

SHRI HARI

# Tally.ERP 9 Release 5.4

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Tutorial Material

## H K Software

9,Laxminagar Society, Opp.D.K.Patel Hall, Naranpura, Ahmedabad – 380013

☎ – 079-27682263, 📞 09377931698

E-Mail ID: [info@hkbookkeeping.com](mailto:info@hkbookkeeping.com)

Website: [www.hkbookkeeping.com](http://www.hkbookkeeping.com)

You can create a new company in Release 5.4 or you can migrate your existing data in Release 5.4

**If you want to create a new company, create company creation screen appears as follows:**

Company Creation		Books and Financial Year Details	
Directory	: E:\Tally.ERP95.4\Data	Financial year begins from	: 1-4-2016
Name	: <b>ABC Trading Company</b>	Books beginning from	: 1-4-2016
<u>Primary Mailing Details</u>			
Mailing name	: ABC Trading Company	<u>Security Control</u>	
Address	: 9 Laxminagar Society, Opp D. K. Patel, Naranpura, Ahmedabad	TallyVault password (if any)	:
Country	: India	Repeat password	:
State	: Gujarat	<i>(Warning: Forgetting TallyVault password will render your data inaccessible.)</i>	
Pincode	: 380013	Use security control	? No
<u>Contact Details</u>			
Phone no.	: 079-27682263	<i>(Enable security to avail TSS features)</i>	
Mobile no.	: 7698555501		
Fax no.	:		
E-mail	: abctradingco@yahoo.com		
Website	:		
<u>Base Currency Information</u>			
Base currency symbol	: ₹	Number of decimal places	: 2
Formal name	: INR	Word representing amount after decimal	: <b>paise</b>
Suffix symbol to amount	? No	No. of decimal places for amount in words	: 2
Add space between amount and symbol	? Yes		
Show amount in millions	? No		

### Enabling VAT (Gujarat)

To enable the Value Added Tax feature and provide the details required for filing returns

### Setting up VAT Details at Company Level

**Note: If your business contains all stock items with same VAT Rate as example 4%+1% or 12.5% +2.5%, you have to set up only Company Level VAT Details**

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

Set the option Enable Value Added Tax (VAT) to Yes.

Enable Set/Alter VAT Details.

Set/Alter Tax Rate Details se to Yes

Tax/Rate Details	
<u>Tax/rate details</u>	
<b>VAT Rate</b>	
<i>(From 1-Apr-2016)</i>	
Tax rate	: <b>4 %</b>
Additional Tax	: <b>1 %</b>
Tax Type	: <b>Taxable</b>

If in Your business CST is applicable, from Company VAT Details screen, press F12: Configure

“Show CST Applicable from Set to Yes”

Accept the screen.

Create Purchase Ledger as shown below:

Ledger Creation		ABC Trading Company		Total Opening Balance
Name	: Purchase A/c			
(alias)	:			
Under	: Purchase Accounts	Name	:	
Inventory values are affected	? Yes	Address	:	
<u>Statutory Information</u>		Provide bank details	: No	
Is VAT/CST applicable	? <input checked="" type="checkbox"/> Applicable	<u>Tax Registration Details</u>		
Set/Alter VAT Details	? No	PAN/IT No.	:	
Opening Balance ( on 1-Apr-2016 ) :				Accept ? Yes or No

Create VAT Ledger as shown below:

Ledger Creation		ABC Trading Company		Total Opening Balance
Name	: VAT			
(alias)	:			
Under	: Duties & Taxes (Current Liabilities)	Name	:	
Type of duty/tax	: VAT	Address	:	
Inventory values are affected	? No	Provide bank details	: No	
Percentage of calculation (0% for common ledger)	? 0 %	<u>Tax Registration Details</u>		
Rounding method	: <input checked="" type="checkbox"/> Not Applicable	PAN/IT No.	:	
<u>Statutory Information</u>				
Opening Balance ( on 1-Apr-2016 ) :				Accept ? Yes or No

Create **Additional Tax** Ledger as shown below:

Ledger Creation		ABC Trading Company	
Name : <b>Additional Tax</b>		<u>Total Opening Balance</u>	
(alias) :			
Under : <b>Duties &amp; Taxes</b> (Current Liabilities)		<u>Mailing Details</u>	
Type of duty/tax : <b>Additional Tax</b>		Name :	
Inventory values are affected ? <b>No</b>		Address :	
Percentage of calculation ? <b>0 %</b> (0% for common ledger)		Provide bank details : <b>No</b>	
Rounding method : <b>Not Applicable</b>		<u>Tax Registration Details</u>	
<u>Statutory Information</u>		PAN/IT No. :	
Opening Balance ( on 1-Apr-2016 ) :		Accept ?	
		Yes or No	

Create **Units of Measure** as nos

Create **Stock Item** as shown below:

Stock Item Creation		ABC Trading Company	
Name : <b>Hocky Kit</b>			
(alias) :			
Under : <b>Primary</b>		<u>Statutory Information</u>	
Units : <b>nos</b>		VAT Applicable : <b>Applicable</b>	
		Set/alter VAT details ? <b>No</b>	
		Conversion Factor : <b>1 Nos = 1 Not Applicable</b>	
		Rate of Duty (eg 5) : <b>0</b>	
Opening Balance :	<b>Quantity</b>	<b>Rate per</b>	<b>Value</b>
			Accept ?
			Yes or No

**Make Purchase Entry as shown below:**

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

Accounting Voucher Creation		ABC Trading Company		Ctrl + M
<b>Purchase</b>	No. 1			1-Apr-2016
Supplier invoice no.:	96	Date :	1-Apr-2016	Friday
Party A/c name :	Sahara Traders			
Current balance :				
Purchase ledger :	Purchase A/c			
Name of Item	Quantity	Rate per	Amount	
Hocky Kit	100 nos	1,000.00 nos	1,00,000.00	
VAT			4,000.00	
Additional Tax			1,000.00	
Narration:			100 nos	1,05,000.00

To view Tax Analysis click on Tax Analysis button given in button bar or press **Alt+A**.

Screen appears as below:

Tax Analysis		ABC Trading Company		Ctrl + M
Tax Analysis				
Particulars	Assessable Value	Tax rate	Duty/Tax Value	
<b>VAT Details</b>				
Purchase Taxable	1,00,000.00	4	5,000.00	
Additional Tax : 1,000.00 (1 %)				
Hocky Kit	1,00,000.00		5,000.00	
Item value ( Purchase value 1,00,000.00 )				
			<b>Total</b>	<b>5,000.00</b>

Accept the Screens.

Accounting Voucher Creation		ABC Trading Company		Ctrl + M
<b>Purchase</b>	No. 1			1-Apr-2016
Supplier invoice no.:	960	Date :	1-Apr-2016	Friday
Party A/c name :	Sahara Traders			
Current balance :				
Name of Item	Quantity	Rate per	Amount	
Hocky Kit	100 nos	1,000.00 nos	1,00,000.00	
VAT			4,000.00	
Additional Tax			1,000.00	
Narration:			100 nos	1,05,000.00

**Setting up of VAT Details at Stock Group Level**

**Note: If you have number of stock items with different stock groups and for different stock groups VAT Rates are different, in such a case you have to set, VAT Details at Company Level and Stock Group Level both.**

For Example: We are doing business of Sports goods. Sports Equipments are comes in VAT Slab 4%+1%, and Sports Uniforms are comes in VAT Slab 12.5%+2.5%.

**To check VAT Triangulation Report**

Go to **Gateway of Tally > Statutory Reports > VAT Reports > Form 201**

Form 201		ABC Trading Company		Ctrl + M
Form 201				1-Apr-2016 to 30-Apr-2016
<i>(Return not saved, press F6 to Save the return)</i>				
Returns Summary				
Total number of vouchers for the period				1
Included in returns/annexures				1
Not relevant for returns/annexures				0
Incomplete/mismatch in information (to be resolved)				0
Particulars	Assessable Value	Tax Amount		
<b>Purchases :</b>				
Local purchases		1,00,000.00	5,000.00	
Taxable		1,00,000.00	5,000.00	
	<b>Total</b>	<b>1,00,000.00</b>	<b>5,000.00</b>	
VAT Refundable			5,000.00	
Payment Details				
Tax payment (included)		1-Apr-2016 to 30-Apr-2016		
Tax payments (not included/uncertain)				
<b>VAT Paid</b>				
Total VAT Refundable				5,000.00

### Creating Stock Group

To create a new stock group

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

Enter the Name of the stock group.

Select the required group in Under.

Enable the option Set/alter VAT details.

Stock Group Creation	
Name	: <b>Sports Equipments</b>
(alias)	:
Under	: <b>Primary</b>
Should quantities of items be added	? <b>Yes</b>
Set/alter VAT details	? <b>Yes</b>

To specify the VAT rate for the stock group

Fill up VAT Details as shown below:

VAT Details	
<u>Tax/Rate details</u>	
<b>VAT Rate</b>	
Tax rate	: <b>4 %</b>
Additional tax	: <b>1 %</b>
<i>(From 1-Apr-2016)</i>	
Tax type	: <b>Taxable</b>

Press Enter to save.

Press Enter to save the Stock Group Creation screen.

Same way create Stock Group of Sports Uniform and fill up VAT Details as shown below:

VAT Details	
<u>Tax/Rate details</u>	
<b>VAT Rate</b>	
Tax rate	: <b>12.50 %</b>
Additional tax	: <b>2.50 %</b>
<i>(From 1-Apr-2016)</i>	
Tax type	: <b>Taxable</b>

**Creating Stock Items**

**To create a stock item under stock group Sports Equipments having VAT Slab 4%+1%**

**Create Stock Item of Cricket Bat**

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

Enter the Name of the stock item.

Select the required group in Under field.

Select the required unit of measurement in Units field.

Enable the VAT Applicable option.

Set the option Set/alter VAT details to No

Skip all other fields.

Stock Item Creation		ABC Trading Company	
Name	: Cricket Bat		
(alias)	:		
Under	: Sports Equipments	<u>Statutory Information</u>	
Units	: nos	VAT Applicable	: <input checked="" type="checkbox"/> Applicable
		Set/alter VAT details	? No
		Conversion Factor	: 1 Nos = 1 <input type="checkbox"/> Not Applicable
		Rate of Duty (eg 5)	: 0
Opening Balance	:	Quantity	Rate per
		Value	Accept ?
			Yes or No

**To create a stock item under stock group Sports Uniform having VAT Slab 12.5%+2.5%**

**Create Stock Item of Cricket Shoes**

Stock Item Creation		ABC Trading Company	
Name	: Cricket Shoes		
(alias)	:		
Under	: Sports Uniform	<u>Statutory Information</u>	
Units	: nos	VAT Applicable	: <input checked="" type="checkbox"/> Applicable
		Set/alter VAT details	? No
		Conversion Factor	: 1 Nos = 1 <input type="checkbox"/> Not Applicable
		Rate of Duty (eg 5)	: 0
Opening Balance	:	Quantity	Rate per
		Value	Accept ?
			Yes or No



While passing a transaction for multiple stock items belonging to different groups having different VAT rates, selecting the VAT ledger will automatically calculate the VAT rate of each using the rate defined at the group level of each stock item.

The VAT rate defined at group level will be used to calculate the VAT, when passing a transaction for multiple stock items belonging to different groups, having different VAT rates.

**Make Purchase Entry as shown below:**

Accounting Voucher Creation		ABC Trading Company		Ctrl + M
<b>Purchase</b> No. 2	Supplier invoice no.: 680	Date : 5-Apr-2016	5-Apr-2016 Tuesday	
Party A/c name : XYZ Traders Current balance :				
Name of Item	Quantity	Rate per	Amount	
Cricket Bat	100 nos	1,500.00 nos	1,50,000.00	
Cricket Shoes	100 nos	1,200.00 nos	1,20,000.00	
			<hr/> 2,70,000.00	
VAT			21,000.00	
Additional Tax			4,500.00	
Narration:			200 nos	2,95,500.00

Press Alt+A for Tax Analysis, Press Alt+F1 for Detailed Screen appears as below:

Tax Analysis		ABC Trading Company		Ctrl + M
Tax Analysis				
Particulars	Assessable Value	Tax rate	Duty/Tax Value	
<b>VAT Details</b>				
<b>Purchase Taxable</b>	1,50,000.00	4	7,500.00	
Additional Tax : 1,500.00 (1 %)				
Cricket Bat	1,50,000.00		7,500.00	
Item value ( Purchase value 1,50,000.00 )	1,50,000.00			
<b>Purchase Taxable</b>	1,20,000.00	12.50	18,000.00	
Additional Tax : 3,000.00 (2.50 %)				
Cricket Shoes	1,20,000.00		18,000.00	
Item value ( Purchase value 1,20,000.00 )	1,20,000.00			
			<b>Total</b>	<hr/> 25,500.00

Now check VAT Triangulation Report

Form 201		ABC Trading Company	Ctrl + M
Form 201			1-Apr-2016 to 30-Apr-2016
<i>(Return not saved, press F6 to Save the return)</i>			
<b>Returns Summary</b>			
<b>Total number of vouchers for the period</b>			<b>2</b>
Included in returns/annexures			2
Not relevant for returns/annexures			0
Incomplete/mismatch in information (to be resolved)			0
<b>Particulars</b>	<b>Assessable Value</b>	<b>Tax Amount</b>	
<b>Purchases :</b>			
<b>Local purchases</b>			
Taxable	3,70,000.00	30,500.00	
	3,70,000.00	30,500.00	
	<b>Total</b>	<b>3,70,000.00</b>	<b>30,500.00</b>
<b>VAT Refundable</b>			<b>30,500.00</b>
<b>Payment Details</b>		1-Apr-2016 to 30-Apr-2016	
Tax payment (included)			
Tax payments (not included/uncertain)			
<b>VAT Paid</b>			
<b>Total VAT Refundable</b>		<b>30,500.00</b>	

### Setting up of VAT Details at Stock Item Level

Defining Tax Rate in Stock Item

To create a stock item of **Foot Ball with Opening Stock 500 nos of Rs. 800**

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

Enter the Name of the stock item.

Select the required group from Under field.

Select the required unit of measurement in Units field.

Select Applicable in VAT Applicable field.

Set the option Set/alter VAT details to Yes

To enter the VAT Details

Enter the Tax Rate in the VAT Details screen.

VAT Details	
Tax/Rate details	
<b>VAT Rate</b>	
Tax rate	: 15 %
Additional tax	: 0 %
Tax type	: Taxable

Mention **Opening Balance of stock Item**

The Stock Item Creation screen appears as shown below:

Stock Item Creation		ABC Trading Company	
Name	: <b>Football</b>		
(alias)	:		
Under	: <b>Primary</b>	<u>Statutory Information</u>	
Units	: <b>nos</b>	VAT Applicable	: <b>Applicable</b>
		Set/alter VAT details	? <b>Yes</b>
		Conversion Factor	: <b>1 Nos = 1 <sup>1</sup> Not Applicable</b>
		Rate of Duty (eg 5)	: <b>0</b>
Opening Balance	: <b>500 nos</b>	Rate per	<b>800.00 nos</b>
		Value	<b>4,00,000.00</b>
			Accept ? <b>Yes or No</b>

Press Enter to save.

**To Make Sales Entry**

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

Press F12: Configure **“Use Common Ledger A/c for Item Allocation”** and **“Allow modification of Tax Details for VAT”** set to Yes.

On Making Sales Entry select Sales A/c in field of Sales Ledger, select Sales Taxable in Tax classification Details as shown below:

<u>Tax Classification details</u>	
Classification / Nature	: <b>Sales Taxable</b>

Sales Entry screen appears as shown below:

Accounting Voucher Creation		ABC Trading Company		Ctrl + M
<b>Sales</b> No. 1				10-Apr-2016
Reference no.: 1				Sunday
Party A/c name	: Kamdhenu Traders			
Current balance	:			
Sales ledger	: Sales A/c			
Name of Item	Quantity	Rate per	Amount	
Football	200 nos	1,100.00 nos	2,20,000.00	
VAT			33,000.00	
Provide VAT details : No				
Narration:				200 nos <b>2,53,000.00</b>

Click on Alt+A for Tax Analysis, Alt+F1: Detailed

Tax Analysis			
ABC Trading Company			
Tax Analysis			
Particulars	Assessable Value	Tax rate	Duty/Tax Value
<b>VAT Details</b>			
Sales Taxable	2,20,000.00	15	33,000.00
Football	2,20,000.00		33,000.00
Item value ( Sales value 2,20,000.00 )	2,20,000.00		
<b>Total</b>			<b>33,000.00</b>

**To view VAT Reports**

Go to Gateway of Tally > Display > Statutory Reports > VAT > Form 201

Form 201		
ABC Trading Company		
1-Apr-2016 to 30-Apr-2016		
<b>Form 201</b>		
<i>(Return not saved, press F6 to Save the return)</i>		
<b>Returns Summary</b>		
Total number of vouchers for the period		3
Included in returns/annexures		3
Not relevant for returns/annexures		0
Incomplete/mismatch in information (to be resolved)		0
<b>Particulars</b>	<b>Assessable Value</b>	<b>Tax Amount</b>
<b>Sales :</b>		
Local sales		
Taxable	2,20,000.00	33,000.00
	2,20,000.00	33,000.00
<b>Total</b>	<b>2,20,000.00</b>	<b>33,000.00</b>
<b>Purchases :</b>		
Local purchases		
Taxable	3,70,000.00	30,500.00
	3,70,000.00	30,500.00
<b>Total</b>	<b>3,70,000.00</b>	<b>30,500.00</b>
<b>VAT Payable</b>		<b>2,500.00</b>
<b>Payment Details</b>		
1-Apr-2016 to 30-Apr-2016		
Tax payment (included)		
Tax payments (not included/uncertain)		
<b>VAT Paid</b>		
<b>Balance VAT Payable</b>		<b>2,500.00</b>

**Note: Sameway you can set VAT Rate in particular ledger also**