

# Preface

---

As new taxation system has brought extensive transformation in our country with introduction of **GST** in place of a number of taxes that existed thus far on state and centre level, developers of 'Tally' have effected vast changes in their latest version (*Release 6.3*) of the software to give capability and power to deal with new **GST** regime. You can work in almost all Indian regional languages in this latest version. Another exclusive feature of this newly launched version namely **Tally.ERP 9 (Release 6.3)** is that you can customize its options according to your personal working requirements. As your business grows and transcends state and international borders, you need a business accounting software that keeps pace with your complex business demands and simplifies growth. The software you choose must offer you greater speed, power and reliability, besides having the ability to adapt quickly to your business. Tally.ERP 9 was engineered to effectively fulfill these needs and help overcome the challenges of a growing business.

The dynamic features of GST (such as Reverse Charges, Composite and Mixed Supply, ITC, filing GSTR etc.) and MIS capabilities in **Tally.ERP 9 (Release 6.3)** are designed to simplify your business operations, while giving you complete control over your accounting, inventory and statutory processes. Multi-lingual and data synchronisation capabilities allow you to transact business without language barriers or geographical boundaries. Tally.ERP 9 is very simple to learn and even easier to use. And the advantages of using Tally.ERP 9 are apparent from the start.

This book presents in detail, the use of Tally.ERP 9 for the new GST regime. You can learn to do all procedures of accounting with respect to Payroll, Job Work, Banking, GST, TDS, TCS, POS and Job Costing etc. Various tax systems have been described, not only from the point of view of its applications in the software, but also for its conceptual understanding so that users wouldn't need to buy a separate book for getting knowledge of the new tax systems. It is sincerely hoped that users of Tally will be able to use the book for learning all aspects of Tally.ERP 9 independently and move forward for a bright future.

*- Author*

# Contents

---

<b>1. Tally.ERP9 (6.3): Installation and Activation .....</b>	<b>1-10</b>
Upgrading to the Latest Tally.ERP 9 Release .....	3
Activating Your Tally.ERP 9 License .....	3
Activating Your Tally.ERP 9 License as a Multi-Site Account .....	4
Configuring Your Tally.ERP 9 License .....	5
Updating Your Tally.ERP 9 License .....	7
Uninstalling Your Tally.ERP 9 .....	7
Surrendering Your Tally.ERP 9 License .....	7
Reactivating Your Tally.ERP 9 License .....	8
Tally.ERP 9 Rental License .....	9
Purchasing and Activating Tally.ERP 9 Rental License .....	9
<b>2. GST (Goods and Services Tax): An Introduction .....</b>	<b>11-42</b>
How does GST work? .....	13
Goods and Services Tax Network .....	16
Why is Dual GST required? .....	16
Which Taxes will GST Replace? .....	18
Who does it apply to? .....	19
Accounts and Other Records .....	20
Migration to GST .....	21
Time, Value and Place of Supply under GST .....	23
Value of Taxable Supply .....	27
Place of Supply under GST .....	32
E-way bill and IGST .....	35
Essential GST Invoice Details .....	37
ITC Rules for Common Credit under GST .....	37
GST Returns .....	39
Types of GST Returns .....	39
Refund Under GST .....	40
Forms for application of refund under GST .....	41
<b>3. Company Setup and Configuration .....</b>	<b>43-69</b>
Loading a Company .....	46
Using Tally.Server 9 .....	47
Maintaining Group Company .....	48
Set Company Features .....	48
Accounting Features .....	49
Inventory Features .....	52
Statutory and Taxation .....	54
TSS Features .....	55

F5: Audit Features .....	56
F6: Add-On Features .....	56
F12 Configuration Menu of Tally.ERP 9 .....	57
Invoice, Delivery Note, or Order Configuration .....	61
Banking Configuration .....	63
Data Configuration .....	64
Advanced Configuration .....	65
Printing Configuration .....	67
<b>4. Activating GST in Tally.ERP9 (6.3) .....</b>	<b>70-90</b>
Activating GST for Your Company .....	71
Setting Up GST Rates .....	72
Updating Stock Items and Stock Groups for GST .....	76
Non-GST Goods .....	78
Updating Sales and Purchase Ledgers for GST .....	83
Updating Party GSTIN/UIN .....	85
Import Party GSTIN .....	86
Creating GST Ledgers .....	88
Creating Expense and Income Ledgers in GST .....	88
Providing GST Details .....	89
<b>5. Accounting Master Head Creation .....</b>	<b>91-114</b>
What is Groups? .....	92
Managing Groups in Multiple Companies .....	101
Ledger Introduction and Creation .....	102
Creating Bank Ledgers .....	106
Voucher Types .....	113
Introduction of Voucher Class .....	114
<b>6. Inventory Master Head Creation .....</b>	<b>115-141</b>
Features and Configuration Options (F11, F12) .....	116
Stock Group Introduction and Creation .....	116
Creating Stock Groups .....	117
Creating Multiple Stock Groups .....	118
Stock Categories .....	120
Creating Multiple Stock Categories .....	121
Stock Items Introduction and Creation .....	123
Creating Stock Items with Advanced Entries .....	125
Units of Measure.....	130
Creating Compound Unit of Measure .....	132
Bill of Materials .....	133
Creating a Location or Godown .....	138
Batches and Expiry Dates .....	140
Creating Stock Journal Voucher Class .....	141
<b>7. Accounting Voucher Entry under GST .....</b>	<b>142-160</b>
Accounting Vouchers Configuration .....	142
Predefined Vouchers in Tally.ERP 9 .....	143
Payment Voucher .....	146
Recording a Payment Entry using Bank .....	147
Warn on Negative Cash Balance .....	148
Pre-allocate Bills for Payment or Receipt .....	149
Making a Receipt Entry .....	149
Making a Purchase Entry .....	152
Configuring an Invoice .....	153
Creating Sales Voucher .....	155

Printing a Sales Invoice .....	159
Recording a Journal Entry .....	160
<b>8. Inventory Voucher Entry under GST .....</b>	<b>161-176</b>
Receipt Note Voucher (GRN) .....	162
Rejections In Voucher (Sales Returns) .....	163
Creating Delivery Note Voucher .....	164
Rejections Out Voucher (Purchase Returns) .....	165
Creating Material Out Voucher .....	166
Stock Journal Voucher .....	169
Manufacturing Journal Voucher .....	171
Transfer Journal Voucher .....	173
Physical Stock Voucher .....	174
Reversing Journals .....	174
Memorandum Voucher .....	175
Optional Vouchers .....	176
<b>9. Purchase and Sale Transactions under GST .....</b>	<b>177-190</b>
Selecting the purchase ledger in a purchase transaction .....	177
Nil Rated Purchases, Exempt Purchases .....	178
SEZ Purchases .....	179
Purchase of works contract services .....	180
GST Sales, Selecting the sales ledger in a sales transaction .....	181
Nil-rated Sales, Exempt Sales .....	182
SEZ Sales .....	183
Deemed Export, Sales to consumers - Taxable and Exempt .....	184
GST Sales Involving Consignee (Ship To) and Buyer (Bill To) .....	185
Sale of works contract services .....	186
Sales of Items Following Slab Rate .....	187
Sales of Goods and Services in a Single Invoice .....	188
Recording Purchases under GST .....	189
Recording GST Payment Voucher .....	190
<b>10. Working with GST Reverse Charges .....</b>	<b>191-206</b>
Configuring stock item .....	191
Configuring purchase ledgers .....	192
Inward Supply of Goods under Reverse Charge .....	193
Advance Payments under Reverse Charge .....	194
Inward Supply of Services under Reverse Charge .....	195
Recording a journal voucher to raise the tax liability .....	196
Claim tax credit on reverse charge liability raised .....	197
Inward Supply from Unregistered Dealers .....	199
<b>11. Composite and Mixed Supply under GST .....</b>	<b>207-226</b>
Sale of Mixed Supply Under GST .....	209
Apply Discount for Selected Items in GST Sales .....	214
Outward Supply of Reverse Chargeable Goods .....	216
Sales Returns under GST .....	219
Purchase Returns in GST .....	220
Import of Services, Claiming tax credit on the liability of imports .....	222
Export Sales under GST .....	225
<b>12. Recording TDS and TCS Transactions .....</b>	<b>227-242</b>
Creating TDS Nature of Payment .....	229
Tax Collected at Source (TCS) .....	237

Classification of Seller .....	237
Classification of Buyer .....	237
Enter Sales Transaction (TCS) .....	241
Payment Transaction (TCS) .....	242
<b>13. Job Costing under GST .....</b>	<b>243-250</b>
Enabling Job Costing .....	244
Masters for Job Costing .....	244
Job Costing Transactions .....	246
Inter-Project Transfer .....	247
Job Costing Reports .....	249
<b>14. e-Payments and Bank Reconciliation .....</b>	<b>251-278</b>
Creating Bank Ledgers .....	253
Creating Party Ledgers .....	255
Cost Centre options, Statutory Information .....	256
Tax Information, Other Information .....	257
Creating a Payment Voucher with Voucher Class .....	258
Printing Cash Deposit Slip .....	259
Payment Advice .....	262
Cheque Management .....	263
Cheque Deposit Slip .....	264
Post-dated Cheque (PDC) Management .....	267
e-Payments in Tally.ERP 9, Modes of e-Payments (Electronic Payment Options) .....	269
e-Payments Process .....	269
Setting Up Security Levels for e-Payments .....	270
Providing Bank Details in a Party Ledger .....	270
Sending or Exporting Payment Instructions to the Bank .....	271
e-Payments Report .....	272
Bank Reconciliation, Viewing Bank Reconciliation Report .....	274
Manual Bank Reconciliation .....	275
Button Options in Bank Reconciliation Screen .....	275
To import the bank statement .....	276
Viewing Differences in Bank Balance .....	277
Viewing Bank Statement in Bank Reconciliation .....	277
Creating a New Voucher in Bank Reconciliation .....	278
<b>15. Creating Payroll in Tally.ERP 9 (Release 6.3) .....</b>	<b>279-306</b>
Enabling Payroll in Tally.ERP 9 .....	280
Enabling Payroll Statutory Features (Payroll) .....	280
Payroll Configuration .....	282
Creating Payroll Pay Slips .....	283
Creating Employee Master, Employee Category Configuration .....	284
Creating Employee Groups (Payroll) .....	285
Creating Payroll Unit, Attendance or Production Types .....	288
Creating Production Types (Payroll) .....	289
Creating User Defined Calendar Types (Payroll) .....	289
Creating Pay Heads (Payroll), Creating Earnings Pay Head (Payroll) .....	290
Creating User Defined Earnings Pay Head (Payroll) .....	292
Creating PF Deduction Pay Head for Employees (Payroll) .....	293
Statutory Pay Head Type, Use for Gratuity .....	295
Per day Calculation Basis .....	298

Creating a Compound Payroll Unit .....	298
Payroll Vouchers, Creating Salary Payable Ledger (Payroll) .....	299
Creating ESI Payable Ledger (Payroll) .....	300
Creating NPS Payable Ledger (Payroll) .....	300
Creating Ledger for PF Admin Expenses (Payroll) .....	300
Creating Attendance or Production Vouchers .....	300
Attendance Voucher – Manual Entry .....	301
Attendance Voucher using Auto Fill, Salary Payments (Payroll) .....	301
Payroll Reports, Statements of Payroll .....	302
Expat Reports (Payroll) .....	303
Payroll Statutory Reports, Tracking Loans & Advances (Payroll) .....	303
Budgetary Changes 2016-17 (Payroll) .....	304
Process Payroll Voucher for Arrear calculation .....	305
Budgetary Changes 2017-18 (Payroll), Income Tax Slab .....	305
<b>16. Viewing Reports in Tally.ERP9 (Release 6.3) .....</b>	<b>307-332</b>
Display Financial Statements, Balance Sheet .....	308
Profit & Loss Account, Horizontal Form of Profit & Loss Account .....	309
Income and Expense Statement instead of Profit & Loss Statement .....	311
Receipts and Payment Account .....	311
Trial Balance .....	312
Books and Registers, Books of account, Sales Register .....	313
Displaying Cash Book .....	315
Displaying Multi-Column Cash Book .....	315
Displaying Bank Book .....	316
Displaying Journal Register, Viewing Day Book .....	316
Viewing Inventory Reports and Statements, Stock Summary .....	317
Stock Summary Based on Godown Types .....	318
Stock Valuation Methods, Godown Types .....	318
Stock Category Summary .....	319
Displaying Stock Items, Viewing Stock Item Vouchers .....	319
Physical Stock Register, Location or Godown Summary .....	322
Godown or Location Stock Flow or Reconciliation .....	322
Movement Analysis, Stock Category Analysis .....	323
Stock Ageing Analysis, Sales Order Book .....	324
Sales Order Summary, Purchase Order Book .....	325
Displaying Bills Receivables .....	326
Ledger Outstandings Report .....	327
Group Outstandings Report .....	328
Ageing Analysis Report .....	328
Age-wise Analysis for a Group .....	329
Bill-Party wise Outstandings Report .....	329
Cash Flow in Tally.ERP9 .....	330
Fund Flow in Tally.ERP9, Ratio Analysis Report .....	331
Printing Reports .....	332
<b>17. Filing GST Returns in Tally.ERP9 (Release 6.3) .....</b>	<b>333-375</b>
<b>Appendix: Accounting Terminology .....</b>	<b>376</b>