



POWER OF SIMPLICITY

Excise for Manufacturer in Tally.ERP 9

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Contents

Introduction

Scope and Applicability	1
Manufacturer	1
Excisable Goods	2
Types of Excise Duties	2
Valuation Methods	3
CENVAT Credit	4
Excise Registration (of Factory/Warehouse)	5
<i>Separate Registration</i>	5
<i>Excise Control Code (ECC) Number</i>	6
Central Excise Invoice System	7
<i>Removals only on invoice</i>	7
<i>Serially numbered invoice</i>	7
<i>Number of Invoice copies</i>	8
<i>Number of Invoice book</i>	8
<i>Authentication of Invoices</i>	8
<i>Intimation of serial numbers</i>	8
<i>Rounding off of duty in invoice</i>	8
Types of Duties and Method of Calculation	9
Time and Mode of Payment of Duty	10
Returns & Timelines	10
Salient Features of Excise in Tally.ERP	11
Excise Process in Tally.ERP	12

Lesson 1: Enabling Excise in Tally.ERP

1.1 Enabling Excise in Tally.ERP	13
1.1.1 <i>Enabling VAT</i>	21
1.1.2 <i>Entering Tax Information</i>	21

Lesson 2: Creating Masters

2.1 Creating a Customer Ledger	23
2.2 Creating a Supplier Ledger	25
2.3 Creating a Sales Ledger	28
2.4 Creating a Purchase Ledger	31
2.5 Creating VAT Ledgers	33
2.5.1 <i>Input VAT</i>	33
2.5.2 <i>Output VAT</i>	34

2.6 Creating Basic Excise Duty Ledger	37
2.7 Creating Education Cess Ledger	40
2.8 Creating Secondary and Higher Education (SHE) Cess Ledger	42
2.9 Creating a Expense Ledger	44
2.10 Creating Excise Voucher Types	46
2.10.1 Creating Purchase Voucher Type	46
2.10.2 Creating Sales Voucher Type	48
2.10.3 Creating a Debit Note Voucher Type	50
2.10.4 Manufacturing Journal Voucher Type	50
2.11 Creating Tariff Classification	51
2.12 Creating Stock Item - Raw materials	53
2.13 Creating Stock Item - Finished Goods (MRP)	59
2.14 Creating Stock Item - Finished Goods (Quantum)	65
2.15 Creating Stock Item - Finished Goods (Ad Valorem)	68

Lesson 3: Transactions 73

3.1 Creating a Excise Purchase Voucher _ Not Availing CENVAT Credit	73
3.2 Creating a Excise Purchase Voucher _ Availing CENVAT Credit	78
3.3 Creating a Manufacturing Voucher	86
3.3.1 Alter the Stock Journal	86
3.3.2 Create a Manufacturing Journal	86
3.4 Creating a Excise Sales Voucher_ Rule 11 Invoice	88
3.5 Rule 11 Invoice for Stock Items Falling Under Different Valuation Type	96
3.6 Rule 11 Invoice for Stock Items with Expenses	102
3.7 Creating a Debit Note (Purchase Returns) _ Rule 11 invoice	106
3.8 Creating a Journal Vocuher_CENVAT Credit Adjustment	110
3.8.1 Create Voucher Class in Journal Voucher	110
3.8.2 Record the transaction in Journal Voucher	111
3.9 Creating a Payment Voucher_GAR 7 Payment	118
3.10 Reports	123

Introduction

Excise Duty or Duty on Excise is a tax on goods manufactured or produced in India and intended for domestic consumption i.e. sale in India. The Excise Duty is payable at the time of production or manufacture, however, for administrative convenience duty is paid at the time of removal of goods.

Excise Duty is an indirect tax. The liability of payment of Excise Duty is of manufacturers or producers (which is passed on to the ultimate consumer). The levy and collection of duty of Excise is provided under authority of the Central Excise Act, 1944 at the rates specified Central Excise Tariff Act, 1985.

Scope and Applicability

Excise Duty means the tax to be paid by the manufacturer, on the goods manufactured in India, either at the time of manufacture or at the time of removal of the goods.

Excise Duty can be levied, only on the fulfilment of the below mentioned conditions.

- ❑ The Duty is on Goods
- ❑ The Goods must be excisable
- ❑ The goods must be manufactured or produced
- ❑ Manufacture and Production must be in India

Manufacturer

Manufacturer is a person who actually manufactures or produces excisable goods, i.e. one that actually brings into existence new and identifiable product.

Excisable Goods

Excisable Goods means goods specified in the schedule to the Central Excise Tariff Act, 1985 as being subject to a duty of Excise.

The Basic requirements to be satisfied are,

Goods must be movable.

- Goods must be marketable i.e. the goods must be such that it is known in the market and is capable of being bought or sold

Types of Excise Duties

1. **Basic Excise Duty:** This is the duty charged under section 3 of the Central Excises and Salt Act, 1944 on all excisable goods other than salt which are produced or manufactured in India. Basic Excise Duty [also known as Central Value Added Tax (CENVAT)] is levied at the rates specified in Central Excise Tariff Act.
2. **Special Excise Duty:** As per the Section 37 of the Finance Act, 1978 Special excise Duty was attracted on all excisable goods on which there is a levy of Basic excise Duty under the Central Excises and Salt Act, 1944. Special Excise Duty is levied at the rates specified in the Second Schedule to Central Excise Tariff Act, 1985.
3. **Education Cess on excise duty:** Section 93 of Finance (No. 2) Act, 2004 states that education cess is 'duty of excise', to be calculated on aggregate of all duties of excise including special excise duty or any other duty of excise, but excluding education cess on excisable goods.
4. **Excise duty in case of clearances by EOU:** The EOU units are expected to export all their production. However, if they clear their final product in DTA (domestic tariff area), the rate of excise duty will be equal to customs duty on like article if imported in India.
5. **National Calamity contingent Duty (NCCD):** A 'National Calamity Contingent Duty' (NCCD) has been imposed vide section 136 of Finance Act, 2001 [clause 129 of Finance Bill, 2001, w.e.f. 1.3.2001]. This duty is imposed on pan masala, chewing tobacco and cigarettes.
6. **Duties under other Acts:** Some duties and cesses are levied on manufactured products under other Acts. The administrative machinery of central excise is used to collect those taxes. Provisions of Central Excise Act and Rules have been made applicable for levy and collection of these duties / cesses.
7. **Additional Duty on goods of special importance -** Some goods of special importance are levied Additional Excise under Additional Duties of Excise (Goods of Special Importance) Act, 1957. The 'Additional Duty' is in addition to excise duty. This scheme was introduced based on the suggestion made by the manufacturers to Government, that multiple level taxes and duties should be avoided. Levy and collection of all taxes at one stage by single authority will be convenient for payment and administration. Hence, by agreement between Central and State Governments, it was decided to make a beginning in 1957, by selecting some items where additional duty will be collected instead of sales tax and such additional duty will be distributed among various States. Revenue from this duty is distributed among State Governments on the basis of percentages given in the second schedule to the Act.

Some items covered are textile articles like cotton fabrics, silk and wool fabrics, man-made fibres, terry fabrics, metallised yarn, embroidery; sugar, branded tobacco, pan masala containing tobacco and cigarettes.

8. **Duty on Medical and Toilet preparations:** A duty of excise is imposed on medical preparations under Medical and Toilet Preparations (Excise Duties) Act, 1955.
9. **Additional duty on mineral products** - Additional duty on mineral products (like motor spirit, kerosene, diesel and furnace oil) is payable under Mineral Products (Additional Duties of Excise and Customs) Act, 1958.
10. **Additional Customs Duty commonly known as countervailing Duty (CVD):** Countervailing duty (CVD) is imposed on the Imports.
11. **Special Additional Duty of Customs (Special CVD):** Special CVD is being imposed on items bound under the Information Technology Agreement (except information technology software), and also on specified inputs/raw materials for manufacture of electronics/IT goods.
12. **Additional Duties of Excise (Textiles and Textile Articles) [AED (TTA)]**
13. **Additional Duty of Excise (Tea and Tea Waste) [AED (TTW)]**
14. **Secondary Higher Education Cess**

Valuation Methods

Value of the excisable goods has to be necessarily determined to levy the duty on the goods. Under the Central Excise Act, 1944, the following methods of valuation of goods are considered for the assessment of Duty

1. **Ad valorem/ Transaction Value:** Transaction value means the value of goods which are sold at the time and place of removal and includes in addition to the amount charged as price, any amount that the buyer is liable to pay to, including any amount charged for, or to make provision for, advertising or publicity, marketing and selling, organization expenses, storage, outward handling, servicing, warranty, commission or any other matter.

Transaction value, on each removal of goods shall be determined on the fulfilment of following conditions

- ❑ The goods should be sold at the time and place of removal
- ❑ Buyer and Assessee should not be related
- ❑ Price should be the sole consideration for the sale
- ❑ Each removal will be treated as a separate transaction and '**value**' for each removal will be separately fixed.

2. **Ad Quantum:** In case of Ad Quantum the duty is payable on the basis of certain unit Like Weight, Length, volume etc.

For Example: Duty on cigarette is payable on the basis of length of the cigarette, duty on Sugar is based on per Kg.

3. **Value determined on the basis of Maximum Retail Sale Price:** Retail sale price means the maximum price at which the excisable goods in packaged form may be sold to the ultimate consumer and includes all taxes local or otherwise, freight, transport charges, commission payable to dealers, and all charges towards advertisement, delivery, packing, forwarding and the like, as the case may be, and the price is the sole consideration for such sale.

Following factors needs to be considered while determining the value on the basis of maximum retail sale price

- ❑ Where on the packages of any excisable goods, more than one retail sale price is declared, the maximum of such retail sale price shall be deemed to be the retail sale price
- ❑ Where the retail price, declared on the package of any excisable goods at the time of its clearance from the place of manufacture, is altered to increase the retail sale price, such altered retail sale price shall be deemed to be the retail sale price.
- ❑ where different retail sale prices declared on different packages for the sale of any excisable goods in packaged form in different areas, each such retail price shall be the retail sale price for the purposes of valuation of the excisable goods intended to be sold in the area to which the retail sale price relates.

CENVAT Credit

The MODVAT scheme has been replaced by a new set of rules called CENVAT Credit Rules 2002.

Duties eligible for CENVAT Credit

A manufacturer or producer of final product is allowed to take CENVAT credit of duties specified in the Cenvat Credit Rules, 2002.

The duties specified under Cenvat Credit Rules, 2002 are:

- ❑ Basic Excise Duty on inputs specified in the First Schedule to Central Excise tariff Act (corresponding CVD on imported goods is allowable).
- ❑ Special Excise Duty on goods specified in the Second Schedule to the Tariff Act (corresponding CVD on imported goods is allowable).
- ❑ Additional Excise Duty paid under Additional Duties of Excise (Textile and Textile Article).
- ❑ Additional Excise Duty paid under Additional Duties of Excise (Goods of Special Importance).
- ❑ National Calamity Contingent duty (NCCD).
- ❑ Education Cess and Secondary and Higher Education Cess on Excise Duty.
- ❑ Additional custom duty leviable under Customs Tariff Act (Spl. CVD)
- ❑ Education Cess and Secondary and Higher Education Cess on CVD
- ❑ Additional Excise Duty paid under Clause 85 of Finance Bill, 2005 on Pan Masala and Certain other Tobacco products.
- ❑ Service tax on input services.
- ❑ Education Cess and Secondary & Higher Education Cess paid on service tax. This credit can be utilised only for payment of education cess on final product or output services.

Excise Registration (of Factory/Warehouse)

In accordance with Rule 9 of Central Excise Rules, 2002 and notifications issued under rules 18 and 19 of the said Rules, as the case may be, the following category of persons are required to register with jurisdictional Central Excise Officer in the Range office having jurisdiction over his place of business/factory, by making an application for registration in Form A –1 or A –2 or A –3.

- ❑ Every manufacturer of excisable goods (including Central/State Government undertakings or undertakings owned or controlled by autonomous corporations) on which excise duty is leviable.
- ❑ Persons who desire to issue CENVATABLE invoices under the provisions of the CENVAT Credit Rules, 2001.
- ❑ Persons holding private warehouses.
- ❑ Persons who obtain excisable goods for availing end-use based exemption.
- ❑ Exporters manufacturing or processing export goods by using duty paid inputs and intending to claim rebate of such duty or by using inputs received without payment of duty and exporting the finished export goods.

On receipt of application for registration, registration number will be issued to the applicant. Later, the jurisdictional Excise Officer carries out the post facto verification and on fulfilment of all the requirements, issues the registration certificate with in 7 days from the date of application.



Form A-2: Application form for central excise registration of powerloom weavers / hand processors / Dealers of Yarns and Fabrics/ manufacturers of ready made Garments

Form A-3: Application form for central excise registration of manufacturers of hand rolled cheroots of tobacco falling under sub-heading no. 2402.00 of central excise tariff act, 1985

Separate Registration

Separate Registration is required in respect of separate premises except in cases where two or more premises are actually part of the same factory (where processes are interlinked), but are segregated by public road, canal or railway-line. The fact, that, the two premises are part of the same factory will be decided by the Commissioner of Central Excise based on factors, such as:

- ❑ Interlinked process - product manufactured/produced in one premise are substantially used in other premises for manufacture of final products.
- ❑ Large number of raw materials received or proposed to be received is common for both or all the premises
- ❑ Common electricity supplies.

- ❑ Common labour or work force
- ❑ Common administration or works management.
- ❑ Common sales tax registration and assessment
- ❑ Common Income Tax assessment
- ❑ Any other factor as may be indicative of inter-linkage of the manufacturing processes.

Separate Registration is required for each depot, godown etc. in respect of persons issuing CENVAT invoices. However, in the case liquid and gaseous products, availability of godown should not be insisted upon.

Registration Certificate may be granted to minors provided they have legal guardians' i.e. natural guardians or guardians appointed by the Court, as the case may be, to conduct business on their behalf.

Excise Control Code (ECC) Number

The ECC number is a registration number, issued to all the Central Excise Assesseees. This Number is based on the principles of 'Common Business Identifier' which shall be used for revenue accounting, validation of documents (e.g. CENVAT invoices), inter-agency coordination and for creation of data warehouse.

ECC number is a PAN based 15 digit alpha numeric numbers. The first part denotes 10 character (alpha numeric) Permanent Account number issued by Income tax authorities to the concerned person to whom the ECC Number is to be allotted and the second part comprises of a fixed 2 character alpha code which is as follows:

Category	Code
Central Excise Manufacturer (Including registered warehouses)	XM
Registered Dealer	XD

This is followed by 3-Character numeric code - 001, 002, 003 etc. In case, a manufacturer, registered with the Central Excise Department, has only one factory /dealer's premise/warehouse, the last three characters will be 001. If there are more than one factories/warehouses/dealer's premises of such a person having common PAN for all such factories/warehouses/dealer's premises, the last 3 character of the new ECC would be 001, 002, 003 etc.

The ECC Number has to be quoted on the GAR-7 Challans covering deposit of Central Excise duties, Additional duties, Cess and other dues to the Government.

Examples:

Where the concerned person has only one factory:

ECC Number will be - PAN + XM + 001

Suppose PAN is ABCDE1234H, the ECC Number will be -
ABCDE1234H XM **001**

Where the concerned person has more than one factory, say 3 factories, having PAN as aforesaid, then the ECC Number will be:

ABCDE1234H XM 001

ABCDE1234H XM 002

ABCDE1234H XM 003

Where the concerned person has one factory and is also registered as dealer, having PAN as aforesaid, then the New ECC Number will be:

ABCDE1234H XM 001 (for Factory)

ABCDE1234H XD 001 (for Dealer)

Central Excise Invoice System

An invoice is the document under cover of which the excisable goods are to be cleared by the manufacturer. This is also the document which indicates the assessment of the goods to duty. No excisable goods can be cleared except under an invoice.

Removals only on invoice

- ❑ Rule 11 of the Central Excise (No.2) Rules, 2001 provides that no excisable goods shall be removed from a factory or a warehouse except under an invoice signed by the owner of the factory or his authorised agent.
- ❑ In case of cigarettes, which is under physical control, the Factory Officers are posted by rotation in the factory (If the factory operation is 24 hours, the officers are posted 24 hours), will check the operations as per the instructions contained in commodity manual for cigarettes. Accordingly, in the case of cigarettes, each invoice shall also be countersigned by the Inspector of Central Excise or the Superintendent of Central Excise before the cigarettes are removed from the factory.

Serially numbered invoice

- ❑ The invoice shall be serially numbered and shall contain the registration number, description, classification, time and date of removal, rate of duty, quantity and value, of goods and the duty payable thereon. The serial number shall commence from 1st April every year [beginning of a financial year].
- ❑ The serial number can be given at the time of printing or by using franking machine. But when the invoice book is authenticated in the manner specified in sub-rule (5) of rule 11, each leaf should contain serial number. Hand written serial number shall not be accepted.
- ❑ In case of computer-generated invoice, the serial number may be allowed to be generated and printed by computer at the time of preparation of invoice ONLY IF the software is such that computer automatically generates the number and same number cannot be generated more than once. For this purpose, the Central Excise Officers may check the system/software from time to time.

Number of Invoice copies

The invoice shall be prepared in triplicate:

- The original copy being marked as **Original For Buyer**
- The duplicate copy being marked as **Duplicate For Transporter**
- The triplicate copy being marked as **Triplicate For Assessee**

The above requirement is mainly for Central Excise purposes. However, the assessee may make more than three copies for his other requirements. But such copies shall be prominently marked **Not For Cenvat Purposes**.

Number of Invoice book

- The rule 11 of the Central Excise (No.2) Rules, 2001 provides that only one invoice book shall be in use at a time, unless otherwise allowed by the Deputy/Assistant Commissioner of Central Excise in the special facts and circumstances of each case.
- The Board has decided that where assessee requires two different invoice books for the purposes of removals for home-consumption, and removals for export they may do so by intimating the jurisdictional Deputy/Assistant Commissioner of Central Excise.
- Wherever, an assessee is allowed to keep more than one invoice book, he should be asked to keep different numerical serial numbers for the different sets.
- In case of running stationary used in computers, the bound book shall not be insisted upon provided the stationary is pre-printed with distinctive names and marks of the assessee. After the invoices are prepared, the triplicate copy shall be retained in bound-book form. Where invoices are to be typed written, the leafs have to be first taken out from the book for typing. In such cases also the triplicate copy shall be retained in bound-book form.

Authentication of Invoices

The rule provides that owner or working partner or Managing Director or Company Secretary shall authenticate each foil of the invoice book, before being brought into use. However, in order to facilitate the trade it has been decided that any person duly authorised in this regard by the Company, owner or working partner may also authenticate invoices. Copy of the letter of authority should be submitted to the Range office.

Intimation of serial numbers

Before making use of the invoice book, the serial numbers of the same shall be intimated to the Superintendent of Central Excise having jurisdiction over the factory of the assessee. This can be done in writing by post/e-mail/fax/hand delivery or any other similar means.

Rounding off of duty in invoice

The amount of duty being shown in invoices issued under rule 11 of the Central Excise (No.2) Rules, 2001 be rounded off to the nearest rupee as provided for under Section 37D of the Central Excise Act, 1944 and the duty amount so rounded off should be indicated both in words as well as in figures.

Types of Duties and Method of Calculation

Type of Duty	Duty Type	Method of calculation
Basic Excise Duty (BED)	Excise	on Assessable Value
Special Excise Duty (SED)	Excise	on Assessable Value
AED (GSI)	Excise	on Assessable Value
AED (TTA)	Excise	on BED + SED
AED (TTW)	Excise	on BED + SED
AED (PM&T)	Excise	on BED + SED
NCCD	Excise	on BED + SED + AED (GSI)
Special AED	Excise	on Quantity
AED on High Speed Diesel	Excise	on Quantity
Educational Cess	Excise	On Total Excise Duty
SHE Cess on Excise duty	Excise	On Total Excise Duty
Countervailing Duty(CVD)	CVD	on Assessable Value+ BCD
SED of CVD	CVD	on Assessable Value+ BCD
AED (GSI) of CVD	CVD	on Assessable Value+ BCD
AED (TTA) of CVD	CVD	on CVD + SED–CVD
AED (TTW) of CVD	CVD	on CVD + SED–CVD
AED (PM&T) of CVD	CVD	on CVD + SED–CVD
NCCD of CVD	CVD	on CVD + SED–CVD + AED (GSI)–CVD
Special AED of CVD	CVD	on Quantity
AED on High Speed Diesel of CVD	CVD	on Quantity
Educational Cess on CVD	CVD	On Total CVD
SHE Cess on CVD	CVD	On Total CVD
Basic Custom Duty	Customs	on Assessable Value
Additional Duty on Customs	Customs	on BCD
Educational Cess on Customs	Customs	on Total Customs and CVD
SHE Cess on Customs	Customs	on Total Customs and CVD
Special Custom Duty	Customs	on Current Sub Total

Time and Mode of Payment of Duty

1. Fortnightly Payment of Duty

Assesses (Large Units) who are not availing the concession of duty based on turnover, have to pay duty on **fortnightly** basis. Duty in respect of clearances made between **1st to 15th** of a month is payable by **20th** of a month. Duty in respect of clearances made between **16th to end of a month** is payable by **5th** of the following month. However, in respect of clearances made in the **second fortnight of March** should be paid by **31st of March**.

2. Monthly payment of Duty

- Assessee who are neither Large Units nor availing concession of duty based on turnover, and
- Assessee availing small scale industries (SSI) concession of duty based on turnover

Have to pay duty on **monthly basis**. Duty in respect for clearances made in a month should be paid by **15th** of the following month.

3. **Excise Duty** shall be paid to the government along with **G.A.R. – 7 Challans**.

Returns & Timelines

The following Returns are required to be filed under Excise for Manufacturers

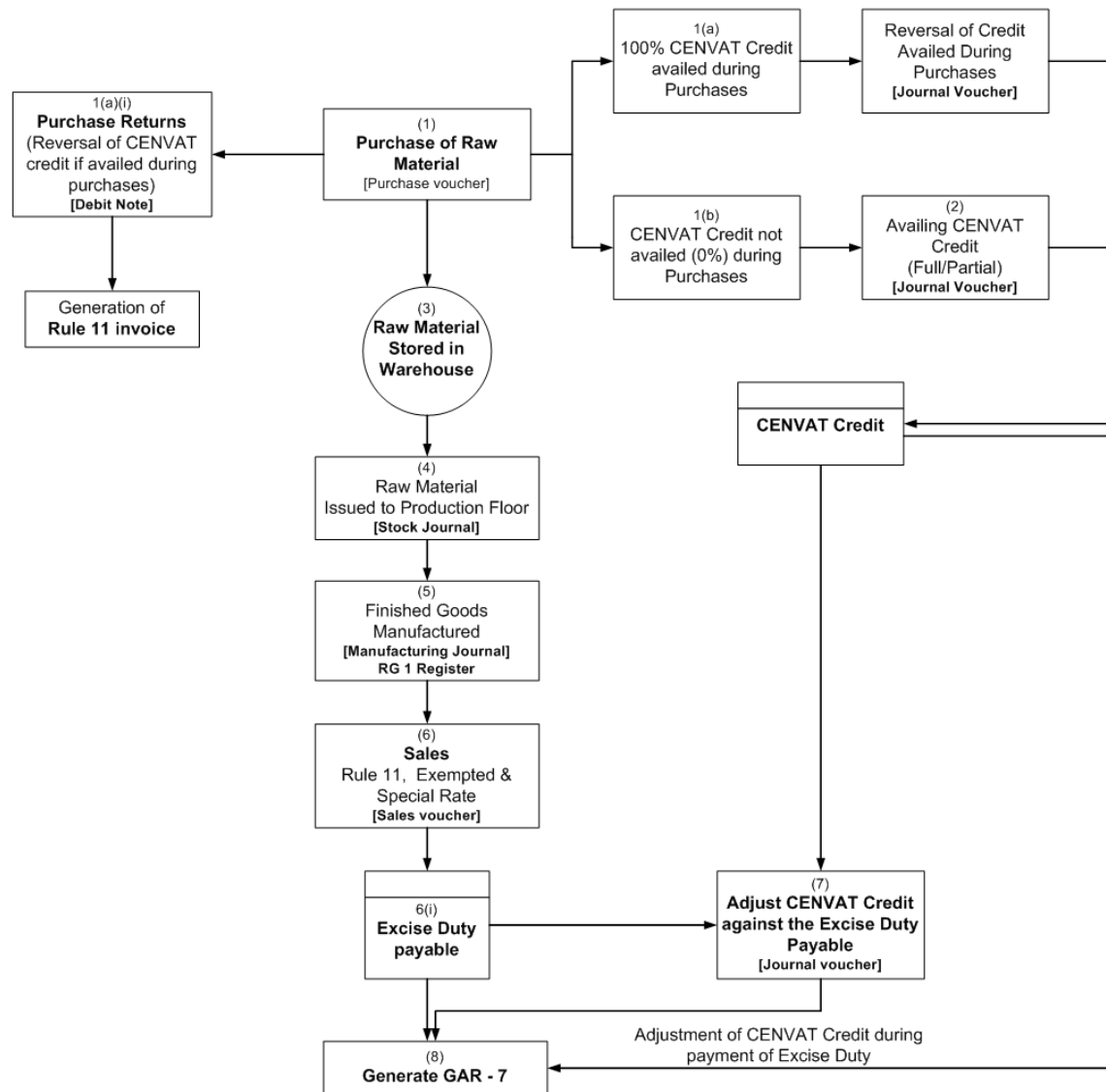
Form No.	Particulars	Periodicity	Due Date
ER-1	Monthly Return by Assesses who are not availing the concession of duty based on turnover (large units) (e>Returns)	Monthly	On or before 10th of the following month
	Monthly Return by Assessee who are neither Large Units nor availing concession of duty based on turnover	Monthly	On or before 10th of the following month
Monthly Return for CENVAT	Monthly Return by large and Regular units	Monthly	On or before 10th of the following month (With ER-1)
ER-3	Quarterly Return by Assessee availing small scale industries (SSI) concession of duty based on turnover	Quarterly	Within 20 days from the close of quarter

Salient Features of Excise in Tally.ERP

Tally.ERP's simple yet powerful Excise feature enables you to record transactions related to Excise with ease. The TDS functionality in Tally.ERP has the following features:

- ❑ Simple and user-friendly
- ❑ Quick and easy to set up and use
- ❑ Allows Multiple Excise Registration (Manufacturer & Dealer) in Single Company
- ❑ Create Tariff (HSN) / Commodity Code
- ❑ Flexibility to have separate Unit of Measures for recording transactions and excise reporting
- ❑ Item wise Valuation Methods (Valorem, Quantum, MRP)
- ❑ Maintain Rule 11 Excise Invoice
- ❑ Can apportion Expense / Income ledger value to calculate Assessable Value
- ❑ Item wise Duty calculation for different Valuation Methods in single invoice
- ❑ Generate Rule 11 invoice for Purchase Returns
- ❑ Record Exempt, Export & Special Rate transactions
- ❑ Avail Full / Partial CENVAT Credit on Inputs and Capital Goods/ Service Tax towards Duty payable
- ❑ Reversal of CENVAT Credit
- ❑ Print G.A.R. -7 Challan
- ❑ Maintain Invoice Register
- ❑ Maintain RG -1 register
- ❑ Generate CENVAT Credit Register
- ❑ Generate ER-1 & ER-3 returns
- ❑ Maintain PLA Register
- ❑ Excise Computation Report

Excise Process in Tally.ERP



Excise Process in Tally.ERP

Lesson 1: Enabling Excise in Tally.ERP

1.1 Enabling Excise in Tally.ERP

You can enable Excise in Tally.ERP, in the F11: Features screen.

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

- ❑ Set **Enable Excise** to **Yes**
- ❑ Enable **Set/Alter Excise Details** to **Yes**

Company Operations Alteration Ctrl + M

Current Period: Current Date:

Company: **ABC Company**

Statutory & Taxation

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

Tax Information

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

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

The **Excise Registration Details** sub-form appears as shown

Excise Registration Details **ABC Company** Ctrl + M

Registration Type : **Registration Types**
 Address : #25 **Dealer**
 PIN Code : 560087 **Manufacturer**
 Telephone No. : 080-55647251

Excise Details
 (Dealer Unit)

Unit Mailing Name : ABC Company
 (Will be used in all Excise Reports)

Excise Registration (ECC) No. :
 Date of Registration :

Other Details

Range		Division		Commissionerate	
Code	:	Code	:	Code	:
Name	:	Name	:	Name	:
Address	:	Address	:	Address	:

1. **Registration Type:** Selects Manufacturer from Registration Types list
2. **Address, Telephone No and PIN Code:** Address, Telephone No. and PIN Code details are captured from the company creation screen. If required, it can be altered.
3. **Excise Details:** Under this section provide Excise Details of the unit. Excise Details will be specific to the Registration Type selected.



Registration Type selected will be displayed below the heading - Excise Details to identify the unit as a manufacturer or a dealer.

- **Unit Mailing Name:** The **Mailing Name** entered in the company creation will be displayed as the Unit Mailing Name. If required, it can be altered.



Name entered in the Unit Mailing Name will be used in all Excise Reports.

- ❑ **Excise Registration (ECC) No.:** Enter **15** digits Excise Registration Number (ECC) of the Company/Unit, e.g. **AAPCA2149RXM001**
- ❑ **Date of Registration:** Enter the date of Excise registration, e.g. **10-4-2000**
- ❑ **Type of Manufacturer:** select the appropriate **Manufacturer Type** from the list of Types of Manufacturer, e.g. Regular

Excise Registration Details		ABC Company		Ctrl + M
<u>Excise Registration Details</u>				
Registration Type	: Manufacturer			
Address	: #25 Electronic City Phase - I Bangalore			
PIN Code	: 560087			
Telephone No.	: 080-55647251			
<u>Excise Details</u> (Manufacturer Unit)				
Unit Mailing Name <i>(Will be used in all Excise Reports)</i>	: ABC Company			
Excise Registration (ECC) No.	: AAPCA2149RXM001			
Date of Registration	: 10-Apr-2000			
Type of Manufacturer	: Regular	Types of Manufacturer Regular Small Scale Industries (SSI)		
Large Tax payer Unit (LTU) Code	:			
Excise Book Name (as per Rule 11)	:			
<u>Other Details</u>				
<u>Range</u>		<u>Division</u>		<u>Commissionerate</u>
Code :		Code :		Code :
Name :		Name :		Name :
Address :		Address :		Address :

- **Large Tax Payer Unit (LTU) Code:** Enter the LTU code, if your company/unit is a large tax payer and has opted for assessment in Large Tax Payer Unit. **Skip the Large Tax Payer Unit (LTU) Code** field.



Large Tax Payers** are those assesseees who pay large amount of Tax. They are the eligible taxpayer for the purposes of being served by the LTU. For e.g.: **Rs.5 Crores

***Large Tax Unit** is self-contained tax office under the Department of Revenue acting as a single window clearance point for all matters relating to Central Excise, Income Tax/ Corporate Tax and Service Tax. Eligible Tax Payers who opt for assessment in LTU shall be able to file their excise return, direct taxes returns and service tax return at such LTUs and for all practical purposes will be assessed to all these taxes there under. These units are being equipped with modern facilities and trained manpower to assist the tax payers in all matters relating direct and indirect tax/ duty payments, filing of documents and returns, claim of rebates/ refunds, settlement of disputes etc.*

Large Tax Unit** location Code for **Bangalore** is **L-10000

More information on LTU is available on - <http://www.cbec.gov.in/cae1-english.htm>

- **Excise Book Name (as per Rule 11):** Enter the **Excise Book Name** which is allowed by the Commissioner of Central Excise for the company/unit.

Select the option **New Number** from the **List of Excise Books**, to view **Serial Number Alteration (Secondary)** screen

Serial Number Alteration (Secondary)			ABC Company			
Name :						
(alias) :						
Method of Numbering	? Assisted Manual					
Prevent Duplicates	? Yes					
Starting Number	? 1					
Width of Numerical Part	:					
Prefill with ZERO	? No					
Restart Numbering			Prefix Details		Suffix Details	
Applicable From	Starting Number	Particulars	Applicable From	Particulars	Applicable From	Particulars
1-Apr-2008	1 Yearly		1-Apr-2008		1-Apr-2008	

- Name:** Enter the excise invoice book name allowed by the Commissioner of Central Excise for the company/unit, e.g. **ABC/Rule11/Book1/08-09**
ABC - Denotes Company Name.
Rule 11: Denotes that invoice book is maintained as per Rule 11 of Central Excise Rules, 2002
Book1: Stands for Book Number, which is allowed for the current financial year
08-09: Denotes the financial year.
- Method of Numbering:** By default Assisted Manual is displayed as the method of numbering.



Assisted Manual method of numbering assures the Rule 11 requirement of maintaining invoices serially numbered and sequence of numbering.

- **Prevent Duplicates:** By default this field will be set to **Yes**.
- **Starting Number:** Enter the **Starting Voucher Number** which is allowed by the Commissioner of Central Excise. E.g. **1001**
- **Width of Numerical part:** Mention the width of the numerical part.
- **Prefill with Zero:** when this option is set to No the digits before the invoice number will be blank. If this field is set to Yes the invoice number will be prefilled with Zeros based on the width of numerical part e.g. 00001 (where the width of numerical part is set to 5).
- **Restart Numbering:** In this field enter the **Starting Number** as **1001** and ensure under Particulars the Type of Period is Yearly
 In this section user can set the dates to restart the voucher number by defining the types of period (Daily, Monthly, Never, weekly or Yearly).
- **Prefix Details:** Here enter the information to be prefixed with voucher number
Applicable From: Enter **1-4-2008** in **Applicable From** field. The date mentioned in this field indicates the date from when the prefix should be displayed along with the voucher number.
Particulars: Enter the information to be prefixed to the voucher number E.g. **ABC/**
- **Suffix Details:** Here enter the information to be suffixed with voucher number
Applicable From: Enter **1-4-2008** in **Applicable From** field. The date mentioned in this field indicates the date from when the suffix should be displayed along with the voucher number.
Particulars: Enter the information to be suffixed to the voucher number E.g. **/08-09**



For complete details on Restart Numbering, Prefix and Suffix Details refer Tally.ERP Help, topic Voucher Types > Use Advance Configuration

Serial Number Alteration (Secondary)				ABC Company	
Name : ABC/Rule11/Book1/08-09					
(alias) :					
Method of Numbering		? Assisted Manual			
Prevent Duplicates		? Yes			
Starting Number		? 1,001			
Width of Numerical Part		: 0			
Prefill with ZERO		? No			
Restart Numbering			Prefix Details		Suffix Details
Applicable From	Starting Number	Particulars	Applicable From	Particulars	Particulars
1-Apr-2008	1,001	Yearly	1-Apr-2008	ABC/	/08-09
					Accept ? Yes or No

In Tally.ERP user can create more than one Excise Book Name for the same company or Unit. But, as per Rule 11 of Central Excise Rules, 2001 only one invoice book shall be in use at a time. A unit can maintain more than one invoice book if it is allowed by the Deputy/Assistant Commissioner of Central Excise.

To create more serial numbers, user can follow the above said procedure or he can directly create the serial numbers from the option Serial Number in Accounts info menu.



*The option **Serial Number** will be displayed in **Accounts Info**.menu only when the **Excise Feature** is enabled and the **Registration Type** of the **Company/Unit** is selected as **Manufacturer**. **Serial Number** option can be used to create or alter the serial numbers.*

4. Other Details: In this section enter **Range**, **Division** and **Commissionerate** details

- ❑ **Range:** Enter the code Name and Address of the range under which your company is registered.
 - **Code:** Enter Range Code as **090308**
 - **Name:** Enter Range Name as **Electronic City**
 - **Address:** Enter the **Range Address**
- ❑ **Division:** Enter the code Name and Address of the division under which your company is registered.
 - **Code:** Enter Division Code as **0903**
 - **Name:** Enter Division Name as **Division III**
 - **Address:** Enter the **Division Address**
- ❑ **Commissionerate:** Enter the code Name and Address of the Commissionerate under which your company is registered.
 - **Code:** Enter Commissionerate Code as **09**
 - **Name:** Enter Commissionerate Name as **Bangalore I**
 - **Address:** Enter the **Commissionerate Address**

Excise Registration Details		ABC Company		Ctrl + M
Excise Registration Details				
Registration Type	: Manufacturer			
Address	: #25 Electronic City Phase - I Bangalore			
PIN Code	: 560087			
Telephone No.	: 080-55647251			
Excise Details (Manufacturer Unit)				
Unit Mailing Name (Will be used in all Excise Reports)	: ABC Company			
Excise Registration (ECC) No.	: AAPCA2149RXM001			
Date of Registration	: 10-Apr-2000			
Type of Manufacturer	: Regular			
Large Tax payer Unit (LTU) Code	:			
Excise Book Name (as per Rule 11)	: ABC/Rule11/Book1/08-09			
Other Details				
Range	Division	Commissionerate		
Code : 090308	Code : 0903	Code : 09		
Name : Electronic City	Name : Division III	Name : Bangalore I		
Address : 6th Floor, A Wing, Kendriya Sadan, Koramangala, Bangalore Urban - 560034	Address : 7th Floor, C Wing, Kendriya Sadan, Koramangala, Bangalore - 560034	Address : P.B.No. 5400, Queens Road, C.R. Building, Bangalore GPO, Bangalore Urban - 560001		

5. Press **Enter** to accept and save Excise Registration Details.

1.1.1 Enabling VAT

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

6. Set the option **Enable Value Added Tax (VAT)** to **Yes**
7. Enable the option **Set/Alter VAT Details** to **Yes**
8. Specify the **Company VAT Details** as shown below

<u>VAT Details</u>	
State	: Karnataka
Type of Dealer	? Regular
Regular VAT Applicable From	: 14-2008

1.1.2 Entering Tax Information

9. Enter VAT TIN e.g. **11004578121**
10. Enter Inter-state Sales Tax Number e.g. **42514878240**
11. Enter Company's PAN / Income - Tax No. e.g. **AAPCA2149R**

Company: ABC Company			
Statutory & Taxation			
Enable Excise	? Yes	Enable Tax Deducted at Source (TDS)	? No
Set/Alter Excise Details (Note : 'Enable Maintain Multiple Godowns' for Multiple Excise Units)	? Yes	Set/Alter TDS Details	? No
Follow Excise rules for Invoicing	? No	Enable Tax Collected at Source (TCS)	? No
Enable Value Added Tax (VAT)	? Yes	Set/Alter TCS Details	? No
Set/Alter VAT Details	? Yes	Enable Fringe Benefit Tax (FBT)	? No
Enable Service Tax	? No	Set/Alter FBT Details	? No
Set/Alter Service Tax Details	? No		
Tax Information			
VAT TIN (Composition)	:		
VAT TIN (Regular)	:	11004578121	
Local Sales Tax Number	:		
Inter-state Sales Tax Number	:	42514878240	
PAN / Income - Tax No.	:	AAPCA2149R	
			Accept ? Yes or No

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

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

Lesson 2: Creating Masters

2.1 Creating a Customer Ledger

To create the **Sundry Debtor (Customer)** Ledger,

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

1. Enter the **Name** of the **Customer** in the Name field. E.g. **Universal Distributors**
2. Select the group **Sundry Creditors** in the **Under** field.
3. Set **Maintain Balances Bill by Bill** to **Yes** and enter the **Default Credit Period** if any
4. Set **Inventory Values are affected** to **No**
5. In **Mailing Details** and **Tax Information** sections enter the supplier contact details, Income Tax and the Sales Tax numbers.
6. Enable **Set/Alter Excise Details** to **Yes** to display the Excise Details sub screen.

Ledger Creation		ABC Company	Ctrl
Name	: Universal Distributors		Total Op. Bal.
(alias)	:		
Under	: Sundry Creditors (Current Liabilities)	Mailing Details Name : Universal Distributors Address : No. 54 Jai Bharat Industrial Area Yeshwanthpur Bangalore State : Karnataka PIN Code : 560022	
Maintain balances bill-by-bill	? Yes	Tax Information PAN / IT No. : AACCL0014C TIN/Sales Tax No. : 51102140584 Set/Alter Excise Details ? Yes	
Default Credit Period	:		
Inventory values are affected	? No		
Opening Balance (on 1-Apr-2008) :			

7. In the **Excise Details** screen

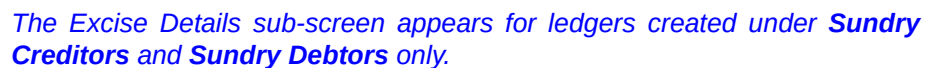
- ❑ Enter the **Excise Registration (ECC) No.** of the customer e.g. **AACCL0014CXD001**
- ❑ Enter the **Date of Excise Registration** in Date of Registration field e.g. **20-Jul-2004**
- ❑ Enter the **Range** under which the supplier's company is registered. E.g. **Yeshwanthpur II**
- ❑ Enter the **Division** under which the supplier's company is registered. E.g. **Yeshwanthpur**
- ❑ Enter the **Commissionerate** under which the premise of the Supplier's company is registered. E.g. **Bangalore III**
- ❑ In **Default Nature of Purchase** field select the option **Not Applicable**
- ❑ Select the **Nature of Removal** as **Domestic** from Types of Removal list.

Excise Details		ABC Company		Ctrl + M	
Name : Universal Distributors (alias) :			Total Op. Bal.		
Under : Sundry Creditors (Current Liabilities)		Mailing Details			
Maintain balances bill-by-bill : ? Yes		Name : Universal Distributors			
Default Credit Period : ?		Address : No. 54			
Inventory values are affected : ?		Jai Bharat Industrial Area			
		Yeshwanthpur			
		Bangalore			
		Karnataka			
		560022			
		Information : AACCL0014C			
		Types of Removal : 0584			
		Domestic Exempt Export			
		Excise Details			
		Excise Registration (ECC) No. : AACCL0014CXD001			
		Date of Registration : 20-Jul-2004			
		Range : Yeshwanthpur II			
		Division : Yeshwanthpur			
		Commissionerate : Bangalore III			
		Default Nature of Purchase : ☐ Not Applicable			
		Nature of Removal : Domestic			
Opening Balance (on 1-Apr-2008) :					



*It is must to define the nature of removal for a customer. The **Nature of Removal** depends upon the removal, whether it is for **Domestic/Exports/Exempt sales**. The Type of Removal set for the ledger can be altered/changed during transaction.*

8. Press **Enter** to Accept and save



2.2 Creating a Supplier Ledger

To Create the **Sundry Creditor (Supplier)** Ledger

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

1. Enter the **Name** of the Supplier in the Name field. E.g. **Swastik Water Suppliers**
2. Select **Sundry Creditors** as the group name in the **Under** field.
3. Set **Maintain Balances Bill by Bill** to **Yes** and enter the **Default Credit Period** if any.
4. Set **Inventory Values are affected** to **No**
5. In the **Mailing Details** and **Tax Information** section enter the supplier contact details, Income Tax and the Sales Tax numbers.

6. Enable **Set/Alter Excise Details** to **Yes** to display the Excise Details screen.

Ledger Creation		ABC Company	Ctrl
Name : Swastik Water Suppliers (alias) :			Total Op. Bal.
Under : Sundry Debtors (Current Assets)		Mailing Details Name : Swastik Water Suppliers Address : # 564 J.P.Nagar 4th Phase Bangalore State : Karnataka PIN Code : 560076	
Maintain balances bill-by-bill ? Yes Default Credit Period : Inventory values are affected ? No		Tax Information PAN / IT No. : AESDE3210N TIN/Sales Tax No. : 12004512124 Set/Alter Excise Details ? Yes	
Opening Balance (on 1-Apr-2008) :			

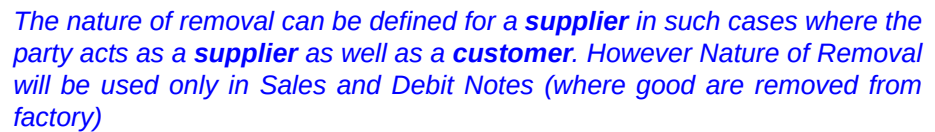
7. In the **Excise Details** screen,

- ❑ Enter the **Excise Registration Number** of the supplier. E.g. **AESDE3210NXM001**
- ❑ Enter the **Date of Excise Registration** in Date of Registration field. E.g. **15-May-1999**
- ❑ Enter the **Range** under which the supplier's company is registered. E.g. **National Park**
- ❑ Enter the **Division** under which the supplier's company is registered. E.g. **Bangalore II**
- ❑ Enter the **Commissionerate** under which the premise of the Supplier's company is registered. E.g. **Bangalore I**
- ❑ Select the **Default Nature of Purchase** as **Manufacturer** from Nature of Purchase



*The **Default Nature of Purchase** depends upon the status of the supplier, whether he is a Manufacturer / First Stage Dealer / Importer / Second Stage Dealer. The default **Type of Purchase** set for the Ledger can be altered/changed during transaction.*

- ❑ Select the **Nature of Removal** as **Domestic** from Types of Removal list.



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

To create a **Sales Ledger**,

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

1. Enter the **Name** of the sales ledger you wish to create, for e.g., **Sales @ 12.5%**.
2. Select **Sales Accounts** as the group name in the **Under** field.
3. Set **Inventory values are affected** to **Yes**.
4. Set the option **Used In VAT Returns** to **Yes** to display the default VAT/Tax Class sub screen.

Ledger Creation		ABC Company
Name : Sales Account		Total Op. Bal.
(alias) :		
Under : Sales Accounts		
Inventory values are affected	? Yes	
Statutory Information		
Used In VAT Returns	? Yes	
Opening Balance (on 1-Apr-2008) :		

5. Select the required **VAT/Tax Class**, for e.g., **Sales @ 12.5%**.

VAT/Tax Class		ABC Company	Ctrl + M
Name : Sales Account		Total Op. Bal.	VAT/TAX Class
(alias) :			☐ Not Applicable Consignment/Branch Transfer Outward Consignment/Branch Transfer Outward (Within State) Exports Inter-State Sales Other Exempt Sales Sales @ 1% Sales @ 12.5% Sales @ 20% Sales @ 4% Sales - Exempt Sales in the Course of Import into India Sales - Others
Under : Sales Accounts			
Inventory values are affected	? Yes		
Statutory Information			
Used In VAT Returns	? Yes		
Opening Balance (on 1-Apr-2008) :			

Ledger Creation		ABC Company
Name : Sales Account		Total Op. Bal.
(alias) :		
Under : Sales Accounts		
Inventory values are affected	? Yes	
<u>Statutory Information</u>		
Used In VAT Returns	? Yes	
Opening Balance (on 1-Apr-2008) :		Accept ? Yes or No

6. Press **Enter** to Accept and save.



It is recommended to create separate Sales ledgers with appropriate VAT classification for different rates of VAT. However, Tally.ERP provides you the flexibility to use a common sales ledger for different rates, by selecting VAT classification as Not Applicable and allows selection of required classification from the list of VAT/Tax Class while recording a transaction.

2.4 Creating a Purchase Ledger

To create a **Purchase Ledger**,

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

1. Enter the **Name** of the purchase ledger you wish to create, for e.g., **Purchase of Raw Materials**
2. Select **Purchase Accounts** as the group name in the **Under** field.
3. Set **Inventory values are affected** to **Yes**.
4. Set the option **Used In VAT Returns** to **Yes** to display the default VAT/Tax Class sub screen.

Ledger Creation		ABC Company
Name	: Purchase of Raw Materials	Total Op. Bal.
(alias)	:	
Under		: Purchase Accounts
Inventory values are affected	? Yes	
<u>Statutory Information</u>		
Used In VAT Returns	? Yes	
Opening Balance (on 1-Apr-2008) :		

5. Select the required **VAT/Tax Class**, for e.g., **Purchases @ 4%**.

VAT/Tax Class		ABC Company		Ctrl + M
Name	Purchase of Raw Materials	Total Op. Bal.		VAT/TAX Class ☐ Not Applicable Consignment/Branch Transfer Inward Imports Inter-State Purchases Purchases @ 1% Purchases @ 12.5% Purchases @ 20% Purchases @ 4% Purchases - Capital Goods @ 12.5% Purchases - Capital Goods @ 4% Purchases - Exempt Purchases From Composition Dealers Purchases - From Unregistered Dealers Purchases - Others
(alias)				
Under	: Purchase Accounts			
Inventory values are affected	? Yes			
Statutory Information Used In VAT Returns ? Yes				
Opening Balance (on 1-Apr-2008) :				

VAT/Tax Class
Purchases @ 4%

Ledger Creation		ABC Company	
Name	Purchase of Raw Materials	Total Op. Bal.	
(alias)			
Under	: Purchase Accounts		
Inventory values are affected	? Yes		
Statutory Information Used In VAT Returns ? Yes			
Opening Balance (on 1-Apr-2008) :			
		Accept ? Yes or No	

6. Press **Enter** to Accept and save.



It is recommended to create separate Purchase ledgers with appropriate VAT classification for different rates of VAT. However, Tally.ERP provides you the flexibility to use a common Purchase ledger for different rates, by selecting VAT classification as Not Applicable and allows selection of required classification from the list of VAT/Tax Class while recording a transaction

2.5 Creating VAT Ledgers

2.5.1 Input VAT

To create a **Input VAT Ledger**,

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

1. Enter the **Name** of the input VAT ledger you wish to create, for e.g., **Input VAT @ 4%**
2. Select **Duties & Taxes** as the group name in the **Under** field.
3. Select **VAT** from the **Type of Duty/Tax** list in the field **Type of Duty/Tax**.
4. Select the requisite **VAT/Tax Class**, for e.g., **Input VAT @ 4%** from the **VAT/TAX Class** list.

Ledger Creation		ABC Company	Ctrl + M
Name : Input VAT @ 4%	(alias) :	Total Op. Bal.	VAT/TAX Class
Under : Duties & Taxes (Current Liabilities)			☐ Not Applicable ☐ Input VAT @ 1% ☐ Input VAT @ 12.5% ☐ Input VAT @ 20% ☒ Input VAT @ 4% ☐ Output VAT @ 1% ☐ Output VAT @ 12.5% ☐ Output VAT @ 20% ☐ Output VAT @ 4% ☐ Purchases - Capital Goods @ 12.5% ☐ Purchases - Capital Goods @ 4%
Type of Duty/Tax : VAT	VAT/Tax Class : Input VAT @ 4%		
Percentage of Calculation (eg 5) : 4 %	Method of Calculation : On VAT Rate		
Rounding Method :			
Opening Balance (on 1-Apr-2008) :			

5. **Percentage of Calculation** and **Method of Calculation** are updated automatically based on the Type of Duty/Tax and VAT/Tax Class selected.
6. Select **Not Applicable** in **Rounding Method** field

Ledger Creation		ABC Company
Name : Input VAT @ 4%		Total Op. Bal.
(alias) :		
Under	: Duties & Taxes (Current Liabilities)	
Type of Duty/Tax	: VAT	
VAT/Tax Class	: Input VAT @ 4%	
Percentage of Calculation (eg 5)	? 4 %	
Method of Calculation	: On VAT Rate	
Rounding Method	: ☐ Not Applicable	
Opening Balance (on 1-Apr-2008) :		Accept ? Yes or No

7. Press **Enter** to Accept to save

2.5.2 Output VAT

To create a **Output VAT Ledger**,

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

1. Enter the **Name** of the Output VAT Ledger you wish to create, for e.g., **Output VAT @ 12.5%**
2. Select **Duties & Taxes** as the group name in the **Under** field.
3. Select **VAT** from the **Type of Duty/Tax** list in the field Type of Duty/Tax.
4. Select the requisite **VAT/Tax Class**, for e.g., **Output VAT @ 12.5%** from the VAT/TAX Class list.

Ledger Creation		ABC Company	Ctrl + M
Name : Output VAT @ 12.5%		Total Op. Bal.	VAT/TAX Class
(alias) :			☐ Not Applicable ☐ Input VAT @ 1% ☐ Input VAT @ 12.5% ☐ Input VAT @ 20% ☐ Input VAT @ 4% ☐ Output VAT @ 1% ☒ Output VAT @ 12.5% ☐ Output VAT @ 20% ☐ Output VAT @ 4% ☐ Purchases - Capital Goods @ 12.5% ☐ Purchases - Capital Goods @ 4%
Under : Duties & Taxes (Current Liabilities)			
Type of Duty/Tax : VAT			
VAT/Tax Class : Output VAT @ 12.5%			
Percentage of Calculation (eg 5) : 12.50 %			
Method of Calculation : On VAT Rate			
Rounding Method :			
Opening Balance (on 1-Apr-2008) :			

5. **Percentage of Calculation** and **Method of Calculation** are updated automatically based on the Type of Duty/Tax and VAT/Tax Class selected.
6. Select **Not Applicable** in **Rounding Method** field.

Ledger Creation		ABC Company
Name	: Output VAT @ 12.5%	Total Op. Bal.
(alias)	:	
Under	: Duties & Taxes (Current Liabilities)	
Type of Duty/Tax	: VAT	
VAT/Tax Class	: Output VAT @ 12.5%	
Percentage of Calculation (eg 5)	? 12.50 %	
Method of Calculation	: On VAT Rate	
Rounding Method	: ☐ Not Applicable	
Opening Balance (on 1-Apr-2008) :		Accept ?
		Yes or No

7. Press **Enter** to Accept to save



It is recommended to create separate Output VAT ledgers with appropriate VAT classification for different rates of VAT. However, Tally.ERP provides you the flexibility to use a common Output VAT ledger for different rates, by selecting VAT classification as Not Applicable and allows selection of required classification from the list of VAT/Tax Class while recording a transaction.

2.6 Creating Basic Excise Duty Ledger

To create a **Basic Excise Duty** Ledger,

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

1. Enter the **Name** of the excise duty ledger you wish to create, for e.g., **Basic Excise Duty @ 16%**
2. Select **Duties & Taxes** as the group name in the **Under** field.
3. Select **Excise** from the **Type of Duty/Tax** list in the field **Type of Duty/Tax**.



*The option **CENVAT** needs to be selected in the Duty ledgers to avail the CENVAT Credit. This will be explained in detail in **Purchase Voucher Processing**.*

4. In **Excise Accounting Code** field enter the accounting code of **Basic Excise Duty- 00380003**

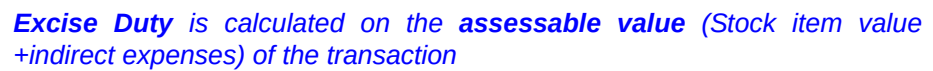


***8 digit Accounting Code** and amount tendered against each type of duty should be mentioned in G.A.R.-7 Challan. Screen*

Ledger Creation		ABC Company		Ctrl + M	
Name : Basic Excsie Duty @ 16%				List of Excise Duty Classifications	
(alias) :				AED (GSI)	
				AED on HSD	
				AED (PMT)	
				AED (TTA)	
				AED (TTW)	
				Basic Excise Duty	
Under : Duties & Taxes		Name :		Education Cess	
(Current Liabilities)		Address :		NCCD	
Type of Duty/Tax : Excise		State :		SHE Cess	
Excise Accounting Code : 00380003		PIN Code :		Special AED	
Duty Head : Basic Excise Duty		PAN / IT No. :		Special Excise Duty	
Inventory values are affected ? No					
Percentage of Calculation (eg 5) ? 0 %					
Opening Balance (on 1-Apr-2008) :					

5. Set the option **Inventory values are affected** to **No**
6. In **Percentage of Calculation** field enter **16%** as the percentage of calculation
7. In **Method of Calculation** field, Tally.ERP defaults **On Assessable Value** as the method of calculation.
8. Select **Not Applicable** in **Rounding Method** field

9. Press **Enter** to Accept to save



2.7 Creating Education Cess Ledger

To create a **Education Cess** Ledger,

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

1. Enter the **Name** of the **Education Cess** ledger you wish to create, for e.g., **Education Cess @ 2%**
2. Select **Duties & Taxes** as the group name in the **Under** field.
3. Select **Excise** from the Type of Duty/Tax list in **Type of Duty/Tax** field.



*The option **CENVAT** needs to be selected in the Duty ledgers to avail the CENVAT Credit. This will be explained in detail in **Purchase Voucher Processing**.*

4. In **Excise Accounting Code** field enter the accounting code of **Education Cess - 00380111**



*It is mandatory to mention **Accounting codes of Duty/Cess** along with description of duty in **GAR 7 Challan**.*

5. In **Duty Head** field select **Education Cess** from the **List of Duty Heads**

Ledger Creation		ABC Company		Ctrl + M
Name : Education Cess @ 2%		List of Excise Duty Classifications		
(alias) :				
Under : Duties & Taxes (Current Liabilities)		Name :	AED (GSI) AED on HSD AED (PMT) AED (TTA) AED (TTW) Basic Excise Duty Education Cess NCCD SHE Cess Special AED Special Excise Duty	
Type of Duty/Tax : Excise		Address :		
Excise Accounting Code : 00380111		State :		
Duty Head : Education Cess		PIN Code :		
Inventory values are affected ? No		Tax Inform PAN / IT No. :		
Percentage of Calculation (eg 5) : 0 %				
Opening Balance (on 1-Apr-2008) :				

6. Set the option **Inventory values are affected** to **No**
7. In **Percentage of Calculation** field enter **2%** as the percentage of calculation
8. In **Method of Calculation** field, Tally.ERP defaults **On Total Excise Duty** as the method of calculation.
9. Select **Not Applicable** in **Rounding Method** field

Ledger Creation		ABC Company	Ctrl
Name	: Education Cess @ 2%		Total Op. Bal.
(alias)	:		
Under	: Duties & Taxes (Current Liabilities)	Name	:
Type of Duty/Tax	: Excise	Address	:
Excise Accounting Code	: 00380111	State	:
Duty Head	: Education Cess	PIN Code	:
Inventory values are affected	? No		
Percentage of Calculation (eg 5)	? 2 %		
Method of Calculation	: On Total Excise Duty		
Rounding Method	: ☐ Not Applicable		
		Mailing Details PAN / IT No. :	
		Tax Information	
Opening Balance (on 1-Apr-2008) :		Accept ? Yes or No	

10. Press **Enter** to Accept to save

2.8 Creating Secondary and Higher Education (SHE) Cess Ledger

To create a **Secondary and Higher Education (SHE) Cess** Ledger,

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

1. Enter the Name of the SHE Cess ledger you wish to create, for e.g., SHE Cess @ 1%
2. Select Duties & Taxes as the group name in the Under field.
3. Select Excise from the Type of Duty/Tax list in the field Type of Duty/Tax.



The option CENVAT needs to be selected in the Duty ledgers to avail the CENVAT Credit. This will be explained in detail in Purchase Voucher Processing.

4. In **Excise Accounting Code** field enter the accounting code of **SHE Cess - 00380115**



*It is mandatory to mention Accounting codes of Duty/Cess along with description of duty in **GAR 7 Challan**.*

5. In **Duty Head** field select **SHE Cess** from the **List of Duty Heads**

Ledger Creation		ABC Company		Ctrl + M
Name : SHE Cess @ 1%		List of Excise Duty Classifications		
(alias) :		AED (GSI) AED on HSD AED (PMT) AED (TTA) AED (TTW) Basic Excise Duty Education Cess NCCD SHE Cess Special AED Special Excise Duty		
Under	: Duties & Taxes (Current Liabilities)	Name	Mailing D	
Type of Duty/Tax	: Excise	Address		
Excise Accounting Code	: 00380115	State		
Duty Head	: SHE Cess	PIN Code		
Inventory values are affected	? No	Tax Inform		
Percentage of Calculation (eg 5)	? 0 %	PAN / IT No.		
Opening Balance (on 1-Apr-2008) :				

6. Set the option **Inventory values are affected** to **No**

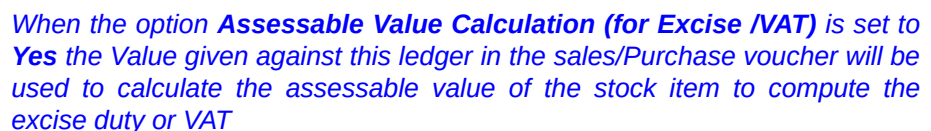
7. In **Percentage of Calculation** field enter **1%** as the percentage of calculation

8. In **Method of Calculation** field, Tally.ERP defaults **On Total Excise Duty** as the method of calculation.

Ledger Creation		ABC Company	Ctr
Name : SHE Cess @ 1%			Total Op. Bal.
(alias) :			
Under : Duties & Taxes (Current Liabilities)		<u>Mailing Details</u>	
Type of Duty/Tax : Excise		Name :	
Excise Accounting Code : 00380115		Address :	
Duty Head : SHE Cess		State :	
Inventory values are affected ? No		PIN Code :	
Percentage of Calculation (eg 5) ? 1 %			
Method of Calculation : On Total Excise Duty		<u>Tax Information</u>	
Rounding Method : ☐ Not Applicable		PAN / IT No. :	
Opening Balance (on 1-Apr-2008) :			Accept ? Yes or No

2.9 Creating a Expense Ledger

1. Enter the **Name** of the expense ledger you wish to create, for e.g., **Packing Charges**
2. Select **Indirect Expenses** as the group name in the **Under** field.
3. Set **Inventory values are affected** to **No**
4. Set the option **Use for Assessable Value Calculation (for Excise /VAT)** to **Yes**



44

Ledger Creation		ABC Company		Ctrl
Name	: Packing Charges			Total Op. Bal.
(alias)	:			
Under	: Indirect Expenses	Mailing Details		
Inventory values are affected	? No	Name	:	
		Address	:	
		State	:	
		PIN Code	:	
Statutory Information		Tax Information		
Use for Assessable Value Calculation (for Excise / VAT)	? Yes	Methods of Apportion		
Method of Apportion	: Based On Value	Based on Quantity		
		Based On Value		
Opening Balance (on 1-Apr-2008) :				

Example 1: Based on Value

In case of **Based on Value** method of apportion, expenses will be apportioned based on the Value of the Stock item.

- ❑ **Packing charges** is 5,000
- ❑ Value of **Item X** is 50,000
- ❑ Value of **Item Y** is 60,000
- ❑ Apportionment of Packing Charges to **Item X**: $5,000 \times 50,000 / 1,10,000 = 2272.73$
- ❑ Apportionment of Packing Charges to **Item Y**: $5,000 \times 60,000 / 1,10,000 = 2727.27$
- ❑ Assessable Value of **Item X** (52,272.73) = Value of **Item X** (50,000) +Packing Charges (2,272.73)
- ❑ Assessable Value of **Item Y** (62,727.27) = Value of **Item Y** (60,000) +Packing Charges (2,727.27)

Example 2: Based on Quantity

In case of **Based on Quantity** method of apportion, expenses will be apportioned based on the quantity of the Stock item.

- ❑ **Packing charges** is 5,000
- ❑ Quantity of **Item X** is 200 and Value is 20,000

- ❑ Quantity of **Item Y** is 600 and Value is 60,000
- ❑ Apportionment of Packing Charges to **Item X**: $5,000 \times 200 / 800 = 1,250$
- ❑ Apportionment of Packing Charges to **Item Y**: $5,000 \times 600 / 800 = 3,750$
- ❑ Assessable Value of **Item X** (21,250) = Value of **Item X** (20,000) + Packing Charges (1,250)
- ❑ Assessable Value of **Item Y** (63,750) = Value of **Item Y** (60,000) + Packing Charges (3,750)

Ledger Creation		ABC Company		Ctrl
Name : Packing Charges			Total Op. Bal.	
(alias) :				
Under : Indirect Expenses		Mailing Details		
Inventory values are affected ? No				
Statutory Information		Tax Information		
Use for Assessable Value Calculation ? Yes (for Excise / VAT)				
Method of Apportion : Based On Value		PAN / IT No. :		
Opening Balance (on 1-Apr-2008) :			Accept ?	
			Yes or No	

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

2.10 Creating Excise Voucher Types

The Excise Voucher Type for **Purchase**, **Sales** and **Debit Note** has to be created before creating the invoices.

2.10.1 Creating Purchase Voucher Type

To create the **Purchase Voucher Type**,

1. Go to **Gateway of Tally > Accounts Info > Voucher Type > Create**
2. Enter the name of the Voucher type in **Name** Field e.g. **Excise - Purchases**
3. Select **Purchase** as the voucher type in **Type of Voucher** Field
4. You may **abbreviate** the Voucher type as per your requirement e.g. **Ex-Purc**

5. Select the appropriate **Method of Voucher Numbering** e.g. **Automatic**
6. Set **Use Advanced Configuration** to **Yes** to specify the advanced settings for the numbering method selected, if required.
7. Set **Use for Excise** to **Yes** to enter Excise Purchase to capture **Assessable Value and Excise Duty breakup**.
8. In **Default Excise Unit** field select **ABC Company** from the **List of Excise Units**

Voucher Type Creation		ABC Company	Ctrl + M
Name : Excise - Purchases (alias) :			
<u>General</u>		<u>Printing</u>	<u>Name of Class</u>
Type of Voucher	: Purchase	Print after saving Voucher	? No
Abbr.	: Ex-Purc		
Method of Voucher Numbering	? Automatic		
Use Advance Configuration	? No		
Use EFFECTIVE Dates for Vouchers	? No		
Make 'Optional' as default	? No		
Use Common Narration	? Yes		
Narrations for each entry	? No		
Use for Excise	? Yes		
Default Excise Unit	: ABC Company		

List of Excise Units

ABC Company	Manufacturer
-------------	--------------

9. Set **Print after saving Voucher** to **No**.

Voucher Type Creation		ABC Company		Ctrl + M
Name	: Excise - Purchases			
(alias)	:			
<u>General</u>		<u>Printing</u>		<u>Name of Class</u>
Type of Voucher	: Purchase	Print after saving Voucher ? No		
Abbr.	: Ex-Purc			
Method of Voucher Numbering ? Automatic				
Use Advance Configuration ? No				
Use EFFECTIVE Dates for Vouchers ? No				
Make 'Optional' as default ? No				
Use Common Narration ? Yes				
Narrations for each entry ? No				
Use for Excise ? Yes				
Default Excise Unit	: ABC Company			

Accept ?
Yes or No

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



The **Use for Excise** option will appear in Purchase/Debit Note and Sales/Credit Note only and if the **Excise Feature** is enabled in the **F11 Feature > F3 - Statutory & Taxation**.

*In case where a company **has more than One Excise Unit**, you have to create **separate set of voucher types for each Excise Unit**.*

2.10.2 Creating Sales Voucher Type

To create the **Sales Voucher Type**,

1. Go to **Gateway of Tally > Accounts Info > Voucher Type > Create**
2. Enter the name of the Voucher type in **Name** Field. E.g. **Excise - Sales**
3. Select **Sales** as the voucher type in **Type of Voucher** Field
4. You may **abbreviate** the Voucher type as per your requirement. E.g. **Ex- Sales**
5. Select the appropriate **Method of Voucher Numbering** e.g. **Automatic**
6. Set **Use Advanced Configuration** to **Yes** to specify the advanced settings for the numbering method selected, if required.
7. Set **Use for Excise** to **Yes** to enter Excise Purchase to capture **Assessable Value and Excise Duty breakup**.

8. In **Default Excise Unit** field select **Main Location** from the **List of Excise Units**

Voucher Type Creation		ABC Company	Ctrl + M		
Name : Excise - Sales (alias) :					
General Type of Voucher : Sales Abbr. : Ex-Sales Method of Voucher Numbering ? Automatic Use Advance Configuration ? No Use EFFECTIVE Dates for Vouchers ? No Make 'Optional' as default ? No Use Common Narration ? Yes Narrations for each entry ? No Use for Excise ? Yes Default Excise Unit : ABC Company		Printing Print after saving Voucher ? No Default Print Title : Is Tax Invoice ? No Declaration :			
		List of Excise Units <table border="1"> <tr> <td>ABC Company</td> <td>Manufacturer</td> </tr> </table>		ABC Company	Manufacturer
ABC Company	Manufacturer				
		Name of Class			

9. Set **Print after saving Voucher** to **Yes**

10. Enter the print title of the Voucher type in the **Default Print Title** field e.g. **EXCISE INVOICE**

11. Set **No** to **Is Tax Invoice**.

12. Specify the **declaration**, if any.

Voucher Type Creation		ABC Company	Ctrl + M
Name : Excise - Sales (alias) :			
General Type of Voucher : Sales Abbr. : Ex-Sales Method of Voucher Numbering ? Automatic Use Advance Configuration ? No Use EFFECTIVE Dates for Vouchers ? No Make 'Optional' as default ? No Use Common Narration ? Yes Narrations for each entry ? No Use for Excise ? Yes Default Excise Unit : ABC Company		Printing Print after saving Voucher ? Yes Default Print Title : EXCISE INVOICE Is Tax Invoice ? No Declaration :	
		Accept ? Yes or No	

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

A **Debit note Voucher type** has to be created if a **Debit Note** has to be passed. The **Voucher Type** should be created under **Debit Note** Type of Voucher.

Voucher Type Creation		ABC Company		Ctrl + M
Name	: Excsle - Debit Note	(alias) :		
<u>General</u> Type of Voucher : Debit Note Abbr. : Ex-D/Note		<u>Printing</u> Print after saving Voucher ? No		<u>Name of Class</u>
Method of Voucher Numbering ? Automatic Use Advance Configuration ? No				
Use EFFECTIVE Dates for Vouchers ? No Make 'Optional' as default ? No Use Common Narration ? Yes Narrations for each entry ? No				
Use for Excise ? Yes Default Excise Unit : ABC Company				

Accept ?

Yes or No

Manufacturing Journal is used to account the issue of raw materials to production floor and for the receipt of finished goods.



In this scenario we are altering the existing Stock journal to account the manufacture of Packed Drinking Water

2.11 Creating Tariff Classification

Each and every goods manufactured or produced have to be classified for finding out the rate of duty applicable. Accordingly, Central Excise Tariff Act 1985 classifies all the goods under 91 chapters and specific code is assigned to each item. This code is called Tariff Classification code, which consists of 8 digits. First 4 digits represent Chapter and heading and next 2 digit represents sub-heading and the last 2 digit represents sub-sub heading.

To create a **Stock Item**,

Go to **Gateway of Tally > Inventory Info. > Tariff Classification > Create**

1. Enter the name of the **Tariff Classification** e.g. **Plastic Bottles** in the **Name** field.
2. Enter the **Tariff Classification Code** e.g. **39233010** in **HSN Code** field



*The **Harmonized Commodity Description and Coding System (HS)** of tariff nomenclature popularly known as **Harmonised System of Nomenclature (HSN)**, is an internationally standardized system of names and numbers for classifying traded products developed and maintained by the World Customs Organization.*

3. In **Used For** field select **Excise** from the **list of Tax Type**.

Tariff Classification Creation		ABC Company
Name	: Plastic Bottles	
(alias)	:	
HSN Code	: 39233010	
Used for	: Excise	
VAT		
Schedule Number	:	
Schedule Serial Number	:	
Notes	:	

Tax Type

Both
Excise
VAT



*The **Tariff Classification** created with the option **Both** will be displayed for selection, during the creation of Stock Items on which Excise or VAT is applicable.*

*Selection of the option **VAT** will restrict the display of Tariff classification only for the Stock items on which the VAT is applicable.*

*The option **VAT or Both** will prompt the user to provide details of **Schedule Number and Schedule Serial Number**.*

4. In **Notes** field enter the details regarding the **HSN Code** selected

Tariff Classification Creation		ABC Company
Name	Plastic Bottles	
(alias)		
HSN Code	39233010	
Used for	Excise	
VAT		
Schedule Number		
Schedule Serial Number		
Notes	This HSN Code is entered as per the letter received from the consultant dated, 1-4-2008.	

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



*It is required to create **separate Tariff classification** for **different stock items** (falling under different chapters/heading/subheading/sub-sub heading)*

Similarly create the below **Tariff classifications** as per the details provide

Name of Tariff Classification	HSN Code	Used For
Pet Bottle Caps	39235010	Excise
Water	22011010	Excise
Linear Low Density Polyethylene (LLDPE)	39011010	Excise

2.12 Creating Stock Item - Raw materials

To create a **Stock Item - Raw Materials**,

In **F12: Configuration (Master Configuration)**

- Set the option **Use ALTERNATE UNITS for Stock Items** to **Yes**

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

1. Enter the **name** of the Stock Item e.g. **Pet Bottles - 1Ltr** in the Name field.
2. Select the **Stock Group Name** e.g. **Primary** in the **Under** field.
3. Select the **unit of measurement** e.g. **U (Numbers)** of the stock item in the Units field (Use **Alt + C** to create **Unit of Measurement**)
4. Select the **unit of measurement** e.g. **Kg (Kilograms)** of the stock item in the **Alternate Units** field (Use **Alt +C** to create **Unit of Measurement**)
5. Specify **1 Kg = 100 U** in **Where** field.



Unit and Alternate Unit details provided in the Stock item master are only for the purpose of accounting the Stock items.

6. In **Tariff Classification** field select the applicable tariff classification e.g. **Plastic Bottles** from the **List of Tariff Classifications**

Stock Item Creation		ABC Company		Ctrl + M
Name : Pet Bottles - 1Ltr (alias) :				List of Tariff Classifications ☐ Not Applicable Linear Low Density Polyethylene (LLDPE) 39011010 Pet Bottle Caps 39235010 Plastic Bottles 39233010 Water 22011010
Under : ☐ Primary Units : U Alternate Units : Kg where : 1 Kg = 100 U		<u>Tax Information</u> Tariff Classification : Plastic Bottles Set/Alter Excise Details ? No Rate of VAT (%) :		
Opening Balance :		Quantity	Rate per	Value

7. Enable **Set/Alter Excise Details** to **Yes** to display the **Excise Details** sub screen.

Stock Item Creation		ABC Company	
Name : Pet Bottles - 1Ltr (alias) :			
Under : ☐ Primary Units : U Alternate Units : Kg where : 1 Kg = 100 U		<u>Tax Information</u> Tariff Classification : Plastic Bottles Set/Alter Excise Details ? Yes Rate of VAT (%) :	
Opening Balance :		Quantity	Rate per Value

8. In the **Excise Details** Screen

- **Excise Unit Name:** By default Tally.ERP displays **ABC Company** as Excise Unit Name.



*In Tally.ERP excise units (Dealer/manufacturer) created are identified as godowns. When the option **Maintain Multiple Godowns/Excise Units** is not enabled in **F11: Features > Inventory Features (F2)** by default Tally.ERP identifies the excise unit name with the Default Godown named - **Main Location***

*To create more than one Excise Unit user needs to enable **Maintain Multiple Godowns/Excise Units** in **F11: Features > Inventory Features (F2)**.*

- **Reporting UOM:** Select **Kg** as **Reporting UOM**. All the reports will display the Stock item details based on the reporting UOM selected



*As per **Central Excise Act**, in all the reports relating to stock items are required to be indicated with the relevant Unit of Quantity as specified under **Central Excise Tariff Act**. The Applicable Unit of Quantity for Bottles is '**Kg (Kilograms)**', so it is must to select **Kg** (Kilograms) as the Reporting UOM.*

- In **Conversion Factor** field Set as **1 Kg = 100 U**



*Tally.ERP prompts the user to select the **Conversion Factor** only when the alternate units is enabled and defined for stock item*

- **Set/Alter Duty Details:** Set this field to **Yes** to view the **Duty Details** screen.

Excise Details for : Pet Bottles - 1Ltr Tariff Classification : Plastic Bottles				
Excise Unit Name	Reporting UOM	Conversion Factor	Set/Alter Duty Details	Stock Item Type
ABC Company	Kg	1 Kg = 100 U	Yes	Others

- In **Duty Details** screen
 - In **Valuation Type** select **Ad Valorem** from **List of Valuation Type**.
 - Select the **Basic Excise Duty** in the **Type of Duty** filed from the **List of Excise Duty Classifications**
 - Specify the **Rate of Duty** as **16%**
 - Select the **Education Cess** as the second duty in the **Type of Duty** filed from the List of Excise Duty classifications
 - Specify the **Rate of Duty** as **2%**
 - Select the **SHE Cess (Secondary and Higher Education Cess)** as the third duty in the **Type of Duty** filed from the List of Excise Duty classifications.



Secopndary and Higher Education Cess is applicable from 11-5-2007

- Specify the **Rate of Duty** as **1%**

Excise Duty Details		ABC Company		Ctrl + M	
Name : Pet Bottles - 1Ltr (alias) :				List of Excise Duty Classifications	
Excise Details for : Pet Bottles - 1Ltr Tariff Classification : Plastic Bottles				☐ End of List AED (GSI) AED on HSD AED (PMT) AED (TTA) AED (TTW) NCCD Special AED Special Excise Duty	
Excise Unit	Reporting	Conversion Factor	Set/Alter Duty Details		
Duty Details for : Pet Bottles - 1Ltr Tariff Classification : Plastic Bottles Excise Unit : ABC Company		1 Kg = 100 U	Yes	Other	
Valuation Type : Ad Valorem					
Type of Duty	Rate of Duty				
Basic Excise Duty	16 %				
Education Cess	2 %				
SHE Cess	1 %				

- Accept to save **Duty Details** screen.
- In **Excise Details** screen, under **Stock Item Type** field select as **Others** from the **List of Item Types**

Excise Details for : Pet Bottles - 1Ltr Tariff Classification : Plastic Bottles					
Excise Unit Name	Reporting UOM	Conversion Factor	Set/Alter Duty Details	Stock Item Type	
ABC Company	Kg	1 Kg = 100 U	Yes	Others	
				List of Item Types	
				Capital Goods	
				Finished Goods	
				Others	
				Principal Input	

9. **Rate of VAT (%)**: in this field enter the **Rate of VAT** applicable for the Stock Item e.g. **4%**

Stock Item Creation		ABC Company	
Name : Pet Bottles - 1Ltr (alias) :			
Under : ☐ Primary Units : U Alternate Units : Kg where : 1 Kg = 100 U		<u>Tax Information</u> Tariff Classification : Plastic Bottles Set/Alter Excise Details ? Yes Rate of VAT (%) : 4	
Opening Balance :		Quantity	Rate per
		Value	Accept ?
			Yes or No

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



Where **Excisable Commodity** attracts Additional duties of Excise and Special duties of Excise and so on, the same can be activated as required from the **List of Excise Duty Classifications**.

Similarly create the below **Stock Item - Raw Materials** as per the details provided

Name of Stock Item	Units	Tariff classification	Reporting UOM	Valuation Type	Excise Duties Applicable with Rate	Stock Item Type	Rate of VAT
Water container - 20 ltrs	U	Plastic Bottles	Kg	Ad Valorem	Basic Excise Duty - 16%	Others	4%
	Alternate Unit (Kg) 1Kg = 20U		Conversion Factor 1 Kg = 20 U		Education Cess - 2%		
			SHE Cess - 1%				
Bottle caps	U	Pet Bottle Caps	Kg	Ad Valorem	Basic Excise Duty - 16%	Others	4%
	Alternate Unit (Kg) 1Kg = 500U		Conversion Factor 1 Kg = 500 U		Education Cess - 2%		
			SHE Cess - 1%				
Low Density Polyethylene	U	Linear Low Density Polyethylene (LLDPE)	Kg	Ad Valorem	Basic Excise Duty - 16%	Others	4%
	Alternate Unit (Kg) 1Kg = 1000 U		Conversion Factor 1 Kg = 1000 U		Education Cess - 2%		
			SHE Cess - 1%				
Natural Water	L (Liters)	Water	L	Ad Valorem	Basic Excise Duty - 16%	Principal Input	0%
					Education Cess - 2%		
					SHE Cess - 1%		

2.13 Creating Stock Item - Finished Goods (MRP)

To create a **Stock Item - Finished Goods**,

In **F12: Configuration (Master Configuration)**

- Set the option **Allow Component list details (Bill of Materials)** to **Yes**

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

- Enter the name of the **Stock Item** e.g. **AquaPure - 1 Ltr** in the **Name** field.
- Select the **Group Name** e.g. **Primary** in the **Under** field.
- Select the **unit of measurement** e.g. **L (Liters)** of the stock item in the **Units** field
- Select the **unit of measurement** e.g. **Box** of the stock item in the **Alternate Units** field (Use **Alt +C** to create Unit of Measurement)
- Specify **1 Box = 24 L** in **Where** field.



Unit and Alternate Unit details provided in the Stock item master are only for the purpose of accounting the Stock items.

6. Enable **Set Components (BoM)** to **Yes** and press enter to view Stock Item Components (BoM) screen
7. In **Stock Item Components (BoM)** screen
 - ▢ In **Unit of manufacture** field enter as **1**
 - ▢ Under **Item** and **Quantity** field enter the details as shown

Stock Item Components (BoM)		ABC Company		Ctrl + M								
Name : AquaPure - 1 Ltr (alias) :		Components of : AquaPure - 1 Ltr Unit of manufacture : 1 L		List of Stock Items								
Under : ☐ Primary		<table border="1"> <thead> <tr> <th>Item</th> <th>Quantity</th> </tr> </thead> <tbody> <tr> <td>Natural Water</td> <td>1 L</td> </tr> <tr> <td>Pet Bottles - 1Ltr</td> <td>1 U (0 Kg)</td> </tr> <tr> <td>Bottle Caps</td> <td>1 U (0 Kg)</td> </tr> </tbody> </table>		Item	Quantity	Natural Water	1 L	Pet Bottles - 1Ltr	1 U (0 Kg)	Bottle Caps	1 U (0 Kg)	☐ End of List Bottle Caps Low Density Polyethylene Natural Water Pet Bottles - 1Ltr Water Container - 20 Ltr
Item	Quantity											
Natural Water	1 L											
Pet Bottles - 1Ltr	1 U (0 Kg)											
Bottle Caps	1 U (0 Kg)											
Units : L		Gateway of Tally Inventory Info.		Stock Items Single Stock Item Create Display Alter Multiple Stock Items Create Display Alter Quit								
Alternate Units : Box where : 1 Box = 24 L												
Set Components (BoM) ? Yes												
Opening Balance : Quant												

8. In **Tariff Classification** field select the applicable tariff classification e.g. **Water** from the **List of Tariff Classifications**
9. Enable **Set/Alter Excise Details** to **Yes** to display the **Excise Details** sub screen.

Stock Item Creation		ABC Company	
Name	: AquaPure - 1 Ltr		
(alias)	:		
Under	: ☐ Primary	Tax Information	
Units	: L	Tariff Classification	: Water
Alternate Units	: Box	Set/Alter Excise Details	? Yes
where	: 1 Box = 24 L	Rate of VAT (%)	:
Set Components (BoM)	? Yes		
	Quantity	Rate per	Value
Opening Balance	:		

10. In the Excise Details Screen

- Excise Unit Name: By default Tally.ERP displays **ABC Company** as **Excise Unit Name**.



*In Tally.ERP excise units (Dealer/manufacturer) created are identified as godowns. When the option **Maintain Multiple Godowns/Excise Units** is not enabled in **F11: Features > Inventory Features (F2)** by default Tally.ERP identifies the excise unit name with the Default Godown named - **Main Location***

*To create more than one Excise Unit user needs to enable **Maintain Multiple Godowns/Excise Units** in **F11: Features > Inventory Features (F2)**.*

- Reporting UOM:** select **L (liters)** as **Reporting UOM**. All the reports will display the Stock item details based on the reporting UOM selected.



*As per **Central Excise Act**, in all the reports relating to stock items are required to be indicated with the relevant Unit of Quantity as specified under **Central Excise Tariff Act**. The Applicable Unit of Quantity for Mineral Water is '**L (Liters)**', so it is must to select **L (Liters)** as the Reporting UOM.*

- **Set/Alter Duty Details:** Set this field to **Yes** to view the Duty Details screen.

Excise Details for : AquaPure - 1 Ltr				
Tariff Classification : Water				
Excise Unit Name	Reporting UOM	Conversion Factor	Set/Alter Duty Details	Stock Item Type
ABC Company	L		Yes	Others

- In **Duty Details** screen
 - In **valuation Type** field Select **MRP** Based from the **List of Valuation Type**
 - In **MRP** field enter the Rate as Rs. **20**
 - In **Abatement** field enter **48%** as the abatement percentage.
 - Select the **Basic Excise Duty** in the **Type of Duty** filed from the List of Excise Duty classifications
 - Specify the **Rate of Duty** as **16%**
 - Select the **Education Cess** as the second duty in the **Type of Duty** filed from the List of Excise Duty classifications
 - Specify the **Rate of Duty** as **2%**
 - Select the **SHE Cess (Secondary and Higher Education Cess)** as the third duty in the **Type of Duty** filed from the List of Excise Duty classifications.



*Secondary and Higher Education Cess is applicable from **11-5-2007***

- Specify the **Rate of Duty** as **1%**

Excise Duty Details		ABC Company		Ctrl + M	
Name : AquaPure - 1 Ltr (alias) :				List of Excise Duty Classifications	
Excise Details for : AquaPure - 1 Ltr Tariff Classification : Water				☐ End of List AED (GSI) AED on HSD AED (PMT) AED (TTA) AED (TTW) NCCD Special AED Special Excise Duty	
Excise Unit	Reporting	Conversion Factor	Set/Alter Duty Details		
Duty Details for : AquaPure - 1 Ltr Tariff Classification : Water Excise Unit : ABC Company			Yes	Other	
Valuation Type : MRP Based MRP : 20.00/L Abatement % : 48 %					
Type of Duty	Rate of Duty				
Basic Excise Duty	16 %				
Education Cess	2 %				
SHE Cess	1 %				

- In **Excise Details** screen, under **Stock Item Type** field select as **Finished Goods** from the **List of Item Types**

Excise Details for : AquaPure - 1 Ltr Tariff Classification : Water					
Excise Unit Name	Reporting UOM	Conversion Factor	Set/Alter Duty Details	Stock Item Type	
ABC Company	L		Yes	Finished Goods	
				List of Item Types	
				Capital Goods	
				Finished Goods	
				Others	
				Principal Input	

11. Rate of VAT (%): in this field enter the **Rate of VAT** applicable for the Stock Item e.g. **12.5%**

Stock Item Creation		ABC Company	
Name : AquaPure - 1 Ltr (alias) :			
Under : ☐ Primary Units : L Alternate Units : Box where : 1 Box = 24 L Set Components (BoM) ? Yes		<u>Tax Information</u> Tariff Classification : Water Set/Alter Excise Details ? Yes Rate of VAT (%) : 12.50	
Opening Balance :		Quantity	Rate per
		Valu	Accept ?
			Yes or No

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



Where **Excisable Commodity** attracts Additional duties of Excise and Special duties of Excise and so on, the same can be activated as required from the **List of Excise Duty Classifications**.

2.14 Creating Stock Item - Finished Goods (Quantum)

To create a **Stock Item - Finished Goods**,

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

1. Enter the name of the **Stock Item** e.g. **AquaMini - 200 ml** in the **Name** field.
2. Select the **Group Name** e.g. **Primary** in the **Under** field.
3. Select the **unit of measurement** e.g. **U (Number)** of the stock item in the **Units** field
4. Select the unit of measurement e.g. **L [Liter (s)]** of the stock item in the **Alternate Units** field
5. Specify **1 L = 5 U** in **Where** field.



Unit and Alternate Unit details provided in the Stock item master are only for the purpose of accounting the Stock items.

6. Enable **Set Components (BoM)** to **Yes** and press enter to view Stock Item Components (BoM) screen
7. In **Stock Item Components (BoM)** screen
 - In **Unit of manufacture** field enter as **5**
 - Under **Item and Quantity** field enter the details as shown

Components of	: AquaMini - 200 MI
Unit of manufacture	: 5 U
Item	Quantity
Natural Water	1 L
Low Density Polyethylene	5 U (0 Kg)

8. In **Tariff Classification** field select the applicable tariff classification e.g. **Water** from the **List of Tariff Classifications**
9. Enable **Set/Alter Excise Details** to **Yes** to display the **Excise Details** sub screen.
10. In the **Excise Details** Screen
 - **Excise Unit Name:** By default Tally.ERP displays **ABC Company** as **Excise Unit Name**.



*In Tally.ERP excise units (Dealer/manufacturer) created are identified as godowns. When the option Maintain **Multiple Godowns/Excise Units** is not enabled in **F11: Features > Inventory Features (F2)** by default Tally.ERP identifies the excise unit name with the Default Godown named - **Main Location***

To create more than one Excise Unit user needs to enable Maintain Multiple Godowns/Excise Units in F11: Features > Inventory Features (F2).

- **Reporting UOM:** select **L (liters)** as **Reporting UOM**. All the reports will display the Stock item details based on the reporting UOM selected.



*As per **Central Excise Act**, in all the reports relating to stock items are required to be indicated with the relevant Unit of Quantity as specified under **Central Excise Tariff Act**. The Applicable Unit of Quantity for Mineral Water is '**L (Liters)**', so it is must to select L (Liters) as the Reporting UOM.*

- In **Conversion Factor** field set as **1 L = 5 U**



Tally.ERP prompts the user to select the Conversion Factor only when the alternate Item is enabled and defined for stock item

- **Set/Alter Duty Details:** Set this field to **Yes** to view the Duty Details screen.
- In **Duty Details** screen
 - In **valuation Type** field Select **Ad Quantum** from the **List of Valuation Type**
 - Select the **Basic Excise Duty** in the **Type of Duty** filed from the List of Excise Duty classifications
 - Specify the **Rate of Duty** as **Rs. 2 (per liter)**



*In case of Ad Quantum, duty is payable at the rate specified per Unit of Quantity. **Example:** Duty on **Sugar** is based on per **Kg** basis (Rs.3/Kg).*

- Select the **Education Cess** as the second duty in the **Type of Duty** filed from the List of Excise Duty classifications
- Specify the **Rate of Duty** as **Rs. 0.04 (per liter)**
- Select the **SHE Cess (Secondary and Higher Education Cess)** as the third duty in the **Type of Duty** filed from the List of Excise Duty classifications.
- Specify the **Rate of Duty** as **Rs. 0.02 (per liter)**

Duty Details for : AquaMini - 200 MI	
Tariff Classification : Water	
Excise Unit : ABC Company	
Valuation Type : Ad Quantum	
Type of Duty	Rate of Duty
Basic Excise Duty	2 /L
Education Cess	0.04 /L
SHE Cess	0.02 /L

- In **Excise Details** screen, under **Stock Item Type** field select as **Finished Goods** from the List of Item Types

11.**Rate of VAT (%)**: in this field enter the **Rate of VAT** applicable for the Stock Item e.g. **12.5%**

Stock Item Creation		ABC Company	
Name : AquaMini - 200 MI (alias) :			
Under : ☐ Primary Units : U Alternate Units : L where : 1 L = 5 U Set Components (BoM) ? Yes		<u>Tax Information</u> Tariff Classification : Water Set/Alter Excise Details ? Yes Rate of VAT (%) : 12.50	
Opening Balance :		Quantity	Rate per
		Valu	Accept ? Yes or No

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



Where **Excisable Commodity** attracts Additional duties of Excise and Special duties of Excise and so on, the same can be activated as required from the **List of Excise Duty Classifications**.

2.15 Creating Stock Item - Finished Goods (Ad Valorem)

To create a **Stock Item - Finished Goods**,

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

1. Enter the name of the **Stock Item** e.g. **AquaKing - 20 Ltr** in the **Name** field.
2. Select the **Group Name** e.g. **Primary** in the **under** field.
3. Select the **unit of measurement** e.g. **U (Number)** of the stock item in the **Units** field
4. Select the unit of measurement e.g. **L [Liter (s)]** of the stock item in the **Alternate Units** field
(Use **Alt +C** to create Unit of Measurement)
5. Specify **20 L = 1 U** in **Where** field.



Unit and Alternate Unit details provided in the Stock item master are only for the purpose of accounting the Stock items.

6. Enable **Set Components (BoM)** to **Yes** and press enter to view Stock Item Components (BoM) screen
7. In **Stock Item Components (BoM)** screen
 - In **Unit of manufacture** field enter as **1**
 - Under **Item and Quantity** field enter the details as shown

Components of	: AquaKing - 20 Ltr
Unit of manufacture	: 1 U
Item	Quantity
Natural Water	20 L
Water Container - 20 Ltr	1 U (0 Kg)

8. In **Tariff Classification** field select the applicable tariff classification e.g. **Water** from the **List of Tariff Classifications**
9. Enable **Set/Alter Excise Details** to **Yes** to display the Excise Details sub screen.
10. In the **Excise Details** Screen
 - **Excise Unit Name:** By default Tally.ERP displays **ABC Company** as **Excise Unit Name**.



*In Tally.ERP excise units (Dealer/manufacturer) created are identified as godowns. When the option **Maintain Multiple Godowns/Excise Units** is not enabled in **F11: Features > Inventory Features (F2)** by default Tally.ERP identifies the excise unit name with the Default Godown named - Main Location*

*To create more than one Excise Unit user needs to enable **Maintain Multiple Godowns/Excise Units** in **F11: Features > Inventory Features (F2)**.*

- **Reporting UOM:** select **L (liters)** as **Reporting UOM**. All the reports will display the Stock item details based on the reporting UOM selected.



*As Per **Central Excise Act**, in all the reports relating to stock items are required to be indicated with the relevant Unit of Quantity as specified under **Central Excise Tariff Act**. The Applicable Unit of Quantity for Mineral Water is '**L (Liters)**', so it is must to select L (Liters) as the Reporting UOM.*

- In **Conversion Factor** field Set as **20 L = 1 U**



Tally.ERP prompts the user to select the Conversion Factor only when the alternate Item is enabled and defined for stock item

- **Set/Alter Duty Details:** Set this field to **Yes** to view the **Duty Details** screen.
- In **Duty Details** screen
 - In **valuation Type** field Select **Ad Valorem** from the **List of Valuation Type**
 - Select the **Basic Excise Duty** in the **Type of Duty** filed from the List of Excise Duty classifications
 - Specify the **Rate of Duty** as **16%**
 - Select the **Education Cess** as the second duty in the **Type of Duty** filed from the List of Excise Duty classifications
 - Specify the **Rate of Duty** as **2%**
 - Select the **SHE Cess (Secondary and Higher Education Cess)** as the third duty in the **Type of Duty** filed from the List of Excise Duty classifications.
 - Specify the **Rate of Duty** as **1%**

Duty Details for : AquaKing - 20 Ltr	
Tariff Classification : Water	
Excise Unit : ABC Company	
Valuation Type : Ad Valorem	
Type of Duty	Rate of Duty
Basic Excise Duty	16 %
Education Cess	2 %
SHE Cess	1 %

- In **Excise Details** screen, under **Stock Item Type** field select as **Finished Goods** from the List of Item Types

11. **Rate of VAT (%)**: in this field enter the **Rate of VAT** applicable for the Stock Item e.g. **12.5%**

Stock Item Creation		ABC Company	
Name : AquaKing - 20 Ltr (alias) :			
Under : ☐ Primary		<u>Tax Information</u>	
Units : U		Tariff Classification : Water	
Alternate Units : L		Set/Alter Excise Details ? Yes	
where : 20 L = 1 U		Rate of VAT (%) : 12.50	
Set Components (BoM) ? Yes			
Opening Balance :	Quantity	Rate per	Value
			Accept ? Yes or No

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



Where **Excisable Commodity** attracts *Additional duties of Excise and Special duties of Excise and so on*, the same can be activated as required from the **List of Excise Duty Classifications**.

Similarly create the Stock Item **AquaEase - 20 Ltr** with same **Alternate Unit, conversion factor** and **Valuation Method (Ad Valorem)**

Lesson 3: Transactions

3.1 Creating a Excise Purchase Voucher _ Not Availing CENVAT Credit

To create a **Purchase Voucher**

In **F12: Configuration (Invoice / Orders Entry)**

1. Ensure the option **Use Common Ledger A/c for Item Allocation** is set to **Yes**

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

2. In **Voucher Type** sub form select **Excise - Purchases** as the voucher type
3. Ensure that the **Purchase Voucher** is in **Item Invoice** Mode
4. Enter the **Date** as **1-4-2008**
5. In **Supplier Invoice No.** field enter the Invoice No. as **SI/336**
6. In **Party's A/c Name** field select the supplier i.e. **Swastik Water Suppliers** from the List of Ledger Accounts
7. In **Purchase Ledger** field select the ledger **Purchase of Raw Materials** from List of Ledger Accounts
8. **VAT/Tax Class** field automatically gets updated with the VAT/Tax class as selected in the purchase ledger, which can be changed.
9. In **Name of Item** field select the Stock Item i.e. **Natural Water**
10. In **Quantity** field enter the quantity as **10,00,000**
11. In **Rate** field enter the rate as **Rs. 2**
12. **Amount** will be displayed automatically.
13. Select Duty Ledger i.e. **Basic Excise Duty @ 16%**. **Amount** will be calculated and displayed automatically.
14. Select **Education Cess @ 2%** and **SHE Cess @ 1%** ledgers. **Amount** will be calculated and displayed automatically



Input VAT Ledger is not selected as Natural water is exempted under VAT Act in Karnataka

15. Set the option **Show Statutory Details** to **Yes** to view **Statutory Details** screen

Accounting Voucher Creation		ABC Company		Ctrl + M
Excise - Purchases No. 1				1-Apr-2008
Supplier Invoice No. : SI/336		Date : 1-Apr-2008		Tuesday
Excise Unit : ABC Company				
Party's A/c Name : Swastik Water Suppliers				
Current Balance :				
Purchase Ledger : Purchase of Raw Materials				
VAT/Tax Class: Purchases @ 4%				
Name of Item	Quantity	Rate per	Amount	
Natural Water	10,00,000 L	2.00 L	20,00,000.00	
Basic Excise Duty @ 16%		16 %	3,20,000.00	
Education Cess @ 2%		2 %	6,400.00	
SHE Cess @ 1%		1 %	3,200.00	
Show Statutory Details ? Yes		Yes / No No Yes		
Narration:		10,00,000 L 23,29,600.00		

16. In **Statutory Details** screen press **Alt + F1: Detailed** to view details of duty calculation. **Statutory Details** screen appears as shown.

Statutory Details	ABC Company				Ctrl + M
Excise - Purchase	Statutory Details				1-Apr-2008
Supplier Invoice No					Tuesday
Excise Unit	Particulars	Excise	VAT		
Party's A/c Name	Assessable Value	20,00,000.00	23,23,200.00		
Current Balance	Natural Water	20,00,000.00	23,29,600.00		
Purchase Ledger	Item Value	20,00,000.00	20,00,000.00		
VAT/Tax Class: P	Basic Excise Duty @ 16%		3,20,000.00		
	Education Cess @ 2%		6,400.00		
	SHE Cess @ 1%		3,200.00		
Name of Item	Excise Duty Value	3,29,600.00			
Natural Water	Basic Excise Duty @ 16%	16 %	3,20,000.00		
Basic Excise Duty @ 16%	Natural Water @ 16 % On 20,00,000.00		3,20,000.00		
Education Cess @ 2%	Education Cess @ 2%	2 %	6,400.00		
SHE Cess @ 1%	Natural Water @ 2 % On 3,20,000.00		6,400.00		
	SHE Cess @ 1%	1 %	3,200.00		
	Natural Water @ 1 % On 3,20,000.00		3,200.00		
Show Statutory De					
Narration:					
					23,29,600.00



*In statutory details user can view **Item/ ledger wise assessable value and Duty/Tax calculations.***

17. In **Bill-wise Details** screen select **Type of Ref** as **New Ref** and in other fields retain the default details.

Bill-wise Details for : Swastik Water Suppliers Upto: Rs. 23,29,600.00 Cr				
Type of Ref	Name	Due Date, or Credit Days (wef: 1-4-2008)	Amount	Dr/ Cr
New Ref	SI/336		23,29,600.00	Cr
			23,29,600.00	Cr

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

Accounting Voucher Creation		ABC Company		Ctrl + M
Excise - Purchases No. 1		Date : 1-Apr-2008		1-Apr-2008 Tuesday
Supplier Invoice No. : SI/336		Excise Unit : ABC Company		
Party's A/c Name : Swastik Water Suppliers				
Current Balance :				
Purchase Ledger : Purchase of Raw Materials				
VAT/Tax Class: Purchases @ 4%				
Name of Item	Quantity	Rate per	Amount	
Natural Water	10,00,000 L	2.00 L	20,00,000.00	
Basic Excise Duty @ 16%		16 %	3,20,000.00	
Education Cess @ 2%		2 %	6,400.00	
SHE Cess @ 1%		1 %	3,200.00	
Show Statutory Details ? Yes Narration: 10,00,000 L Accept ? Yes or No				

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



To avail **Cenvat Credit**, create the ledgers under Current Assets by selecting duty/tax type as CENVAT in the Type of Duty/Tax field.

When the **CENVAT Credit** is not availed the Duty Ledgers selected won't display the ledger balance and **duty amount** will be apportioned to the Stock Item cost.

Go to **Gateway of Tally > Display > Account Books > Ledgers > select Basic Excise Duty @ 16%**

Ledger Vouchers		ABC Company		Ctrl + M	
Ledger: Basic Excise Duty @ 16%				For 1-Apr-2008	
Date	Particulars	Vch Type	Vch No.	Debit	Credit
				Opening Balance :	
				Current Total :	
				Closing Balance :	

To view the **duty apportionment to Stock Item**

Go to **Gateway of Tally > Display > Inventory Books > Stock Item > Natural Water > Stock item Monthly Summary > Stock Vouchers**

In **F12: Configuration**

- Ensure the option **Show Rates** is set to **Yes**

Stock Vouchers				ABC Company			Ctrl + M					
Stock Item: Natural Water				1-Apr-2008 to 30-Apr-2008								
Date	Particulars	Vch Type	Vch No.	Inwards			Outwards			Closing		
				Quantity	Rate	Value	Quantity	Rate	Value	Quantity	Rate	Value
1-4-2008	Swastik Water Suppliers	Excise - Purchases	1	10,00,000 L	2.33	23,29,600.00				10,00,000 L	2.33	23,29,600.00

Purchase rate of natural Water is **Rs.2** per Liter. Observe, in the above screen stock item rate is displayed as **2.33** which includes the excise duty amount.

3.2 Creating a Excise Purchase Voucher _ Availing CENVAT Credit

To create a **Purchase Voucher**

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

1. In **Voucher Type** sub form select **Excise - Purchases** as the voucher type
2. Ensure that the **Purchase Voucher** is in **Item Invoice** Mode
3. Enter the **Date** as **3-4-2008**
4. In **Supplier Invoice No.** field enter the Invoice No. as **LM/243**

5. In **Party's A/c Name** field select the supplier i.e. **Lanco Manufacturers** from the **List of Ledger Accounts** (Use **Alt +C** to create the party ledger)
6. In **Purchase Ledger** field select the ledger **Purchase of Raw Materials** from List of Ledger Accounts
7. **VAT/Tax Class** field automatically gets updated with the VAT/Tax class as selected in the purchase ledger, which can be changed.
8. In **Name of Item** field select the Stock Item i.e. **Pet Bottles - 1 Ltr**
9. In **Quantity** field enter the quantity as **3,00,000**
10. In **Rate** field enter the rate as **Rs. 1**
11. **Amount** will be displayed automatically
12. Select **Bottle Caps** as second item and specify **Quantity** as **3,00,000** and **Rate** as **Rs. 0.25**
13. Select **Water Bottle Container - 20 Ltr** as third item and specify **Quantity** as **10,000** and **Rate** as **Rs.5**
14. Select **Low Density Polyethylene** as fourth item and specify **Quantity** as **25,000** and **Rate** as **Rs.0.25**

Accounting Voucher Creation		ABC Company		Ctrl + M
Excise - Purchases No. 2				3-Apr-2008
Supplier Invoice No. : LM/243		Date : 3-Apr-2008		Thursday
Excise Unit : ABC Company				
Party's A/c Name : Lanco Manufacturers				
Current Balance :				
Purchase Ledger : Purchase of Raw Materials				
VAT/Tax Class: Purchases @ 4%				
Name of Item	Quantity	Rate per	Amount	
Pet Bottles - 1Ltr	3,00,000 U (3,000 Kg)	1.00 U	3,00,000.00	
Bottle Caps	3,00,000 U (600 Kg)	0.25 U	75,000.00	
Water Container - 20 Ltr	10,000 U (500 Kg)	5.00 U	50,000.00	
Low Density Polyethylene	25,000 U (25 Kg)	0.25 U	6,250.00	
			4,31,250.00	
Show Statutory Details ? No				
Narration:		6,35,000 U	4,31,250.00	

15. Select **Duty Ledger** i.e. **Basic Excise Duty (CENVAT)**. Use **Alt + C** to create the ledger. Duty ledger creation appears as shown.

Ledger Alteration (Secondary)		ABC Company	Ctrl
Name	: Basic Excsie Duty (CENVAT)		
(alias)	:		
Under	: Current Assets	<u>Mailing Details</u> Name : Address : State : PIN Code :	
Type of Duty/Tax	: CENVAT	<u>Tax Information</u> PAN / IT No. :	
Excise Accounting Code	:		
Duty Head	: Basic Excise Duty		
Inventory values are affected	? No		
Percentage of Calculation (eg 5)	? 16 %		
Method of Calculation	: On Assessable Value		
Rounding Method	: ☐ Not Applicable		
Opening Balance (on 1-Apr-2008) :		Accept ? Yes or No	



To avail **Cenvat Credit**, create the duty ledgers by selecting duty/tax type as **CENVAT** in the **Type of Duty/Tax** field

- 16.Amount for **Basic Excise duty (CENVAT)** will be displayed automatically
- 17.Select duty ledger **Education Cess (CENVAT)**. Use **Alt +C** to create the ledger
- 18.Select duty ledger **SHE Cess (CENVAT)**. Use **Alt + C** to create the ledger



Select **Type of Duty/Tax Class** as **CENVAT** for all the Duty ledgers created to avail **Cenvat Credit**. These duty ledgers are used only during accounting purchases.

- 19.Select **Input VAT @ 4%** as the VAT duty ledger. **Amount** will be displayed automatically

20. Set the option **Show Statutory Details** to **Yes** to view **Statutory Details** screen

Accounting Voucher Creation		ABC Company		Ctrl + M
Excise - Purchases No. 2				3-Apr-2008
Supplier Invoice No. : LM/243		Date : 3-Apr-2008		Thursday
Excise Unit : ABC Company				
Party's A/c Name : Lanco Manufacturers Current Balance : Purchase Ledger : Purchase of Raw Materials VAT/Tax Class: Purchases @ 4%				
Name of Item	Quantity	Rate per	Amount	
Pet Bottles - 1Ltr	3,00,000 U (3,000 Kg)	1.00 U	3,00,000.00	
Bottle Caps	3,00,000 U (600 Kg)	0.25 U	75,000.00	
Water Container - 20 Ltr	10,000 U (500 Kg)	5.00 U	50,000.00	
Low Density Polyethylene	25,000 U (25 Kg)	0.25 U	6,250.00	
			4,31,250.00	
Basic Excise Duty (CENVAT)		16 %	69,000.00	
Education Cess (CENVAT)		2 %	1,380.00	
SHE Cess (CENVAT)		1 %	690.00	
Input VAT @ 4%		4 %	20,092.80	
Show Statutory Details ? Yes			Yes / No	
Narration:			No	
			Yes	
			6,35,000 U	5,22,412.80

21. In **Statutory Details** screen press **Alt + F1: Detailed** to view details of duty calculation. Statutory Details screen appears as shown



22. In **Bill-wise Details** screen select **Type of Ref** as **New Ref** and in other fields retain the default details.

Bill-wise Details for : Lanco Manufacturers Upto: Rs. 5,22,412.80 Cr				
Type of Ref	Name	Due Date, or Credit Days (wef: 3-4-2008)	Amount	Dr/ Cr
New Ref	LM/243		5,22,412.80	Cr
			5,22,412.80	Cr

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

Accounting Voucher Creation		ABC Company	Ctrl + M
Excise - Purchases No. 2			3-Apr-2008
Supplier Invoice No. : LM/243		Date : 3-Apr-2008	Thursday
Excise Unit : ABC Company			
Party's A/c Name : Lanco Manufacturers Current Balance : Purchase Ledger : Purchase of Raw Materials VAT/Tax Class: Purchases @ 4%			
Name of Item	Quantity	Rate per	Amount
Pet Bottles - 1Ltr	3,00,000 U (3,000 Kg)	1.00 U	3,00,000.00
Bottle Caps	3,00,000 U (600 Kg)	0.25 U	75,000.00
Water Container - 20 Ltr	10,000 U (500 Kg)	5.00 U	50,000.00
Low Density Polyethylene	25,000 U (25 Kg)	0.25 U	6,250.00
			4,31,250.00
Basic Excise Duty (CENVAT)		16 %	69,000.00
Education Cess (CENVAT)		2 %	1,380.00
SHE Cess (CENVAT)		1 %	690.00
Input VAT @ 4%		4 %	20,092.80
Show Statutory Details ? Yes			
Narration:		6,35,000 U	Accept ? Yes or No

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

When the **CENVAT Credit** is availed the **Duty Ledgers** selected will display the ledger balance and duty amount will not be apportioned to the Stock Item Rate.

To check the **duty ledger balance**

Go to **Gateway of Tally > Display > Account Books > Ledgers > select Basic Excise Duty (CENVAT)**

Ledger Vouchers		ABC Company		Ctrl + M	
Ledger: Basic Excise Duty (CENVAT)			1-Apr-2008 to 3-Apr-2008		
Date	Particulars	Vch Type	Vch No.	Debit	Credit
3-4-2008	Lanco Manufacturers	Excise - Purchases	2	69,000.00	

To view the **non- apportionment of duty amount** to stock item Rate

Go to **Gateway of Tally > Display > Inventory Books > Stock Item > Pet Bottles - 1 Ltr > Stock item Monthly Summary > Stock Vouchers**

In **F12: Configuration**

- ☐ Ensure the option **Show Rates** is set to **Yes**

Stock Vouchers				ABC Company						Ctrl + M					
Stock Item: Pet Bottles - 1Ltr				1-Apr-2008 to 3-Apr-2008											
Date	Particulars	Vch Type	Vch No.	Inwards			Outwards			Closing					
				Quantity	Rate	Value	Quantity	Rate	Value	Quantity	Rate	Value			
3-4-2008	Lanco Manufacturers	Extrn. Purchase	2	3,00,000	U	1.00	3,00,000.00					3,00,000	U	1.00	3,00,000.00
						</									

Observe, in Stock Vouchers report stock item rate is displayed as **Rs.1** which is the actual purchase rate. In this case the duty amount is not apportioned to the Stock item.

3.3 Creating a Manufacturing Voucher

Manufacturing of Packed Drinking Water being a Process Industry, Manufacturing Journal is used to account the issue of raw materials to production floor and for the receipt of finished goods.

In case of discrete industries, Stock Journal can be used to account the issue of Raw materials to production floor and for the receipt of finished goods



*In Tally.ERP user can create a **Manufacturing Journal** under Stock Journal or alter the exiting Stock Journal*

3.3.1 Alter the Stock Journal

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

- ❑ Set the option **Use as a Manufacturing Journal** to **Yes**

Voucher Type Alteration		ABC Company	Ctrl + M
Name : Stock Journal (alias) :			
General Type of Voucher : Stock Journal Abbr. : Stk Jml Method of Voucher Numbering ? Automatic Use Advance Configuration ? No Use EFFECTIVE Dates for Vouchers ? No Make 'Optional' as default ? No Use Common Narration ? Yes Use as a Manufacturing Journal ? Yes		Printing Print after saving Voucher ? No	Name of Class
			Accept ? Yes or No

3.3.2 Create a Manufacturing Journal

Go to **Gateway of Tally > Inventory Vouchers > Alt +F7: Stock Journal**

1. Enter the **Date** as **5-4-2008**
2. In **Name of Product** field select **AquaPure - 1Ltr** from the **List of Items**

Tally.ERP automatically updates the components required to manufacture **AquaPure - 1Ltr** as defined in BOM of finished goods under **Components (Consumption)** section

3. In **Quantity** field enter **2,00,000** as the quantity manufactured

Tally.ERP automatically updates the **Quantity, Rate** and **Amount** of the components used in the manufacture of **AquaPure - 1Ltr**

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

Inventory Voucher Creation				ABC Company		Ctrl + M	
Stock Journal No. 1						5-Apr-2008 Saturday	
Manufacture of Materials							
Name of Product : AquaPure - 1 Ltr Qty 2,00,000 L							
Components (Consumption)				Cost of Components :		3.58/L 7,16,000.00	
Name of Item	Quantity	Rate	Amount	Type of Addl. Cost	%age		
Natural Water	2,00,000 L	2.33/L	4,66,000.00	☐ End of List			
Pet Bottles - 1Ltr	2,00,000 U	1.00/U	2,00,000.00				
Bottle Caps	2,00,000 U	0.25/U	50,000.00				
				Total Addl. cost	:		
				Effective Cost	:		
			7,16,000.00	Effective Rate	:		
Narration:				Accept ? Yes or No			

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

Similarly record the Manufacturing Journal to account the manufacture of

- ❑ AquaMini - 200 ml (10,000 U)
- ❑ AquaKing - 20 Ltr (6000 U)
- ❑ AquaEase - 20Ltr (1000 U)

3.4 Creating a Excise Sales Voucher_ Rule 11 Invoice

To create a **Sales Voucher**

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

1. In **Voucher Type** sub form select **Excise - Sales** as the voucher type
2. Ensure that the **Sales Voucher** is in **Item Invoice Mode**
3. Enter the **Date** as **10-4-2008**
4. Enter the **Ref** details as **ABC/689**
5. In **Excise Unit** field Tally.ERP displays **ABC Company**, as selected during voucher type creation
6. **Excise Book Name** field displays the name of the **excise invoice book (ABC/Rule11/Book1/08-09)** created for the Excise Unit
7. **No.** field displays the Rule 11 invoice Number e.g. **ABC/1001/08-09**
8. In **Party A/c Name** field select **Universal Distributors** from the **List of Ledger Accounts**
9. In **Party Details** sub form
 - **Despatch/Order Details:** Under these two sections enter the **Despatch and Order Details**
 - **Sl.No. in PLA /RG-23:** In this field enter the Sl.No. in PLA /RG-23 register as **1**
 - **Date & Time of Invoice:** In this field enter the time Date of Invoice. Tally.ERP by default displays the system time and date in this field which can be changed
 - **Date & Time of Removal:** In this field enter the Time & Date of Removal of Goods. Tally.ERP by default displays the system time and date in this field which can be changed



As per Central Excise Invoice System, in all the sales invoice time and date of removal has to be printed.

- **Buyer Details:** In this section Tally.ERP by default displays the details provided during buyer ledger creation, which can be changed.

Party Details		ABC Company		Ctrl + M	
Excise - Sales No. 1				10-Apr-2008 Thursday	
Ref : ABC689					
Excise Unit : ABC Company					
Excise Book Name : ABC/Rule11/Book1/08-09		No. ABC/1001/08-09			
Party's A/c Name : Universal Distributors					
Nature of Removal : Domestic					
Current Balance :					
Sales Ledger :					
Despatch Details					
Delivery Note No(s) :		Despatch Doc. No. :	ABC/689	Quantity	Rate per
		Despatched through :	Road		Amount
		Destination :	Bangalore		
		Motor Vehicle No. :	KA-04 EF-2556		
Order Details					
Order No(s) :		Mode/Terms of Payment :	20 days		
		Terms of Delivery :			
VAT/Excise Details					
Sl. No. in PLA/RG-23 :	1				
Date & Time of Invoice :	10-Apr-2008 at 15:28				
Date & Time of Removal :	10-Apr-2008 at 15:28				
Buyer's Details					
Buyer :	Universal Distributors				
Address :	No. 54 Jai Bharat Industrial Area Yeshwanthpur Bangalore				
TIN/Sales Tax No. :	51102140584				
Excise Regn No. :	AACCL0014CXD001				
Range :	Yeshwanthpur II				
Division :	Yeshwanthpur				
Commissionerate :	Bangalore III				



In Tally.ERP user can track the **Delivery Notes** in **Rule 11 Invoice**, if the goods are delivered through delivery note and Rule 11 Invoice is generated after the delivery of the goods.

10. In **Nature of Removal** field select the option **Domestic** from the list of **Types of Removals**



It is must to define the nature of removal in Rule 11 Invoice.

Domestic will be selected if the removal is for domestic Sales.

Export is selected when the goods are removed for Export

Exempt is selected when the sales is a exempt sales. In case of exempt sales user needs to enter he notification number under which the exemption is provided

11. In **Sales Ledger** field select the ledger **Sales Accounts** from the **List of Ledger Accounts**
12. **VAT/Tax Class** field automatically gets updated with the VAT/Tax class as selected in the sales ledger, which can be changed.
13. In **Name of Item** field select the Stock Item i.e. **AquaPure - 1Ltr**
14. In **Quantity** field enter the quantity as **1,00,000**
15. In **Rate** field enter the rate as **Rs. 20**
16. **Amount** will be displayed automatically
17. Select **Duty Ledger** i.e. **Basic Excise Duty @ 16%**. **Amount** will be calculated and displayed automatically.
18. Select **Education Cess @ 2%** and **SHE Cess @ 1%** ledgers. **Amount** will be calculated and displayed automatically
19. Select **Output VAT @ 4%** as the Vat duty ledger. **Amount** will be displayed automatically
20. Set the option **Show Statutory Details** to **Yes** to view Statutory Details screen

Accounting Voucher Creation		ABC Company		Ctrl + M
Excise - Sales		No. 1		10-Apr-2008
Ref. : ABC/689				Thursday
Excise Unit : ABC Company				
Excise Book Name : ABC/Rule11/Book1/08-09		No. ABC/1001/08-09		
Party's A/c Name : Universal Distributors Nature of Removal : Domestic Current Balance : Sales Ledger : Sales Account VAT/Tax Class : Sales @ 12.5%				
Name of Item	Quantity	Rate per	Amount	
AquaPure - 1 Ltr	1,00,000 L (4,167 Box)	20.00 L	20,00,000.00	
Basic Excise Duty @ 16%		16 %	1,66,400.00	
Education Cess @ 2%		2 %	3,328.00	
SHE Cess @ 1%		1 %	1,664.00	
Output VAT @ 12.5%		12.50 %	2,50,208.00	
Show Statutory Details ? Yes Narration:		Yes / No No Yes		
		1,00,000 L	24,21,600.00	

21. In **Statutory Details** screen press **Alt + F1: Detailed** to view details of duty calculation. **Statutory Details** screen appears as shown.

Statutory Details	ABC Company			Ctrl + M
Excise - Sales Ref : ABC689 Excise Unit Excise Book Name	Statutory Details			10-Apr-2008 Thursday
	Particulars	Excise	VAT	
Party's A/c Name : Nature of Removal : Current Balance : Sales Ledger : Sales VAT/Tax Class : S	Assessable Value	10,40,000.00	20,01,664.00	
Name of Item	AquaPure - 1 Ltr On 1,00,000 L @ 20.00/L Abatement: 48%	10,40,000.00	21,71,392.00	
	Item MRP		20,00,000.00	
	Basic Excise Duty @ 16%		1,66,400.00	
	Education Cess @ 2%		3,328.00	
	SHE Cess @ 1%		1,664.00	
	Excise Duty Value	1,71,392.00		
	Basic Excise Duty @ 16%	16 %	1,66,400.00	
AquaPure - 1 Ltr	AquaPure - 1 Ltr @ 16 % On 10,40,000.00		1,66,400.00	20,00,000.00
	Education Cess @ 2%	2 %	3,328.00	
	AquaPure - 1 Ltr @ 2 % On 1,66,400.00		3,328.00	
Basic Excise Duty @ 16%	SHE Cess @ 1%	1 %	1,664.00	1,66,400.00
Education Cess @ 2%	AquaPure - 1 Ltr @ 1 % On 1,66,400.00		1,664.00	3,328.00
SHE Cess @ 1%	VAT Duty Value		2,71,424.00	1,664.00
Output VAT @ 12.5%	Output VAT @ 12.5%	12.50 %	2,71,424.00	2,71,424.00
	AquaPure - 1 Ltr @ 12.50 % On 21,71,392.00		2,71,424.00	
Show Statutory Details Narration:				24,42,816.00



In statutory details user can view Item/ ledger wise assessable value and Duty/Tax calculations.

For the stock item AquaPure - 1Lt, valuation Type selected is MRP Based, MRP is Rs.20/L and the Abatement allowed is 48%.

Assessable Value: Sales Quantity X Rate= Total Amount - Abatement (Total Amount X 48/100)

Rs. 10,40,000: 100000 X 20 = 20,00,000 - 9,60,000 (20,00,000 X 48/100)

22. In **Bill-wise Details** screen select **Type of Ref** as **New Ref** and in other fields retain the default details.

Bill-wise Details for : Universal Distributors				
Upto: Rs. 24,42,816.00 Dr				
Type of Ref	Name	Due Date, or Credit Days (wef: 10-4-2008)	Amount	Dr/ Cr
New Ref	ABC/689	20 Days (30-Apr-2008)	24,42,816.00	Dr
			24,42,816.00	Dr

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

Accounting Voucher Creation		ABC Company		Ctrl + M
Excise - Sales No. 1				10-Apr-2008
Ref. : ABC/689				Thursday
Excise Unit : ABC Company				
Excise Book Name : ABC/Rule11/Book1/08-09		No. ABC/1001/08-09		
Party's A/c Name : Universal Distributors Nature of Removal : Domestic Current Balance : Sales Ledger : Sales Account VAT/Tax Class: Sales @ 12.5%				
Name of Item	Quantity	Rate per	Amount	
AquaPure - 1 Ltr	1,00,000 L (4,167 Box)	20.00 L	20,00,000.00	
Basic Excise Duty @ 16%		16 %	1,66,400.00	
Education Cess @ 2%		2 %	3,328.00	
SHE Cess @ 1%		1 %	1,664.00	
Output VAT @ 12.5%		12.50 %	2,71,424.00	
Show Statutory Details ? Yes Narration:				
			1,00,000 L	Accept ? Yes or No

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

Printing Excise Sales Invoice

The **Voucher Printing** screen appears as shown since, Print after saving option is enabled in **Excise - Sales Voucher Type**, if not enabled press **Alt+P** from voucher alteration screen.

Voucher Printing			
Printer	: (Ne00:)	Paper Type	: Letter
No. of Copies	: 1		
Print Language	: English		(Printing Dimensions)
Method	: Neat Mode	Paper Size	: (8.50" x 10.98") or (216 mm x 279 mm)
Page Range	: All	Print Area	: (8.03" x 10.63") or (204 mm x 270 mm)
Report Titles			
EXCISE INVOICE			
(with Print Preview)			
			Print ? Yes or No

Press **F12: Configure** to view the **Invoice Printing Configuration** screen

Enable the following Options

- ❑ **Print Excise Duty Details**
- ❑ **Print Tax Analysis of Items**
- ❑ **Print VAT Analysis of Items**
- ❑ **Print Date & Time**

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

Press **Alt+I** and accept **Yes** to view the print preview of **Sales Excise Invoice**. The preview of **Excise Sales Invoice** appears as shown below:

EXCISE INVOICE (Invoice Under Rule 11 of Central Excise Rules 2002)						
ABC Company # 25, Electronic City Phase - I, Bangalore						
VAT TIN : 11004578121			Range : Electronic City / 0903/06 / Floor, A Wing, Keshava Sagar, Krasanagala, Bangalore Urban - 560034			
CST No. : 42514878240			Division : Division III / 0903 / 7th Floor, C Wing, Keshava Sagar, Krasanagala, Bangalore - 560034			
Excise Regn No. : AAPCA2149RXM001			Commissionerate : Bangalore III / 19 / P.D.No. 5106, Cess House, C.R. Building, Bangalore 600 Bangalore Urban - 560001			
Buyer Universal Distributors No. 54 Jai Bharat Industrial Area Yeshwanthpur Bangalore			Invoice No.		Dated	
			ABC/1001/08-09		10-Apr-2008	
			Buyer's Order No.		Dated	
VAT TIN : 51102140584 Excise Regn No. : AACCL0014CXD001 Range : Yeshwanthpur II Division : Yeshwanthpur Commissionerate : Bangalore III			Delivery Note		Dated	
			Supplier's Ref.		Despatch Document No.	
			ABC/689		ABC/689	
			Despatched through		Destination	
			Road		Bangalore	
			Date & Time of Removal of Goods		Motor Vehicle No.	
			10-Apr-2008 at 15:28		KA-04 EF-2556	
			Date & Time of issue of invoice		Authenticated By	
			10-Apr-2008 at 15:28		for ABC Company	
			Mode/Terms of Payment		Authorised Signatory	
			20 days			
SI No.	Description of Goods	Tariff / HSN Classification	Quantity	Rate	per	Amount
1	AquaPure - 1 Ltr	Water	1,00,000 L	20.00	L	20,00,000.00
	Basic Excise Duty @ 16%			16	%	1,66,400.00
	Education Cess @ 2%			2	%	3,328.00
	SHE Cess @ 1%			1	%	1,664.00
	Output VAT @ 12.5% (21,71,392.00)			12.50	%	2,71,424.00
Total			1,00,000 L			24,42,816.00
Amount Chargeable (in words): Rs. Twenty Four Lakh Forty Two Thousand Eight Hundred Sixteen Only						
VAT Amount (in words): Rs. Two Lakh Seventy One Thousand Four Hundred Twenty Four Only (Rs. 2,71,424.00)						
Description of Goods	Assessable Value	Rate of BED	BED Amount	Rate of Ed Cess	Ed Cess Amount	
AquaPure - 1 Ltr	10,40,000.00	16 %	1,66,400.00	2 %	3,328.00	
Total			1,66,400.00		3,328.00	
Amount of Duty (in words) : Rs. One Lakh Sixty Six Thousand Four Hundred Only						
Amount of Cess (in words) : Rs. Three Thousand Three Hundred Twenty Eight Only						
Serial No. in PLA/RG-23 : 1						
Declaration We declare to the best of our knowledge and belief that the particulars stated herein are true and correct and there is no additional consideration accruing to us either directly or indirectly in any manner other than the amounts indicated here.			for ABC Company			
SUBJECT TO BANGALORE JURISDICTION			Authorised Signatory			
This is a Computer Generated Invoice						

The **Excise Sales Invoice** includes the Sales details of the Stock item sold, like the **Quantity, Rate and Amount**.

Invoice Title

The title of **Excise Invoice** printing will be as follows:

- In Excise Invoice information about the **rule (invoice under Rule 11 of Central Excise rules of 2002)** under which the Excise invoice is generated is mentioned below the **Invoice Title**
- The Sales Excise Invoice prints the **VAT/CST/Excise registration Number** details of the Company, captured from Statutory & Taxation of F11: Features.
- **Range/Division /Commissionerate**

The details specified in the Excise Registration Details sub form of the Statutory & Taxation of F11: Features is printed in the corresponding fields.

- **Buyer details**

The **Buyer details** specified in the **Party Details** sub form is printed in this field. The details will also include the corresponding Excise and Tax registration details.

Sales Section

This section will print the **Excise Stock Items** sold. It displays the **Tariff/ HSN Classification, Quantity, Rate** and the **total Amount** of the Stock Items sold. It also prints the **duty ledgers, rate** and the **Amount of Duty** paid on the sale of goods.

Excise Duty Details Section

The Excise Duty Section displays the **Description of Goods, Assessable Value, Rate of Basic Excise Duty, Basic Excise Duty Amount, Rate of Education Cess, Education Cess Amount, Rate of Secondary Education Cess and Secondary Education Cess Amount**.

Serial No. In PLA/RG 23

A detail specified in the Party Details sub form of the sales invoice is printed.

3.5 Rule 11 Invoice for Stock Items Falling Under Different Valuation Type

In Tally.ERP, user can account different stock items falling under different valuation type in single sales voucher.

In the below illustration we are accounting the sale of **AquaPure - 1 Ltr (MRP Based)**, **AquaMini - 200 ml (Ad Quantum)** and **AquaKing - 20 Ltr (Ad Valorem)** in single sales voucher

To create a Sales Voucher

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

1. In **Voucher Type** sub form select **Excise - Sales** as the voucher type
2. Ensure that the **Sales Voucher** is in **Item Invoice** Mode
3. Enter the **Date** as **13-4-2008**
4. Enter the **Ref** details as **ABC/726**
5. In **Excise Unit** field Tally.ERP displays **ABC Company**, as selected during voucher type creation
6. **Excise Book Name** field displays the name of the excise invoice book (ABC/Rule11/Book1/08-09) created for the Excise Unit
7. **No.** field displays the Rule 11 invoice Number e.g. **ABC/1002/08-09**
8. In **Party A/c Name** field select **Universal Distributors** from the List of Ledger Accounts
9. In **Party Details** sub form
 - **Despatch/Order Details:** Under these two sections enter the Despatch and Order Details
 - **SI.No. in PLA /RG-23:** In this field enter the SI.No. in PLA /RG-23 register as 2
 - **Date & Time of Invoice:** In this field enter the time Date of Invoice. Tally.ERP by default displays the system time and date in this field which can be changed
 - **Date & Time of Removal:** In this field enter the Time & Date of Removal of Goods. Tally.ERP by default displays the system time and date in this field which can be changed



As per Central Excise Invoice System, in all the sales invoice time and date of removal has to be printed.

- **Buyer Details:** In this section Tally.ERP by default displays the details provided during buyer ledger creation, which can be changed.

<u>Despatch Details</u>	
Delivery Note No(s) :	Despatch Doc. No. : ABC/726 Despatched through : Road Destination : Bangalore Motor Vehicle No. : KA-02 EH-5115
<u>Order Details</u>	
Order No(s) :	Mode/Terms of Payment : 30 days Terms of Delivery :
<u>VAT/Excise Details</u>	
Sl. No. in PLA/RG-23 : 2 Date & Time of Invoice : 13-Apr-2008 at 15:55 Date & Time of Removal : 13-Apr-2008 at 15:55	
<u>Buyer's Details</u>	
Buyer : Universal Distributors Address : No. 54 Jai Bharat Industrial Area Yeshwanthpur Bangalore TIN/Sales Tax No. : 51102140584 Excise Regn No. : AACCL0014CXD001 Range : Yeshwanthpur II Division : Yeshwanthpur Commissionerate : Bangalore III	

10. In **Nature of Removal** field select the option **Domestic** from the list of **Types of Removals**
11. In **Sales Ledger** field select the ledger **Sales Accounts** from the **List of Ledger Accounts**
12. **VAT/Tax Class** field automatically gets updated with the VAT/Tax class as selected in the sales ledger, which can be changed.
13. In **Name of Item** field select the Stock Item i.e. **AquaPure - 1Ltr**
14. In **Quantity** field enter the quantity as **20,000**
15. In **Rate** field enter the rate as **Rs. 20**
16. **Amount** will be displayed automatically
17. In **Name of Item** field select the Stock Item i.e. **AquaMini - 200 ml** as the second Item
18. Enter **4000** as **Quantity** and **Rs. 5** as **Rate**
19. In **Name of Item** field select the Stock Item i.e. **AquaKing - 20 Ltr** as the third Item
20. Enter **3000** as **Quantity** and **Rs. 60** as **Rate**
21. Select Duty Ledger i.e. **Basic Excise Duty @ 16%**. **Amount** will be calculated and displayed automatically.
22. Select **Education Cess @ 2%** and **SHE Cess @ 1%** ledgers. **Amount** will be calculated and displayed automatically
23. Select **Output VAT @ 12.5%**. **Amount** will be calculated and displayed automatically.
24. Set the option **Show Statutory Details** to **Yes** to view **Statutory Details** screen.

Accounting Voucher Creation		ABC Company		Ctrl + M			
Excise - Sales No. 2				13-Apr-2008			
Ref. : ABC/726				Sunday			
Excise Unit : ABC Company							
Excise Book Name : ABC/Rule11/Book1/08-09		No. ABC/1002/08-09					
Party's A/c Name : Universal Distributors Nature of Removal : Domestic Current Balance : 24,42,816.00 Dr Sales Ledger : Sales Account VAT/Tax Class: Sales @ 12.5%							
Name of Item	Quantity	Rate per	Amount				
AquaPure - 1 Ltr	20,000 L (833 Box)	20.00 L	4,00,000.00				
AquaMini - 200 MI	4,000 U (800 L)	5.00 U	20,000.00				
AquaKing - 20 Ltr	3,000 U (60,000 L)	60.00 U	1,80,000.00				
			6,00,000.00				
Basic Excise Duty @ 16%		16 %	63,680.00				
Education Cess @ 2%		2 %	1,273.60				
SHE Cess @ 1%		1 %	636.80				
Output VAT @ 12.5%		12.50 %	83,198.80				
			1 more ... ↓				
Show Statutory Details ? Yes Narration:		<table border="1"> <tr><td>Yes / No</td></tr> <tr><td>No</td></tr> <tr><td>Yes</td></tr> </table>			Yes / No	No	Yes
Yes / No							
No							
Yes							
		<table border="1"> <tr> <td>80,800 L</td> <td>7,48,789.20</td> </tr> </table>			80,800 L	7,48,789.20	
80,800 L	7,48,789.20						

25. In **Statutory Details** screen press **Alt + F1: Detailed** to view details of duty calculation. **Statutory Details** screen appears as shown.

Statutory Details	ABC Company			Ctrl + M
Excise - Sales	Statutory Details			13-Apr-2008
Ref : ABC726				Sunday
Excise Unit	Particulars	Excise	VAT	
Excise Book Name				
Party's A/c Name	Assessable Value	3,88,000.00	6,65,590.40	
Nature of Removal	AquaPure - 1 Ltr On 20,000 L @ 20.00/L Abatement: 48%	2,08,000.00	4,34,278.40	
Current Balance	Item MRP		4,00,000.00	
Sales Ledger : Sales	Basic Excise Duty @ 16%		33,280.00	
VAT/Tax Class : Sales	Education Cess @ 2%		665.60	
	SHE Cess @ 1%		332.80	
Name of Item	AquaMini - 200 MI On 800 L		21,648.00	Amount
	Item Quantity		20,000.00	
AquaPure - 1 Ltr	Basic Excise Duty @ 16%		1,600.00	4,00,000.00
	Education Cess @ 2%		32.00	
AquaMini - 200 MI	SHE Cess @ 1%		16.00	20,000.00
	AquaKing - 20 Ltr	1,80,000.00	2,09,664.00	
AquaKing - 20 Ltr	Item Value	1,80,000.00	1,80,000.00	1,80,000.00
	Basic Excise Duty @ 16%		28,800.00	
	Education Cess @ 2%		576.00	
	SHE Cess @ 1%		288.00	6,00,000.00
Basic Excise Duty @ 16%	Excise Duty Value	65,590.40		63,680.00
Education Cess @ 2%	Basic Excise Duty @ 16%	16 %	63,680.00	1,273.60
SHE Cess @ 1%	AquaPure - 1 Ltr @ 16 % On 2,08,000.00		33,280.00	636.80
Output VAT @ 12.5%	AquaMini - 200 MI @ 2 / L On 800 L		1,600.00	83,198.80
	AquaKing - 20 Ltr @ 16 % On 1,80,000.00		28,800.00	1 more ...
	Education Cess @ 2%	2 %	1,273.60	
	AquaPure - 1 Ltr @ 2 % On 33,280.00		665.60	
	AquaMini - 200 MI @ 0.04 / L On 800 L		32.00	
	AquaKing - 20 Ltr @ 2 % On 28,800.00		576.00	
Show Statutory Details	SHE Cess @ 1%	1 %	636.80	
Narration:	AquaPure - 1 Ltr @ 1 % On 33,280.00		332.80	7,48,789.20
	AquaMini - 200 MI @ 0.02 / L On 800 L		16.00	
				28 more ...



In statutory details user can view Item/ ledger wise assessable value and Duty/Tax calculations.

For the stock item **AquaPure - 1Ltr**, valuation Type selected is **MRP Based**, MRP is Rs.20/L and the Abatement allowed is 48%.

Assessable Value: Sales Quantity*Rate= Total Amount - Abatement (Total Amount*48/100)

Rs. 2,08,000: 20,000*20 = 4,00,000 - 1,92,000 (4,00,000*48/100)

On the **Assessable Value (2,08,000)** BED is calculated @ 16%. Education Cess @ 2% and SHE Cess @ 1% is calculated on BED

For the Stock Item **AquaMini - 200ml**, Valuation Type selected is **Ad Quantum** (duty is calculated on quantity)

BED is defined @ **2/L** (on the Reporting UOM - Liter), Education Cess @ **0.04/L** (2% of Rs. 2) and SHE Cess @ 0.02/L (1% of Rs.2)

BED for AquaMini - 200ml is calculated on (4000*0.200ml) 800 liters (800*2 = 1600)

Education Cess for AquaMini - 200ml is calculated on 800 liters (800*0.04 = 32)

SHE Cess is calculated for AquaMini - 200ml is calculated on 800 liters (800*0.02 = 16)

For the Stock Item **AquaKing - 20 Ltr**, Valuation Type selected is **Ad Valorem**

BED @ 16% is calculated on the Transaction Amount/Assessable Value of Rs. 1,80,000 (180000*16/100 = 28,800)

Education Cess @ 2% and **SHE Cess @ 1%** is calculated on BED

26.In **Bill-wise Details** screen select **Type of Ref** as **New Ref**, Name as **ABC/726** and in other fields retain the default details.

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

Accounting Voucher Creation		ABC Company		Ctrl + M
Excise - Sales No. 2				13-Apr-2008
Ref. : ABC/726				Sunday
Excise Unit : ABC Company				
Excise Book Name : ABC/Rule11/Book1/08-09		No. ABC/1002/08-09		
Party's A/c Name : Universal Distributors Nature of Removal : Domestic Current Balance : 24,42,816.00 Dr Sales Ledger : Sales Account VAT/Tax Class : Sales @ 12.5%				
Name of Item	Quantity	Rate per	Amount	
AquaPure - 1 Ltr	20,000 L (833 Box)	20.00 L	4,00,000.00	
AquaMini - 200 MI	4,000 U (800 L)	5.00 U	20,000.00	
AquaKing - 20 Ltr	3,000 U (60,000 L)	60.00 U	1,80,000.00	
			6,00,000.00	
Basic Excise Duty @ 16%		16 %	63,680.00	
Education Cess @ 2%		2 %	1,273.60	
SHE Cess @ 1%		1 %	636.80	
Output VAT @ 12.5%		12.50 %	83,198.80	
			1 more ... ↓	
Show Statutory Details ? Yes				
Narration:		80,800 L		Accept ? Yes or No

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

Printed Excise Invoice appears as shown

EXCISE INVOICE (Invoice Under Rule 11 of Central Excise Rules 2002)						
ABC Company # 25, Electronic City Phase - I, Bangalore						
VAT TIN : 11004578121			Range : Electronic City (09/06/06) Floor, A Wing, Kondaiah Sada, Koramangala, Bangalore Urban - 560034			
CST No. : 42514878240			Division : Division III (09/03/7th Floor, C Wing, Kondaiah Sada, Koramangala, Bangalore - 560034)			
Excise Regn No. : AAPCA2149RXM001			Commissionerate : Bangalore I (09/1/2008, 5th Floor, C.R. Building, Bangalore - 560001)			
Buyer Universal Distributors No. 54 Jai Bharat Industrial Area Yeshwanthpur Bangalore			Invoice No.		Dated	
			ABC/1002/08-09		13-Apr-2008	
			Buyer's Order No.		Dated	
			Delivery Note		Dated	
VAT TIN : 51102140584 Excise Regn No. : AACCL0014CXD001 Range : Yeshwanthpur II Division : Yeshwanthpur Commissionerate : Bangalore III			Supplier's Ref.		Despatch Document No.	
			ABC/726		ABC/726	
			Despatched through		Destination	
			Road		Bangalore	
			Date & Time of Removal of Goods		Motor Vehicle No.	
			13-Apr-2008 at 15:55		KA-02 EH-5115	
			Date & Time of issue of invoice		Authenticated By for ABC Company Authorised Signatory	
			13-Apr-2008 at 15:55			
			Mode/Terms of Payment			
			30 days			
Sl No.	Description of Goods	Tariff / HSN Classification	Quantity	Rate	per	Amount
1	AquaPure - 1 Ltr	Water	20,000 L	20.00	L	4,00,000.00
2	AquaMini - 200 MI	Water	4,000 U	5.00	U	20,000.00
3	AquaKing - 20 Ltr	Water	3,000 U	60.00	U	1,80,000.00
						6,00,000.00
	Basic Excise Duty @ 16%			16	%	63,680.00
	Education Cess @ 2%			2	%	1,273.60
	SHE Cess @ 1%			1	%	636.80
	Output VAT @ 12.5% (6,65,590.40)			12.50	%	83,198.80
Total			80,800 L			7,48,789.20
Amount Chargeable (in words) : Rs. Seven Lakh Forty Eight Thousand Seven Hundred Eighty Nine and Twenty paise Only						
VAT Amount (in words) : Rs. Eighty Three Thousand One Hundred Ninety Eight and Eighty paise Only (Rs. 83,198.80)						
Description of Goods						Assessable Value
AquaPure - 1 Ltr						2,08,000.00
AquaMini - 200 MI (4,000 U)						
AquaKing - 20 Ltr						1,80,000.00
Total						3,88,000.00
Serial No. in PLA/RG-23 : 2						
Declaration We declare to the best of our knowledge and belief that the particulars stated herein are true and correct and there is no additional consideration accruing to us either directly or indirectly in any manner other than the amounts indicated here.					for ABC Company Authorised Signatory	
SUBJECT TO BANGALORE JURISDICTION						
This is a Computer Generated Invoice						

3.6 Rule 11 Invoice for Stock Items with Expenses

To create a **Sales Voucher**

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

1. In **Voucher Type** sub form select **Excise - Sales** as the voucher type
2. Ensure that the **Sales Voucher** is in **Item Invoice Mode**
3. Enter the **Date** as **14-4-2008**
4. Enter the **Ref** details as **ABC/830**
5. In **Excise Unit** field Tally.ERP displays **ABC Company**, as selected during voucher type creation
6. **Excise Book Name** field displays the name of the excise invoice book (ABC/Rule11/Book1/08-09) created for the Excise Unit
7. **No.** field displays the Rule 11 invoice Number e.g. ABC/1003/08-09
8. In **Party A/c Name** field select **Universal Distributors** from the List of Ledger Accounts
9. In **Party Details** sub form enter the details as shown

Despatch Details	
Delivery Note No(s) :	Despatch Doc. No. : ABC/830
	Despatched through : Road
	Destination : Bangalore
	Motor Vehicle No. : KA-04 EM-5784
Order Details	
Order No(s) :	Mode/Terms of Payment : 25 days
	Terms of Delivery :
VAT/Excise Details	
Sl. No. in PLA/RG-23 :	3
Date & Time of Invoice :	13-Apr-2008 at 16:19
Date & Time of Removal :	13-Apr-2008 at 16:19
Buyer's Details	
Buyer :	Universal Distributors
Address :	No. 54 Jai Bharat Industrial Area Yeshwanthpur Bangalore
TIN/Sales Tax No. :	51102140584
Excise Regn No. :	AACCL0014CXD001
Range :	Yeshwanthpur II
Division :	Yeshwanthpur
Commissionerate :	Bangalore III

10. In **Nature of Removal** field select the option **Domestic** from the list of **Types of Removals**
11. In **Sales Ledger** field select the ledger **Sales Accounts** from the **List of Ledger Accounts**
12. **VAT/Tax Class** field automatically gets updated with the VAT/Tax class as selected in the sales ledger, which can be changed.
13. In **Name of Item** field select the Stock Item i.e. **AquaKing - 20Ltr**
14. In **Quantity** field enter the quantity as **1,000**
15. In **Rate** field enter the rate as **Rs. 70**

- | Accounting Voucher Creation | | ABC Company | Ctrl + M X |
|---|-------------------------|------------------------|-----------------------|
| Excise - Sales | | No. 3 | 14-Apr-2008
Monday |
| Ref. : ABC/830 | | | |
| Excise Unit : | | ABC Company | |
| Excise Book Name : | | ABC/Rule11/Book1/08-09 | No. ABC/1003/08-09 |
| | | | |
| Party's A/c Name : Universal Distributors | | | |
| Nature of Removal : Domestic | | | |
| Current Balance : 31,91,605.20 Dr | | | |
| Sales Ledger : Sales Account | | | |
| VAT/Tax Class: Sales @ 12.5% | | | |
| | | | |
| Name of Item | Quantity | Rate per | Amount |
| | | | |
| AquaKing - 20 Ltr | 1,000 U
(20,000 L) | 70.00 U | 70,000.00 |
| AquaEase - 20 Ltr | 200 U
(4,000 L) | 100.00 U | 20,000.00 |
| | | | 90,000.00 |
| | | | |
| Packing Charges | | | 6,000.00 |
| Basic Excise Duty @ 16% | | 16 % | 15,360.00 |
| Education Cess @ 2% | | 2 % | 307.20 |
| SHE Cess @ 1% | | 1 % | 153.60 |
| Output VAT @ 12.5% | | 12.50 % | 13,977.60 |
| | | | |
| | | | 1,25,798.40 |

Show Statutory Details ?

Yes

Narration:

Yes / No

Narration:

No

Narration:

Yes

- 103

Statutory Details		ABC Company		Ctrl + M
Excise - Sales	Ref : ABC830	Statutory Details		14-Apr-2008 Monday
Excise Unit	Excise Book Name	Particulars	Excise	VAT
Assessable Value			96,000.00	1,11,820.80
Party's A/c Name	AquaKing - 20 Ltr		74,666.67	86,971.74
Nature of Removal	Item Value		70,000.00	70,000.00
Current Balance	Packing Charges		4,666.67	4,666.67
Sales Ledger : Sales	Basic Excise Duty @ 16%			11,946.67
VAT/Tax Class : Sales	Education Cess @ 2%			238.93
Name of Item	SHE Cess @ 1%			119.47
AquaKing - 20 Ltr	AquaEase - 20 Ltr		21,333.33	24,849.06
	Item Value		20,000.00	20,000.00
	Packing Charges		1,333.33	1,333.33
	Basic Excise Duty @ 16%			3,413.33
	Education Cess @ 2%			68.27
	SHE Cess @ 1%			34.13
Excise Duty Value			15,820.80	
Packing Charges	Basic Excise Duty @ 16%	16 %	15,360.00	
Basic Excise Duty @ 16%	AquaKing - 20 Ltr @ 16 % On	74,666.67	11,946.67	
Education Cess @ 2%	AquaEase - 20 Ltr @ 16 % On	21,333.33	3,413.33	
SHE Cess @ 1%	Education Cess @ 2%	2 %	307.20	
Output VAT @ 12.5%	AquaKing - 20 Ltr @ 2 % On	11,946.67	238.93	
	AquaEase - 20 Ltr @ 2 % On	3,413.33	68.27	
	SHE Cess @ 1%	1 %	153.60	
	AquaKing - 20 Ltr @ 1 % On	11,946.67	119.47	
	AquaEase - 20 Ltr @ 1 % On	3,413.33	34.13	
Show Statutory Details	VAT Duty Value			13,977.60
Narration:	Output VAT @ 12.5%	12.50 %	13,977.60	
			21 more ...	



In statutory details user can view that the parking charges being apportioned to stock items to arrive at the assessable value to calculate the excise duty/ VAT.

Packing charges is 6,000

Value of **AquaKing - 20Ltr** is 70,000

Value of **AquaPure - 20Ltr** is 20,000

Apportionment of Packing Charges to **AquaKing-20Ltr**: $6,000 \times 70,000 / 90,000 = 4666.67$

Apportionment of Packing Charges to **AquaPure-20Ltr**: $6,000 \times 20,000 / 90,000 = 1,333.33$

Assessable Value of **AquaKing - 20Ltr** (74,666.67) = Value of AquaKing-20Ltr (70,000) +Packing Charges (4666.67)

Assessable Value of **AquaPure - 20Ltr** (21,333.33) = Value of AquaPure-20Ltr (20,000) +Packing Charges (1,333.33)

24. In **Bill-wise Details** screen select **Type of Ref** as **New Ref** and in other fields retain the default details.

Bill-wise Details for : Universal Distributors Upto: Rs. 1,25,798.40 Dr				
Type of Ref	Name	Due Date, or Credit Days (wef: 14-4-2008)	Amount	Dr/ Cr
New Ref	ABC/830	25 Days (9-May-2008)	1,25,798.40	Dr
			1,25,798.40	Dr

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

Accounting Voucher Creation		ABC Company	Ctrl + M
Excise - Sales No. 3		14-Apr-2008 Monday	
Ref : ABC/830			
Excise Unit : ABC Company			
Excise Book Name : ABC/Rule11/Book1/08-09 No. ABC/1003/08-09			
Party's A/c Name : Universal Distributors			
Nature of Removal : Domestic			
Current Balance : 31,91,605.20 Dr			
Sales Ledger : Sales Account			
VAT/Tax Class: Sales @ 12.5%			
Name of Item	Quantity	Rate per	Amount
AquaKing - 20 Ltr	1,000 U (20,000 L)	70.00 U	70,000.00
AquaEase - 20 Ltr	200 U (4,000 L)	100.00 U	20,000.00
			90,000.00
Packing Charges			6,000.00
Basic Excise Duty @ 16%		16 %	15,360.00
Education Cess @ 2%		2 %	307.20
SHE Cess @ 1%		1 %	153.60
Output VAT @ 12.5%		12.50 %	13,977.60
Show Statutory Details ? Yes			
Narration:			1,200 U
			Accept ? Yes or No

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

3.7 Creating a Debit Note (Purchase Returns) _ Rule 11 invoice

As per Rule 11 of the Central Excise (No.2) Rules, 2001 provides that no excisable goods shall be removed from a factory or a warehouse except under an invoice signed by the owner of the factory or his authorised agent. The invoice shall be serially numbered and shall contain the registration number, description, classification, time and date of removal, rate of duty, quantity and value, of goods and the duty payable thereon.

Invoicing under Rule 11 of the Central Excise (No.2) Rules, 2001 is applicable even for Purchase Returns. In case of purchase returns goods are removed from factory or warehouse to return the goods to the supplier.

To record a **Debit Note**

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

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

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

1. In **Voucher Type** sub form select **Excise - Debit Note** as the voucher type
2. Ensure that the **Debit Note Voucher** is in **Item Invoice Mode**
3. Enter the **Date** as **15-4-2008**
4. Enter the **Ref** details as **ABC/758**
5. In **Excise Unit** field Tally.ERP displays **ABC Company**, as selected during voucher type creation
6. **Excise Book Name** field displays the name of the excise invoice book (ABC/Rule11/Book1/08-09) created for the Excise Unit
7. **No.** field displays the Rule 11 invoice Number e.g. **ABC/1004/08-09**
8. In **Party A/c Name** field select **Lanco Manufacturers** from the **List of Ledger Accounts**
9. In **Nature of Removal** field select the option **Domestic** from the list of Types of Removals
10. In **Purchase Ledger** field select the ledger **Purchase of Raw Materials** from the List of Ledger Accounts
11. **VAT/Tax Class** field automatically gets updated with the VAT/Tax class as selected in the sales ledger, which can be changed.
12. In **Name of Item** field select the Stock Item i.e. **Pet Bottles - 1Ltr**
13. In **Quantity** field enter the quantity as **2,000**
14. In **Rate** field enter the rate as **Rs. 1**
15. In **Name of Item** field select the Stock Item i.e. **Bottle Caps**
16. Enter the **Quantity** as **2,000** and **Rate** as **Rs.0.25**
17. Select Duty Ledger i.e. **Basic Excise Duty @ 16%**. **Amount** will be calculated and displayed automatically.
18. Select **Education Cess @ 2%** and **SHE Cess @ 1%** ledgers. **Amount** will be calculated and displayed automatically
19. Select **Input VAT @ 4%** as the Vat duty ledger. **Amount** will be displayed automatically

20. Set the option **Show Statutory Details** to **Yes** to view Statutory Details screen

Accounting Voucher Creation		ABC Company	Ctrl + M
Excise - Debit Note No. 1		15-Apr-2008 Tuesday	
Ref. : ABC/758			
Excise Unit : ABC Company			
Excise Book Name : ABC/Rule11/Book1/08-09 No. ABC/1004/08-09			
Party's A/c Name : Lanco Manufacturers			
Nature of Removal : Domestic			
Current Balance : 5,22,412.80 Cr			
Purchase Ledger : Purchase of Raw Materials			
VAT/Tax Class: Purchases @ 4%			
Name of Item	Quantity	Rate per	Amount
Pet Bottles - 1Ltr	2,000 U (20 Kg)	1.00 U	2,000.00
Bottle Caps	2,000 U (4 Kg)	0.25 U	500.00
			2,500.00
Basic Excise Duty @ 16%		16 %	400.00
Education Cess @ 2%		2 %	8.00
SHE Cess @ 1%		1 %	4.00
Input VAT @ 4%		4 %	116.48
Show Statutory Details ? Yes			
Narration:			
			4,000 U
			3,028.48

21. In **Statutory Details** screen press **Alt + F1: Detailed** to view details of duty calculation. Statutory Details screen appears as shown.

22. In **Bill-wise Details** screen select **Type of Ref** as **Agst Ref** and select **LM/243** dated **3-4-2008**.

Bill-wise Details for: Lanco Manufacturers Upto: Rs. 3,028.48 Dr				
Type of Ref	Name	Due Date, or Credit Days	Amount	Dr/ Cr
Pending Bills				
Agst Ref	LM/243			
	LM/243	3-Apr-2008	5,22,412.80	Cr
			3,028.48	Dr

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

Accounting Voucher Creation		ABC Company	Ctrl + M
Excise - Debit Note No. 1			15-Apr-2008 Tuesday
Ref.: ABC/758			
Excise Unit : ABC Company			
Excise Book Name : ABC/Rule11/Book1/08-09 No. ABC/1004/08-09			
Party's A/c Name : Lanco Manufacturers			
Nature of Removal : Domestic			
Current Balance : 5,22,412.80 Cr			
Purchase Ledger : Purchase of Raw Materials			
VAT/Tax Class: Purchases @ 4%			
Name of Item	Quantity	Rate per	Amount
Pet Bottles - 1Ltr	2,000 U (20 Kg)	1.00 U	2,000.00
Bottle Caps	2,000 U (4 Kg)	0.25 U	500.00
			2,500.00
Basic Excise Duty @ 16%		16 %	400.00
Education Cess @ 2%		2 %	8.00
SHE Cess @ 1%		1 %	4.00
Input VAT @ 4%		4 %	116.48
Show Statutory Details ? Yes			
Narration:			4,000 U
			Accept ? Yes or No

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

3.8 Creating a Journal Voucher_CENVAT Credit Adjustment

Under Central Excise Act Excise duty is payable monthly or quarterly depending on the Type of manufacturer.

If you're a Regular Manufacturer, Excise Duty is payable Monthly and if you are SSI Excise Duty is payable Monthly. Hence the CENVAT Credit Adjustment entry is recorded at the end of Every month or Quarter depending on the type of Manufacturer.

For the payment of Excise Duty, CENVAT Credit available to a Unit will be adjusted towards the Duty Payable to arrive at the Net Duty Payable to the Government.

In Tally.ERP to record the adjustment, CENVAT Duty and Excise Duty accounts are Credited and Debited, respectively to nullify their balances and the net balance in the Excise Duty ledgers will be paid to the Government.

3.8.1 Create Voucher Class in Journal Voucher

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

- ❑ Tab down to **Name of Class** field
- ❑ Enter the **Name of Class** as **CENVAT Credit Adjustment** and press Enter
- ❑ In **Voucher Type Class** Screen
 - Set **Use Class for Excise CENVAT Adjustment** to **Yes**

Voucher Type Class		ABC Company	Ctrl + M
Name : Jour	Class : <u>CENVAT Credit Adjustment</u>		
(alias)	Use Class for VAT Adjustments	? No	
	Use Class for Excise / CENVAT Adjustments ?	Yes	
	Ledger account to use		
	Ledger Name		
Type of Voucher			Name of Class
Abbr.			AT Credit Adjustment
Method of Voucher			
Use Advance Cont			
Use EFFECTIVE Da			
Make 'Optional' as d			
Use Common Narrat			
Narrations for each a			

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

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

3.8.2 Record the transaction in Journal Voucher

To record the Journal voucher

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

1. In **Voucher Type** sub form select **CENVAT Credit Adjustment** in **Class** field

Voucher Type	
Name : Journal	Voucher Class List
Class : CENVAT Credit Adjustment	☐ Not Applicable CENVAT Credit Adjustment

2. Enter the **Date** as **30-4-2008**
3. In **Debit** field select the excise duty ledger - **Basic Excise Duty @ 16%** and press enter to view **Excise TaxObject Allocation** sub screen
4. In **Excise TaxObject Allocation** sub screen
 - In **Type of Ref** field by default Tally.ERP displays **Agst ref**
 - In **Name** field select the **Bill - ABC/Rule11/Book1/08-09ABC/1001/08-09** dated **10-4-2008** from the List of Pending Tax Bills.

□ In **Amount** field enter the CENVAT Credit Amount **Rs. 69000**

112



Rs. 69000 is the CENVAT Credit available for adjustment towards excise duty payable

5. In **Debit** field select excise duty ledger - **Education Cess @ 2%**
6. In **Excise TaxObject Allocation** sub screen
 - ❑ In **Type of Ref** field by default Tally.ERP displays Agst ref
 - ❑ In **Name** field select the **Bill - ABC/Rule11/Book1/08-09ABC/1001/08-09** dated **10-4-2008** from the List of Pending Tax Bills.
 - ❑ Enter the **Amount** as **Rs. 1,380**



*Rs. 1,380 is the CENVAT Credit available for adjustment towards excise duty payable. Credit of **Education Cess** on Excisable goods and imported goods can be utilised only for payment of education cess on final products.*

7. In **Debit** field select excise duty ledger - **SHE Cess @ 2%**
8. In **Excise TaxObject Allocation** sub screen
 - ❑ In **Type of Ref** field by default Tally.ERP displays **Agst ref**
 - ❑ In **Name** field select the **Bill - ABC/Rule11/Book1/08-09ABC/1001/08-09** dated **10-4-2008** from the List of Pending Tax Bills.
 - ❑ Enter the **Amount** as **Rs. 690**



*Rs. 690 is the CENVAT Credit available for adjustment towards excise duty payable. Credit of **SHE Cess** on Excisable goods and imported goods can be utilised only for payment of education cess on final products.*

9. In **Credit** field select **CENVAT Duty Ledger - Basic Excise Duty (CENVAT)** and press enter to view **Excise TaxObject Allocation** sub screen
10. In **Excise TaxObject Allocation** sub screen
 - ❑ In **Type of Ref** field by default Tally.ERP displays **Agst ref**

- | ExciseTaxObject Allocation | | | ABC Company | | | Ctrl + M | | | | | | |
|--|-------|--|--|------------|-------------|--------------------------|--------------|--|--|--|--|--|
| Journal | No. 1 | | Voucher Class : CENVAT Credit Adjustment | | | Thursday 3-Apr-2008 | | | | | | |
| | | | | | | 30-4-2008 | | | | | | |
| | | | Used for : CENVAT Adjustment | | | | | | | | | |
| Particulars | | | Debit | | Credit | | | | | | | |
| Tax Details for : Basic Excise Duty (CENVAT) | | | | | | | | | | | | |
| | | | List of Pending Tax Bills | | | | | | | | | |
| Type of Ref | Name | | | | | | | | | | | |
| Agst Ref | 2 | | 2 | 3-Apr-2008 | ABC Company | Bottle Caps | 12,000.00 Dr | | | | | |
| | | | 2 | 3-Apr-2008 | ABC Company | Low Density Polyethylene | 1,000.00 Dr | | | | | |
| | | | 2 | 3-Apr-2008 | ABC Company | Pet Bottles - 1Ltr | 48,000.00 Dr | | | | | |
| | | | 2 | 3-Apr-2008 | ABC Company | Water Container - 20 Lt | 8,000.00 Dr | | | | | |
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Select all the Items to adjust CENVAT Credit of Rs.69000

11. In **Credit** field select CENVAT Duty Ledger - **Education Cess (CENVAT)** and press enter to view **Excise TaxObject Allocation** sub screen
12. In **Excise TaxObject Allocation** sub screen
 - ❑ In **Type of Ref** field by default Tally.ERP displays **Agst ref**
 - ❑ In **Name** field select the purchase **Bill - 2 dated 3-4-2008** from the List of Pending Tax Bills
 - ❑ Select all the Items to adjust CENVAT Credit of **Rs. 1,380**
13. In **Credit** field select CENVAT Duty Ledger - **SHE Cess (CENVAT)** and press enter to view **Excise TaxObject Allocation** sub screen
14. In **Excise TaxObject Allocation** sub screen
 - ❑ In **Type of Ref** field by default Tally.ERP displays **Agst ref**
 - ❑ In **Name** field select the purchase **Bill - 2 dated 3-4-2008** from the List of Pending Tax Bills

- Select all the Items to adjust CENVAT Credit of **Rs. 690**



Observe All the CENVAT Duty Ledger balances are nullified and the ledger balances are displayed as Zero

15. Set the option **Provide Details** to **Yes** to view **Adjustment Details** screen

Accounting Voucher Creation		ABC Company	Ctrl + M
Journal	No. 1	Voucher Class : CENVAT Credit Adjustment	30-Apr-2008 Wednesday
Used for : CENVAT Adjustment			
Particulars	Debit	Credit	
Dr Basic Excise Duty @ 16% Cur Bal: 1,76,440.00 Cr	69,000.00		
Dr Education Cess @ 2% Cur Bal: 3,528.80 Cr	1,380.00		
Dr SHE Cess @ 1% Cur Bal: 1,764.40 Cr	690.00		
Cr Basic Excise Duty (CENVAT) Cur Bal: 0.00 Cr		69,000.00	
Cr Education Cess (CENVAT) Cur Bal: 0.00 Cr		1,380.00	
Cr SHE Cess (CENVAT) Cur Bal: 0.00 Cr		690.00	
Provide Details : Yes			
Narration:	71,070.00	71,070.00	

16. In **Adjustment Details** screen

- In **Period From and To** field enter the period for which the credit adjustment is done E.g. **From 1-4-2008 to 30-4-2008**.
- In **Excise Unit Name** field select the **Unit** as **ABC Company** from the **List of Excise Units** for which the credit adjustment is done.

Adjustment Details		ABC Company		Ctrl + M		
Journal	No. 1	Voucher Class : CENVAT Credit Adjustment		30-Apr-2008 Wednesday		
Used for : CENVAT Adjustment						
Particulars	Debit	Credit				
Dr Basic Excise Duty @ 16%	69,000.00					
Cur Bal: 1,76,440.00 Cr						
Dr Education Cess @ 2%	1,380.00					
Cur Bal: 3,528.80 Cr						
Dr SHE Cess @ 1%	690.00					
Cur Bal: 1,764.40 Cr						
Cr Basic Excise Duty (CENVAT)		69,000.00				
Cur Bal: 0.00 Cr						
Cr Education Cess (CENVAT)		1,380.00				
Cur Bal: 0.00 Cr						
Cr SHE Cess (CENVAT)		690.00				
Cur Bal: 0.00 Cr						
Adjustment Details for Excise Period From : 1-Apr-2008 To 30-Apr-2008 Excise Unit Name : ABC Company List of Excise Units <table border="1"> <tr> <td>ABC Company</td> <td>Manufacturer</td> </tr> </table>					ABC Company	Manufacturer
ABC Company	Manufacturer					
Provide Details : Yes						
Narration:	71,070.00	71,070.00				

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



Accounting Voucher Creation		ABC Company	Ctrl + M
Journal	No. 1	Voucher Class : CENVAT Credit Adjustment	30-Apr-2008 Wednesday
Used for : CENVAT Adjustment			
Particulars	Debit	Credit	
Dr Basic Excise Duty @ 16%	69,000.00		
<i>Cur Bal: 1,76,440.00 Cr</i>			
Dr Education Cess @ 2%	1,380.00		
<i>Cur Bal: 3,528.80 Cr</i>			
Dr SHE Cess @ 1%	690.00		
<i>Cur Bal: 1,764.40 Cr</i>			
Cr Basic Excise Duty (CENVAT)		69,000.00	
<i>Cur Bal: 0.00 Cr</i>			
Cr Education Cess (CENVAT)		1,380.00	
<i>Cur Bal: 0.00 Cr</i>			
Cr SHE Cess (CENVAT)		690.00	
<i>Cur Bal: 0.00 Cr</i>			
Provide Details : Yes			
Narration:	71,070.00	71,070.00	
			Accept ?
			Yes or No

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

3.9 Creating a Payment Voucher_GAR 7 Payment

To create a **Payment Voucher**

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

In **F12: Configuration**

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

1. Enter the **Date** as **3-5-2008**
2. In **Account** field select Bank Ledger e.g. **SBI Bank** (use **Alt +C** to create the ledger with opening balance of Rs. 5,00,000)
3. Under **Particulars** select Excise Duty ledger - **Basic Excise Duty @ 16%** and press enter to view Excise TaxObject Allocation screen.
4. In **Excise TaxObject Allocation** screen select all the pending bills for the Payment of tax

Tax Details for : Basic Excise Duty @ 16%			
Type of Ref	Name	Amount	Dr/Cr
Agst Ref	ABCRule11Book1No49ABCNO1NO49	97,400.00	Dr
Agst Ref	ABCRule11Book1No49ABCNO2NO49	28,800.00	Dr
Agst Ref	ABCRule11Book1No49ABCNO2NO49	1,600.00	Dr
Agst Ref	ABCRule11Book1No49ABCNO2NO49	33,280.00	Dr
Agst Ref	ABCRule11Book1No49ABCNO3NO49	3,413.33	Dr
Agst Ref	ABCRule11Book1No49ABCNO3NO49	1,946.67	Dr
		1,76,440.00	Dr

5. **Amount** will be updated based on the **pending bills** selected in the **Excise TaxObject Allocation** screen.
6. Under **Particulars** select Excise Duty ledger - **Education Cess @ 2%**. In Excise TaxObject Allocation screen select all the pending bills for the Payment of tax
7. Under **Particulars** select Excise Duty ledger - **SHE Cess @ 2%**. In Excise TaxObject Allocation screen select all the pending bills for the Payment of tax
8. Set the option **Provide Details** to **Yes** to view Payment Details screen.

Accounting Voucher Creation		ABC Company	Ctrl + M
Payment	No. 1		3-May-2008 Saturday
Account : SBI Bank Cur Bal: 3,18,266.80 Dr			
Particulars	Amount		
Basic Excise Duty @ 16%	1,76,440.00		
Cur Bal: 0.00 Dr			
Education Cess @ 2%	3,528.80		
Cur Bal: 0.00 Dr			
SHE Cess @ 1%	1,764.40		
Cur Bal: 0.00 Dr			
Provide Details : Yes			
Narration:			1,81,733.20

9. In **Payment Details (for Excise)** screen

- ❑ In **Period From and To** field enter the period as **1-4-2008 to 30-4-2008**
- ❑ In **Excise Unit Name** field select **ABC Company** from the List of Excise Units
- ❑ In **Challan No.** field enter the **Bank Challan no. - 456423** used to pay the duty amount
- ❑ In **Challan Date** field enter the **date 3-5-2008** on which the duty is paid
- ❑ In **Bank Name** field enter the **Name of the Bank - SBI Bank** through which the payment is made.
- ❑ In **Cheque/Draft/Pay Order No.** field enter the Cheque Number - **552423**
- ❑ In **Cheque Date** field enter the cheque date as **3-5-2008**

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

Printing G.A.R.–7 Challan

Press **Page Up** from the payment voucher to view the payment voucher entered on **3-5-2008**

Press **Alt +P** or click on **P: Print** button to view the **Voucher Printing** Screen

Voucher Printing			
Printer	: (Ne00:)	Paper Type	: Letter
No. of Copies	: 1		
Print Language	: English		(Printing Dimensions)
Method	: Neat Mode	Paper Size	: (8.50" x 10.98") or (216 mm x 279 mm)
Page Range	: All	Print Area	: (8.03" x 10.63") or (204 mm x 270 mm)
Report Titles			
Payment Voucher			
(with Print Preview)			
Print G.A.R.-7 Challan : Yes			Print ? Yes or No

The option **Print G.A.R.–7 Challan** is by default set to **Yes**

Ensure that **Alt+I with Print Preview** is selected and press enter to view print preview of **G.A.R.–7 Challan**

122

3.10 Reports

Following Reports will be available for the users

- ❑ Excise Computation
- ❑ Daily Stock Register
- ❑ PLA Register
- ❑ Form ER 1
- ❑ Form ER 2
- ❑ CENVAT Credit Register