

TALLY

↳ Tally is an Accounting Software which is used for Business purpose. It comes from a latin word "stick" which means to calculate. It is a very user friendly and popular accounting software that runs on ms. windows and also computers. Indian "VAT" (Value Added TAX), service tax, TDS (Tax deducted at source), TCS (Tax collected at source) and GST (Goods and Service Tax). It can even maintain our accounts and inventory simultaneously.

Tally was developed by Bharat Goenka in 1986 in Bangalore. The first version of tally is 3.0 and the latest version is Tally ERP9 (prime).

↳ ERP : Enterprise resource planning.

→ Versions of Tally :

1. Tally 3.0 (1990)
2. Tally 3.12 (1991)
3. Tally 4 (1992)
4. Tally 4.5 (1994)
5. Tally 5.4 (1996)
6. Tally 6.3 (2001)
7. Tally 7.2 (2005)
8. Tally 8.1 (2006)
9. Tally 9 (2006)
10. Tally. ERP9 (prime) (2009).

* Accounting : To record and Analyse business transactions.

* Business Transactions : Those transactions in which exchange of goods and services take place for money are known as business transaction.

↳ Accounting Terms :

1) Assets : Any resource having an economic value than an individual or corporation controls with the expectation that it will provide a future benefit.

↳ Assets are of two types :

a) Current Asset : It is company's cash and its other assets that are expected to be converted into cash within one year of the date appearing in the heading of the company's balance sheet.

b) Fixed Asset : These are those assets which are purchased for long term use and are not likely to be converted quickly into cash.

2) Liabilities : It is something a person or company owes, or liabilities are any debts your company has whether unpaid bills, or bank loan or any other sum of money that you owe someone else.

e.g : If you have promised to pay someone a sum of money in the future and haven't paid them yet, that is a liability.

↳ Types of liability:

- a) **Current liability:** These are often understood as all liabilities of the business that are to be settled in cash within the financial year or the operating cycle of the given firm.
e.g: money owed to Suppliers in the form of Accounts payable.

- b) **Fixed liability:** Fixed liabilities are a debits or loans that are payable on a term exceeding one year.
e.g: Bank loan.

- 3) **Capital Account:** The amount by which we commence our business is known as capital account.

- 4) **Sundry Creditors:** Any person who supplies the goods / services or consumable items to a business firm on credit basis will be called as Sundry Creditors by the firm who avails this facility.

- 5) **Sundry Debtors:** when a business firm supplies the goods or provides the services to its customer on credit basis then those customers are called as Sundry Debtors.

6) Balance sheet : It is a statement which us the financial position and status of our business.

Tools used in Tally.

↳ These are three tools used in Tally and they are:

1. Ledgers.
2. Groups.
3. Vouchers.

1) Ledger : Book Keeping.

By default 2 ledger are present.

- 1) Cash
- 2) Profit / Loss A/c.

2) Groups : By default 20 groups are there.

3) Vouchers : Bill.

- a) Receipt voucher : F6
- payment voucher : F5
- purchase voucher : F9
- Sales voucher : F8
- contra voucher : F4
- Journal voucher : F7.

Rules need in Tally.

→ Three rules are used in tally

- 1) Personal rule.
- 2) Real rule.
- 3) Nominal rule.

1) Personal rule: It is used with persons / organisation.

It states:

Credit the giver.

Debit the receiver.

2) Real rule: It is used with fixed Assets.
This rule states.

Debit what comes in

Credit what goes out.

3) Nominal rule: Incomes / Expenses:
This rule states.

Dr all expenses and losses

Cr all incomes and gains.

e.g, 1. Dr land
Cr Appreciation.

Dr Depreciation
Cr vehicle

→ 2. Dr electricity bill.
Cr cash / Bank.

Q1 How to receive cash from Investor.

Step 1: Go to Accounts info and create a ledger of Investor under capital account.

Step 2: Go to Accounting vouchers press F6 for receipt voucher.

Transaction.

Cr investor

Dr cash.

→ To check balance sheet press b for balance sheet and Alt + F1 for detailed balance sheet.

Q2 How to transfer cash in Hand into Bank.

Step 1: Go to Accounts info and create ledger of Bank (J&K Bank, HDFC Bank) under Bank account.

Step 2: Go to the Accounting vouchers press F4 for contra voucher.

Transaction.

Cr cash

Dr J&K Bank

Cr cash

Dr HDFC Bank.

Q3 How to transfer cash from Bank to Another Bank.

Step 1: Go to the Accounts info and create ledger of another another Bank / SBI BANK If 2 BANK ledgers are not made under Bank accounts

Step 2: Go to Accounting vouchers, press F4 for contra voucher.

Transaction.

Cr J&K Bank.

Dr SBI Bank.

Q4 How to record transactions of fixed Assets.

Step 1: Go to Accounts info and create ledger of fixed assets like (machinery, furniture) etc under fixed assets.

To make payment.

Step 2: Go to Accounting vouchers and press F5 for payment voucher.

Dr Machinery
Cr Cash / Bank

Dr Furniture
Cr Cash / Bank.

Note: Ctrl + N : calculator on/off.

Q: How to update fixed Assets.

Step 1: Go to Accounts info and create 2 ledgers.

- a) Appreciation under Indirect incomes.
- b) Depreciation under Indirect expenses.

Step 2: Go to Accounting vouchers, press F7 for Journal voucher.

Appreciation
 Dr fixed Assets
 Cr Appreciation

Depreciation
 Dr Depreciation
 Cr fixed assets

NOTE: Alt + FI: used to shut the company & gateway of tally.

Q: How to purchase Stock Items.

Step 1: Go to Accounts info and create 2 ledgers.

- 1) Supplier under Sundry creditors.
- 2) purchase under purchase Accounts.

Step 2: Go to inventory info and create Stock Items:

- a) Stock groups (electronics, garments, food Items etc).
- b) Units of measure (pcs, No's, Boxes etc).
- c) Stock Items (laptops, mobilephones, T-shirts etc).

Step 3: Go to Accounting vouchers and press F9 for purchase invoice.

Transaction

Supp. Invoice no: 1238.
Party A/c name: Supplier
Purchase ledger: purchase.

Name of Item	Qty	Rate	Amount.
Laptop	10pcs	25000	2,50,000.

Note: Alt+H: To display price per price (purchased).

Q: How to Sell Stock Items:

- Step 1: Go to Accounts info and create 2 ledgers.
- a) Customer under Sundry Debtor.
 - b) Sales under Sales Accounts.

Step 2: Go to Accounting vouchers and press F9 for Sales Invoice.

Transaction.

Customer Invoice no: 3148
Party A/c Name: Customer
Sales ledger: Sales.

Name of Item	Qty	Rate	Amount.
Laptop	5pcs	27,000	1,35,000.

Note: DAL is the shortcut key to check the ledger.

- Date _____
Page _____
- F11 : Company features.
 - F11 + F1 : Accounting features.
 - F11 + F2 : Inventory features.
 - F11 + F3 : Statutory and Taxation.

★ Inventory features : These are related to the Stock.

★ Accounting features : These are related to Accounts.

★ Statutory and Taxation : These are related to Taxes.

Inventory features.

★ General :

1) Integrate Accounting and Inventory:

This feature is on i.e. yes by default as it maintains our balance sheet.

2) Allow Zero Value Transactions:

This option is 'No' by default and by making it "yes" it allows us the free products from the Supplier to add in our stock.

i.e., Buy 20 items and get 5 pieces free.

On free items, the rate is not mentioned but that free item is added into our stock.

2) Storage and classification:

a) Maintain multiple godowns:

This feature is 'No' By Default. By turning the option 'Yes', it allows us to maintain multiple godowns/locations at different areas (places).

- Go to Inventory Info and create multiple godowns like Kulgam, Sehagar etc.
- Then go to Accounting vouchers and press F9 for purchase.
- While purchasing the goods, we can put them into Inventory voucher or press Alt+F7 in Accounting vouchers.
- And Accordingly we can sell items placed in different godowns.
- To check all godowns, go to Display then statements of Inventory and then godowns.

Note: Alt+C: Used for shortcut creation of any stuff.

b) Maintain stock categories:

- By Default: 'No'
- By making it yes it enables us to maintain the stock in different categories such as Brands, colours, sizes etc.

↳ Steps :

→ Go to Inventory info and create stock, group, then stock categories, then units of measure and then stock items.

e.g. stock group as garments.

stock category as green, white, Black, puma, wrangler etc.

stock item as Jacket (W) or Jacket (B), Shirt (P) etc.

↳ then go to accounting vouchers and purchase the stock items as per the categories created.

↳ Then make Sale of the items according to the stock categories available.

↳ To check stock categories:

Go to display, then Statements of Inventory and then categories.

C. Maintain Batchwise details :

- By default "No".
- By turning yes, it allows us to set the manufacturing and expiry dates of the food items, medicines, liquids etc.
- It has a feature related with it as :
Set expiry dates for batches : yes.

Steps:

- Go to inventory info and create stock group as medicines, units of measure as strips and finally stock items as Dolo 650, Zerodal etc.
- As we create the stock item under its group it make maintain in batches as yes.
Track date of manufacturing; yes.
Use expiry dates: yes.
- Then go to Accounting vouchers and purchase the same stock. As we enter the stock / item name, enter the new number as any no. (Such as JK108) then quantity, rate etc.
- Make manufacturing and expiry date as well.
i.e; manufacturing date (1-1-2019)
expiry date (31-12-2021) or any other dates we can put but within the financial year.
- Then accept the voucher.

Now the sale can be easily done till the expiry date. But in order to check the working of expiry date in the sales voucher change the date first by pressing F2 key and make it beyond the early set expiry date which is (31-12-2021).

Now if we want to sell the item lying within the early expiry date that particular item will not be shown in the Sales voucher.

d) Use Separate Actual and Billed Quantity Columns:

- By Default 'No'.
- This feature is used for free items i.e., Buy 2 get 1 free etc. of the same item.

Steps:

- ~~Then~~ Turn this feature 'yes'.
- Go to Accounting vouchers and press F9 for purchase.

Transaction.

Name of Item	Qty		Rate	Amount
	Actual	Billed		
Shirts	10	8	300	2400

- Then accept the voucher.

3) Order processing:

a) Enable purchase order processing:

- By Default: No.
- On making it yes, Go to 7th feature which is other features and make its 9th feature (use tracking

numbers (enables delivery and Receipt Notes): yes

Steps:

- Go to Accounting vouchers and press Alt + F9 for purchase order.
- Then review that order via Alt + F9.
- Then after that make Simple purchase (F9).
- To check order status, go to display and then Statements of Inventory and then purchase order outstandings → All orders.

Similarly purchase Bills pending.

b) Enables Sales order processing:

- By Default: No.
- On making it yes, do the same as ~~for~~ done for purchase order processing feature.
- Then press Alt + F5 for Sales order and then Alt + F8 for delivery note.
- Then after that make Sales bill (F8).

- Date _____
Page _____
- If the order given by use was not of that quality/ Brand, which we were looking for, then we can reject that order by pressing Alt + F6 for rejection out, before simple purchase bill.

Similarly ctrl + F6 for rejection in.

4. Invoicing:

a) Enable Invoicing: yes.

Record purchases in Invoice mode: yes.

→ By Default: No.

→ To make the Accounting vouchers in 2 modes i.e., Invoice mode and voucher mode, make the feature No and then accept. After that make it yes again.

→ Then go to Accounting vouchers to check. If the Bill is in voucher mode, press ctrl + V to bring it in Invoice mode and vice-versa

b) Use Debit & credit Notes: yes

Record credit notes in Invoice mode: yes.

Record debit notes in Invoice mode: yes.

→ By default: No.

This feature allows us to return purchased or sold items

- To return purchased item, Debit note c/d + Fd is used.
- To take back the sold item, credit note c/d + Fd is used.
- This feature can be used for simple purchase/sale.

C. Use separate Discount column in Invoices: yes.

- By default: NO.
- This feature is used for Discount.

Name of Item	Qty	Rate	Disc%	Amount.
Printers	20	18000	5%	342000.

5. Purchase Management:

a) Track Additional cost of purchase: yes.

→ By Default: No.

→ While we use this feature, Invoicing feature should be No.

→ This feature is used to check out the additional cost or effective charges on the purchased items.

Steps:

- ★ make all the ledgers like purchase, Supplier, customer sales.
- ★ Also make ledger freight charges under direct expenses.
- ★ Go to Accounting vouchers and press F9 for purchase

Cr - Supplier.
Dr - purchase.

- Credit the dummy value for the Supplier.
- Then as we enter the voucher.

Name of Item	Qty	Rate	Amount
laptop	20	30,000	6,00,000.

★ The enter:

Type of cost	% age	Amount
Freight charges	5%	30,000.

- ★ Then enter again till the voucher is displayed.
- ★ pressing backspace, credit the same amount as shown below i.e, 6, 30,000.

Debit and credit amounts are same.

★ Then enter and accept.

→ To check the effective rate of an item.

Go to display → Trial balance → current liabilities
→ Sundry creditors → Supplier (Double enter) →
Alt + F8 → make all options yes → Select all Header
Automatic column and Accept → press F8 and select
ledger Analysis → Then select the item and check
out the details.

6. Sales management :

a) Use multiple price levels :

★ By default : No.

★ As we make it "yes", company price levels panel opens
create price level as :

- 1) Wholeseller.
- 2) Retailer.
- 3) local customer etc.

Then enter and accept.

Steps :

→ Go to inventory info and create price list for
different groups for the above price levels.

i.e, stock group name → electronics
 price level → local customer
 Applicable from → 1-Apr-2022.

Then enter.

S.No	particulars	from	less than	Rate
1	Laptop		10 pcs	50,000
		10 pcs	20 pcs	40,000
		20 pcs		30,000

Then accept.

Similarly, we can create the same for retailers and wholeseller.

Note: The rate goes on decreasing as the Quantity is increased.

⇒ Order of rate.

Local customer > Retailer > Wholeseller.

★ Then go to Accounting vouchers and press F8 for Sale.

★ Select the price level whom we want to sell and as we enter the item on which price level was created, select the Qty and automatically the rate and amount will be autofilled itself.

★ Accept the vouchers.

→ Other features:

a) Use Tracking Numbers (Enable delivery and receipt notes): yes.

b) Use Rejection inward and outward Notes: yes.

→ By Default above 2 features are: "No"

→ This feature is used to reject either the purchased item or sold item but before making the bills i.e. purchase or sale.

★ This feature is used with purchase order or sale order.

→ Steps:

1★ Make purchase order [Alt + F4].

★ Review that order [Alt + F9].

And if any of the items is defected etc. Then we use Rejection outward (Alt + F6) in Accounting vouchers.

2★ For Sales order (Alt + F5).

★ Delivery note (Alt + F8).

If the items are defected then we can return those items, by using Rejection Inward (Ctrl + F6).

* Accounting Features

1. General :

a) Maintain Accounts only : yes.

→ By Default : No.

→ This feature is used when we want to maintain accounts only of our company.

b) Integrate Accounts and Inventory : yes.

→ By default : No.

→ This feature maintains our balance sheet.

c) Use income and expenses A/c instead of profit and loss A/c : yes.

→ By Default : No.

→ If the company has profit, the name will show as (L/S) excess of income over expenditure and if the company has loss, the name will be shown as excess of expenditure over income - (Asset side).

d) Enable Multi-currency : yes.

→ By default : No.

→ This feature helps us to make sale to our foreign customers in their currency.

Steps :

* Go to accounts info and create the currency such as

Dollar, Dinar etc.
i.e., Symbol : \$
Formal name : Dollar.

Then Accept.

→ Then go to Accounting vouchers and press FA for Sale.

Name of item	Qty	Rate	Amount
charger	2	5\$	\$10

Then rate of exchange.
@ ₹ 79 / \$.

→ Then enter and Accept.

2. outstanding Management:

a) maintain bill wise - details : yes
For non-trading accounts also : yes

★ It shows us the billwise details of the Suppliers and it is used with the payment vouchers of Suppliers.
Steps:

★ while making the ledgers of Suppliers make maintain bill-wise details : yes.

* make purchase of different goods in different invoices

* Then in payment vouchers.

Dr - Supplier.

Cr - Cash.

As we enter the amount, Type of reference → Agst reference.

→ Then enter the bill, we want to make payment.

→ we can make further payments until there are zero bills.

b) Activate Interest calculation : yes.

Use advanced parameters : yes.

→ This feature is used to check the Interest percentage on Bank loan or any other loan (private firm).

Steps :

* make 3 ledgers viz :

1) JK Bank (Savings) under bank accounts.

2) JK Bank (loan) under bank O/D Account.

3) Interest payable under Indirect expenses.

→ while making JK Bank (loan) ledger make interest calculation : yes.

For amounts added : yes

For amounts deducted : yes.

→ Rate : 5% per 365-day year on all balances.

Cr - JK bank (loan)

Dr - JK bank (savings)

Transaction-type : Bank Transfer.

↳ To check rate of Interest.

★ Go to display → Statement of Accounts → Interest Calculation → Interest payable → Press F2 for date if shows month wise interest.

★ After this journal voucher F7 is used for Due entry (Nominal rule is used)

Dr → Interest payable.

Cr → JK bank loan.

★ Then F5 for payment.

Cr - cash

Dr - JK bank loan.

c) maintain cost centres : yes.

maintain more than one payroll or cost category : yes.

→ By Default : No.

→ this feature is used to distribute Salaries to our Staff.

↳ Steps:

★ Make 2 ledger viz:

- Salary expenses under Indirect expenses.
 - Salary outstanding under current liabilities.
- [cost center applicable: yes]

→ make cost categories such as manager, Assistant, officer, clerks etc. in Accounts info.

→ Then create cost centres as:

Category	manager
Name	Sqra under primary
Name	Bisma " "

↳ Then go to Accounting vouchers and press F7 for Journal voucher.

Dr = Salary expenses.
 Cr - Salary outstanding.

↳ As we due the amount like (50,000) cost category.

Name of cost centre	Amount.
Bisma	25000
Sqra	25000.

→ Each category will have its 100% or amount in total equally distributed as shown above.

↳ Similarly we can due the amount for other category as well.

↳ Then make simple payment [FS].

Dr - Salary outstandings.

Cr - Cash.

c) Use pre-defined cost centre allocations in transaction : yes.

By Default : No.

↳ This feature is used in accordance with the maintain cost centre feature i.e, previous feature should also be 'yes' and maintained initially.

→ As we make the feature yes the following appears and we need to make the classes as :

Class Name

Class A

Manager

Mr. Muneer Ahmad 100%

Class B

Assistant

Mr. Umar 100%

Class C.

Operators.

Miss bisma 25%

Miss Sgea 25%

Miss Sfla 25%

Miss Mehaz 25%

Similarly various classes of other categories can be easily made.

- ↳ Then accept the feature after many clicks required.
- ↳ Then go to accounting vouchers and press F7.
- ↳ maintain the cost centre we want to due the Salary like class A.

Dr - Salary expenses.
 Cr - Salary outstandings.

Then make simple ~~voucher~~ payment (F5) of the class A.

Dr - Salary outstandings.
 Cr - Cash.

- ↳ The payment voucher will automatically show us the details of class A.

↳ Budgets and Scenario Management:

- a) maintain budgets and controls : yes.
- By default : No.
- This feature allows us to maintain the budget and expenses

Steps :-

- Go to Accounts info and make the ledger of purchase budget under purchase accounts.
- Then make budgets in Accounts info. as:
 - Name : purchase budget.
 - Under : primary.

From 1 - Apr - 2021 To 31 - Mar - 2022

Group → yes
Group name → purchase accounts.

Type of budget → ON Net transactions
Amount → 2,00,000.

→ ledger → yes.
Account name → purchase B.

Type of budget : ON net transactions.
Amount : 2,00,000.

↳ Then Accept.

★ Then go to Accounting vouchers and press F9 for purchase using purchase budget ledges.

★ purchase show stock under the budget balance or upto that balance or above to check the fluctuation of the budget.

★ At last, to check the budget details.

Go to display → Trial balance → purchase account
→ F2 to change the date as per the date mentioned earlier → Alt + B → Select purchase budget.

For expenses:-

★ Go to Accounts info and make the ledger of expenses budget under Indirect expenses.

★ Then create expenses in budgets, under primary.
From 1 - Apr - 2021 To 31 - Mar - 2022.

↳ Group → yes
Group name → Indirect expenses.

↳ Type of budget → ON Nett Transactions.
Amount → 3,00,000.

↳ Ledger → yes.

powerbill' on Nett transactions.

Amount : 50,000.

water bill : " " "

Amount : 20,000.

Miscellaneous exp : " " "

Amount : 70,000.

→ Then go to Accounting vouchers and make payment on these expenses such as water bill etc.

Dr - water bill.

Cr - cash.

b) Use receiving journals and optional vouchers.

↳ By Default: No.

↳ This feature is used to make Temporary Sale to the known customer till the Actual Confirmation of the items.

Steps:

★ Go to Accounting Vouchers and press F8 for Sale.

★ Then press ~~*~~ Ctrl + L to make the Sales voucher optional.

★ Then do the Sale of Item.

→ As we check our stock there is no decrease in any of the items as the Sale was made optionally.

↳ Now to confirm the Sale Go to display → day book → Select the optional Sales Voucher → make alteration to it by again pressing Ctrl + L to make it regular and then Accept.

↳ Quantity can be either ↑ used or ↓ used or made the same.

c) maintain payroll : Yes.

→ By default : No.

→ This feature is used to maintain the net salary (Basic pay, TA, DA, MA, HRA, GP fund, CP fund, provident fund) etc. of an employee.

↳ Steps:

★ Go to payroll info at the gateway of tally.

★ Then make employee groups as: manager, Assitant, Accountant, clerks etc under primary with Define Salary details : 'No'.

↳ Then create employees as:

Name : Miss Bisma

Under : manager

Do. J : 1-4-21.

Define Salary

Details : No.

General Information.

Emp No : Emp001

Emp No : Emp --- etc.

Fill other information as well and then accept.

And similarly other employees can be grouped under different employee groups as well.

↳ Then create units (works) as:

↳ Type Simple
Symbol minute (min) "Accept"

↳ Type Simple
Symbol hr "Accept"

↳ Type Compound
Symbol hr of 60 min "Accept"

★ Then create Attendance production types as:

Name: present days.

Under: primary.

Attendance type: Attendance / leave with pay.
"Accept"

Name: Absent days.

Under: primary.

Attendance type: ~~Att~~ leave without pay.

↳ Then create pay heads as:

① Name: Basic pay.

pay head type: Earning for employee.

Income type: Fixed.

Under: Indirect expenses.

→ Affect net Salary: yes.

→ Use for calculation of gratuity: No.

→ Calculation type: on Attendance.

→ Attendance/leave & pay: present days.

- Date _____
Page _____
- Calculation period : months.
 - Basis of calculation : As per calendar period.
(Per day)
 - Rounding method : Not Applicable.
Then : Accept.

② Name : HRA.
Calculation type : As computed value.
Methods of Computation.
On Specified formula.

pay head → Basic pay.
Amount upto → slab type, value (percentage value)

30,000	→	% age 3%
30,000 - 50,000	→	% age 4%
50,000	→	% age 5%

- Slab type can be put in values (200, 300 etc or in both % age as well as in values 2%, 300 etc).
- Similarly other pay heads are created in the same way with different calculation type such as flat rate, as computed value.

For GP or CP Funds:

pay head type : Deductions from employees.
 under : current liabilities.
 calculation type : Flat rate.
 calculation period : Months.

→ Then create Salary details as:
Click on define.

→ manager primary
 effective from 1-4-21
 pay heads:
 Basic pay.
 MA
 CP Fund.
 TA etc.

Similarly pay heads can be made for other employee groups in the same way with different head Scales.

↳ Then individually select the names of employees and do the following:

effective from	Pay head
1-4-2021	copy from parent value

It will automatically fill the details as created before.

→ At the Gateway of Tally, Go to payroll vouchers.

Account → cash

press ctrl + F5 → Attendance.

Then Alt + A → Attendance Autofill.

voucher date → 1-5-21

Employee / Group : All Items.

Attendance / production : present days.
type

Default value to fill : 0

Sold by : Employee name / No.

→ Then make the present days of employees.
"Accept".

Again press Alt + A → Absent days.

Attendance type → Absent days.

→ Then type the absent days of employees.
"Accept".

→ Again press ctrl + F4 → payroll vouchers.

→ Account : cash.

press Alt + A : payroll Autofill.

process for : Salary.

from : 1-5-21

To : 31-5-21

"Accept"

Date _____
Page _____

→ To check salary details of an employee.

press Dppps (Display, payroll reports, Statements of payroll, pay slip, Single pay slip) at the gateway of Tally.

→ And for printout press Alt 7p.

GST

↳ GST stands for goods and service tax. It is an Indirect Tax which has replaced many indirect taxes in India. The GST act was passed in the parliament on 29th - march - 2017. The act came into effect on 1st - July - 2017. GST law in India is a comprehensive multi-stage destination based tax. i.e. levied on every value addition.

In simple words GST is an Indirect Tax levied on the supply of goods and services. This law has replaced many Indirect Tax laws that previously existed in India. GST is one Indirect tax for the entire country.

Journey of GST In India :

The GST journey began in the year 2000 when a committee was setup to draft law. It took 17 years from then for the law to evolve, In 2017 the GST bill was passed in the Rajya Sabha and Lok Sabha. On 1st July 2017, the

Gst law came into force

↳ Advantages of "Gst" :-

Gst has mainly removed the cascading effect on the sale of goods and services. Removal of cascading effect has impacted the cost of goods. Since the gst regime eliminates the tax ~~on~~ on tax, the cost of goods decreases. Gst is also mainly technologically driven. All activities like registration, return filing, application for refund and response to notes needs to be done online on the Gst portal.

- ★ Removing cascading tax effects.
- ★ Higher threshold for registration.
- ★ Composition Scheme for small business.
- ★ Online simpler procedure under Gst.
- ★ lesser compliances.
- ★ Defined treatment for e-commerce.
- ★ Increased efficiency in logistics.
- ★ regulating the unorganised sector.

↳ Components of GST.

→ There are 3 taxes applicable under this system.

- 1) CGST 2) SGST 3) IGST.

-1) CGST : It stands for central goods and services tax. It is collected by the central govt on an intrastate sale.

E.g; Transaction happening within J and K.

- 2) SGST: It stands for state goods and service tax. It is collected by the state govt. on an intra-state sale.

E.g; Transaction happening within state.

- 3) IGST: It stands for Integrated goods and services tax. It is collected by the central govt. for inter-state sale.

E.g; transaction happening from Delhi to J&K or from J&K to Delhi.

In most cases, the tax structure under the new regime will be as:

Transaction	New Regime	old R	
Sale within the State	CGST + SGST	VAT + Central excise/Service tax.	Revenue will be shared equally.
Sale to another State	IGST	Central Sales tax + Excise/Service tax	There will only one type of tax (Central)

↳ Statutory and Taxation.

→ Enable Goods and Services Tax (GST) : yes.
Set/Alter list details : yes.

→ By Default : No.
on making the feature 'yes'.

GST Details.

State J&K

Registration type : Regular.

GST applicable : ISF - July - 2017.

from

Set GST details : 'yes'

Taxability : Taxable.

Integrated tax : 12%, central tax 6%, State tax 6%.
"Accept."

→ Go to account info, make the ledger of Supplier, purchase, customer, Sale, CGST, SGST and IGST as:

1) Ledger of Supplier under Sundry creditors

Registration type : Regular.

Set/alter GST details : 'yes'

"Accept."

2. Intrastate purchase under purchase accounts

→ Set/alter Gst details: 'yes'
Nature of Transaction purchase taxable

→ Integrated tax 12%
Central tax 6%, State tax 6%

Type of Supply: Goods. "Accept"

3. Ledger of customer under Sundry Debtors:

→ Set/Alter Gst details: 'yes'
Registration type: Regular "Accept"

4. Intrastate Sale under Sales Accounts.

→ Set/Alter Gst details: 'yes'.
Nature of Transaction: Sales taxable

Integrated tax - 12%
Central tax - 6%
State tax - 6%

Type of Supply - Goods. 'Accept'.

5. CGST under Duties and Taxes.

Type of duty : Gst.
Tax type : Central tax
% age calculation : 6%
"Accept"

6. SGST under Duties and Taxes.

Tax of duty : Gst.
Tax type : State tax.
% age calculation : 6%
"Accept"

★ Then make some stock in inventory info without setting. Gst details in that.

★ Then Go to Accounting vouchers and press F9 for purchase.

Party Account Name : Supplier.
Purchase ledger : Intra state purchase.

Name of Item	Qty	Rate	Amt
mobile phones	100	1500	1,50,000.

Then double enter.

CGst 6% 90,000
SGst 6% 90,00
"Accept"

→ Then press F7 for journal voucher to due the tax amount.

Dr	CGst	30,000.
Dr	SGst	0.
Cr	Cash	60,000.

→ Interstate purchase and Intra state Sale:-

→ Make all the ledgers (Supplier, Customer, Interstate, purchase, Intra state, Sale, IGst, CGst, and SGst).

→ Interstate purchase under purchase Accounts.

→ Nature of Transaction : Interstate purchase taxable.

→ Then make simple purchase F9.

IGst 12 %.

"Accept"

→ Then F8 for Sales.

CGst 6%.

SGst 6%.

"Accept"

→ Then F7 for journal voucher

Dr	
Dr	
Cr	

→ point of Sale feature.

Steps.

→ Go to Inventory info → voucher type (click) → create

Name: POS.
 Select type of voucher: Sales.
 Print voucher after saving: yes.
 Use for pos invoicing: yes.
 Message to print (1): Thanks.
 Message to print (2): visit again.
 Default title to print: Goods once.
 Sold cannot be taken bak.

Accept

→ Then go to Accounting voucher and press FB for Sales.

Select voucher type Pos.
 pos no 1.
 Godown Any.

party A/c Name: Customer.
 Sales ledger: Sale.

Name of item	Qty	Rate	Amtd.
Laptops	5	40,000	2,00,000.

Cash: Cash 2,00,000.
 cash tendered: 2,10,000.

Balance: 10,000
"Accept"

→ Then simply print it.

- * Cash tendered is the actual amount given by the customer.
- * Customer can either pay by cheque, debit card, both etc.
- * point of sale voucher is used when the customer is not known.