Nature of transaction** : Drill down from this line to view the vouchers recorded for interstate purchases made from composition dealer.

- You can resolve the exception by changing the state name to local state and recording a recording GSTIN of local nature or clearing the GSTIN number for the party.

7) **Vouchers having conflicting nature of transactions:** Drill down from this line to view the vouchers that have two or more nature of transactions.

- You can select an voucher and drill down to open the voucher alteration screen. Make the changes to ensure only one nature of transaction is applied in the voucher and save the voucher.

8) **Vouchers with incomplete/incorrect adjustment details :** Drill down from this line to view the journal vouchers with incorrect or incomplete adjustment details.

- You can resolve the exception by selecting the correct nature of adjustment and additional details for each voucher.

9) **Vouchers having Reverse Charge and Other than Reverse Charge Supplies :** Drill down from this line to view vouchers that contain both reverse charge and other than reverse charge supplies.

- You can resolve the exception by altering the voucher to contain only reverse charge or other than reverse supplies in each voucher.
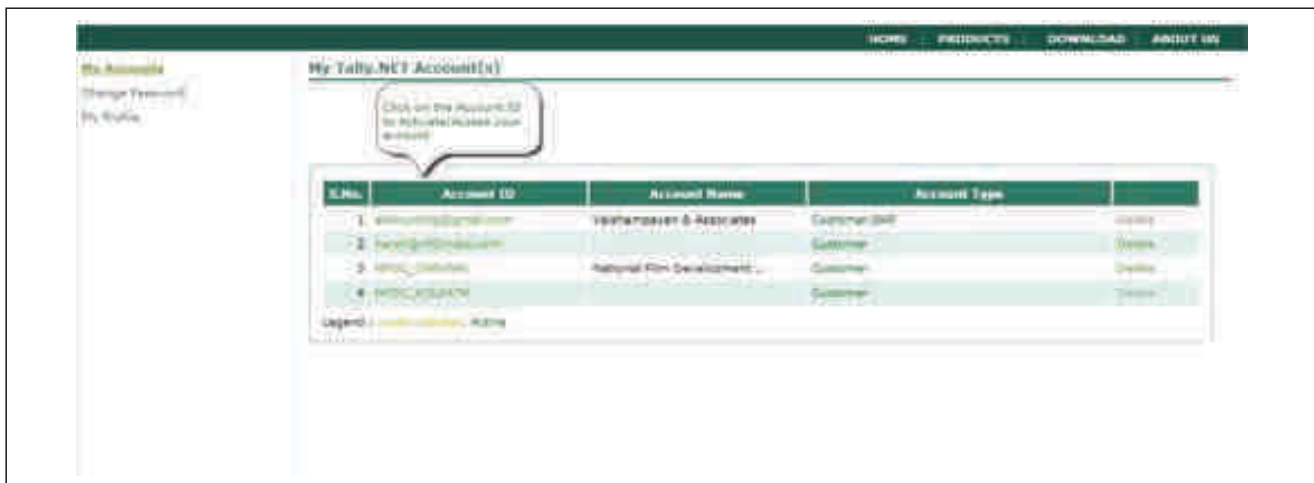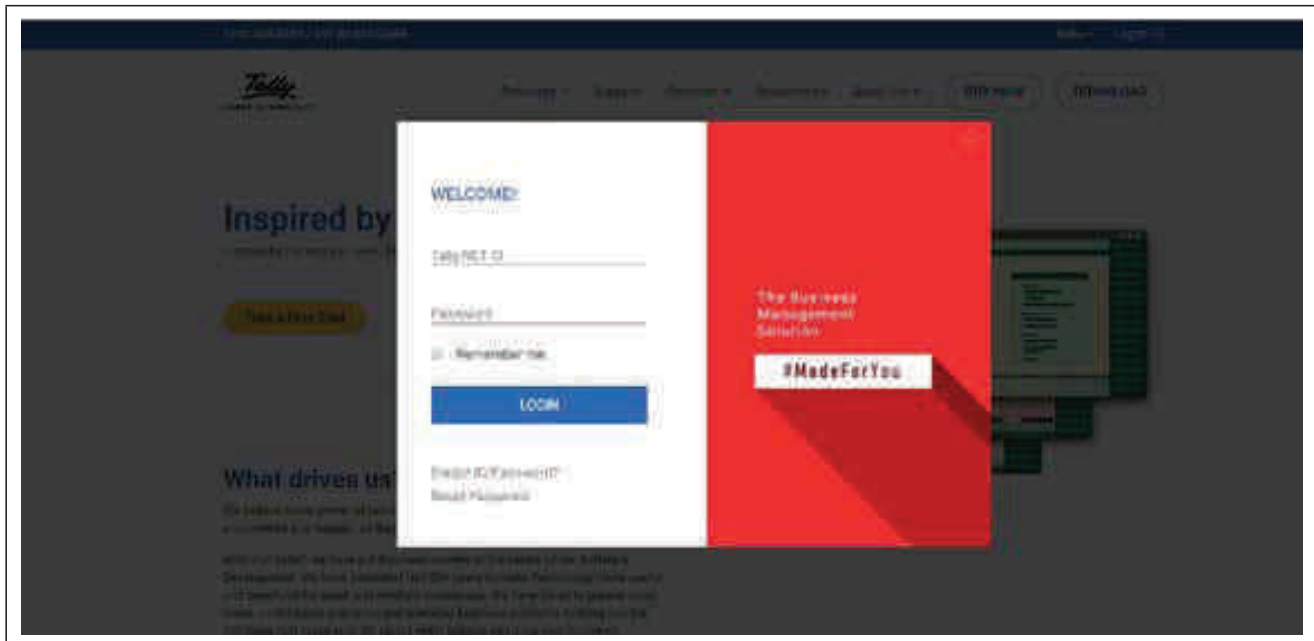
TALLY ON BROWSER

Does your clients want to check their critical accounting data without disturbing you? It's been long requirements from professionals providing accounting services that client should focus on business only & accountant should be able to give access to client data on the go.
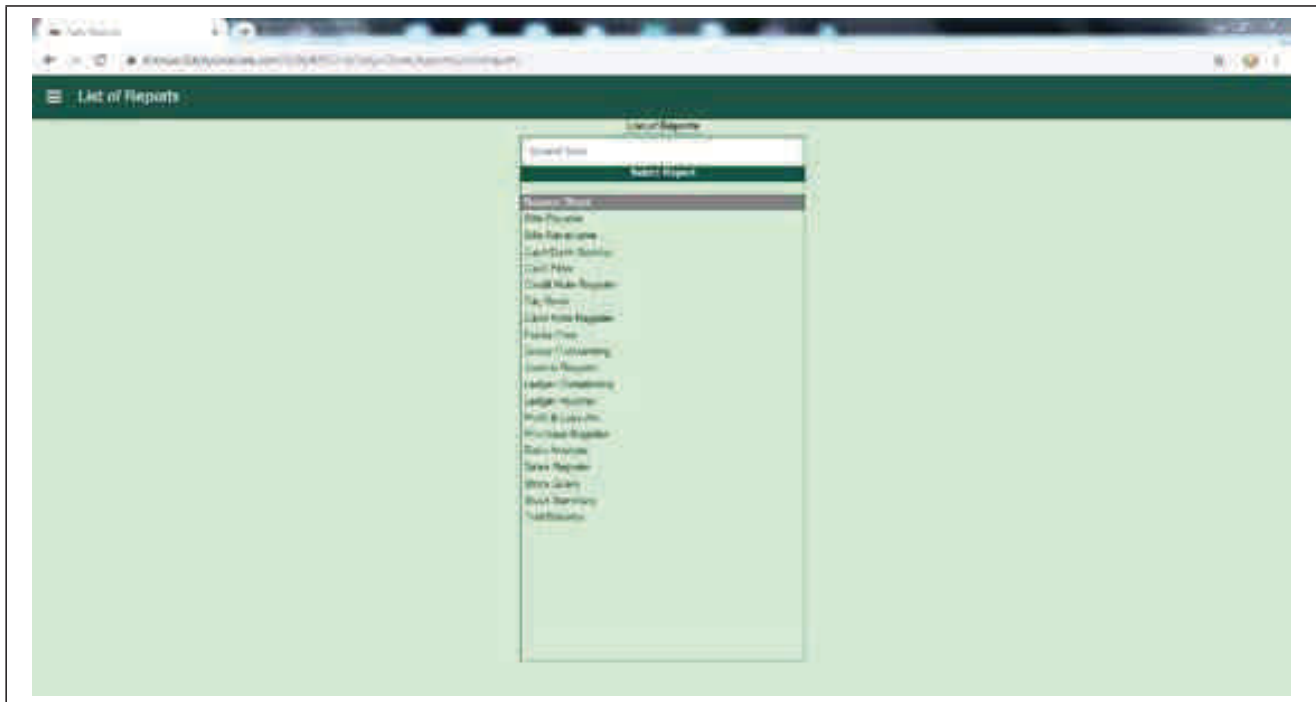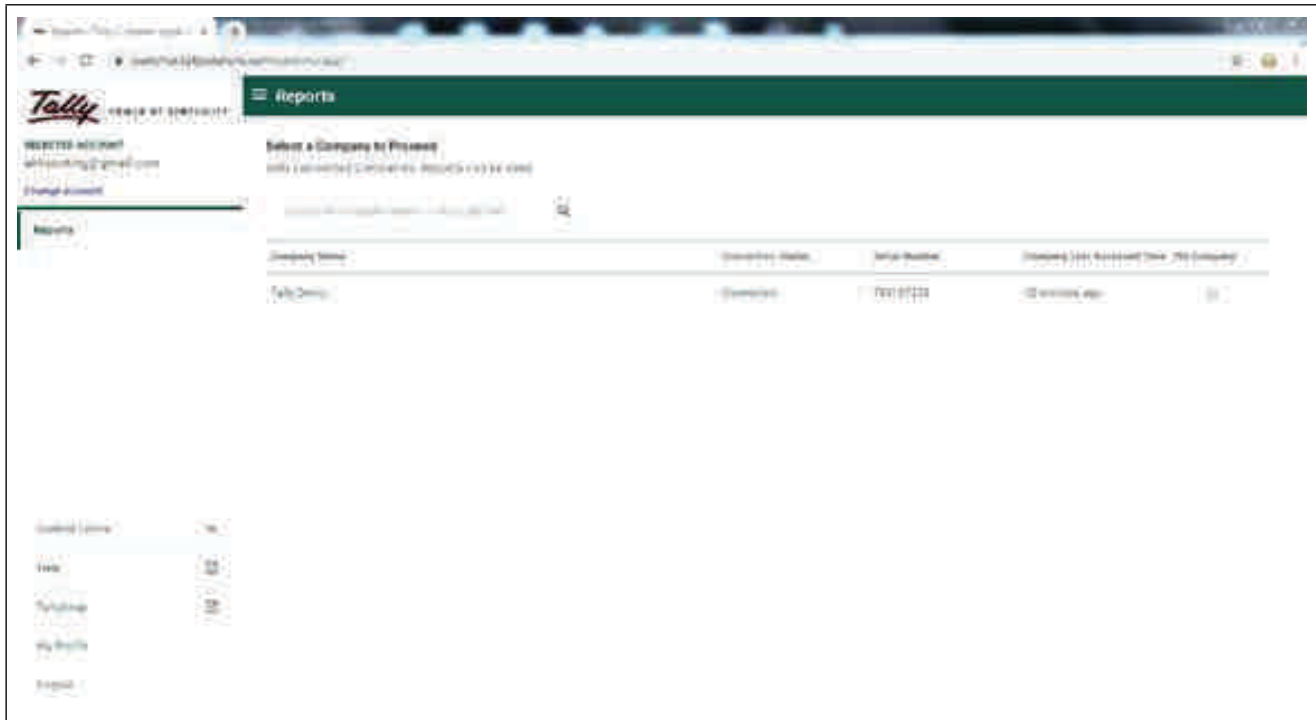
Tally has now added browser capability along with its remote access functionality. There are 30 reports which are available for the users to view from mobile.

By installing release 6.6 onwards user can click on F4 from the gateway of tally. The First step is to enable security features .then under list of users add Tally.Net Owner user ID. Kindly Ensure allow browser access is enabled. Now the company is connected for browser experience
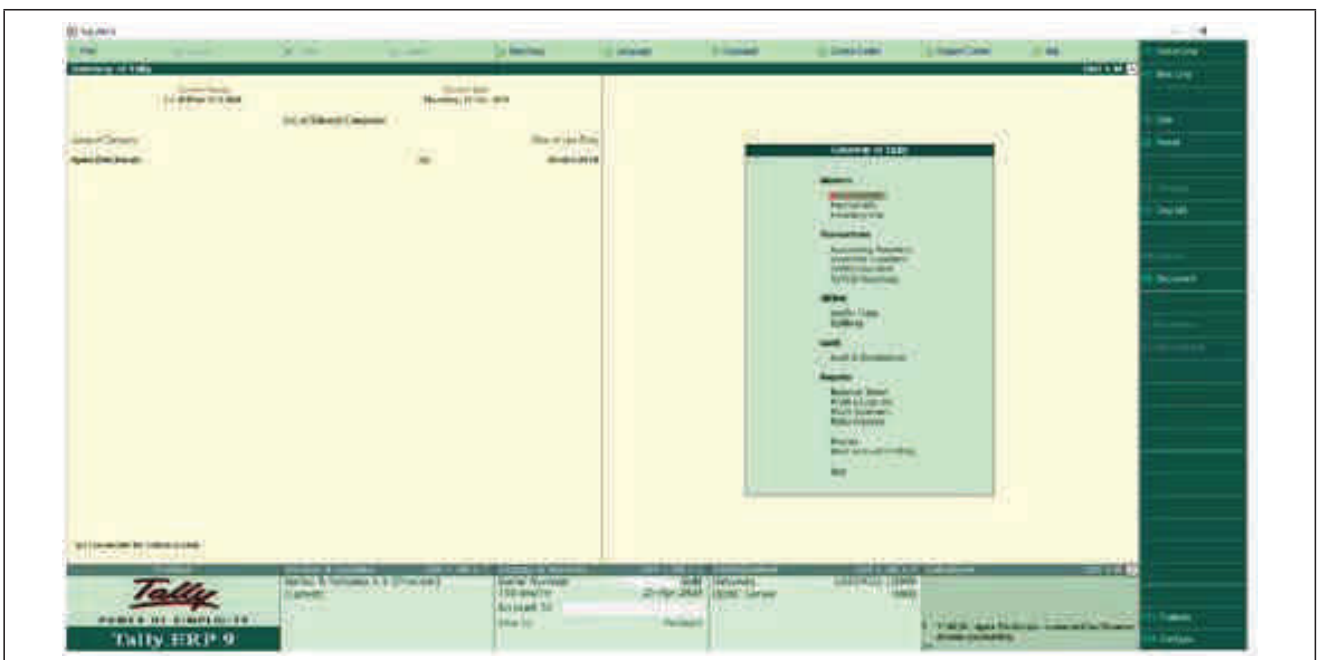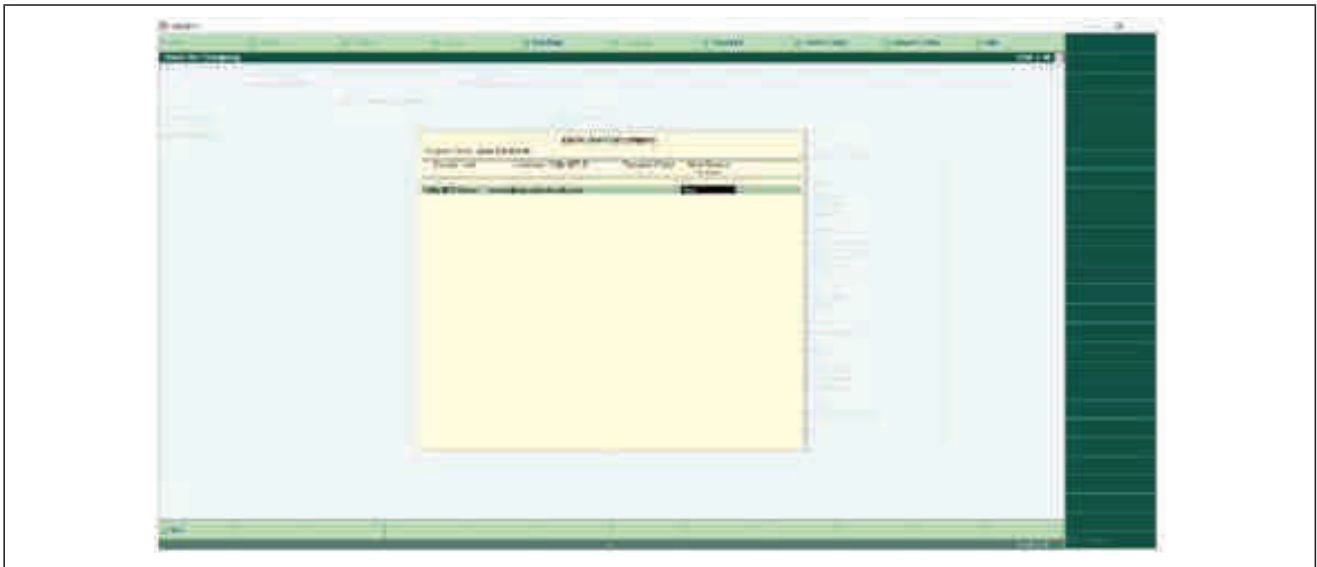
Open any prominent browser & Login to www.tallysolutions.com with provided User ID & Password & select your account.

SHORTCUT KEYS IN TALLY.ERP9

There are many types of shortcuts in Tally, below given all shortcuts are very useful to minimize your time to work, using shortcuts keys makes your work faster and easier.

So check out, as allimportant shortcuts are given hereunder:- Tally ERP 9, Shortcuts with "ALT"

Alt+2	:	Duplicate Voucher
Alt+A	:	Add voucher/To Alter the column in the columnar report
Alt+C	:	Create a master at a voucher screen, if it has not been already assigned a different function, as in reports like Balance Sheet.
Alt+D	:	Delete a voucher To delete Accounting or Inventory master which is not used by any voucher or elsewhere in the alteration mode
Alt+E	:	Export the report in ASCII, HTML OR XML format
Alt+I	:	Import statutory masters
Alt+H	:	Help Shortcut
Alt+I	:	Insert a voucher/To toggle between Item and Accounting invoice
Alt+N	:	To view the report in automatic columns, Multiple Columns at all reports, Trial Balance, Cash/bank books, Group Summary & Journal Register.
Alt+P	:	Print the report
Alt+R	:	Remove a line in a report
Alt+Y	:	Register Tally
Alt+F2	:	Maintain Date for Multiple Years by changing period on Gateway of Tally/Change of Period for Setting Period
Alt+S	:	Bring back a line you removed using Alt+R
Alt+U	:	Retrieve the last line which is deleted using Alt+R
Alt+W	:	To view the Tally Web browser.
Alt+O	:	To upload the report to the website
Alt+M	:	Email the report
Alt+F1	:	Close a Company (At All Menu Screens). View detailed Report (Report Screens). Explore a line in to its details (At Almost all Screens)
Alt+F3	:	Select the company info menu (At Gateway of Tally Screen). Create/alter/shut a company (At Gateway of Tally Screen)
Alt+F5	:	View sales and purchase register summary on a quarterly basis
Alt+F12	:	View the filters screen where the range of information can be specified
Alt+X	:	Cancel a voucher in Day Book/List of Vouchers

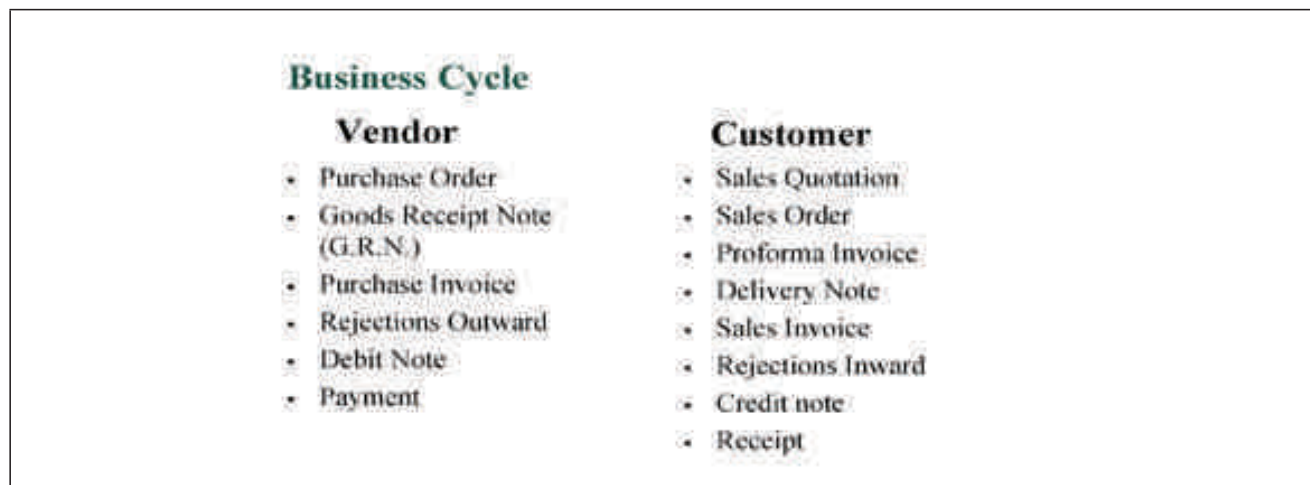| Alt+R	:	Recalls the last narration saved for the first ledger in the voucher, irrespective of the voucher type
Alt+D	:	Delete any voucher in the range of information can be specified
Alt+Z	:	Zoom

Tally ERP 9, Shortcuts with "Ctrl" Button

Ctrl+R	:	Repeat narration in the same voucher type irrespective of Ledger Account
Ctrl+T	:	Mark any voucher as Post Dated Voucher
Ctrl+N	:	Switches to Calculator/ODBC Section of Tally Screen
Ctrl+Q	:	Abandon a form–wherever you use this key combination, it quits that screen without making anychanges to it.
Ctrl+M	:	Switches to Main Area of Tally Screen
Ctrl+A	:	Accept a form–wherever you use this key combination, that screen or report gets accepted as itis.
Ctrl+L	:	Mark a voucher as Optional or Regular
Ctrl+F9	:	Select Debit Note Voucher
Ctrl+Alt+V	:	To paste the text from Tally (At creation and alteration screens)
Ctrl+Alt+R	:	Rewrite data for a Company
Ctrl+Alt+B	:	Check the Company Statutory details
Ctrl+Alt+C	:	Copy the text from Tally (At creation and alteration screens)
Ctrl+Alt+V	:	For paste
Shift+Enter	:	To view the next level of details and / or condense the next level of details

Conclusion

Is this book an end ? No, It is just a beginning. These are many features in Tally.ERP9 which are useful for business as well as professionals.

These features include

1) Cash Flow planning

2) Manufacturing and Job work management

3) Complete business cycle ie Order management to Payment-Refer chart*)

4) Cost Center Analysis

5) Payroll Management

6) Budgeting and Scenario Management

7) Security Control.

Business Cycle

Vendor	Customer
• Purchase Order	• Sales Quotation
• Goods Receipt Note (G.R.N.)	• Sales Order
	• Proforma Invoice
• Purchase Invoice	• Delivery Note
• Rejections Outward	• Sales Invoice
• Debit Note	• Rejections Inward
• Payment	• Credit note
	• Receipt

For Businesess where the number of users are high, consideration should also be made for implementing Tally Server9. It offers following benefits :- 1) High Concurrency 2) More Security 3) Increased Reliability and Lastly Optimisation of business processes for personnel.

To Conclude we take this opportunity to thank WIRC and especially CA Priti Savla for encouraging to put knowledge in book form so as it could be beneficial to members at large and enable them to use the software at the fullest.

Western India Regional Council of
The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

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