



POWER OF SIMPLICITY

Implementation of Central Sales Tax in Tally.ERP 9

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Introduction

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

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

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

Basics of Central Sales Tax (CST)

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

Inter-State Sale

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

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

Declared Goods

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

Registration under CST Act

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

Rate of Central Sales Tax

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

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

Registration and Rate of CST

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

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

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

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

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

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

Declaration Forms for CST Transactions

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

Form C

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

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

Form E1

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

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

Form E2

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

Form F

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

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

Form H

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

Form I

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

Form J

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

Filing of CST Returns

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

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

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

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

Lesson 1: Enabling CST in Tally.ERP 9

Lesson Objectives

On completion of this lesson, you will learn

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

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

1.1 Features of CST in Tally.ERP 9

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

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

1.2 Creating a Company

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

Example :

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

Step 1: Create Company

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

In the **Company Creation** screen,

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

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

Company Creation		Ctrl + M	
Directory	: C:\Tally.ERP9\Data		
Name	: National Traders		
Mailing & Contact Details		Company Details	
Mailing Name	: National Traders	Currency Symbol	: Rs.
Address	: 56, Anna Building G.S.T Road, Guindy Chennai	Maintain	: Accounts with Inventory
		Financial Year from	: 1-4-2009
		Books beginning from	: 1-4-2009
Statutory compliance for		Security Control	
State	: India	Disallow opening in Educational mode ?	No
PIN Code	: Tamil Nadu	TallyVault Password (if any)	:
Telephone No.	: 600 032	Repeat Password	:
Mobile No.	: 044-22387994	(WARNING: forgetting your TallyVault password will render your data unusable!!)	
E-Mail	: 9902585474	Use Security Control	? No
	: sales@nationaltraders.com	(Enable Security to avail Tally.NET Features)	
Base Currency Information			
Base Currency Symbol	: Rs.	Show Amounts in Millions	? No
Formal Name	: Indian Rupees	Put a SPACE between Amount and Symbol	? Yes
Number of Decimal Places	: 2	Decimal Places for Printing Amounts in VV	:
Is Symbol SUFFIXED to Amounts ?	No		
Symbol for Decimal Portion	: paise		
		Accept ?	
		Yes or No	

Figure 1.1 Company Creation screen

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



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

1.3 Enabling CST in Tally.ERP 9

To enable the CST feature in Tally.ERP 9

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

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

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

<u>VAT Details</u>	
State	: Tamil Nadu
Type of Dealer	? Regular
Regular VAT Applicable From	: 1-4-2009
<u>Additional Information</u>	
Assessment Circle	: 785R
Division	: D-III
Area Code	: 125
Import Export Code	: HWTS78B
Authorised by	: Thyagarajan
Authorised Person	: T. Selvam
Status / Designation	: Accounts Officer
Place	: G.S.T. Road, Guindy

Figure 1.2 VAT Details screen



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

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

Company Operations Alteration Ctrl + M

Current Period:
 Current Date:
 Company: **National Traders**

Statutory & Taxation

Enable Excise	? No	Enable Tax Deducted at Source (TDS)	? No
Set/Alter Excise Details	? No	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)	? Yes	Enable Fringe Benefit Tax (FBT)	? No
Set/Alter VAT Details	? Yes	Set/Alter FBT Details	? No
Enable Service Tax	? No		
Set/Alter Service Tax Details	? No		

Tax Information

VAT TIN (Composition) :
 VAT TIN (Regular) : **22452148522**
 Local Sales Tax Number :
 Inter-state Sales Tax Number : **12345678901**
 PAN / Income - Tax No. : **AXOPP4887D**

Accept ?

F1: Accounts F2: Inventory F3: Statutory **Yes or No**

Figure 1.3 F3: Statutory & Taxation Features – Completed

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



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

Lesson 2: Processing of Purchases and Sales Transactions

Lesson Objectives

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

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

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

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

2.1 Inter-State Purchases

Example 1:

On 1-4-2009, M/s. National Traders purchased the following items from Universal Traders, karnataka, vide Invoice No. 01, by issuing C Form number 05412 dt: 1-4-2009.

Item Description	Quantity (in Nos)	Rate	Amount	Commodity Code
Air Conditioner	30	25,000	7,50,000	304
Refrigerator	50	8,500	4,25,000	304
Washing Machine	35	10,500	3,67,500	329
Water Purifier	40	5,500	2,20,000	329
Vacuum Cleaner	20	15,000	3,00,000	329
Periodicals	100	75	7,500	711

The above goods are subject to 2% CST.

Step 1:

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

Creating Ledgers

i. Inter-State Purchase Ledger

To create an Inter-state Purchase Ledger

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

1. Enter the **Name** as **Inter-State Purchases**
2. Select **Purchase Accounts** as the account group in the **Under** field
3. Set **Inventory Values are affected** to **Yes**

4. Set the option **Used In VAT Returns** to **Yes** to display the **VAT/Tax Class** sub screen

Ledger Creation		National Traders
Name	: Inter-State Purchases	Total Op. Bal.
(alias)	:	
Under	: Purchase Accounts	
Inventory values are affected	? Yes	
<u>Statutory Information</u>		
Used In VAT Returns	? Yes	
Use for Assessable Value Calculation	? No	
Opening Balance (on 1-Apr-2009) :		

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

5. Select **Inter-state Purchases** as the **VAT/Tax Class** from the list of **VAT/Tax Class**

VAT/Tax Class		National Traders
Name	: Inter-State Purchases	Total Op. Bal.
(alias)	:	
Under	: Purchase Accounts	
Inventory values are affected	? Yes	
<u>Statutory Information</u>		
Used In VAT Returns	? Yes	
Use for Assessable Value Calculation	? No	
Opening Balance		

VAT/Tax Class		
Particulars	Activated From	Deactivated From
☐ Not Applicable Consignment/Branch Transfer Inward Consignment/Branch Transfer Inward (Within State) Imports Inter-State Purchases Purchase From URDs - Taxable Goods @ 1% Purchase From URDs - Taxable Goods @ 12.5% Purchase From URDs - Taxable Goods @ 4% Purchases @ 1% Purchases @ 12.5% Purchases @ 2% Purchases @ 4%		
5 more ...		

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

6. Press **Enter** to return to the Inter-state Purchases ledger creation screen
7. Set the option **Use for Assessable Value Calculation** to **No**
8. Press **Y** or **Enter** to accept and save.



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

ii. CST on Purchase Ledger

To create a CST on Purchase ledger,

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

1. Enter the **Name** as **CST on Purchases**
2. Select **Duties & Taxes** as the group name in the **Under** field
3. Select **CST** from the **Type of Duty/Tax** list in the field **Type of Duty/Tax**
4. Select **Not Applicable** in the **VAT/Tax Class** field from the VAT/Tax Class list displayed.
5. The option **Inventory values are affected** is set to **No** by default
6. Set the **CST** rate as **2%** in the **Percentage of Calculation** field
7. On setting the **Percentage of Calculation**, the field **Method of Calculation** appears
8. Select **On Total Sales** as the **Method of Calculation**

9. Select the required **Rounding Method** from the list displayed.

Ledger Creation		National Traders
Name : CST on Purchases (alias) :	Total Op. Bal.	
Under : Duties & Taxes (Current Liabilities) Type of Duty/Tax : CST VAT/Tax Class : ☐ Not Applicable Inventory values are affected ? No Percentage of Calculation (eg 5) ? 2 % Method of Calculation : On Total Sales Rounding Method : ☐ Not Applicable		
Opening Balance (on 1-Apr-2009) :		Accept ? Yes or No

Figure 2.3 CST on Purchases

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



*The CST paid on purchases when treated as cost and added to the purchase value it needs to be grouped under Purchase Accounts and the CST paid on purchase will not be captured in return or annexure. The CST on purchases ledger when grouped under **Duties & Taxes** with type of Duty as **CST**, the value will be shown separately in the annexures or returns.*

iii. Creating a Sundry Creditor Ledger

To create a Sundry Creditor (Supplier) ledger,

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

Click on **F12: Configure** button and set the field **Use ADDRESSES for Ledger Accounts** to **Yes**.

In the Ledger creation screen,

1. Enter the **Name** as **Universal Traders**
2. Select **Sundry Creditors** in the **Under** field
3. Set **Maintain balances bill-by-bill** to **Yes** and enter the **Default Credit Period** if any
4. In the **Mailing Details** section
 - ☐ The **Name** will be displayed as **Universal Traders**
 - ☐ Enter the **Address** details

- | Ledger Creation | | National Traders | Ctrl |
|--|--|------------------------------------|----------------|
| Name : Universal Traders | | | Total Op. Bal. |
| (alias) : | | | |
| Under : Sundry Creditors
(Current Liabilities) | | Mailing Details | |
| Maintain balances bill-by-bill ? Yes | Name : Universal Traders | | |
| Default Credit Period : | Address : # 106, St. Marks Road
Bangalore | | |
| Inventory values are affected ? No | State : Karnataka | | |
| | PIN Code : 560 008 | | |
| | | Tax Information | |
| | | PAN / IT No. : AXOPJ0889D | |
| | | Set/Alter VAT Details ? Yes | |
| Opening Balance (on 1-Apr-2009) : | | | |

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

VAT Details

TIN/Sales Tax No. : **29784512456**

- Accept the **VAT Details** screen
- Accept the **Sundry Creditor Ledger Creation** screen.

To create a VAT Commodity

Go to **Gateway of Tally > Inventory Info. > VAT Commodity > Create**

1. Enter the **Name of VAT Commodity** as Air Conditioner

2. In the **Used for** field, select **VAT**

VAT Commodity Creation		National Trade				
Name	Air Conditioners					
(alias)						
Used for	VAT	<table border="1"> <thead> <tr> <th>Tax Type</th> </tr> </thead> <tbody> <tr> <td>Both</td> </tr> <tr> <td>Excise</td> </tr> <tr> <td>VAT</td> </tr> </tbody> </table>	Tax Type	Both	Excise	VAT
Tax Type						
Both						
Excise						
VAT						
HSN Code						
VAT						
Commodity Code						
Schedule Number						
Schedule Serial Number						
Notes						

Figure 2.6 VAT Commodity Creation – VAT

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

VAT Commodity Creation		National Trade
Name	Air Conditioners	
(alias)		
Used for	VAT	
HSN Code		
VAT		
Commodity Code	304	
Schedule Number	First Schedule - Part C	
Schedule Serial Number	3	
Notes		

Figure 2.7 VAT Commodity Creation screen

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



*In the **Inventory Info.** menu, the commodity code or tariff classification can be created from:*

- ❑ **VAT Commodity** sub-menu for VAT enabled companies
- ❑ **Tariff/VAT Commodity** sub-menu for companies in which both VAT and Excise feature/excise rules for invoicing is enabled.

*In Commodity Creation screen, the HSN code can be entered only when the **Used for** option is selected as **Both** or **Excise** only. If **VAT** is selected, the cursor will skip the HSN Code and prompt for information under VAT details section.*

Similarly, create the following VAT Commodities:

Sl. No.	Name	Used For	VAT		
			Commodity Code	Schedule Number	Schedule Serial Number
1	Refrigerators	VAT	304	First Schedule – Part C	3
2	Electrical Appliances	VAT	329	First Schedule – Part C	28
5	Periodicals	VAT	711	Fourth Schedule – Part B	11

v. Stock Items

To create a stock item,

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

1. Enter the **Name** as **Air conditioner**
2. Select the group as **Primary** in the **Under** field
3. Select the unit of measurement as **Nos** in the **Units** field. (The **Unit of Measure** can be created by using the key combination **Alt+C** in the **Units** field)
4. In the **Commodity** field, select the **VAT Commodity** as **Air Conditioner**.

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

The screenshot shows the 'Stock Item Creation' window for 'National Traders'. The 'Name' field is 'Air Conditioner'. The 'Under' field is set to 'Primary' and 'Units' is 'Nos'. The 'Tax Information' section shows 'Tariff Classification' as 'Not Applicable' and 'Rate of Duty' as '0'. The 'VAT Details' section shows 'Commodity' as 'Air Conditioners' and 'Rate of VAT (%)' as '0'. On the right, a 'List of VAT Commodities' window is open, showing a list with 'Air Conditioners' selected, corresponding to code '304'. A vertical menu on the right side of the main window lists options: Gateway, Inventory, Stock, Single Stock, Create, Display, Alter, Multiple Stock, Create, Display, Alter, Update, and Quit.

Figure 2.8 Stock Item Creation – Selection of VAT Commodity

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

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

Figure 2.9 Stock Item Creation screen

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

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

Sl. No	Name	Under	Units	VAT Details	
				Commodity	Rate of VAT
1	Refrigerators	Primary	Nos	Refrigerators	12.5%
2	Washing Machines	Primary	Nos	Electrical Appliances	12.5%
3	Vacuum Cleaners	Primary	Nos	Electrical Appliances	12.5%
4	Water Purifier	Primary	Nos	Electrical Appliances	12.5%
5	Periodicals	Primary	Nos	Periodicals	0%



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

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

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

The HSN code will not be captured in the Annexures.

Step 2:

To create an inter-state Purchase Voucher,

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

1. Select **As Invoice** mode (use key combination **Ctrl+V** if the screen is displayed in voucher mode. The invoice mode will be displayed)
2. Enter the reference number in the **Ref.** field
3. Select **Universal Traders** in the **Party's A/c Name** field from the **List of Ledger Accounts**
4. In the **Party Details** screen, enter/modify the required details
5. Select **Inter-state Purchase** ledger in the **Purchase Ledger** field from the **List of Ledger Accounts**
6. On selecting the **Inter-state Purchase** ledger, the VAT/Tax Class appears as **Inter – State Purchases**
7. Select the **Name of Item** as **Air Conditioner** from the **List of Items**
8. Enter the **Quantity** as **30** and **Rate** as **25,000**. The value is automatically displayed in the **Amount** field
9. Similarly, select the other stock items and enter the quantity along with applicable rate
10. Select **CST on Purchase** ledger from the **List of Ledger Accounts** and enter the rate as 2%. On entering the percentage, the amount of CST will get calculated automatically. The CST amount will form part of the purchase cost.
11. Select **Form C** as **Form to Issue**. Enter the **Form number** and **Date**
12. Set the field **Show Statutory Details** as **Yes**

Accounting Voucher Creation		National Traders		Ctrl + M
Purchase	No. 1			1-Apr-2009
Ref. : 01			Wednesday	
Party's A/c Name : Universal Traders Current Balance : Purchase Ledger : Inter-State Purchases VAT/Tax Class : Inter-State Purchases				
Name of Item	Quantity	Rate per	Amount	
Air Conditioner	30 Nos	25,000.00 Nos	7,50,000.00	
Refrigerators	50 Nos	8,500.00 Nos	4,25,000.00	
Washing Machines	35 Nos	10,500.00 Nos	3,67,500.00	
Water Purifiers	40 Nos	5,500.00 Nos	2,20,000.00	
Vacuum Cleaners	20 Nos	15,000.00 Nos	3,00,000.00	
Periodicals	100 Nos	75.00 Nos	7,500.00	
			20,70,000.00	
CST on Purchases		2 %	41,400.00	
Form to Issue : C Form Form No. : Yes / No Date : 1-Apr-2009				
Show Statutory Details	? Yes			
Narration:	No Yes			
			275 Nos	21,11,400.00

Figure 2.10 Purchase Invoice with C Form



13. The **Statutory Details** screen will be displayed. Press **F1: Detailed** button to view the CST amount added to each of the stock item

Statutory Details		National Traders		Ctrl + M
Purchase Ref : 01	Statutory Details			1-Apr-2009 Wednesday
	Particulars	VAT		
Party's A/c Name : Current Balance : Purchase Ledger : VAT/Tax Class: In	Assessable Value	21,11,400.00		
Name of Item	Air Conditioner	7,65,000.00		
	Item Value	7,50,000.00		
	CST on Purchases	15,000.00		Amount
Air Conditioner	Refrigerators	4,33,500.00		7,50,000.00
	Item Value	4,25,000.00		
Refrigerators	CST on Purchases	8,500.00		4,25,000.00
Washing Machines	Washing Machines	3,74,850.00		3,67,500.00
	Item Value	3,67,500.00		
Water Purifiers	CST on Purchases	7,350.00		2,20,000.00
Vacuum Cleaners	Water Purifiers	2,24,400.00		3,00,000.00
	Item Value	2,20,000.00		
Periodicals	CST on Purchases	4,400.00		7,500.00
	Vacuum Cleaners	3,06,000.00		20,70,000.00
	Item Value	3,00,000.00		
CST on Purchases	CST on Purchases	6,000.00		41,400.00
	Periodicals	7,650.00		
	Item Value	7,500.00		
	CST on Purchases	150.00		
Form to Issue : C				
Show Statutory De				
Narration:				21,11,400.00

Figure 2.11 Purchase Invoice – Show Statutory Details screen

14. Enter the **Bill-wise details**

15. Enter **Narration** if required

Accounting Voucher Creation		National Traders		Ctrl + M
Purchase No. 1				1-Apr-2009
Ref. : 01				Wednesday
Party's A/c Name : Universal Traders Current Balance : Purchase Ledger : Inter-State Purchases VAT/Tax Class: Inter-State Purchases				
Name of Item	Quantity	Rate per	Amount	
Air Conditioner	30 Nos	25,000.00 Nos	7,50,000.00	
Refrigerators	50 Nos	8,500.00 Nos	4,25,000.00	
Washing Machines	35 Nos	10,500.00 Nos	3,67,500.00	
Water Purifiers	40 Nos	5,500.00 Nos	2,20,000.00	
Vacuum Cleaners	20 Nos	15,000.00 Nos	3,00,000.00	
Periodicals	100 Nos	75.00 Nos	7,500.00	
			20,70,000.00	
CST on Purchases		2 %	41,400.00	
Form to Issue : C Form Form No : 05412 Date : 1-Apr-2009				
Show Statutory Details ? Yes Narration:				
Being goods purchased from Universal Traders accounted for.			275 Nos Accept ? Yes or No	

Figure 2.12 Purchase Invoice – Completed

16. Press **Y** or **Enter** to accept and save the purchase invoice.



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

2.2 Inter-State Sales

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

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

2.3 Inter-State Sales against 'C' Form

Example 2:

On 2-4-2009, National Traders sold the following items to Mc Millan Techsys, Andhra Pradesh, vide invoice number 01 against 'C' form number 12452 dt: 2-4-2009. The packing charges of Rs. 6,000 was charged on the sale value.

<i>Item Description</i>	<i>Quantity (in Nos)</i>	<i>Rate</i>	<i>Amount</i>
<i>Air Conditioner</i>	<i>5</i>	<i>28,000</i>	<i>1,40,000</i>
<i>Refrigerator</i>	<i>10</i>	<i>10,500</i>	<i>1,05,000</i>

The above goods are subject to 2% CST.

Step 1:

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

Creating Ledgers

i. Inter-State Sales Ledger

To create an Inter-state Sales Ledger:

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

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

1. Enter the **Name** as **Inter-State Sales**
2. Select **Sales Accounts** as the account group in the **Under** field
3. Set **Inventory values are affected** to **Yes**

4. Set the option **Used In VAT Returns** to **Yes** to display the **VAT/Tax Class** sub screen

Ledger Creation		National Traders
Name : Inter-State Sales		Total Op. Bal.
(alias) :		
Under : Sales Accounts		
Inventory values are affected	? Yes	
Statutory Information		
Used In VAT Returns	? Yes	
Use for Assessable Value Calculation	? No	
Opening Balance (on 1-Apr-2009) :		

Figure 2.13 Inter-State Sales Ledger

5. Select **Inter-state Sales** from the list of **VAT/Tax Class**

VAT/Tax Class		National Traders
Name : Inter-State Sales		Total Op. Bal.
(alias) :		
Under : Sales Accounts		
Inventory values are affected	? Yes	
Statutory Information		
Used In VAT Returns	? Yes	
Use for Assessable Value Calculation	? No	
Opening Balance		

VAT/Tax Class		
Particulars	Activated From	Deactivated From
☐ Not Applicable Consignment/Branch Transfer Outward Consignment/Branch Transfer Outward (Within State) Exports Inter-State Sales Inter State Sales Against Form - E1 Inter State Sales Against Form - E2 Inter- State Sales - Exempted Inter-State Sales - Spl. Category Goods Inter- State Sales - Tax Free Sales @ 1% Sales @ 12.5%		
7 more ...		

Figure 2.14 Inter-State Sales – VAT/ Tax Class Selection

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

ii. CST on Sales Ledger

To create a CST on Sales Ledger,

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

1. Enter the **Name** as **CST @ 2%**
2. Select **Duties & Taxes** as the group name in the **Under** field
3. Select **CST** from the **Type of Duty/Tax** list in the field **Type of Duty/Tax**
4. Select **Inter-State Sales** in the **VAT/Tax Class** field from the VAT/Tax Class list displayed.
5. The option **Inventory values are affected** is set to **No** by default
6. Set the **CST** rate as **2%** in the **Percentage of Calculation** field
7. On setting the **Percentage of Calculation**, the field **Method of Calculation** appears
8. Select **On Total Sales** as the **Method of Calculation**
9. Select the required **Rounding Method** from the list displayed.

Ledger Creation		National Traders
Name : CST @ 2%		Total Op. Bal.
(alias) :		
Under : Duties & Taxes (Current Liabilities)		
Type of Duty/Tax : CST		
VAT/Tax Class : Inter-State Sales		
Inventory values are affected ? No		
Percentage of Calculation (eg 5) ? 2 %		
Method of Calculation : On Total Sales		
Rounding Method : ☐ Not Applicable		
Opening Balance (on 1-Apr-2009) :		Accept ? Yes or No

Figure 2.15 CST on Sales Ledger

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

iii. Packing Charges

To create a ledger for packing charges,

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

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

Ledger Creation		National Traders
Name : Packing Charges	Total Op. Bal.	
(alias) :		
Under : Indirect Expenses		
Inventory values are affected	? No	
Use for Assessable Value Calculation	? Yes	
Apportion for	? VAT	
Method of Apportion	: Based on Quantity	
Opening Balance (on 1-Apr-2009) :		Accept ? Yes or No

Figure 2.16 Packing Charges Ledger

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



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

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

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

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

iv. Sundry Debtor Ledger

To create a Sundry Debtor (Customer) ledger,

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

Click on **F12: Configure** button and set the field **Use ADDRESSES for Ledger Accounts** to **Yes**.

In the Ledger creation screen,

1. Enter the **Name** as **Mc Millan Techsys**
2. Select **Sundry Debtors** in the **Under** field
3. Set **Maintain balances bill-by-bill** to **Yes** and enter the **Default Credit Period** if any
4. In the **Mailing Details** section,
 - ❑ The **Name** will be automatically displayed as **Mc Millan Techsys**
 - ❑ Enter the **Address** details

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

Ledger Creation		National Traders		Ctrl
Name	: Mc Millan Techsys			Total Op. Bal.
(alias)	:			
Under	: Sundry Debtors (Current Assets)	Name	: Mc Millan Techsys	
Maintain balances bill-by-bill	? Yes	Address	: 482, Ali Asker Road Hyderabad	
Default Credit Period	:	State	: Andhra Pradesh	
Inventory values are affected	? No	PIN Code	: 650 021	
		Tax Information PAN / IT No. : AXOPP4887C Set/Alter VAT Details ? Yes		
Opening Balance (on 1-Apr-2009) :				

Figure 2.17 Sundry Debtor – Mc Millan Techsys

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

VAT Details	
TIN/Sales Tax No.	: 24681012351

Figure 2.18 Sundry Debtor – Mc Millan Techsys

7. Accept the **VAT Details** screen

8. Accept the Sundry Debtor ledger.

Step 2:

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

To create an Interstate Sale Voucher,

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

1. Enter the reference in the **Ref.** field

2. Select **Mc Millan Techsys** in the **Party's A/c Name** field from the **List of Ledger Accounts**

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

Despatch Details	
Delivery Note No(s) :	Despatch Doc. No. : 3451
	Despatched through : Goods Train
	Destination : Hyderabad
	Bill of lading/LR-RR No. : 6212 dt. 2-Apr-2009
	Endorsement Date : 2-Apr-2009
Order Details	
Order No(s) :	Mode/Terms of Payment :
	Other Reference(s) :
	Terms of Delivery :
Buyer's Details	
Buyers :	Mc Millan Techsys
Address :	482, Ali Asker Road Hyderabad
TIN/Sales Tax No. :	24681012351

Figure 2.19 Party Details – Mc Millan Techsys

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



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

Accounting Voucher Creation		National Traders		Ctrl + M
Sales	No. 1			2-Apr-2009 Thursday
Ref. :				
Party's A/c Name : Mc Millan Techsys				
Current Balance :				
Sales Ledger : Inter-State Sales				
VAT/Tax Class: Inter-State Sales				
Name of Item	Quantity	Rate per	Amount	
Air Conditioner	5 Nos	28,000.00	Nos	1,40,000.00
Refrigerators	10 Nos	10,500.00	Nos	1,05,000.00
				2,45,000.00
Packing Charges				6,000.00
CST @ 2%			2 %	5,020.00
				2,56,020.00

Is Declared Goods Sales ? No

Form to Receive : **C Form**

Show Statutory Details ? No

Narration:

Form Types

- ☐ Not Applicable
- ☒ C Form
- ☐ F Form
- ☐ H Form
- ☐ I Form

Date :

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

Statutory Details		National Traders		Ctrl + M	
Sales		Statutory Details		2-Apr-2009 Thursday	
Ref :					
Party's A/c Name :					
Current Balance :					
Sales Ledger : Int					
VAT/Tax Class: In					
Name of Item	Particulars	VAT		Amount	
	Assessable Value	2,51,000.00			
	Air Conditioner	1,42,000.00			
	Item Value	1,40,000.00		1,40,000.00	
	Packing Charges	2,000.00		1,05,000.00	
	Refrigerators	1,09,000.00			
	Item Value	1,05,000.00		2,45,000.00	
	Packing Charges	4,000.00		6,000.00	
	VAT Amount	5,020.00		5,020.00	
	CST @ 2%	2 %			
	Air Conditioner @ 2 % On 1,42,000.00	2,840.00			
	Refrigerators @ 2 % On 1,09,000.00	2,180.00			
				2,56,020.00	
Is Declared Goods					
Form to Receive : C					
Show Statutory Det					
Narration:					

Figure 2.21 Sales Invoice – Statutory Details screen

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



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

2.3.1 Accounting for Discount and Additional Ledgers Separately in Invoice

Example 3:

On 3-4-2009, M/s National Traders sold 2 Air Conditioners for Rs. 28,000 each to Mc Millan Techsys vide invoice number 02 against Form 'C'. An amount of Rs. 13,500 was levied as installation charged and Rs. 2,000 was allowed as discount. These values were not considered as a part of the assessable value.

Step 1:

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

Creating Ledgers

i. Installation Charges

To create a ledger for installation charges,

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

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

ii. Discount Allowed

To create a ledger for discount allowed,

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

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

Step 2:

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

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

1. Enter the reference in the **Ref.** field
2. Select **Mc Millan Techsys** in the **Party's A/c Name** field from the **List of Ledger Accounts**
3. Enter the **Despatch Details** in the **Party Details** screen
4. Select **Inter-state Sales** ledger in the **Sales Ledger** field from the **List of Ledger Accounts**
5. On selecting the **Inter-state Sales** ledger, the VAT/Tax Class appears as **Inter – State Sales**
6. Select the **Name of Item** as **Air Conditioner** from the List of Items
7. Enter the **Quantity** as **2** and **Rate** as **28,000**. The amount is automatically displayed in the **Amount** field.
8. Select **CST @ 2%** and the amount is automatically calculated
9. Select **Installation Charges** from the **List of Ledger Accounts** and enter the amount as **13,500**
10. Select **Discount Allowed** ledger and enter amount as **Rs. -2,000**
11. Set the option **Is Declared Goods Sales** to **No**
12. Select **Form C** as **Form to Receive**
13. The **Form number** and **Date** fields will be displayed on selecting the **Form to Receive** from the Form Types list
14. Set **Show Statutory Details** field to **No**
15. Accept the default Bill allocations in the **Bill-wise Details** screen

16. Enter **Narration** if required

Accounting Voucher Creation		National Traders		Ctrl + M
Sales No. 2				3-Apr-2009
Ref. : 02				Friday
Party's A/c Name : Mc Millan Techsys Current Balance : 2,56,020.00 Dr Sales Ledger : Inter-State Sales VAT/Tax Class: Inter-State Sales				
Name of Item	Quantity	Rate per	Amount	
Air Conditioner	2 Nos	28,000.00 Nos	56,000.00	
CST @ 2%		2 %	1,120.00	
Installation Charges			13,500.00	
Discount Allowed			(-)2,000.00	
Is Declared Goods Sales ? No Form to Receive : C Form Form No : Date : Show Statutory Details ? No Narration:				
			2 Nos	Accept ?
				Yes or No

Figure 2.22 Sales Invoice – Sales Against C Form

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

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

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

2.4.1 Transit Sales against Form E1

Example 4:

On 7-4-2009 National Traders despatched the following goods to Manasa Traders, Karnataka and raised an Invoice on Rishita Traders in Madhya Pradesh against Form C vide invoice number 03. Packing charges of Rs. 5,500 was charged additionally.

Item Description	Quantity (in Nos)	Rate	Amount
Voltage Stabilizer	8	6,500	52,000
Washing Machine	10	12,000	1,20,000

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

Step 1:

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

Creating Ledgers

i. Inter-state Sales against Form E1

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

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

1. Enter the **Name** as **Inter-State Sales – Form E1**
2. Select **Sales Accounts** as the account group in the **Under** field
3. Set **Inventory values are affected** to **Yes**
4. Set the option **Used In VAT Returns** to **Yes** to display the **VAT/Tax Class** sub screen
5. Select **Inter-state Sales** from the list of **VAT/Tax Class**

VAT/Tax Class		National Traders
Name	: Inter-State Sales - Form E1	Total Op. Bal.
(alias)	:	
Under	: Sales Accounts	
Inventory values are affected	? Yes	
Used In VAT Returns	: Yes	
Use for Assessable Value Calculation	: No	
Opening Balance		

VAT/Tax Class		
Particulars	Activated From	Deactivated From
☐ Not Applicable		
Consignment/Branch Transfer Outward		
Consignment/Branch Transfer Outward (Within State)		
Exports		
Inter-State Sales		
Inter State Sales Against Form - E1		
Inter State Sales Against Form - E2		
Inter- State Sales - Exempted		
Inter-State Sales - Spl. Category Goods		
Inter- State Sales - Tax Free		
Sales @ 1%		
Sales @ 12.5%		
7 more ...		

Figure 2.23 Inter-State Sales against Form E1 – VAT/Tax Class Selection

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

ii. Sundry Debtor (Customer) Ledger

Follow the steps given in example 2 to create sundry debtor ledger. The completed sundry debtor ledger is displayed as shown:

Ledger Creation		National Traders	Ctrl
Name : Rishita Traders (alias) :			Total Op. Bal.
Under : Sundry Debtors (Current Assets)	Name : Rishita Traders Address : F Block # 45, Rajan Arcade Bhopal		
Maintain balances bill-by-bill ? Yes	State : Madhya Pradesh		
Default Credit Period :	PIN Code : 541222		
Inventory values are affected ? No			
	Tax Information PAN / IT No. : TYERS8934B Set/Alter VAT Details ? Yes		
Opening Balance (on 1-Apr-2009) :		Accept ? Yes or No	

Figure 2.24 Sundry Debtor – Rishita Traders

Step 2:

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

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

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

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

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

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

Despatch Details			
Delivery Note No(s) :	Despatch Doc. No. :	568	
	Despatched through :	Goods Train	
	Destination :	Bhopal	
	Bill of lading/LR-RR No. :	7845	dt. 7-Apr-2009
	Endorsement Date :	7-Apr-2009	
Order Details			
Order No(s) :	Mode/Terms of Payment :		
	Other Reference(s) :		
	Terms of Delivery :		
Buyer's Details			
Consignee :	Manasa Traders	Buyers :	Rishita Traders
Address :	#45, 1st Main Road 2nd Cross, Malleshwaram Bangalore, Karnataka	Address :	F Block #45, Rajan Arcade Bhopal
	TIN/Sales Tax No. :	21478954212	

Figure 2.25 Party Details screen

4. Select **Inter-state Sales – Form E1** ledger in the **Sales Ledger** field from the **List of Ledger Accounts**
5. On selecting the Sales Ledger, the VAT/Tax Class appears as **Inter State Sales Against Form-E1**
6. Select the **Name of Item** as **Water Purifiers** from the **List of Items**
7. Enter the **Quantity** as **8** and **Rate** as **6,500**. The amount is automatically displayed in the **Amount** field.
8. In the **Annexure II – Transit Details**, select the **Seller's Name and Address** as **Universal Traders** and enter the **Purchase Value** as **44,000**

Annexure II - Transit Sale Details	
Seller's Name and Address :	Universal Traders
Purchase value :	44,000.00

Figure 2.26 Annexure II – Transit Sales

9. Similarly, select **Washing Machine** from the **List of Items**
10. Enter the **Quantity** as **10** and **Rate** as **12,000**. The amount is automatically displayed in the **Amount** field.
11. In the **Annexure II – Transit Details**, select the **Seller's Name and Address** as **Universal Traders** and enter the **Purchase Value** as **1,05,000**
12. Select **Packing Charges** from the **List of Ledger Accounts** and enter the amount as **5,500**
13. Set the option **Is Declared Goods Sales** to **No**
14. Select **Form C** as **Form to Receive**, and **Form E1** as the **Form to Issue**.
15. The **Form number** and **Date** fields will be displayed on selecting the **Form to Receive** from the **Form Types** list.
16. Set **Show Statutory Details** field to **Yes**

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

Statutory Details		National Traders	Ctrl + M
Sales Ref : 03	<u>Statutory Details</u>		7-Apr-2009 Tuesday
Party's A/c Name :	Particulars	VAT	
Current Balance :	Assessable Value	1,77,500.00	
Sales Ledger : Int	Water Purifiers	54,444.44	
VAT/Tax Class: Int	Item Value	52,000.00	
Name of Item	Packing Charges	2,444.44	Amount
Water Purifiers	Washing Machines	1,23,055.56	52,000.00
Washing Machines	Item Value	1,20,000.00	1,20,000.00
Packing Charges	Packing Charges	3,055.56	1,72,000.00
Is Declared Goods			5,500.00
Form to Receive : C			
Form to Issue : E			
Show Statutory Det			
Narration:			1,77,500.00

Figure 2.27 Sales Invoice for E1 Sales – Statutory Details screen

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

19. Enter **Narration** if required

Accounting Voucher Creation		National Traders		Ctrl + M
Sales	No. 3			7-Apr-2009 Tuesday
Ref. : 03				
Party's A/c Name : Rishita Traders				
Current Balance :				
Sales Ledger : Inter-State Sales - Form E1				
VAT/Tax Class: Inter State Sales Against Form - E1				
Name of Item	Quantity	Rate per	Amount	
Water Purifiers	8 Nos	6,500.00 Nos	52,000.00	
Washing Machines	10 Nos	12,000.00 Nos	1,20,000.00	
			1,72,000.00	
Packing Charges			5,500.00	
Is Declared Goods Sales ? No				
Form to Receive : C Form		Form No :	Date :	
Form to Issue : E1 Form		Form No :	Date :	
Show Statutory Details ? Yes				
Narration:		18 Nos		
				Accept ? Yes or No

Figure 2.28 Sales Invoice for Transit Sales against Form E1

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



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

2.4.2 Transit Sales against Form E2

Example 5:

On 9-4-2009, M/s National Traders had purchased 5 Air Conditioners for Rs. 25,000 each from Universal Traders which had to be despatched to the consignee Logic Electronics of Orissa. During movement of goods, National Traders sold the same air conditioners at Rs. 28,000 each to Logic Electronics, vide invoice number 04.

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

Step 1:

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

Creating Ledgers

i. Inter-state Sales against Form E2

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

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

Create the ledger with the following details:

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

ii. Sundry Debtor (Customer) Ledger

Follow the steps given in example 2 to create sundry debtor ledger.

Step 2:

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

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

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

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

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

Despatch Details			
Delivery Note No(s)	:	Despatch Doc. No.	: DD/023
		Despatched through	: Goods Train
		Destination	: Bhubaneshwar
		Bill of lading/LR-RR No.	: 25972 dt. 9-Apr-2009
		Endorsement Date	: 9-Apr-2009
Order Details			
Order No(s)	:	Mode/Terms of Payment	:
		Other Reference(s)	:
		Terms of Delivery	:
Buyer's Details			
Consignee	: Logic Electronics	Buyers	: Logic Electronics
Address	: #56, Phase II Sector 1 Bhubaneshwar	Address	: #56, Phase II Sector 1 Bhubaneshwar
		TIN/Sales Tax No.	: 12585412014

Figure 2.29 Party Details screen

4. Select **Inter-state Sales – Form E2** ledger in the **Sales Ledger** field from the **List of Ledger Accounts**
5. On selecting the Sales Ledger, the VAT/Tax Class appears as **Inter State Sales Against Form–E2**
6. Select the **Name of Item** as **Air Conditioner** from the **List of Items**
7. Enter the **Quantity** as **5** and **Rate** as **28,000**. The amount is automatically displayed in the **Amount** field.
8. In the **Annexure II – Transit Sales Details** screen select **Universal Traders** from the **List of Ledger Accounts** and enter the **Purchase Value** as Rs. **1,25,000**

Annexure II - Transit Sale Details	
Seller's Name and Address	: Universal Traders
Purchase value	: 1,25,000.00

Figure 2.30 Annexure II – Transit Sale Details

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

Accounting Voucher Creation		National Traders		Ctrl + M
Sales	No. 4			9-Apr-2009
Ref. : 04				Thursday
Party's A/c Name : Logic Electronics				
Current Balance :				
Sales Ledger : Inter-State Sales - Form E2				
VAT/Tax Class: Inter State Sales Against Form - E2				
Name of Item	Quantity	Rate per	Amount	
Air Conditioner	5 Nos	28,000.00	Nos	1,40,000.00
☐ End of List				
Is Declared Goods Sales ? No				
Form to Receive : C Form	Form No :	Date :		
Form to Issue : E2 Form	Form No :	Date :		
Show Statutory Details ? No				
Narration:			5 Nos	
Being sale of goods against Form C and Form E2 accounted for.			Accept ? Yes or No	

Figure 2.31 Sales Invoice for Transit Sales against Form E2

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

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

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

2.5.1 Sales – Consignment Transfers

Example 6:

On 13-4-2009, M/s National Traders despatched the following goods as consignment sales to National Enterprises, Mumbai vide invoice number 05 against Form F

<i>Item Description</i>	<i>Quantity (in Nos)</i>	<i>Rate</i>	<i>Amount</i>
<i>Vacuum Cleaners</i>	<i>10</i>	<i>15,000</i>	<i>1,50,000</i>
<i>Washing Machine</i>	<i>8</i>	<i>10,500</i>	<i>84,000</i>

Step 1:

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

Creating Ledgers

i. Consignment Transfer Outwards

To create a ledger for consignment/branch transfer outward,

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

Create the ledger with the following details:

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

ii. Consignee Ledger

The completed ledger creation screen displays as shown:

Ledger Creation		National Traders		Ctrl
Name	: National Enterprises			Total Op. Bal.
(alias)	:			
Under		: Branch / Divisions		
Currency of Ledger	: Rs.			
Inventory values are affected	? No			
		Mailing Details Name : National Enterprises Address : # 56, 2nd Main Road Shahid Bhagat Singh Marg Mumbai State : Maharashtra PIN Code : 400001		
		Tax Information PAN / IT No. : YTERT8934B Set/Alter VAT Details ? No		
Opening Balance (on 1-Apr-2009) :				Accept ? Yes or No

Figure 2.32 Consignee Ledger – National Enterprises

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

Step 2:

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

To record the Consignment transfer of goods,

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

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

1. Enter the reference number in the **Ref.** field
2. Select **National Enterprises** in the **Party's A/c Name** field from the **List of Ledger Accounts**
3. Enter the **Despatch Details** in the **Party Details** screen
4. Select the **Branch Transfer Outward** ledger in the **Sales Ledger** field from the **List of Ledger Accounts**
5. On selecting the **Branch Transfer Outward**, the VAT/Tax Class appears as **Consignment / Branch Transfer Outward** from the **VAT/Tax Class** list
6. Select the **Name of Item** as **Vacuum Cleaners** from the **List of Items**
7. Enter the **Quantity** as **10** and **Rate** as **15,000**. The amount is automatically displayed in the **Amount** field
8. Similarly, select **Washing Machine** as the second stock item.

9. Enter the **Quantity** as **8** and **Rate** as **10,500**. The amount is automatically displayed in the **Amount** field
10. Set the option **Is Sale in Principal's A/c** to **No** as the transfer of goods is being considered as consignment transfer
11. Select the **Form to Receive** as **F Form**
12. The option **Show Statutory Details** will be set to **No** by default
13. Accept the default Bill allocations in the **Bill-wise Details** screen
14. Enter the details in the field **Narration**, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Sales No. 5				13-Apr-2009
Ref. : 05				Monday
Party's A/c Name : National Enterprises Current Balance : Sales Ledger : Branch Transfer Outwards VAT/Tax Class : Consignment/Branch Transfer Outward				
Name of Item	Quantity	Rate per	Amount	
Vacuum Cleaners	10 Nos	15,000.00 Nos	1,50,000.00	
Washing Machines	8 Nos	10,500.00 Nos	84,000.00	
			<u>2,34,000.00</u>	
☐ End of List				
Is Sale in Principal's A/c : No				
Form to Receive : F Form Form No : Date :				
Show Statutory Details ? No				
Narration:				
Being goods transferred as consignment transfer outwards.				
18 Nos				Accept ? Yes or No

Figure 2.33 Sales Invoice – Consignment Transfer Outwards

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

2.5.2 Sales – Branch Transfers

Example 7:

On 16-4-2009, M/s National Traders despatched the following goods to its branch office – Parijata Enterprises, Karnataka against Form F vide invoice number 06.

Item Description	Quantity (in Nos)	Rate	Amount
Water Purifiers	12	5,500	66,000
Refrigerator	10	8,500	85,000

Step 1:

Follow the steps given in example 6 to create the branch ledger.

Step 2:

Let us enter the sales transaction in Tally.ERP 9. To record the Branch transfer of goods,

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

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

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

Accounting Voucher Creation National Traders Ctrl + M

Sales No. 6 Ref. : 06 16-Apr-2009 Thursday

Party's A/c Name : Parijata Enterprises
Current Balance :
Sales Ledger : Branch Transfer Outwards
VAT/Tax Class : Consignment/Branch Transfer Outward

Name of Item	Quantity	Rate per	Amount
Water Purifiers	12 Nos	5,500.00 Nos	66,000.00
Refrigerators	10 Nos	8,500.00 Nos	85,000.00
			1,51,000.00

☐ End of List

Is Sale in Principal's A/c : **Yes**
Form to Receive : **F Form** Form No. : Date :
Show Statutory Details ? **No**
Narration: Being goods despatched as branch transfers.
22 Nos

Accept ?
Yes or No

Figure 2.34 Sales – Branch Transfer of Goods

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

2.6 Exports

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

Example 8:

On 20-4-2009, M/s National Traders sold the following items to Zeta Electronics, New York vide invoice number 07.

Item Description	Quantity (in Nos)	Rate (in '\$')	Amount (in '\$')
Air Conditioners	12	850	10,200
Refrigerator	15	350	5,250

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

Step 1:

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

Creating Ledgers

i. Exports Ledger

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

Create the ledger with the following details:

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

i. Creating Sundry Debtor Ledger

The Sundry Debtor ledger displays as shown:

Ledger Creation		National Traders		Ctrl
Name	: Zeta Electronics			Total Op. Bal.
(alias)	:			
Under	: Sundry Debtors (Current Assets)			
Maintain balances bill-by-bill	? Yes			
Default Credit Period	:			
Inventory values are affected	? No			
		Mailing Details Name : Zeta Electronics Address : 222 East, Suite 2510 New York NY 10017 - 6702 State : ☐ Not Applicable PIN Code :		
		Tax Information PAN / IT No. : Set/Alter VAT Details ? No		
Opening Balance (on 1-Apr-2009) :				Accept ? Yes or No

Figure 2.35 Sundry Debtor – Zeta Electronics

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

iii. Creating Foreign Currency

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

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

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

Currency Creation		National
Symbol	:	\$
Formal Name	:	US Dollars
Number of Decimal Places	:	2
Show Amounts in Millions	?	No
Is Symbol SUFFIXED to Amounts	?	Yes
Put a SPACE between Amount and Symbol	?	Yes
Decimal Places for Printing Amounts in Words	:	2

Figure 2.36 Currency Creation screen

7. Accept the **Currency Creation** screen

Step 2:

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

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

1. Enter the reference number in the **Ref.** field
2. Select **Zeta Electronics** in the **Party's A/c Name** field from the List of Ledger Accounts
3. Enter the **Despatch Details** in the **Party Details** screen
4. Select the **Exports** ledger in the **Sales Ledger** field from the List of Ledger Accounts
5. On selecting the **Sales Ledger**, the VAT/Tax Class appears as **Exports** from the **VAT/Tax Class** list
6. Select the **Name of Item** as **Air Conditioner** from the **List of Items**
7. Enter the **Quantity** as **12** and Rate as **\$850**. The **Forex Rate of Exchange** screen will be displayed for entering the conversion factor. Enter the details as shown:

Rate in Forex	Rate of Exchange	Rate in Rs.
850.00 \$/Nos	@ Rs. 48/ \$	Rs. 32,300.00/Nos

Figure 2.37 Forex Rate of Exchange screen

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

10. Select the **Supplier** as **Universal Traders** from the **List of Ledger Accounts**, enter the **Purchase value**
11. Select the **Rate of Tax** from the **Rate of Tax** list
12. Enter the amount of **Input Tax Paid** and the **Eligible Tax Credit**

Supplier	Purchase Value	Rate of Tax	Input Tax Paid	Eligible Credit
Universal Traders	3,00,000.00	12.50 %	37,500.00	37,500.00

Figure 2.38 Exports – Input Tax Details sub-screen for Air Conditioners

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

Supplier	Purchase Value	Rate of Tax	Input Tax Paid	Eligible Credit
Universal Traders	1,57,500.00	12.50 %	19,687.50	19,687.50

Figure 2.39 Exports – Input Tax Details sub-screen for Refrigerators

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

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

Accounting Voucher Creation		National Traders		Ctrl + M
Sales No. 7		Ref. : 07		20-Apr-2009 Monday
Party's A/c Name : Zeta Electronics Current Balance : Sales Ledger : Exports VAT/Tax Class: Exports				
Name of Item	Quantity	Rate per	Amount	
Air Conditioner	12 Nos	850.00 \$ Nos	10,200.00 \$	
Refrigerators	15 Nos	350.00 \$ Nos	5,250.00 \$	
			15,450.00 \$	
Packing Charges			250.00 \$	
Show Statutory Details ? No Narration:				
Being export sales accounted for.				
27 Nos 15,700.00 \$ @ Rs. 44/ \$ = Rs. 7,53,600.00				

Figure 2.40 Sales – Exports

22. Accept the sales invoice.

2.7 Sales against Form H – Deemed Exports

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

Example 9:

On 20-4-2009, M/s National Traders raised an invoice on Excel Traders for deemed exports made against Form – H vide invoice number 08. The details of goods sold are as follows:

Item Description	Quantity (in Nos)	Rate	Amount
Water Purifiers	10	6,500	65,000
Vacuum Cleaners	5	17,000	85,000

Additionally Packing charges of Rs. 3,800 was also included.

Step 1:

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

Creating Ledgers

i. Deemed Exports Ledger

To create a ledger for exports:

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

Create the ledger with the following details:

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

ii. Creating Sundry Debtor Ledger

Follow the steps given in example 2 to create sundry debtor ledger.

Step 2:

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

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

1. Enter the reference number in the **Ref.** field
2. Select **Excel Traders** in the **Party's A/c Name** field from the **List of Ledger Accounts**
3. Enter the **Despatch Details** in the **Party Details** screen
4. Select the **Sales against Form – H** ledger in the **Sales Ledger** field from the **List of Ledger Accounts**
5. On selecting the **Sales Ledger**, the **VAT/Tax Class** appears as **Sales (Against Form–H Deemed Export)**
6. Select the Name of Item as **Water Purifiers** from the **List of Items**
7. Enter the **Quantity** as **10** and **Rate** as **6,500**. The amount is automatically displayed in the **Amount** field
8. Similarly, select another item **Vacuum Cleaners** from the List of Items.
9. Enter the **Quantity** as **5** and **Rate** as **17,000**. The amount is automatically displayed in the **Amount** field

10. Select the Form to Receive as H Form

Accounting Voucher Creation		National Traders		Ctrl + M
Sales No. 8				20-Apr-2009
Ref. : 08				Monday
Party's A/c Name : Excel Traders Current Balance : Sales Ledger : Sales Against Form H VAT/Tax Class: Sales(Against Form-H Deemed Export)				
Name of Item	Quantity	Rate per	Amount	
Water Purifiers	10 Nos	6,500.00 Nos	65,000.00	
Vacuum Cleaners	5 Nos	17,000.00 Nos	85,000.00	
			1,50,000.00	
☐ End of List				
Form to Receive : H Form Show Statutory Details ? No Narration: Form Types ☐ Not Applicable ☐ C Form ☐ F Form ☒ H Form ☐ I Form Date :				
			15 Nos	1,50,000.00

Figure 2.41 Sales Invoice – Sales against Form H

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

2.8 Inter-State Sale of Exempt Goods

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

Example 10:

On 21-4-2009, M/s National Traders sold 60 periodicals for Rs. 85 each to Mc Millan Techsys, vide invoice number 09. Periodicals are exempt from tax.

Step 1:

Inter-state Sales Exempted ledger

To create an inter-state exempt sales ledger,

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

Create the ledger with the following details:

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

Step 2:

Let us enter the sales transaction in Tally.ERP 9. To create an Exempted Interstate – Sales Voucher,

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

1. Enter the reference in the **Ref.** field
2. Select **Mc Millan Techsys** in the **Party's A/c Name** field from the **List of Ledger Accounts**
3. Enter the **Despatch Details** in the **Party Details** screen
4. Select the **Inter-State Sales – Exempted** ledger in the **Sales Ledger** field from the List of Ledger Accounts
5. On selecting the **Sales Ledger**, the VAT/Tax Class appears as **Inter-State Sales – Exempted**
6. Select the **Name of Item** as **Periodicals** from the **List of Items**
7. Enter the **Quantity** as **60** and **Rate** as **85**. The value is automatically displayed in the **Amount** field
8. Set the option **Is Declared Goods Sales** to **No**
9. The field **Show Statutory Details** will be set to **No** by default
10. Accept the default Bill allocations in the **Bill-wise Details** screen

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

Accounting Voucher Creation		National Traders		Ctrl + M
Sales No. 9				21-Apr-2009
Ref. : 09				Tuesday
Party's A/c Name : Mc Millan Techsys Current Balance : 3,24,640.00 Dr Sales Ledger : Inter-State Sales - Exempted VAT/Tax Class: Inter- State Sales - Exempted				
Name of Item	Quantity	Rate per	Amount	
Periodicals	60 Nos	85.00 Nos	5,100.00	
☐ End of List				
Is Declared Goods Sales ? No				
Form to Receive : ☐ Not Applicable				
Show Statutory Details ? No				
Narration:		60 Nos		Accept ?
Being sale of exempt item accounted for.				Yes or No

Figure 2.42 Sales Invoice – Inter-state Sales Exempted

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

2.9 Sales in the Course of Import

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

Example 11:

On 23-4-2009, M/s National Traders imported the following items from Glamour Appliances, New York vide invoice number 02.

Item Description	Quantity (in Nos)	Rate	Amount	VAT Commodity	Commodity Code
Fax Machines	25	13,000	3,25,000	Fax Machines	333
Vending Machine	20	15,000	2,00,000	Electrical Appliances	329
Photo Copying Machines	12	40,000	4,80,000	Photo Copying Machines	327

On the same day, in the course of import, the following items were sold to Home Electronics, Punjab vide invoice number 010.

Item Description	Quantity (in Nos)	Rate	Amount	VAT Commodity	Commodity Code
Fax Machines	10	15,000	1,50,000	Fax Machines	333
Vending Machine	8	17,000	1,36,000	Electrical Appliances	329

Step 1:

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

i. Creating Ledgers

Create the Sales ledgers with the following details:

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

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

iii. Stock Items

Create the stock items with the following details:

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

Step 2:

Let us enter the transactions in Tally.ERP 9.

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

1. Enter the **Supplier Invoice No.** and **Date**
2. Select **Glamour Appliances** in the **Party's A/c Name** field from the **List of Ledger Accounts**

3. In the **Party Details** screen, enter/modify the required details
4. Select **Imports** ledger in the **Purchase Ledger** field from the **List of Ledger Accounts**
5. On selecting the **Imports** ledger, the VAT/Tax Class appears as Inter – State Purchases
6. Select the **Name of Item** as **Fax Machine** from the **List of Items**
7. Enter the **Quantity** as **25** and **Rate** as **13,000**. The value is automatically displayed in the **Amount** field
8. Similarly, select the other stock items and enter the quantity along with applicable rate
9. Set the field **Show Statutory Details** as **No**
10. Enter the details in the **Narration** field if required

Accounting Voucher Creation		National Traders		Ctrl + M
Purchase No. 2				23-Apr-2009
Ref. : 02				Thursday
Party's A/c Name : Glamour Appliances Current Balance : Purchase Ledger : Imports VAT/Tax Class: Imports				
Name of Item	Quantity	Rate per	Amount	
Fax Machine	25 Nos	13,000.00 Nos	3,25,000.00	
Vending Machine	20 Nos	15,000.00 Nos	3,00,000.00	
Photo Copying Machine	12 Nos	40,000.00 Nos	4,80,000.00	
			11,05,000.00	
☐ End of List				
Show Statutory Details ? No Narration: Being goods imported.				
				57 Nos Accept ? Yes or No

Figure 2.43 Purchase Invoice – Imports

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

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

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

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

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

Despatch Details	
Delivery Note No(s) :	Despatch Doc. No. : 65412
	Despatched through : Cargo Flight
	Destination : Punjab
	Bill of lading/LR-RR No. : 1450 dt. 23-Apr-2009
	Endorsement Date : 23-Apr-2009
Order Details	
Order No(s) :	Mode/Terms of Payment :
	Other Reference(s) :
	Terms of Delivery :
Buyer's Details	
Buyers :	Home Electronics
Address :	#9, Sector II
	Dargha Road
	Chandigarh
TIN/Sales Tax No. :	14785293312

Figure 2.44 Sales Invoice – Party Details screen



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

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

4. Select the **Sales in the Course of Import** ledger in the **Sales Ledger** field from the List of Ledger Accounts.
5. On selecting the **Sales in the Course of Import Ledger**, the **VAT/Tax Class** appears as **Sales in the Course of Import into India**
6. Select the **Name of Item** as **Fax Machine** from the **List of Items**
7. Enter the **Quantity** as **10** and **Rate** as **15,000**. The value is automatically displayed in the **Amount** field.
8. Press **Enter** key to view the **Annexure I – Import Details** screen.
9. Select **Glamour Appliances** List of Ledger Accounts in the **Foreign seller's Name and Address** field
10. Enter the Purchase Value as **1,30,000**

Annexure I - Import Details	
Foreign seller's Name and Address :	Glamour Appliances
Purchase value :	1,30,000.00

Figure 2.45 Sales in the Course of Import – Import Details

11. Similarly, select **Vending Machine** as another stock item from the **List of Items**
12. Enter the **Quantity** as **8** and **Rate** as **17,000**. The amount will be automatically calculated and displayed in the **Amount** field

13. Press **Enter** key to view the **Annexure I – Import Details** screen.
14. Select **Glamour Appliances** List of Ledger Accounts in the **Foreign seller's Name and Address** field
15. Enter the **Purchase Value** as **1,20,000**
16. The field **Show Statutory Details** will be set to **No** by default

Accounting Voucher Creation		National Traders		Ctrl + M
Sales	No. 10			23-Apr-2009
Ref. : 010				Thursday
Party's A/c Name : Home Electronics				
Current Balance :				
Sales Ledger : Sales in the Course of Import				
VAT/Tax Class: Sales in the Course of Import into India				
Name of Item	Quantity	Rate per	Amount	
Fax Machine	10 Nos	15,000.00 Nos	1,50,000.00	
Vending Machine	8 Nos	17,000.00 Nos	1,36,000.00	
			<u>2,86,000.00</u>	
☐ End of List				
Show Statutory Details ? No				
Narration:				
Being goods sold in the course of import accounted for.				
				Accept ?
				Yes or No

Figure 2.46 Sales Invoice – Sales In the Course of Import

17. Enter the details in the **Narration** field if required and press **Y** or **Enter** to accept and save.

2.10 Sales – Outside the State

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

Example 12:

On 27-4-2009, M/s National Traders received a sales order from Excel Traders, Mumbai for 8 photo copying machines priced at Rs. 43,000 each. M/s National Traders raised a sales invoice for the said item vide invoice number 011, despatched 4 nos and requested the branch office – National Enterprises to despatch remaining quantity. CST @ 2% was charged while invoicing against C Form.

Step 1:

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

Creating Masters

i. Ledgers

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

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

Create the ledger with the following details:

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

ii. Enabling VAT Adjustments in Journal Voucher Type

To create a VAT Adjustment class for journal vouchers,

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

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

Voucher Type Alteration		National Traders	Ctrl + M
Name : Journal (alias) :			
General 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 VAT Adjustment Class	

Figure 2.47 Journal Voucher Type – Voucher Class

2. Press **Enter** to view the **Voucher Type Class** screen

3. Set Use Class for VAT Adjustments to Yes

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

Figure 2.48 Voucher Type Class screen

- The value of foreign exchange gain/loss on account of imports/exports can be adjusted on creating another voucher class and enabling the option **Use Class for Forex Gain/Loss Adjustment**
- Accept the **Voucher Type Class** screen and return to the **Voucher Type Alteration** screen
- Press **Y** or **Enter** to accept and save.

Step 2:

Create the inter-state sales entry by following the steps provided in Example 2. The completed inter-state sales entry displays as shown:

Accounting Voucher Creation		National Traders		Ctrl + M
Sales No. 11				27-Apr-2009
Ref. : 011				Monday
Party's A/c Name : Excel Traders Current Balance : 1,50,000.00 Dr Sales Ledger : Inter-State Sales VAT/Tax Class : Inter-State Sales				
Name of Item	Quantity	Rate per	Amount	
Photo Copying Machine	8 Nos	43,000.00 Nos	3,44,000.00	
CST @ 2%		2 %	6,880.00	
Is Declared Goods Sales ? No Form to Receive : C Form Form No : Date : Form to Issue : ☐ Not Applicable Show Statutory Details ? No Narration: Being inter-state sales accounted for.				
				Accept ? Yes or No

Figure 2.49 Sales Invoice – Inter-State Sales

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

Step 3:

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

To create a journal adjustment entry,

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

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

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

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

Accounting Voucher Creation		National Traders	Ctrl + M
Journal	No. 1	Voucher Class : VAT Adjustment Class	27-Apr-2009 Monday
Used for: Sale of Goods Outside the State			
Particulars	Debit	Credit	
Dr Inter-State Sales	1,72,000.00		
Cur Bal: 4,73,000.00 Cr			
Photo Copying Machine 4 Nos 43,000.00 Nos 1,72,000.00			
Cr Inter-State Sales - Tax Free		1,72,000.00	
Cur Bal: 1,72,000.00 Cr			
Photo Copying Machine 4 Nos 43,000.00 Nos 1,72,000.00			
Narration:		1,72,000.00	1,72,000.00
Being the adjustment entry recorded for sales outside the state.			
		Accept ? Yes or No	

Figure 2.50 Journal Voucher – Sale of Goods Outside the State

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

ii. Transferring the value of CST paid to Branch office

1. Select **Others** in the **Used for** field
2. Debit the ledger **CST @ 2%**. In the **VAT Class Details** screen, select **Inter-State Sales** as the **VAT/Tax Class** and enter the **Assessable Value** as **1,72,000**
3. Enter the **CST** amount as **3,440**
4. Credit **National Enterprises** and the credit amount will be displayed automatically
5. Enter the details in the field **Narration**, if required

6. Credit the branch ledger **National Enterprises**

Accounting Voucher Creation		National Traders	Ctrl + M
Journal	No. 2	Voucher Class : VAT Adjustment Class	27-Apr-2009 Monday
Used for: Others			
Particulars	Debit	Credit	
Dr CST @ 2%	3,440.00		
Cur Bal: 9,580.00 Cr			
Cr National Enterprises		3,440.00	
Cur Bal: 2,30,560.00 Dr			
Narration:		3,440.00	3,440.00
		Accept ? Yes or No	

Figure 2.51 Sales Outside the State – Reversing the CST amount

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

2.11 Sales to SEZ Units against Form – I

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

Example 13:

On 27-4-2009, M/s National Traders sold the following items to Tech Apparels, Gujarat against Form I vide invoice number 012.

Item Description	Quantity (in Nos)	Rate	Amount
Fax Machines	2	15,000	30,000
Photo Copying Machines	1	43,000	43,000

Step 1:

i. Sundry Debtor Ledger

Create the Sundry Debtor ledger by following the steps given in Example 2.

Step 2:

Let us enter the transaction in Tally.ERP 9.

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

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

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

11. Select the Form to Receive as I Form

Accounting Voucher Creation		National Traders		Ctrl + M
Sales	No. 12			27-Apr-2009
Ref. : 012				Monday
Party's A/c Name : Tech Apparels Current Balance : Sales Ledger : Inter-State Sales VAT/Tax Class: Inter-State Sales				
Name of Item	Quantity	Rate per	Amount	
Fax Machine	2 Nos	15,000.00 Nos	30,000.00	
Photo Copying Machine	1 Nos	43,000.00 Nos	43,000.00	
			73,000.00	
☐ End of List				
Is Declared Goods Sales ? No				
Form to Receive : I Form				Date :
Show Statutory Details ? No				
Narration:				
			3 Nos	73,000.00

Form Types

☐ Not Applicable

☐ C Form

☐ F Form

☐ H Form

☒ **I Form**

Figure 2.52 Sales Invoice – Sales against Form I

12. Set the field **Show Statutory Details** as **No**
13. Accept the
14. Enter the details in the **Narration** field if required
15. Press **Y** or **Enter** to accept and save.

2.12 Sale of Special Category Goods

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

Example 14:

M/s National Traders, decided to add textiles into its line of business. So on 27-4-2009, it purchases 150 nos of silk fabrics (commodity code – 2127) at Rs. 1,500 each from Kiran Textiles, Chennai vide invoice number 03. The silk fabrics were taxable at 4% VAT.

Step 1:

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

i. Input VAT Ledger

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

Create the input VAT ledger with the following details:

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

ii. Purchase Ledger

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

Create the ledger with the following details:

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

Step 2:

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

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

1. Enter the Reference number in the **Ref.** field
2. Select the **Party's A/c Name** as **Kiran Textiles** from the **List of Ledger Accounts**
3. Select the **Name of Item** as **Silk Fabrics** from the **List of Items**
4. Enter the **Quantity** as **200** and **Rate** as **1,500**. The amount is automatically displayed in the **Amount** field
5. Select **Input VAT @ 4%** from the **List of Ledger Accounts**

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

Accounting Voucher Creation		National Traders		Ctrl + M	
Purchase No. 3				27-Apr-2009 Monday	
Ref. : 03					
Party's A/c Name : Kiran Textiles					
Current Balance :					
Purchase Ledger : Purchases @ 4%					
VAT/Tax Class: Purchases @ 4%					
Name of Item	Quantity	Rate	per	Amount	
Silk Fabrics	150 Nos	1,500.00	Nos	2,25,000.00	
Input VAT @ 4%			4 %	9,000.00	
Show Statutory Details ? No Narration: Being silk fabrics purchased.					
				150 Nos	Accept ? Yes or No

Figure 2.53 Purchase Invoice

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

Example 15:

On 28-4-2009, M/s National Traders sold 50 nos of Silk Fabrics at Rs. 1,700 each to Raj Textiles, Karnataka vide invoice number 013.

Step 1:

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

Creating Ledgers

i. Sale – Special Category Goods

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

Create the ledger with the following details:

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

ii. Sundry Debtor Ledger

Create the ledger – Raj Textiles under Sundry Debtors.

Step 2:

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

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

1. Enter the reference in the **Ref.** field
2. Select the **Party's A/c Name** as **Raj Textiles** from the List of Ledger Accounts
3. Enter the **Despatch Details** in the **Party Details** screen
4. Select **Sale – Special Category Goods** ledger in the **Sales Ledger** field from the List of Ledger Accounts
5. On selecting the **Sale – Special Category Goods**, the VAT/Tax Class appears as **Inter-State Sales–Spl. Category Goods** from the VAT/Tax Class list
6. Select the **Name of Item** as **Silk Fabrics**
7. Enter the **Quantity** as **50** and **Rate** as **1,700**. The value is automatically displayed in the **Amount** field.
8. Set the option **Is Declared Goods Sales** to **Yes**
9. Set the field **Show Statutory Details** as **No**
10. Enter the details in the **Narration** field, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Sales No. 13				28-Apr-2009
Ref. : 013				Tuesday
Party's A/c Name : Raj Textiles Current Balance : Sales Ledger : Sales - Special Category Goods VAT/Tax Class: Inter-State Sales - Spl. Category Goods				
Name of Item	Quantity	Rate per	Amount	
Silk Fabrics	50 Nos	1,700.00 Nos	85,000.00	
☐ End of List				
Is Declared Goods Sales ? Yes				
Form to Receive : ☐ Not Applicable				
Show Statutory Details ? No				
Narration: Being sale of goods accounted for.				
50 Nos				Accept ? Yes or No

Figure 2.54 Sales Invoice – Sale of Special Category Goods

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



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

2.13 Taxable Local Sales

Example 16:

On 28-3-2009, M/s National Traders sold 70 nos of silk fabrics at Rs. 1,600 each to Harshita Textiles vide invoice number 014. Output VAT was charged @ 4%.

Step 1:

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

Creating Ledger

i. Output VAT @ 4%

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

Create the ledger with the following details:

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

ii. Sales Ledger

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

Create the ledger with the following details:

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

iii. Sundry Debtor Ledger

Create the ledger – Harshita Textiles under Sundry Debtors

Step 2:

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

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

1. Enter the reference in the **Ref.** field, if required.
2. Select **Harshita Textiles** in the **Party's A/c Name** field from the List of Ledger Accounts.
3. Enter the **Despatch Details** in the **Party Details** screen
4. Select the Name of Item as Silk Fabrics
5. Enter the **Quantity** as **70** and **Rate** as **1,600**. The amount is automatically displayed in the **Amount** field
6. Select **Output VAT @ 4%** from the **List of Ledger Accounts**
7. Set **Show Statutory Details** field to **Yes**
8. Accept the **Statutory Details** screen
9. Enter the details in the **Narration** field, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Sales	No. 14			28-Apr-2009
Ref. : 014				Tuesday
Party's A/c Name : Harshita Textiles Current Balance : Sales Ledger : Sales @ 4% VAT/Tax Class: Sales @ 4%				
Name of Item	Quantity	Rate per	Amount	
Silk Fabrics	70 Nos	1,600.00 Nos	1,12,000.00	
Output VAT @ 4%		4 %	4,480.00	
Show Statutory Details ? No Narration: Being sales within the state accounted for.				
				Accept ? Yes or No

Figure 2.55 Sales Invoice

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

Lesson 3: Accounting for CST Adjustments & Payment

Lesson Objectives

On completion of this lesson, you will be able to

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

3.1 Sales Returns

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

Let us record the entries pertaining to sales returns for:

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

Sales made against C Forms

i. Returns

Example 17:

On 4-4-2009, M/s National Traders received the following items returned by Mc Millan Techsys against C Form. The goods returned was against the sales recorded on 2-4-2009.

Item Description	Quantity (in Nos)	Rate	Amount
Air Conditioner	1	28,000	28,000
Refrigerator	2	10,500	21,000

Step 1:

Let us enter the transaction in Tally.ERP 9.

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

Enable the following fields:

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

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

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

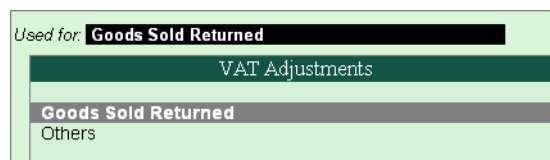


Figure 3.1 Credit Note – VAT Adjustments

3. Select **Mc Millan Techsys** as the **Party's A/c Name** from the List of Ledger Accounts
4. Select **Inter-State Sales** as the **Sales Ledger**
5. On selecting **Inter-State Sales**, the VAT /Tax Class appears as **Inter-State Sales**
6. Select the **Name of Item** as **Air conditioner** from the **List of Items**
7. Enter the **Quantity** as **1** and **Rate** as **28,000**. The **Amount** will be automatically displayed
8. Similarly, select **Refrigerator**, enter the **Quantity** as **2** and **Rate** as **10,500**
9. Select **Form C** as the **Form to Receive**
10. Set **Show Statutory Details** to **Yes**
11. Accept the **Statutory Details** screen

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

Accounting Voucher Creation		National Traders		Ctrl + M
Credit Note	No. 1			4-Apr-2009 Saturday
Ref. : 01	Used for: Goods Sold Returned			
Party's A/c Name : Mc Millan Techsys Current Balance : 3,29,740.00 Dr Sales Ledger : Inter-State Sales VAT/Tax Class: Inter-State Sales				
Name of Item	Quantity	Rate per	Amount	
Air Conditioner	1 Nos	28,000.00 Nos	28,000.00	
Refrigerators	1 Nos	10,500.00 Nos	10,500.00	
			38,500.00	
CST @ 2%		2 %	770.00	
Is Declared Goods Sales ? No Form to Receive : C Form Form No : Date : Form to Issue : ☐ Not Applicable Show Statutory Details ? No Narration: Being sales returns accounted for.				
			2 Nos	Accept ? Yes or No

Figure 3.2 Credit Note – Inter-State Sales

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

Sales against Form E1/E2

i. Returns

Example 18:

On 10-4-2009, M/s National Traders received 1 Washing Machine worth Rs. 12,000 from Rishita Traders against Form E1. The sales return was against the sales dated 7-4-2009.

Step 1:

Let us enter the transaction in Tally.ERP 9.

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

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

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

Accounting Voucher Creation		National Traders		Ctrl + M
Credit Note	No. 2			10-Apr-2009 Friday
Ref. : 02		Used for: Goods Sold Returned		
Party's A/c Name : Rishita Traders Current Balance : 1,77,500.00 Dr Sales Ledger : Inter-State Sales - Form E1 VAT/Tax Class: Inter State Sales Against Form - E1				
Name of Item	Quantity	Rate per	Amount	
Washing Machines	1 Nos	12,000.00 Nos	12,000.00	
☐ End of List				
Is Declared Goods Sales ? No				
Form to Receive : C Form	Form No :	Date :		
Form to Issue : E1 Form	Form No :	Date :		
Show Statutory Details ? No				
Narration:	1 Nos		Accept ? Yes or No	

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

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

ii. Price Variation – Increase in sale value

Example 19:

On 11-4-2009, M/s National Traders raised a debit note on Rishita Traders for an increase in Sale value of the following items against Form E1 on sales dated 7-4-2009:

Item Description	Amount
Water Purifier	2,000
Washing Machine	3,150

Step 1:

Let us enter the transaction in Tally.ERP 9.

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

1. Select the **Voucher** mode (use the key combination **Ctrl+V**) to record the increase in sale value.
2. Enter the reference number in the **Ref.** field
3. Select **Others** from the list of **VAT Adjustments** in the **Used For** field.
4. Debit **Rishita Traders** from the **List of Ledger Accounts** and enter the amount as **5,150** in the **Debit** field
5. In the **Bill-wise Details** screen select the reference dated 7-4-2009 and debit 5,150
6. Credit **Inter-State Sales – Form E1** from the List of Ledger Accounts
7. In the **Inventory Allocation** screen, select
 - **Water Purifier** and enter the amount as **2,000**
 - **Washing Machines** and enter the amount as **3,150**
8. Select the VAT/Tax Class as **Inter-State Sales Against Form – E1** from the **VAT/Tax Class** list
9. Set **Is Declared Goods Sales** to **No**
10. Select **Form C** as the **Form to Issue** and **E1 Form** as the **Form to Receive**
11. Enter the details in the **Narration** field, if required

Accounting Voucher Creation		National Traders	Ctrl + M
Debit Note No. 1			11-Apr-2009 Saturday
Ref.: 01		Used for: Others	
Particulars	Debit	Credit	
Dr Rishita Traders	5,150.00		
<i>Cur Bal: 1,70,650.00 Dr</i>			
Agst Ref 3	5,150.00 Dr		
Cr Inter-State Sales - Form E1		5,150.00	
<i>Cur Bal: 1,65,150.00 Cr</i>			
Water Purifiers	2,000.00		
Washing Machines	3,150.00		
Is Declared Goods Sales ? No			
Form to Issue : C Form		Form No :	Date :
Form to Receive : E1 Form		Form No :	Date :
Narration:		5,150.00	5,150.00
Increase in sale value accounted for.			
		Accept ?	
		Yes or No	

Figure 3.4 Debit Note – Increase in Sale Value

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

Stock Transfers

i. Returns

Example 20:

On 14-4-2009, National Enterprises returned 1 vacuum cleaner worth Rs. 15,000 to M/s National Traders against Form F towards goods despatched on 13-4-2009.

Step 1:

Let us enter the transaction in Tally.ERP 9.

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

1. Enter the reference number in the **Ref.** field.
2. Select **Goods Sold Returned** from list of **VAT Adjustments** in the **Used For** field
3. Select **National Enterprises** as the **Party's A/c Name** from the List of Ledger Accounts
4. Select **Branch Transfer Outwards** as the **Sales Ledger**
5. On selecting **Branch Transfer Outwards**, the VAT /Tax Class appears as **Consignment/ Branch Transfer Outward**
6. Select the **Name of Item** as **Vacuum Cleaner** from the **List of Items**
7. Enter the **Quantity** as **1** and **Rate** as **15,000**. The **Amount** will be automatically displayed
8. Set **Is Sale in Principal's A/c** to **No**
9. Select **Form F** as the **Form to Receive**
10. Set **Show Statutory Details** to **No**

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

Accounting Voucher Creation		National Traders		Ctrl + M
Credit Note No. 3				14-Apr-2009 Tuesday
Ref. : 03		Used for: Goods Sold Returned		
Party's A/c Name : National Enterprises Current Balance : 2,30,560.00 Dr Sales Ledger : Branch Transfer Outwards VAT/Tax Class: Consignment/Branch Transfer Outward				
Name of Item	Quantity	Rate per	Amount	
Vacuum Cleaners	1 Nos	15,000.00 Nos	15,000.00	
☐ End of List				
Is Sale in Principal's A/c : No Form to Receive : F Form Form No. : Date : Show Statutory Details ? No Narration: Being vacuum cleaner returned by branch office				
			1 Nos	Accept ? Yes or No

Figure 3.5 Credit Note – Stock Transfer

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

ii. Additions

Example 21:

On 15-4-2009, M/s National Traders raised a debit note of Rs. 2,800 on National Enterprises to account for an increase in the price of Washing Machines despatched on 13-4-2009.

Step 1:

Let us enter the transaction in Tally.ERP 9.

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

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

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

Accounting Voucher Creation		National Traders	Ctrl + M
Debit Note No. 2		15-Apr-2009 Wednesday	
Ref.: 02		Used for: Others	
Particulars	Debit	Credit	
Dr National Enterprises	2,800.00		
<i>Cur Bal: 2,18,360.00 Dr</i>			
Cr Branch Transfer Outwards		2,800.00	
<i>Cur Bal: 3,72,800.00 Cr</i>			
Washing Machines 2,800.00			
Is Sale in Principal's A/c : No			
Form to Issue : F Form		Form No : Date :	
Narration:		2,800.00	2,800.00
Being increase in sale value accounted for.			
		Accept ? Yes or No	

Figure 3.6 Debit Note – Stock Transfer

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

Consignment Transfers

i. Returns

Example 22:

On 17-4-2009, Parijata Enterprises returned 1 Refrigerator worth Rs. 8,500 to M/s National Traders against Form F towards goods despatched on 16-4-2009.

Step 1:

Let us enter the transaction in Tally.ERP 9.

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

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

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

Accounting Voucher Creation		National Traders		Ctrl + M
Credit Note		No. 4		17-Apr-2009
Ref. : 04				Friday
Used for: Goods Sold Returned				
Party's A/c Name : Parijata Enterprises Current Balance : 1,51,000.00 Dr Sales Ledger : Branch Transfer Outwards VAT/Tax Class: Consignment Branch Transfer Outward				
Name of Item	Quantity	Rate per	Amount	
Refrigerators	1 Nos	8,500.00 Nos	8,500.00	
☐ End of List				
Is Sale in Principal's A/c : Yes Form to Receive : F Form Form No : Date :				
Show Statutory Details ? No Narration:				
1 Nos				Accept ? Yes or No

Figure 3.7 Credit Note – Consignment Transfer

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

ii. Additions

Example 23:

On 18-4-2009, M/s National Traders raised a debit note against Form F for Rs. 4,800 on Parijata Enterprises towards increase in the price of Water Purifier despatched on 16-4-2009.

Step 1:

Let us enter the transaction in Tally.ERP 9.

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

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

Accounting Voucher Creation		National Traders	Ctrl + M
Debit Note No. 3			18-Apr-2009 Saturday
Ref.: 03		Used for: Others	
Particulars	Debit	Credit	
Dr Parijata Enterprises Cur Bal: 1,47,300.00 Dr	4,800.00		
Cr Branch Transfer Outwards Cur Bal: 3,69,100.00 Cr		4,800.00	
Water Purifiers 4,800.00			
Is Sale in Principal's A/c : Yes			
Form to Issue : F Form		Form No : Date :	
Narration:		4,800.00	4,800.00
		Accept ? Yes or No	

Figure 3.8 Debit Note – Consignment Transfer

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

Sales in the Course of Imports into India

i. Returns

Example 24:

On 24-4-2009, M/s National Traders received 1 Fax Machine worth Rs. 15,000 returned by Home Electronics against the sales recorded on 23-4-2009.

Step 1:

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

To create a Credit Note for Goods Sold Returned,

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

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

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

Accounting Voucher Creation		National Traders		Ctrl + M
Credit Note No. 5		Ref. : 05		24-Apr-2009 Friday
Used for: Goods Sold Returned				
Party's A/c Name : Home Electronics Current Balance : 2,86,000.00 Dr Sales Ledger : Sales in the Course of Import VAT/Tax Class: Sales in the Course of Import into India				
Name of Item	Quantity	Rate per	Amount	
Fax Machine	1 Nos	15,000.00 Nos	15,000.00	
☐ End of List				
Show Statutory Details ? No Narration: Being fax machine returned by customer.				
			1 Nos	Accept ? Yes or No

Figure 3.9 Credit Note – Sales in the Course of Import

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

ii. Additions

Example 25:

On 25-4-2009, M/s National Traders raised a debit note of Rs. 4,000 on Home Electronics towards increase in the price of Vending Machines despatched on 23-4-2009.

Step 1:

Let us enter the transaction in Tally.ERP 9.

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

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

7. Select the VAT/Tax Class as **Sales in the Course of Import into India** from the **VAT/Tax Class** list
8. Enter the details in the **Narration** field, if required

Accounting Voucher Creation		National Traders	Ctrl + M
Debit Note	No. 4	25-Apr-2009 Saturday	
Ref.: 04		Used for: Others	
Particulars	Debit	Credit	
Dr Home Electronics	4,000.00		
<i>Cur Bal: 2,75,000.00 Dr</i>			
Agst Ref 10	4,000.00 Dr		
Cr Sales in the Course of Import		4,000.00	
<i>Cur Bal: 2,75,000.00 Cr</i>			
Vending Machine	4,000.00		
Narration:			
Being increase in price on account of sales in course of import accounted for.			
	4,000.00	4,000.00	

Accept ?

Yes or No

Figure 3.10 Debit Note – Sales in the Course of Import

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

3.2 Adjustment Entries Pertaining to CST

3.2.1 Adjustment Towards Advance Tax or Refund

The advance CST payments, if any, made by the dealer can be adjusted towards the actual CST liability for the return period. For setting off the advance payments with the CST liability of current period, a journal entry with VAT Adjustment – **Adjustment Towards Advance Tax or Refund** needs to be made.

Example 26:

On 2-4-2009, M/s National Traders paid Rs. 500 as advance payment towards CST. On 30-4-2009, the advance amount paid was adjusted against a portion of the actual CST liability.

Step 1:

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

Advance Tax ledger

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

Create the ledger with the following details:

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

Step 2:

Let us record the transaction in Tally.ERP 9

i. Advance CST Payment voucher

To create an advance CST payment voucher,

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

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

Accounting Voucher Creation National Traders Ctrl + M

Payment No. 1 2-Apr-2009 Thursday

Account : **National Bank**
Cur Bal: 55,500.00 Dr

Particulars	Amount
Advance Tax Cur Bal: 500.00 Dr	500.00

Narration:
Ch. No.: 003214

500.00

Accept?
Yes or No

Figure 3.11 Advance CST Payment Voucher

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

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

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

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

1. Select the **Voucher Class** as **VAT Adjustment Class**
2. Select **Adjustment Towards Advance Tax or Refund** as the **VAT Adjustment** in the **Used for** field.
3. Debit **CST @ 2%** ledger. In the **VAT Class Details** screen, select the VAT/Tax Class as **Inter-State Sales** and do not enter the assessable value
4. Enter the amount as **500** in the **Debit** field
5. Credit the **Advance Tax** ledger grouped under **Current Assets**
6. The **Credit** amount is automatically entered
7. Enter the details in the field **Narration**, if required

Accounting Voucher Creation		National Traders	Ctrl + M
Journal	No. 3	Voucher Class : VAT Adjustment Class	30-Apr-2009 Thursday
Used for: Adjustment Towards Advance Tax Or Refund			
Particulars	Debit	Credit	
Dr CST @ 2% Cur Bal: 8,310.00 Cr	500.00		
Cr Advance Tax Cur Bal: 0.00 Cr		500.00	
Narration: Being CST liability adjusted towards advance tax paid.		500.00	500.00

Accept ?
Yes or No

Figure 3.12 Journal Voucher – Adjustment Towards Advance Tax or Refund

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

3.2.2 Adjustment Towards Entry Tax Paid

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

Example 27:

On 30-4-2009, M/s National Traders recorded an adjustment entry for entry tax of Rs. 1,000 paid towards goods imported on 23-4-2009.

Step 1:

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

Entry Tax Ledger

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

Create the ledger with the following details:

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

Step 2:

i. Entry Tax Payment voucher

Create a payment voucher by following the steps given in example 26. The completed payment voucher displays as shown:

Accounting Voucher Creation		National Traders	Ctrl + M
Payment	No. 2		30-Apr-2009 Thursday
Account : National Bank Cur Bal: 53,500.00 Dr			
Particulars		Amount	
Entry Tax Cur Bal: 1,000.00 Dr		1,000.00	
Narration: Ch. No. :003300			
		1,000.00	
			Accept ? Yes or No

Figure 3.13 Entry Tax Payment Voucher

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

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

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

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

Accounting Voucher Creation		National Traders	Ctrl + M
Journal	No. 4	Voucher Class : VAT Adjustment Class	30-Apr-2009 Thursday
Used for: Adjustment Towards Entry Tax Paid			
Particulars	Debit	Credit	
Dr CST @ 2% Cur Bal: 7,310.00 Cr	1,000.00		
Cr Entry Tax Cur Bal: 0.00 Cr		1,000.00	
Narration: Being entry tax adjusted towards CST liability.		1,000.00	1,000.00
		Accept ? Yes or No	

Figure 3.14 Journal Voucher – Adjustment Towards Entry Tax Paid

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

3.2.3 Adjusting Excess Input Tax Credit against CST Dues

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

Example 28:

On 30-4-2009, M/s National Traders made the following entries:

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

Step 1:

Let us enter the transaction in Tally.ERP 9.

1. Adjustment of output VAT against input tax credit

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

1. Debit the **Output VAT @ 4%** ledger
2. Enter the amount as **4,480** in the **Debit** field
3. Credit the **Input VAT @ 4%** ledger and the **VAT/Tax Class** appears as **Input VAT @ 4%** automatically
4. The **Credit** amount is automatically entered
5. Enter the details in the field **Narration**, if required

Accounting Voucher Creation		National Traders	Ctrl + M
Journal	No. 5	Voucher Class : ☐ Not Applicable	30-Apr-2009 Thursday
Particulars	Debit	Credit	
Dr Output VAT @ 4% Cur Bal: 0.00 Dr	4,480.00		
Cr Input VAT @ 4% Cur Bal: 4,520.00 Dr		4,480.00	
Narration: Being output VAT adjusted towards excess input tax credit.		4,480.00	4,480.00
		Accept ? Yes or No	

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

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

1. Select **Adjustment Towards CST** as the **VAT Adjustment** in the **Used for** field
2. Debit the **CST @ 2%** ledger. In the VAT Class Details screen, select **Inter-State Sales** as the **VAT/Tax Class** and do not enter the assessable value
3. Enter the amount as **4,520** in the **Debit** field
4. Credit the **Input VAT @ 4%** ledger and the **VAT/Tax Class** appears as **Input VAT @ 4%** automatically
5. The **Credit** amount is automatically entered
6. Enter the details in the field **Narration**, if required

Accounting Voucher Creation		National Traders		Ctrl + M
Journal	No. 6	Voucher Class : VAT Adjustment Class		30-Apr-2009 Thursday
Used for: Adjustment Towards CST				
Particulars		Debit	Credit	
Dr CST @ 2%		4,520.00		
Cur Bal: 2,790.00 Cr				
Cr Input VAT @ 4%			4,520.00	
Cur Bal: 0.00 Cr				
Narration:			4,520.00	4,520.00
Being a portion of CST liability adjusted towards available input tax credit.				

Accept ?
 Yes or No

Figure 3.16 Journal Voucher – Adjustment Towards CST

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

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

Example 29:

On 30-4-2009, M/s National Traders paid Rs. 2,790 as CST dues.

Step 1:

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

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

1. In the Payment voucher screen, click the **VAT Payment** button or press **Alt + V** to display the **VAT Payment Details** sub-screen

The screenshot shows the 'Accounting Voucher Creation' window for 'National Traders'. The voucher type is 'Payment' (No. 3) dated '30-Apr-2009 Thursday'. The 'V: VAT Payment' button in the right-hand toolbar is highlighted with a red box and a red arrow.

Figure 3.17 Payment Voucher – VAT Payment Button

2. In the **Period From** field, enter the dates as **1-4-2009** to **30-4-2009**, as the period for which payment is being made
3. Select **CST** as the type of payment in the **Payment Towards** field
4. Select **Type of Payment** as **Not Applicable**
5. Enter the date as **30-4-2009** in **Deposit Date** field

6. Enter the **Name of Bank & Branch (remittance)** as **National Bank**, **Branch code (remittance)** as **21582** and **Instrument No.** as **003214**

VAT Payment Details	
Period From	: 1-Apr-2009 To 30-Apr-2009
Payment towards	: CST
Type of Payment	: ☐ Not Applicable
Deposit Date	: 30-Apr-2009
Name of the Bank & Branch(remittance)	: National Bank
Branch code(remittance)	: 21582
Instrument No.	: 003214

Figure 3.18 VAT Payment Details

7. Accept the **VAT Payment Details** screen and the **Payment voucher** screen will be displayed.
 8. Select **National Bank** in the **Account** field
 9. Debit the ledger **CST @ 2%** and enter **2,790** in the amount field
 10. Enter the details in the field **Narration**, if required

Accounting Voucher Creation		National Traders	Ctrl + M
Payment No. 3		30-Apr-2009 Thursday	
Account : National Bank Cur Bal: 50,710.00 Dr			
Particulars	Amount		
CST @ 2% Cur Bal: 0.00 Dr	2,790.00		
Narration: Ch. No. :003214		2,790.00	
		Accept ? Yes or No	

Figure 3.19 CST payment Voucher

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

Lesson 4: CST Reports

Lesson Objectives

On completion of this lesson, you will be able to

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

4.1 CST Details in VAT Computation

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

To view the VAT Computation report,

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

The **VAT Computation** report displays as shown:

VAT Computation		National Traders		Ctrl + M
Particulars		National Traders 1-Apr-2009 to 30-Apr-2009		
		Assessable Value	Tax Amount	
Sales				
A. Output Tax				
Inter-State Sales		3,41,500.00	2,790.00	
Inter State Sales Against Form - E1		1,70,650.00		
Inter State Sales Against Form - E2		1,40,000.00		
Inter- State Sales - Exempted		5,100.00		
Inter-State Sales - Spl. Category Goods		85,000.00		
Inter- State Sales - Tax Free		1,72,000.00		
Output VAT @ 4%		1,12,000.00	4,480.00	
Total Output Tax		10,26,250.00	7,270.00	
Purchases				
B. Input Tax				
Excess Input Credit Brought Forward				
Input VAT @ 4%		2,25,000.00	4,480.00	
Total Input Credit		2,25,000.00	4,480.00	
VAT Payable			2,790.00	

Figure 4.1 VAT Computation

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

Assessable Value

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

Tax Amount

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



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

Show CST Details

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

VAT Computation		National Traders		Ctrl + M	
Particulars		National Traders		1-Apr-2009 to 30-Apr-2009	
		Assessable Value		Tax Amount	
Sales					
A. Output Tax					
Inter-State Sales		3,41,500.00		2,790.00	
CST @ 2%	2 %	12,250.00			
Inter State Sales Against Form - E1		1,70,650.00			
Inter State Sales Against Form - E2		1,40,000.00			
Inter- State Sales - Exempted		5,100.00			
Inter-State Sales - Spl. Category Goods		85,000.00			
Inter- State Sales - Tax Free		1,72,000.00			
Output VAT @ 4%		1,12,000.00		4,480.00	
Others (VAT Not Applicable)					
Consignment/Branch Transfer Outward		3,69,100.00			
Exports		7,53,600.00			
Sales(Against Form-H Deemed Export)		1,50,000.00			
Sales in the Course of Import Into India		2,75,000.00			
Total Output Tax		25,73,950.00		7,270.00	
Purchases					
B. Input Tax					
Excess Input Credit Brought Forward					
Input VAT @ 4%		2,25,000.00		4,480.00	
Others (VAT Not Applicable)					
Imports		11,05,000.00			
Inter-State Purchases		21,11,400.00			
					1 more ...
VAT Payable				2,790.00	

Figure 4.2 VAT Computation with CST Break-up

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

VAT Computation		National Traders		Ctrl + M	
Particulars		National Traders		1-Apr-2009 to 30-Apr-2009	
		Assessable Value	Tax Amount		
Sales					
A. Output Tax					
Inter-State Sales			3,41,500.00	2,790.00	
CST @ 2%		2 %	12,250.00		
Gross value		7,24,000.00	13,020.00		
Adjustment Towards Advance Tax Or Refund			(-)500.00		
Adjustment Towards CST			(-)4,520.00		
Adjustment Towards Entry Tax Paid			(-)1,000.00		
Goods Sold Returned		(-)38,500.00	(-)770.00		
Others		(-)1,72,000.00	(-)3,440.00		
Sale of Goods Outside the State		(-)1,72,000.00			
Inter State Sales Against Form - E1			1,70,650.00		
Gross value		1,77,500.00			
Goods Sold Returned		(-)12,000.00			
Others		5,150.00			
Inter State Sales Against Form - E2			1,40,000.00		
Inter- State Sales - Exempted			5,100.00		
Inter-State Sales - Spl. Category Goods			85,000.00		
Inter- State Sales - Tax Free			1,72,000.00		
Sale of Goods Outside the State		1,72,000.00			
Output VAT @ 4%			1,12,000.00	4,480.00	
Others (VAT Not Applicable)					
Consignment/Branch Transfer Outward			3,69,100.00		
Gross value		3,85,000.00			
Goods Sold Returned		(-)23,500.00			
Others		7,600.00			
Exports			7,53,600.00		
Sales(Against Form-H Deemed Export)			1,50,000.00		
Sales in the Course of Import Into India			2,75,000.00		
Gross value		2,86,000.00			
Goods Sold Returned		(-)15,000.00			
Others		4,000.00			
Total Output Tax			25,73,950.00	7,270.00	
Purchases					
B. Input Tax					
Excess Input Credit Brought Forward					
Input VAT @ 4%			2,25,000.00	4,480.00	
Gross value		2,25,000.00	9,000.00		
Adjustment Towards CST			(-)4,520.00		
Others (VAT Not Applicable)					
Imports			11,05,000.00		
Inter-State Purchases			21,11,400.00		
Total Input Credit			34,41,400.00	4,480.00	
VAT Payable					2,790.00

Figure 4.3 VAT Computation – CST Adjustment Entries

4.2 CST Reports

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

To view CST Reports:

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

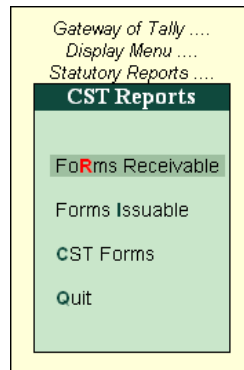


Figure 4.4 CST Reports Menu

The **CST Reports** menu consists of:

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

4.3 Forms Receivables

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

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

To view **Form Receivables Report**

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

i. Ledger-Wise Forms Receivables Report

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

National Traders
Name of Ledger
List of Ledgers
Excel Traders
Logic Electronics
Mc Millan Techsys
National Enterprises
Parijata Enterprises
Rishita Traders
Tech Apparels

Figure 4.5 Forms Receivables – Ledger Selection

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

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

Forms Receivable		National Traders				Ctrl + M			F3: Company	
Ledger Name: Mc Millan Techsys						1-Apr-2009 to 30-Apr-2009			F5: Auto Fill - CST	
Date	Particulars	Vch Type	Vch No.	Assessable Value	CST Amount	Invoice Amount	Form Type	Form Number	Form Date	S: Set Form No.
3-4-2009	Inter-State Sales	Sales	2	56,000.00 Dr	1,120.00 Dr	68,620.00 Dr	C Form	M-36783	4-Apr-2009	
4-4-2009	Inter-State Sales	Credit Note	1	36,500.00 Cr	770.00 Cr	39,270.00 Cr	C Form	M-37635	6-Apr-2009	

Figure 4.6 Forms Receivables – Set Form Number

Press **Enter** to accept and save.



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

i. Group-Wise Forms Receivables Report

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

Forms Receivable		National Traders				Ctrl + M			F3: Company	
Group Name: Sundry Debtors						1-Apr-2009 to 30-Apr-2009				
Date	Particulars	Vch Type	Vch No.	Assessable Value	CST Amount	Invoice Amount	Form Type	Form Number	Form Date	
7-4-2009	Rishita Traders	Sales	3	1,77,500.00 Dr		1,77,500.00 Dr	C Form			
9-4-2009	Logic Electronics	Sales	4	1,40,000.00 Dr		1,40,000.00 Dr	C Form			
10-4-2009	Rishita Traders	Credit Note	2	12,000.00 Cr		12,000.00 Cr	C Form			
11-4-2009	Rishita Traders	Debit Note	1	5,150.00 Dr		5,150.00 Dr	E1 Form			
20-4-2009	Excel Traders	Sales	8	1,50,000.00 Dr		1,50,000.00 Dr	H Form			
27-4-2009	Excel Traders	Sales	11	3,44,000.00 Dr	6,880.00 Dr	3,50,880.00 Dr	C Form			
27-4-2009	Tech Apparels	Sales	12	73,000.00 Dr		73,000.00 Dr	I Form			

Figure 4.7 Forms Receivables – Sundry Debtors Group

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

Configuration		
Show All Vouchers	?	No
Show Vouchers of	:	☐ Not Applicable
Sort by Party Name	?	Yes

Figure 4.8 F12: Configuration

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

Forms Receivable		National Traders					Ctrl + M 	
Group Name: Sundry Debtors		1-Apr-2009 to 30-Apr-2009						
Date	Particulars	Vch Type	Vch No.	Assessable Value	CST Amount	Invoice Form Amount Type	Form Number	Form Date
20-4-2009	Excel Traders	Sales	8	1,50,000.00 Dr		1,50,000.00 Dr	H Form	
27-4-2009	Excel Traders	Sales	11	3,44,000.00 Dr	6,880.00 Dr	3,50,880.00 Dr	C Form	
9-4-2009	Logic Electronics	Sales	4	1,40,000.00 Dr		1,40,000.00 Dr	C Form	
7-4-2009	Rishita Traders	Sales	3	1,77,500.00 Dr		1,77,500.00 Dr	C Form	
10-4-2009	Rishita Traders	Credit Note	2	12,000.00 Cr		12,000.00 Cr	C Form	
11-4-2009	Rishita Traders	Debit Note	1	5,150.00 Dr		5,150.00 Dr	E1 Form	
27-4-2009	Tech Apparels	Sales	12	73,000.00 Dr		73,000.00 Dr	I Form	

Figure 4.9 Forms Receivables – Sorted by Party Name

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

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

Figure 4.10 F12: Configuration – Selection of Form Type

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

Forms Receivable				National Traders				Ctrl + M 	
Group Name: Sundry Debtors				1-Apr-2009 to 30-Apr-2009					
Date	Particulars	Vch Type	Vch No.	Assessable Value	CST Amount	Invoice Amount	Form Type	Form Number	Form Date
27-4-2009	Excel Traders	Sales	11	3,44,000.00 Dr	6,880.00 Dr	3,50,880.00 Dr	C Form	E-3452	28-Apr-2009
9-4-2009	Logic Electronics	Sales	4	1,40,000.00 Dr		1,40,000.00 Dr	C Form	L-2541	10-Apr-2009
7-4-2009	Rishita Traders	Sales	3	1,77,500.00 Dr		1,77,500.00 Dr	C Form		
10-4-2009	Rishita Traders	Credit Note	2	12,000.00 Cr		12,000.00 Cr	C Form		

Figure 4.11 Forms Receivables – Group – Form Number and Date

Accept the **Forms Receivable** screen.



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

4.4 Forms Issuable

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

To view Form Issuable Report

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

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

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

i. Group-wise Form Issuables Report

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

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

Form Issuable			National Traders					Ctrl + M			
Group Name : Sundry Creditors			1-Apr-2009 to 30-Apr-2009								
Date	Particulars	Vch Type	Vch No.	Reference	Effective Date	Assessable Value	CST Amount	Invoice Form Amount Type	Form Number	Form Date	
1-4-2009	Universal Traders	Purchase	1	01	1-4-2009	20,70,000.00 Cr	41,400.00 Cr	21,11,400.00 Cr	C Form	05412	1-Apr-2009

Figure 4.12 Forms Issuables – Sundry Creditors



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

ii. Ledger-Wise Forms Issuables Report

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

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

Forms Issuable National Traders Ctrl + M									
Ledger Name: Rishita Traders 1-Apr-2009 to 30-Apr-2009									
Date	Particulars	Vch Type	Vch No. Reference	Effective Date	Assessable Value	CST Amount	Invoice Form Amount Type	Form Number	Form Date
7-4-2009	Inter-State Sales - Form E1	Sales	3 03	7-4-2009	1,77,500.00 Dr		1,77,500.00 Dr E1 Form		
10-4-2009	Inter-State Sales - Form E1	Credit Note	2 02	10-4-2009	12,000.00 Cr		12,000.00 Cr E1 Form		
11-4-2009	Inter-State Sales - Form E1	Debit Note	1 01	11-4-2009	5,150.00 Dr		5,150.00 Dr C Form		

Figure 4.13 Forms Issuable – Rishita Traders

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

Forms Issuable National Traders Ctrl + M									
Ledger Name: Rishita Traders 1-Apr-2009 to 30-Apr-2009									
Date	Particulars	Vch Type	Vch No. Reference	Effective Date	Assessable Value	CST Amount	Invoice Form Amount Type	Form Number	Form Date
7-4-2009	Inter-State Sales - Form E1	Sales	3 03	7-4-2009	1,77,500.00 Dr		1,77,500.00 Dr E1 Form	R-2435	9-Apr-2009
10-4-2009	Inter-State Sales - Form E1	Credit Note	2 02	10-4-2009	12,000.00 Cr		12,000.00 Cr E1 Form	R-4556	11-Apr-2009
11-4-2009	Inter-State Sales - Form E1	Debit Note	1 01	11-4-2009	5,150.00 Dr		5,150.00 Dr C Form	R-6644	13-Apr-2009

Figure 4.14 Forms Issuable – Rishita Traders

Accept the **Forms Issuable** screen.

4.5 Auto-Fill Option for CST

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

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

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

Forms Receivable National Traders Ctrl + M									
Ledger Name: National Enterprises 1-Apr-2009 to 30-Apr-2009									
Date	Particulars	Vch Type	Vch No.	Assessable Value	CST Amount	Invoice Form Amount Type	Form Number	Form Date	
13-4-2009	Branch Transfer Outwards	Sales	5	2,34,000.00 Dr		2,34,000.00 Dr F Form			
14-4-2009	Branch Transfer Outwards	Credit Note	3	15,000.00 Cr		15,000.00 Cr F Form			

F3: Company
F5: Auto Fill - CST
S: Set Form No.

Figure 4.15 Forms Receivables – Auto Fill

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

In the **Set Form Numbers** screen,

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

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

Configuration		
Form Type	Form No	Form Date
F Form	025412	15-4-2009

Figure 4.16 Auto-Fill – Set Form Numbers

Press **Enter** to accept the configuration.

Form Number and Form Date are captured and displayed as shown:

Forms Receivable		National Traders				Ctrl + M			
Ledger Name: National Enterprises						1-Apr-2009 to 30-Apr-2009			
Date	Particulars	Vch Type	Vch No.	Assessable Value	CST Amount	Invoice Amount	Form Type	Form Number	Form Date
13-4-2009	Branch Transfer Outwards	Sales	5	2,34,000.00 Dr		2,34,000.00 Dr	F Form	025412	15-Apr-2009
14-4-2009	Branch Transfer Outwards	Credit Note	3	15,000.00 Cr		15,000.00 Cr	F Form	025412	15-Apr-2009

Figure 4.17 Forms Receivables – Form Numbers and Date using Auto Fill Option

Press **Enter** to accept and save.

4.6 Viewing All Vouchers

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

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

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

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

Forms Receivable		National Traders						Ctrl + M	
Group Name: Sundry Debtors		1-Apr-2009 to 30-Apr-2009							
Date	Particulars	Vch Type	Vch No.	Assessable Value	CST Amount	Invoice Amount	Form Type	Form Number	Form Date
27-4-2009	Excel Traders	Sales	11	3,44,000.00 Dr	6,880.00 Dr	3,50,880.00 Dr	C Form	E-3452	28-Apr-2009
9-4-2009	Logic Electronics	Sales	4	1,40,000.00 Dr		1,40,000.00 Dr	C Form	L-2541	10-Apr-2009
2-4-2009	Mc Millan Techsys	Sales	1	2,51,000.00 Dr	5,020.00 Dr	2,56,020.00 Dr	C Form	12452	2-Apr-2009
3-4-2009	Mc Millan Techsys	Sales	2	56,000.00 Dr	1,120.00 Dr	68,620.00 Dr	C Form	M-36783	4-Apr-2009
4-4-2009	Mc Millan Techsys	Credit Note	1	38,500.00 Cr	770.00 Cr	39,270.00 Cr	C Form	M-37635	6-Apr-2009
7-4-2009	Rishita Traders	Sales	3	1,77,500.00 Dr		1,77,500.00 Dr	C Form		
10-4-2009	Rishita Traders	Credit Note	2	12,000.00 Cr		12,000.00 Cr	C Form		
Total				9,18,000.00 Dr	12,250.00 Dr	9,41,750.00 Dr			

Figure 4.18 Forms Receivables – Show All Vouchers

4.7 Reminder and Covering Letters

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

4.7.1 Reminder Letters

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

- ❑ Select **Rishita Traders** from **List of Ledgers**
- ❑ Change the period as **1-4-2009** to **11-4-2009**
- ❑ In the **Forms Receivable** screen, click on the **P: Print** button (Alt + P)

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

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

Figure 4.19 Report Generation screen – Reminder Letter

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

To : Rishita Traders F Block #45, Rajan Arcade Bhopal		From : National Traders 56, Anna Building G.S.T Road, Guindy Chennai	
Dear Sir/Madam,		Dated: 12-Apr-2009	
<u>SUB : Pending Sales Tax Forms</u>			
Given below is the details of Invoices issued in your Name for which Sales Tax Forms were not received by us.			
We request you to take immediate steps to issue the same and oblige.			
Date	Reference	Assessable Value	CST Amount Invoice Amount Form Type
7-Apr-2009	3	1,77,500.00 Dr	1,77,500.00 Dr C Form
10-Apr-2009	2	12,000.00 Cr	12,000.00 Cr C Form
11-Apr-2009	1	5,150.00 Dr	5,150.00 Dr E1 Form
		1,70,650.00 Dr	1,70,650.00 Dr
Yours faithfully,			
Authorised Signatory			

Figure 4.20 Reminder Letter – Print Preview screen

4.7.2 Covering Letters

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

- ❑ Select **Universal Traders** from **List of Ledgers**
- ❑ In the **F12: Configuration**, set **Show All Vouchers** to **Yes**
- ❑ Change the period as **1-4-2009** to **3-4-2009**
- ❑ In the **Forms Issuable** screen, click on **P: Print** (Alt + P)
- ❑ In the **Report Generation** screen, set **Print Covering Letter** to **Yes**

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

To : Universal Traders #106, St. Marks Road Bangalore	From : National Traders 56, Anna Building G.S.T Road, Guindy <u>Chennai</u>																					
Dear Sir/Madam,																						
<u>Sub : Issue of Sales Tax Forms</u>																						
Dated : 4-Apr-2009																						
Given below is the details of Invoices received by us for which the Sales Tax Forms are enclosed. Kindly acknowledge the receipt of the same.																						
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Date Reference</th> <th style="text-align: right;">Assessable Value</th> <th style="text-align: right;">CST Amount</th> <th style="text-align: right;">Invoice Amount</th> <th style="text-align: left;">Form Type</th> <th style="text-align: right;">Form No</th> <th style="text-align: right;">Issue Date</th> </tr> </thead> <tbody> <tr> <td>1-Apr-2009 1</td> <td style="text-align: right;">20,70,000.00 Cr</td> <td style="text-align: right;">41,400.00 Cr</td> <td style="text-align: right;">21,11,400.00 Cr</td> <td>C Form</td> <td style="text-align: right;">05412</td> <td style="text-align: right;">1-Apr-2009</td> </tr> <tr> <td></td> <td style="text-align: right;">20,70,000.00 Cr</td> <td style="text-align: right;">41,400.00 Cr</td> <td style="text-align: right;">21,11,400.00 Cr</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Date Reference	Assessable Value	CST Amount	Invoice Amount	Form Type	Form No	Issue Date	1-Apr-2009 1	20,70,000.00 Cr	41,400.00 Cr	21,11,400.00 Cr	C Form	05412	1-Apr-2009		20,70,000.00 Cr	41,400.00 Cr	21,11,400.00 Cr			
Date Reference	Assessable Value	CST Amount	Invoice Amount	Form Type	Form No	Issue Date																
1-Apr-2009 1	20,70,000.00 Cr	41,400.00 Cr	21,11,400.00 Cr	C Form	05412	1-Apr-2009																
	20,70,000.00 Cr	41,400.00 Cr	21,11,400.00 Cr																			
Yours faithfully, _____ Authorised Signatory																						

Figure 4.21 Covering Letter – Print Preview screen

4.8 CST Return Form

To view the CST Return Form,

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

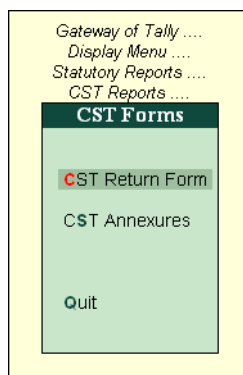


Figure 4.22 CST Forms Menu

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

Printer	: HP LaserJet 2300L PCL 6 (LPT1:)	Paper Type	: A4
No. of Copies	: 1		
Print Language	: English		(Printing Dimensions)
Method	: Neat Mode	Paper Size	: (8.27" x 11.69") or (210 mm x 297 mm)
Page Range	: All	Print Area	: (7.95" x 11.34") or (202 mm x 288 mm)
Report Titles			
CST Return Form			
(with Print Preview)			
From (blank for beginning)	: 1-4-2009		
To (blank for end)	: 30-4-2009		
Name	: T. Selvam		
Status/Designation	: Accounts Officer		
Place	: G.S.T. Road, Guindy		
Date	: 30-4-2009		
Area Code	: 125		
Name of Circle/Sector	: 785R		
			Print ? Yes or No

Figure 4.23 CST Return Form – Report Generation screen

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

FORM I FORM OF RETURN UNDER RULE 5 OF THE CENTRAL SALES TAX (TAMIL NADU) RULES, 1957					
FORM No.1		Area Code	1	2	5
FORM OF RETURN Under Rule 5 of Central Sales Tax (Tamil Nadu) Rules, 1957		CST Regn. No.	12345678901		
Return for the period from 1-Apr-2009 to 30-Apr-2009		TNGST / TIN Registration No.	22452148522		
To The Assessing Authority 785R Assessment Circle		Telephone No.	044-22387994		
Name of the Dealer National Traders					
Principal place of business and address		56, Anna Building, G.S.T Road, Guindy, Chennai, PIN Code :600 032			
1. Transfer of goods otherwise than by way of sale as referred to in Section 6-A of the Act.		Rs. 3,69,100.00			
1-A Value of goods transferred to the assessee's place of business in the other States.		Rs. 2,21,800.00			
1-B Value of goods transferred to the assessee's agent or principal in the other States.		Rs. 1,47,300.00			
2. GROSS amount received or receivable by the dealer during the period in respect of sales of goods.		Rs. 24,39,870.00			
Deduct: (i) Sales of goods outside the State (as defined in Section 4 of the Act)		Rs. 1,75,440.00			
(ii) Sales of goods in the course of export outside India [as defined in Section 5(1) of the Act]		Rs. 7,53,600.00			
(iii) Sales of goods in the course of import into India [as defined in Section 5(2) of the Act] - Details to be furnished in Annexure I.		Rs. 2,75,000.00			
(iv) Last sale of goods preceding the sale occasioning the export of those goods outside India [as defined in Section 5(3) of the Act]		Rs. 1,50,000.00			
TOTAL OF 2(i), (ii), (iii) & (iv)		Rs. 13,54,040.00			
3. BALANCE - Turnover on inter-State sales and sales within the State		Rs. 10,85,830.00			
Deduct - Turnover on sales within the State		Rs. 1,12,000.00			
4. BALANCE - Turnover on inter-State sales		Rs. 9,73,830.00			
Deduct: (i) Cash discount allowed according to the practice normally prevailing in the trade and cost of freight, delivery or installation when such cost is separately charged.		Rs. 11,500.00			
(ii) Tax collections deducted according to Section 8-A(1)(a)		Rs. 8,810.00			
(iii) Sale price repaid to purchasers in respect of goods returned by them according to Section 8-A(1)(b) of the Act.		Rs. 2,11,270.00			
TOTAL OF 4(i), (ii) & (iii)		Rs. 2,31,580.00			
5. BALANCE - Total turnover on inter-State sales		Rs. 7,42,250.00			
5-A. Turnover on account of subsequent sales to registered dealers exempt under Section 6(2) of the Act - Details to be furnished in Annexure II.		Rs. 3,10,650.00			
5-B. Turnover in goods exempt from tax under Section 8(2-A) of the Act - (Commodity wise turnover should be furnished)		Rs. 5,100.00			
5-C. Turnover exempt under Section 8(5) of the Act - (Commodity wise turnover should be furnished)		Rs. 85,000.00			
TOTAL OF 5-A, 5-B & 5-C		Rs. 4,00,750.00			
6. BALANCE turnover on account of sales taxable under the Act.		Rs. 3,41,500.00			

Figure 4.24 CST Form I – Page 1

GOODS-WISE BREAK-UP OF TURNOVER ON ACCOUNT OF SALE TAXABLE UNDER THE ACT						
APPENDIX I - DECLARED GOODS						
Sl. No.	NAME OF THE COMMODITY	Commodity Code Number	Rate of Tax	Taxable Turnover	Tax Due	Tax Collected
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Silk Fabrics	2127		85,000.00		
	TOTAL			85,000.00		
APPENDIX II - OTHER GOODS						
1	Periodicals	711		5,100.00		
	TOTAL			5,100.00		
1. Tax payable as per return in Form 1					Rs.	8,810.00
2. (a) Adjustment of Advance tax / Refund					Rs.	500.00
(b) Entry Tax, if any paid					Rs.	1,000.00
(c) Input Tax Credit available on Form I of the Tamil Nadu VAT Rules, 2007					Rs.	4,520.00
TOTAL					Rs.	6,020.00
3. Balance to be paid or Excess carried forward to the next month					Rs.	2,790.00
4. Payment Details						
Sl. No.	Amount(Rs.)	Crossed Cheque / Crossed DD / Crossed Banker's Cheque No.	Date	Bank	Bank Code	
1	2,790.00	003214	30-Apr-2009	National Bank	21582	
TOTAL	2,790.00	(in words) Rupees Two Thousand Seven Hundred Ninety Only				
DECLARATION						
1. I/We T. Selvam declare that the best of my / our knowledge and belief, the information furnished in the above statement is true and complete						
2. I/We T. Selvam declare that I/We am/are authorised by proprietor / deed of partnership / resolution of the Board of Directors of the company to sign the return.						
Place: <u>651 Road, Gundy</u>				Signature: _____		
Date: <u>30-Apr-2009</u>				Name: <u>T. Selvam</u>		
				Status and Relationship to the dealer: <u>Accounts Officer</u>		
Note: 1. The turnover details required in the above appendices should be furnished commodity-wise. 2. Commodity code in Column No. 3 need not be filled in by the dealer.						

Figure 4.25 CST Form I – Page 2

4.9 CST Annexure

To view the CST Annexure,

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

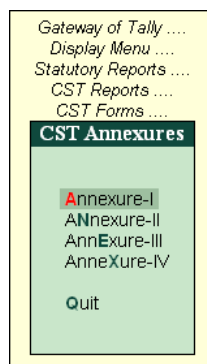


Figure 4.26 CST Annexures Menu

4.9.1 Annexure – I

This Annexure lists out the details of turnover claimed as sales in the course of import during the month.

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

ANNEXURE I - DETAILS OF TURNOVER CLAIMED AS SALES OF GOODS IN THE COURSE OF IMPORT INTO INDIA												
Sl. No	Bill of lading number and date	Name of the commodity	Name and address of the foreign seller from whom these goods were purchased	Purchase invoice number and date	Value of the goods purchased	Name of the ship and address of the shipping company / agent	Date of endorsement of bill of lading	Bill of entry No. & date (please specify whether bill of entry was for home consumption or warehousing)	Invoice number and date of the sale in the course of import	Value of the goods sold	Name and address of the buyer	Name and address of the clearing agent
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	1450		Glamour Appliances, 350/S, 45 Street, New York - 10001, USA	010		Cargo Flight	23-Apr-2009	65412	10, 23-Apr-2009	2,86,000.00	Home Electronics, #9, Sector II, Dargha Road, Chandigarh	
		Fax Machine			1,30,000.00					1,50,000.00		
		Vending Machine			1,20,000.00					1,36,000.00		
					TOTAL					2,86,000.00		

Signature : _____
 Name : T. Selvam
 Status & relationship of the dealer : Accounts Officer

Place: 6ST Road, Guindy
 Date: 30-Apr-2009

Figure 4.27 CST Annexure I – Sale of Goods in the Course of Import into India

Returns and Additions

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

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

This statement is printed on setting the option **Print with Returns/Additions** to **Yes** in the **F12: Print Configuration** of **CST Annexure I**. The print preview of **Returns/Additions** supporting **CST Annexure I** for M/s. National Traders displays as shown:

Sales Returns/Additions Statement of Sales of Goods in the course of import into india				
Sl No.	Credit/Debit Note No. and Date	Name and Address of the buyer	Name of Commodity	Value of Goods
(1)	(2)	(3)	(4)	(5)
Returns				
1	5, 24-Apr-2009	Home Electronics, #9, Sector II, Dargha Road, Chandigarh		15,000.00
			<i>Fax Machine</i>	15,000.00
			Total of Returns	15,000.00
Additions				
1	4, 25-Apr-2009	Home Electronics, #9, Sector II, Dargha Road, Chandigarh		4,000.00
			<i>Vending Machine</i>	4,000.00
			Total of Additions	4,000.00
			Net Total	(-)11,000.00

Place: 6.S.T. Road, Gurgaon

Date: 30-Apr-2009

Signature : _____

Name : T. Selvam

Status & relationship of the dealer : Accounts Officer

Figure 4.28 Annexure – I – Returns & Additions screen

4.9.2 Annexure – II

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

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

ANNEXURE II - DETAILS OF TURNOVER CLAIMED AS EXEMPTED UNDER SECTION 6(2) OF THE ACT											
Sl. No.	LR/RR number and date	Name of the commodity	Name and address of the seller from whom these goods were purchased	Purchase invoice number and date	Value of the goods purchased	Name and address of the carrier	Date of endorsement of the LR /RR	Date of landing of the goods in the place of dealer effecting the transit sales	Transit sale invoice number and date	Value of the goods sold	Name and address of the buyer
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	7845		Universal Traders, # 106, St. Marks Road, Bangalore	03		Goods Train	7-A-pr -20-09	568	3, 7-A-pr -20-09	1,77,500.00	Manasa Traders, # 45, 1st Main Road, 2nd Cross, Malleshwaram, Bangalore, Karnataka
		Water Purifiers			44,000.00					54,444.44	
		Washing Machines			1,05,000.00					1,29,055.56	
2	25972	Air Conditioner	Universal Traders, # 106, St. Marks Road, Bangalore	04	1,25,000.00	Goods Train	9-A-pr -20-09	DD/023	4, 9-A-pr -20-09	1,40,000.00	Logic Electronics, # 56, Phase II, Sector 1, Bhubaneswar
TOTAL					2,74,000.00					3,17,500.00	

Place: 6.SI Road, Guindy

Date: 30-Apr-2009

Signature : _____

Name : T. Selvam

Status & relationship of the dealer : Accounts Officer

Figure 4.29 Annexure II

Returns and Additions

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

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

Sales Returns/Additions Statement of Sales of Goods against Form E1 and E2				
Sl No.	Credit/Debit Note No. and Date	Name and Address of the buyer	Name of Commodity	Value of Goods
(1)	(2)	(3)	(4)	(5)
Returns				
1	2, 10-Apr-2009	Rishita Traders, F Block, # 45, Rajan Arcade, Bhopal		12,000.00
			Washing Machines	12,000.00
			Total of Returns	12,000.00
Additions				
1	1, 11-Apr-2009	Rishita Traders, F Block, # 45, Rajan Arcade, Bhopal		5,150.00
			Water Purifiers	2,000.00
			Washing Machines	3,150.00
			Total of Additions	5,150.00
			Net Total	(-)6,850.00

Place: 6,ST. Road, Guindy

Date: 30-Apr-2009

Signature : _____

Name : T. Selvam

Status & relationship of the dealer : Accounts Officer

Figure 4.30 Annexure – II – Returns & Additions screen

4.9.3 Annexure – III

This Annexure lists out the details of all the Consignment transfers made directly to branch outside the state by the dealer. All the entries made using VAT/Tax class Consignment / Branch Transfer outward will be captured here when the option **Is Sale in Principal's A/c** is set to **No** in the sales invoice.

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

ANNEXURE III - STOCK TRANSFERS									
Sl. No.	Form XX under Tamil Nadu General Sales Tax Rules, 1959/Form JJ under Tamil Nadu Value Added Tax Rules, 2007 Stock Transfer Invoice / Memo / Challan number and date	Goods vehicle number	Lorry receipts / Railway receipts number and date	Description of the goods	Quantity	Approximate value (in Rupees)	Full address and Telephone number, if any of the place of business in the other States	General Sales Tax, Central Sales Tax and Value Added Tax TIN Registration number with date, of other States	Form F number under Central Sales Tax (Registration and Turnover) Rules, 1957, and date, if it has been received
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	05	Goods Train	623764			2,34,000.00	National Traders, # 56, 2nd Main Road, Shahid Bhagat Singh Marg, Mumbai	28541232541	025412/ 15-Apr-2009
				Vacuum Cleaners	10 Nos	1,50,000.00			
				Washing Machines	8 Nos	84,000.00			
TOTAL						2,34,000.00			

Place: GST Road, Gundy

Date: 30-Apr-2009

Signature : _____

Name : T. Selvam

Status & relationship of the dealer : Accounts Officer

Figure 4.31 Annexure – III

Returns and Additions

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

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

Sales Returns/Additions Statement of Goods Transferred to the place of business in the other states						
SI No.	Credit /Debit Note No. and Date	Name and address of the business in the other states	Registration Number	Description of Goods	Quantity	Approximate Value of Goods
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Returns						
1	3, 14-Apr-2009	National Enterprises, # 56, 2nd Main Road, Shahid Bhagat Singh Marg, Mumbai	28541232541		1 Nos	15,000.00
				Vacuum Cleaners	1 Nos	15,000.00
				Total of Returns		15,000.00
Additions						
1	2, 15-Apr-2009	National Enterprises, # 56, 2nd Main Road, Shahid Bhagat Singh Marg, Mumbai	28541232541			2,800.00
				Washing Machines		2,800.00
				Total of Additions		2,800.00
				Net Total		(-)12,200.00

Place: 6.St. Road, Guindy

Date: 30-Apr-2009

Signature : _____

Name : T. Selvam

Status & relationship of the dealer : Accounts Officer

Figure 4.32 Annexure – III – Returns & Additions screen

4.9.4 Annexure – IV

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

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

ANNEXURE IV - FOR CONSIGNMENT SALES									
Sl. No.	Form XX under Tamil Nadu General Sales Tax Rules, 1959/Form JJ under Tamil Nadu Value Added Tax Rules, 2007 Delivery Note/ Challan number and date	Goods vehicle number	Lorry receipts / Railway receipts number and date	Description of the goods	Quantity	Approximate value (in Rupees)	Name and full address of the Consignee in other States with Telephone number, if any	General Sales Tax, Central Sales Tax and Value Added Tax TIN Registration number with date, of the consignee in other States	Form F number under Central Sales Tax (Registration and Turnover) Rules, 1957, and date, if it has been received
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	06	Goods Train	8445			1,51,000.00	Parijata Enterprises, # 19, 12th Main Road, K R Puram, Bangalore	29857412563	
				Water Purifiers	12 Nos	66,000.00			
				Refrigerators	10 Nos	85,000.00			
TOTAL						1,51,000.00			

Place: 6.St. Road, Guindy Signature : _____
 Date: 30-Apr-2009 Name : T. Selvam
 Status & relationship of the dealer : Accounts Officer

Figure 4.33 Annexure IV

Returns and Additions

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

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

Sales Returns/Additions Statement of Goods Transferred on Consignment						
SI No.	Credit /Debit Note No. and Date	Name and address of the Consignee	Registration Number	Description of Goods	Quantity	Approximate Value of Goods
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Returns						
1	4, 17-Apr-2009	Parijata Enterprises, # 19, 12th Main Road, K R Puram, Bangalore	29857412563		1 Nos	8,500.00
				Refrigerators	1 Nos	8,500.00
				Total of Returns		8,500.00
Additions						
1	3, 18-Apr-2009	Parijata Enterprises, # 19, 12th Main Road, K R Puram, Bangalore	29857412563			4,800.00
				Water Purifiers		4,800.00
				Total of Additions		4,800.00
				Net Total		(-)3,700.00

Place: 6,ST Road, Guindy
Date: 30-Apr-2009

Signature : _____
Name : T. Selvam
Status & relationship of the dealer : Accounts Officer

Figure 4.34 Annexure IV – Returns & Additions