POWER OF SIMPLICITY

Implementation of Excise for Manufacturers in Tally.ERP 9

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Version: Implementation of Excise for Manufacturers in Tally.ERP 9/Release 3.61/August 2012

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Introduction

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

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

Scope and Applicability

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

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

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

Manufacturer

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

Excisable Goods

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

The Basic requirements to be satisfied are,

Goods must be movable.

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

Types of Excise Duties

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

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

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

Valuation Methods

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

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

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

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

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

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

3. **Value determined on the basis of Maximum Retail Sale Price**: Retail sale price means the maximum price at which the excisable goods in packaged form may be sold to the ultimate consumer and includes all taxes local or otherwise, freight, transport charges, commission payable to dealers, and all charges towards advertisement, delivery, packing, forwarding and the like, as the case may be, and the price is the sole consideration for such sale.
4. **MRP (Valorem + Quantum):** When this Valuation Type is chosen, Basic Excise Duty will be calculated as a combination of percentage of duty on Assessable Value and the prescribed duty amount on per unit basis.

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

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

CENVAT Credit

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

Duties eligible for CENVAT Credit

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

The duties specified under CENVAT Credit Rules, 2002 are:

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

Excise Registration (of Factory/Warehouse)

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

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

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

***Form A–2**: Application form for central excise registration of power loom weavers / hand processors / Dealers of Yarns and Fabrics/ manufacturers of ready made Garments*

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

Separate Registration

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

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

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

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

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

Excise Control Code (ECC) Number

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

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

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

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

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

Examples:

Where the concerned person has only one factory:

ECC Number will be - PAN + XM + 001

Suppose PAN is ABCDE1234H, the ECC Number will be -

ABCDE1234H *XM* **001**

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

ABCDE1234H *XM* **001**

ABCDE1234H *XM* **002**

ABCDE1234H *XM* **003**

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

ABCDE1234H *XM* **001** (for Factory)

ABCDE1234H *XD* **001** (for Dealer)

Central Excise Invoice System

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

Removals only on invoice

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

Serially numbered invoice

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

Number of Invoice copies

The invoice shall be prepared in triplicate:

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

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

Number of Invoice book

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

Authentication of Invoices

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

Intimation of serial numbers

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

Rounding off of duty in invoice

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

Types of Duties and Method of Calculation

Type of Duty	Duty Type	Method of calculation
(BED)	Excise	on Assessable Value
Special Excise Duty (SED)	Excise	on Assessable Value
AED (GSI)	Excise	on Assessable Value
AED (TTA)	Excise	on BED + SED
AED (TTW)	Excise	on BED + SED
AED (PMT)	Excise	on BED + SED
NCCD	Excise	on BED + SED + AED (GSI)
Special AED	Excise	on Quantity
AED on HSD (High Speed Diesel)	Excise	on Quantity
Educational Cess	Excise	On Total Excise Duty
Secondary Education Cess	Excise	On Total Excise Duty
Countervailing Duty (CVD)	CVD	on Assessable Value+ BCD
SED of CVD	CVD	on Assessable Value+ BCD
AED (GSI) of CVD	CVD	on Assessable Value+ BCD
AED (TTA) of CVD	CVD	on CVD + SED–CVD
AED (TTW) of CVD	CVD	on CVD + SED–CVD
AED (PMT) of CVD	CVD	on CVD + SED–CVD
NCCD of CVD	CVD	on CVD + SED–CVD + AED (GSI)–CVD
Special AED of CVD	CVD	on Quantity
AED on HSD (High Speed Diesel) of CVD	CVD	on Quantity
Educational Cess on CVD	CVD	On Total CVD
Secondary Education Cess on CVD	CVD	On Total CVD

Time and Mode of Payment of Duty

1. **Monthly payment of Duty**
   - Assessees who are Large/Regular Units and not availing concession of duty based on turnover, and
   - Assessees availing small scale industries (SSI) concession of duty based on turnover

Have to pay duty on **monthly basis**. Duty in respect for clearances made in a month should be paid by **5th/6th** of the following month.

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

Returns & Time lines

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

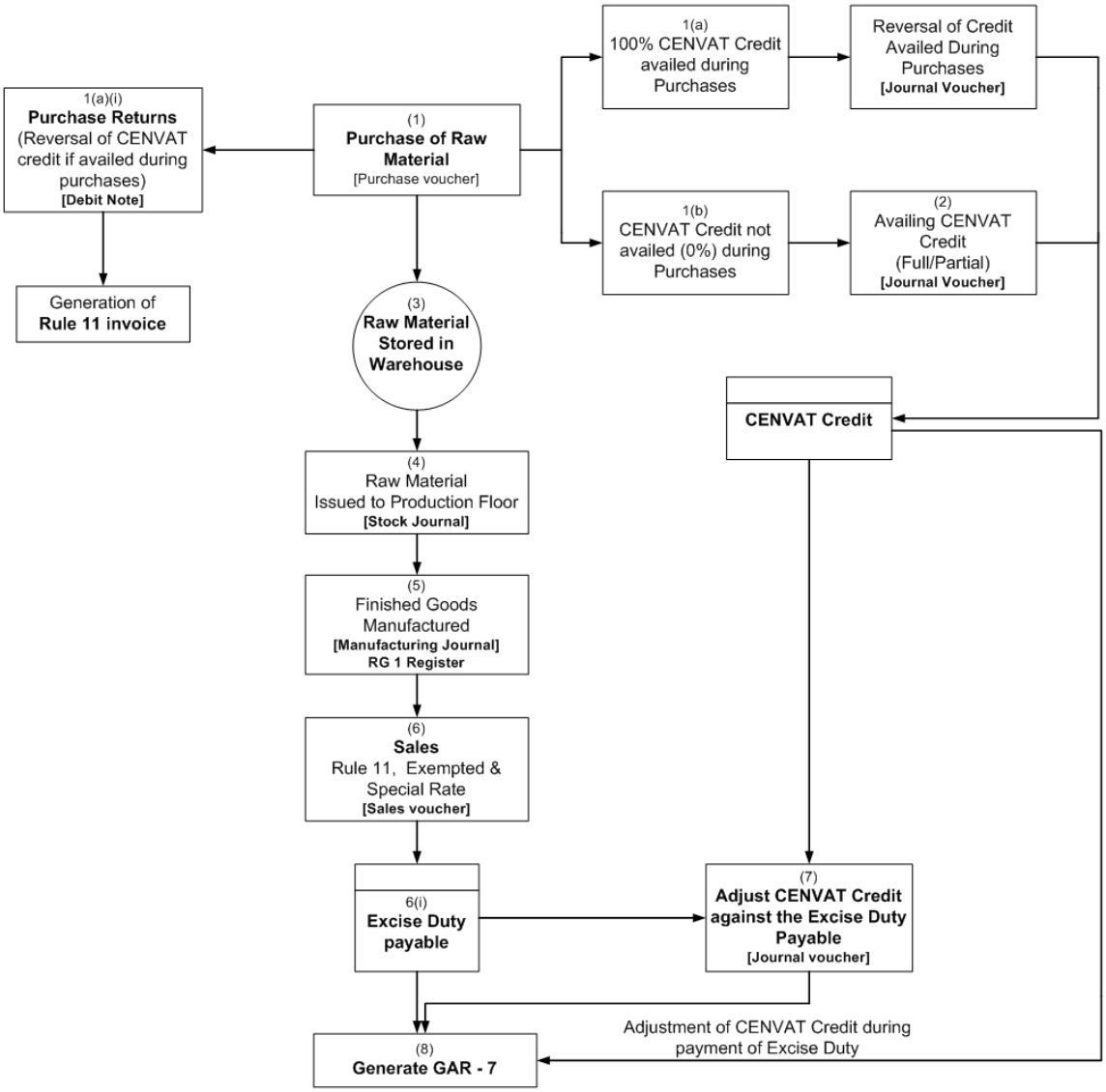
Form No.	Particulars	Periodicity	Due Date
ER–1	Monthly Return by Assesses who are not availing the concession of duty based on turnover (large units) (e-Returns)	Monthly	On or before 10th of the following month
	Monthly Return by Assessees who are neither Large Units nor availing concession of duty based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

Salient Features of Excise in Tally.ERP 9

Tally.ERP 9's simple yet powerful Excise feature enables you to record transactions related to Excise with ease. The Excise functionality in Tally.ERP 9 has the following features:

- Simple and user-friendly
- Quick and easy to set up and use
- Allows Multiple Excise Registration (Manufacturer & Dealer) in Single Company
- Create Tariff (HSN) / Commodity Code
- Flexibility to have separate Unit of Measures for recording transactions and excise reporting
- Item wise Valuation Methods (Valorem, Quantum, MRP)
- Maintain Rule 11 Excise Invoice
- Can apportion Expense / Income ledger value to calculate Assessable Value
- Item wise Duty calculation for different Valuation Methods in single invoice
- Generate Rule 11 invoice for Purchase Returns
- Record Exempt, Export & Special Rate transactions
- Avail Full / Partial CENVAT Credit on Inputs and Capital Goods/ Service Tax towards Duty payable
- Reversal of CENVAT Credit
- Excise Stock Transfer
- Sale of Cement
- Print G.A.R. -7 Challan
- Maintain Invoice Register
- Maintain RG -1 register
- Generate CENVAT Credit Register
- Generate ER-1 & ER-3 returns
- Maintain PLA Register
- Excise Computation Report
- Generate RG 23 Part II Reports for Inputs and Capital Goods
- Generate Annexure -10 and Abstract reports

Excise Process in Tally.ERP 9



Excise Process in Tally.ERP 9

Lesson 1: Enabling Excise in Tally.ERP 9

1.1 Enabling Excise in Tally.ERP 9

It takes a one-time configuration in Tally.ERP 9 for Excise features to be activated. Follow the steps given below to enable excise in Tally.ERP 9 for a new company, Aqua Ltd.

1. Create Company
2. Enable Excise

Aqua Ltd, is a Company – Resident, which is engaged Manufacture of Packed Drinking Water.

Step 1: Create Company

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

In the **Company Creation** screen,

- Specify **Aqua Ltd.,** as the **Company Name** and **Address details**
- Select **India** in the **Statutory Compliance for** field
- Specify the **State, Pin code & Accounts with Inventory** details

The Completed **Company Creation** screen appears as shown

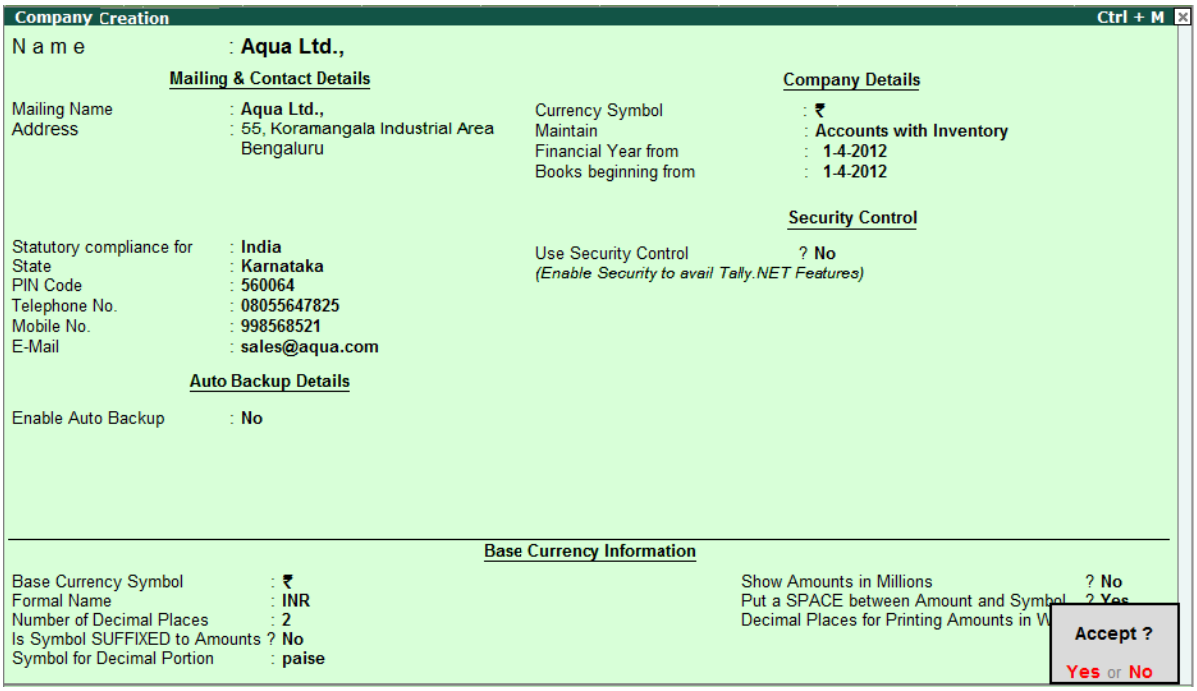


Figure 1.1 Completed Company Creation Screen

*For complete details on **Company Creation** refer **Tally.ERP 9 Help**, topic **Creating Company in Tally.ERP 9***

1.2 Enabling Excise in Tally.ERP 9

You can enable Excise in Tally.ERP 9, in the F11: Features screen.

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

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

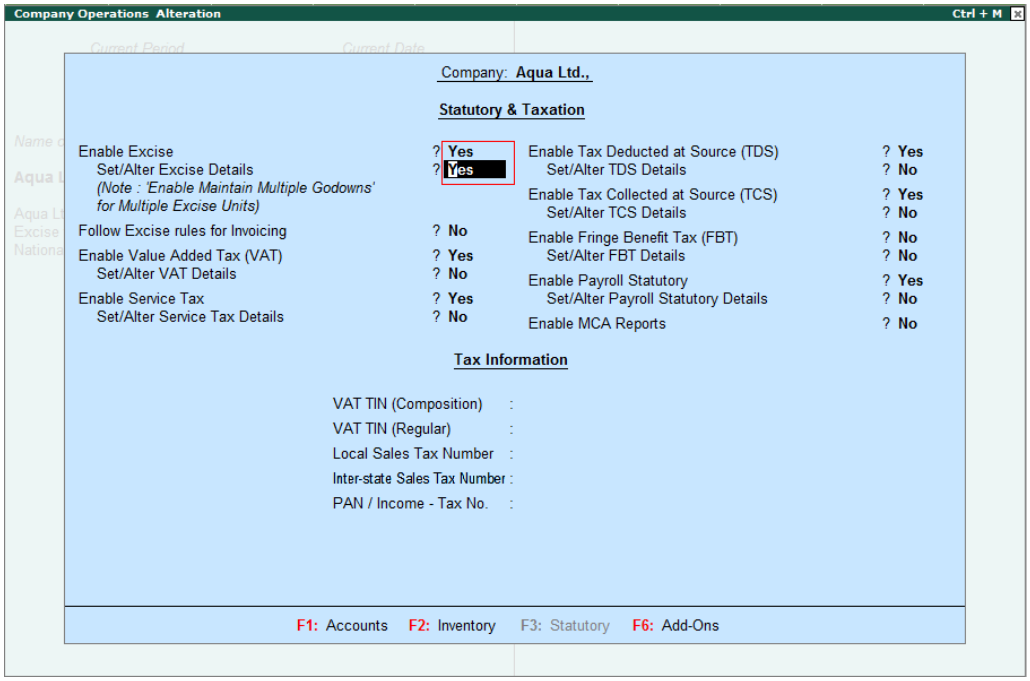


Figure 1.2 Enabling Excise

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

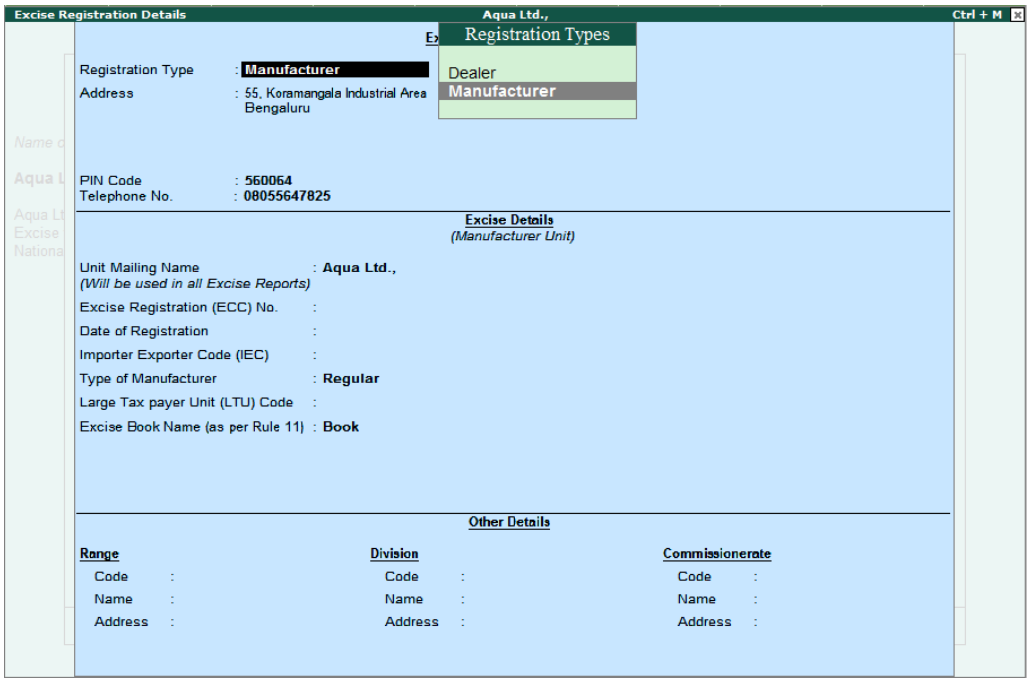


Figure 1.3 Excise Registration Details Screen

3. **Registration Type**: Select Manufacturer from Registration Types list

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

__Registration Type__ selected will be displayed below the heading - __Excise Details__, to identify the unit as a __manufacturer__ or a __dealer__.

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

Name entered in the __Unit Mailing Name__ will be used in all __Excise Reports__.

- **Excise Registration (ECC) No**.: Enter **15** digits Excise Registration Number (ECC) of the Company/Unit, e.g. **AAPCL2149RXM001**
- **Date of Registration**: Enter the date of Excise registration, e.g. **10-4-2001**
- **Type of Manufacturer**: select the appropriate **Manufacturer Type** from the list of Types of Manufacturer, e.g. Regular

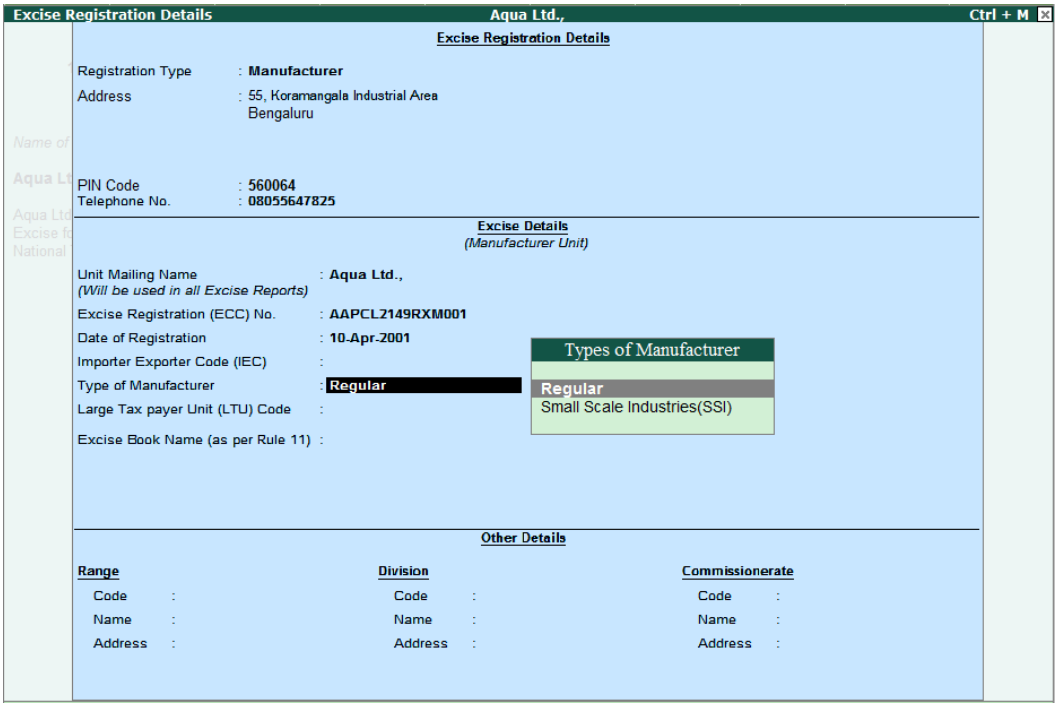


Figure 1.4 Selection of Type of Manufacturer

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

  Skip the **Large Tax Payer Unit (LTU) Code** field.

__Large Tax Payers__ are those assessees who pay large amount of Tax. They are the eligible taxpayer for the purposes of being served by the LTU. For e.g.: __Rs.5 Crores__

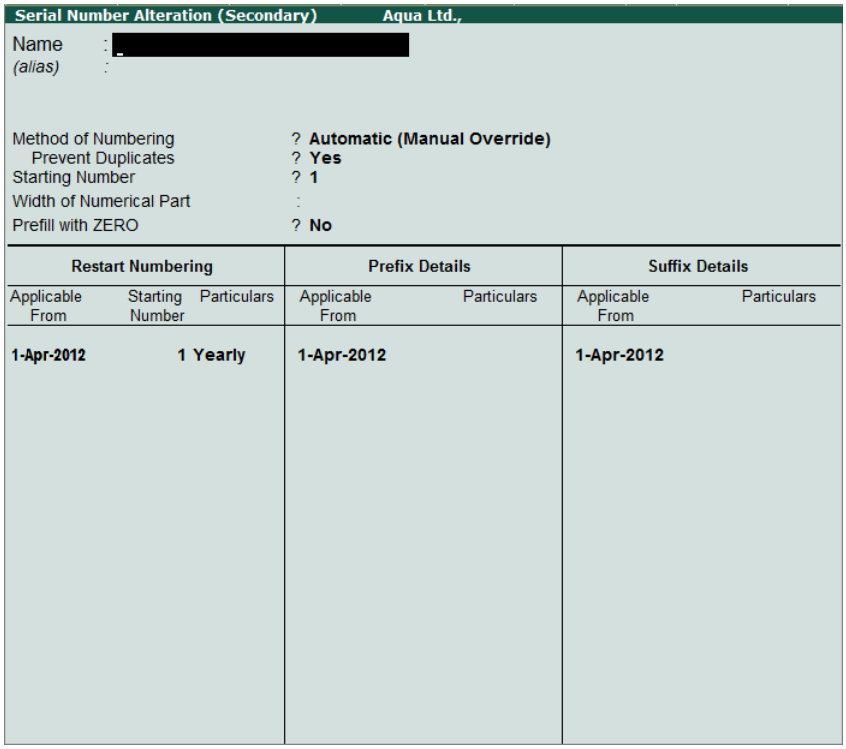
__Large Tax Unit__ is self-contained tax office under the Department of Revenue acting as a single window clearance point for all matters relating to Central Excise, Income Tax/ Corporate Tax and Service Tax. Eligible Tax Payers who opt for assessment in LTU shall be able to file their excise return,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

__Large Tax Unit__ location Code for __Bangalore is L-10000__

More information on LTU is available on - __http://www.cbec.gov.in/cae1-english.htm__

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

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



Serial Number Alteration (Secondary) **Aqua Ltd.,**

Name : [redacted]
(alias) :

Method of Numbering ? **Automatic (Manual Override)**
Prevent Duplicates ? **Yes**
Starting Number ? **1**
Width of Numerical Part :
Prefill with ZERO ? **No**

Restart Numbering			Prefix Details		Suffix Details	
Applicable From	Starting Number	Particulars	Applicable From	Particulars	Applicable From	Particulars
1-Apr-2012	**1**	**Yearly**	**1-Apr-2012**		**1-Apr-2012**	

Figure 1.5 Serial Number Alteration Screen

- **Name**: Enter the excise invoice book name allowed by the Commissioner of Central Excise for the company/unit, e.g. **Aqua/Rule11/Book1/12-13**

  Aqua - Denotes Company Name.

  Rule 11: Denotes that invoice book is maintained as per Rule 11 of Central Excise Rules, 2002

  Book1: Stands for Book Number, which is allowed for the current financial year

  12-13: Denotes the financial year.

- **Method of Numbering**: By default **Automatic (Manual Override)** is displayed as the method of numbering.

__Automatic (Manual override)__ method of numbering assures the Rule 11 requirement of maintaining invoices serially numbered and sequence of numbering.

- **Prevent Duplicates**: By default this field will be set to **Yes**.
- **Starting Number**: Enter the **Starting Voucher Number** which is allowed by the Commissioner of Central Excise. E.g. **101**
- **Width of Numerical part**: Mention the width of the numerical part.
- **Prefill with Zero**: when this option is set to No the digits before the invoice number will be blank. If this field is set to Yes the invoice number will be prefilled with Zeros based on the width of numerical part e.g. **00001** (where the width of numerical part is set to 5).
- **Restart Numbering**: In this field enter the **Starting Number** as **101** and ensure under Particulars the Type of Period is Yearly

  In this section user can set the dates to restart the voucher number by defining the types of period (Daily, Monthly, Never, weekly or Yearly).

- **Prefix Details**: Here enter the information to be prefixed with voucher number

  Applicable From: Enter **1-4-2012** in **Applicable From** field. The date mentioned in this field indicates the date from when the prefix should be displayed along with the voucher number.

  Particulars: Enter the information to be prefixed to the voucher number E.g. **Aqua/**

- **Suffix Details**: Here enter the information to be suffixed with voucher number.

  Applicable From: Enter **1-4-2012** in **Applicable From** field. The date mentioned in this field indicates the date from when the suffix should be displayed along with the voucher number.

  Particulars: Enter the information to be suffixed to the voucher number E.g. **/11-12**

For complete details on __Restart Numbering, Prefix and Suffix Details__ refer __Tally.ERP 9 Help__, topic __Voucher Types > Use Advance Configuration__

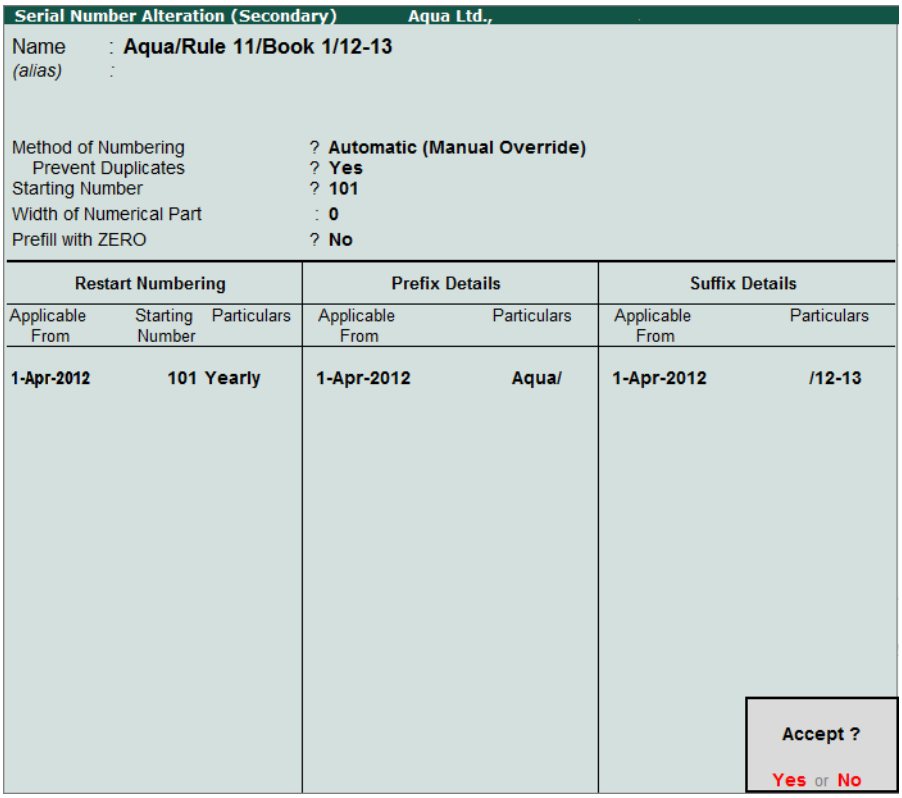


Figure 1.6 Completed Serial Number Alteration Screen

In Tally.ERP 9 user can create more than one Excise Book Name for the same company or Unit. But, as per Rule 11 of Central Excise Rules, 2001 only one invoice book shall be in use at a time. A unit can maintain more than one invoice book if it is allowed by the Deputy/Assistant Commissioner of Central Excise.

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

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

6. **Other Details**: In this section enter **Range, Division** and **Commissionerate** details
   - **Range**: Enter the code Name and Address of the range under which your company is registered.
     - **Code**: Enter Range Code as **08**
     - **Name**: Enter Range Name as **koramangala**
     - **Address**: Enter the **Range Address**

- **Division**: Enter the code Name and Address of the division under which your company is registered.
  - Code: Enter Division Code as **02**
  - Name: Enter Division Name as **Division II**
  - Address: Enter the **Division Address**
- **Commissionerate**: Enter the code Name and Address of the Commissionerate under which your company is registered.
  - Code: Enter Commissionerate Code as **09**
  - Name: Enter Commissionerate Name as **Bangalore I**
  - Address: Enter the **Commissionerate Address**

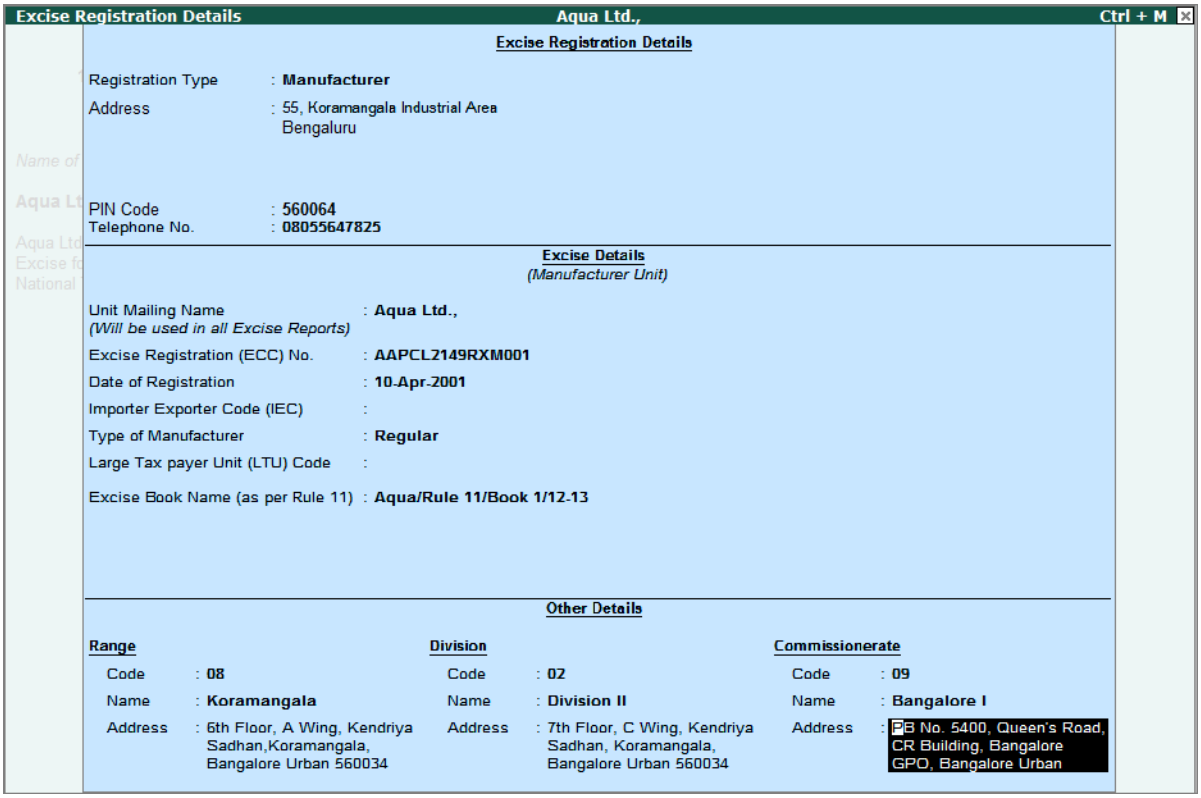


Figure 1.7 Completed Excise Registration Details

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

1.2.1 Enabling VAT

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

1. Set the option **Enable Value Added Tax (VAT)** to **Yes**
2. Enable the option **Set/Alter VAT Details** to **Yes**
3. Specify the **Company VAT Details** as shown below

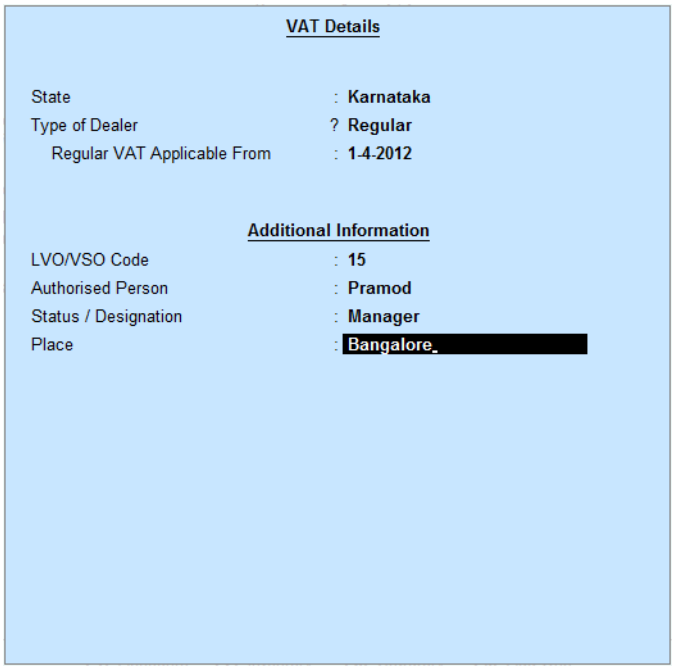


Figure 1.8 VAT Details screen

1.2.2 Tax Information

1. Enter VAT TIN e.g. **11004578123**
2. Enter Inter-state Sales Tax Number e.g. **42514878245**
3. Enter Company's PAN / Income - Tax No. e.g. **AAPCL2149R**

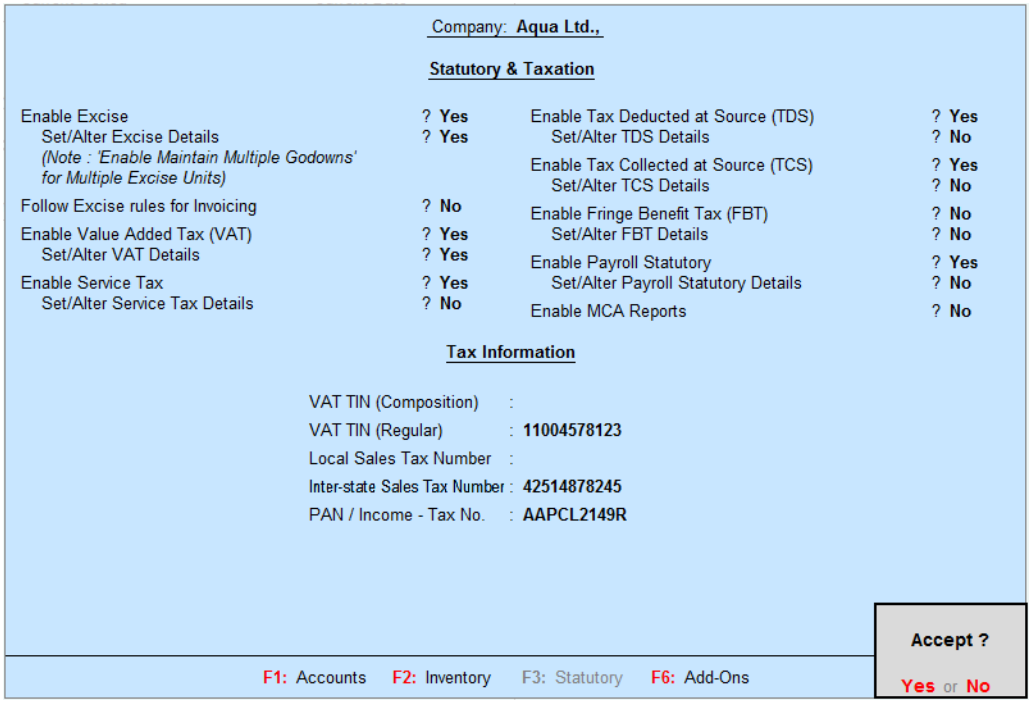


Figure 1.9 Statutory & Taxation features Screen

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

Lesson 2: Creating Masters

2.1 Creating a Customer Ledger

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

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

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

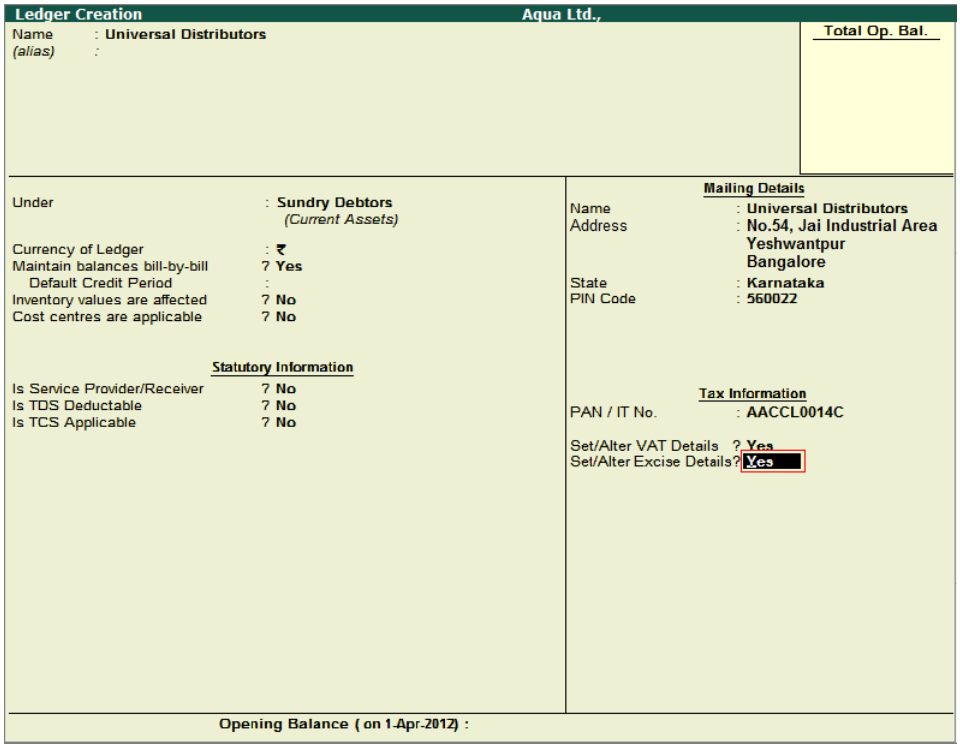


Figure 2.1 Customer Ledger Creation

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

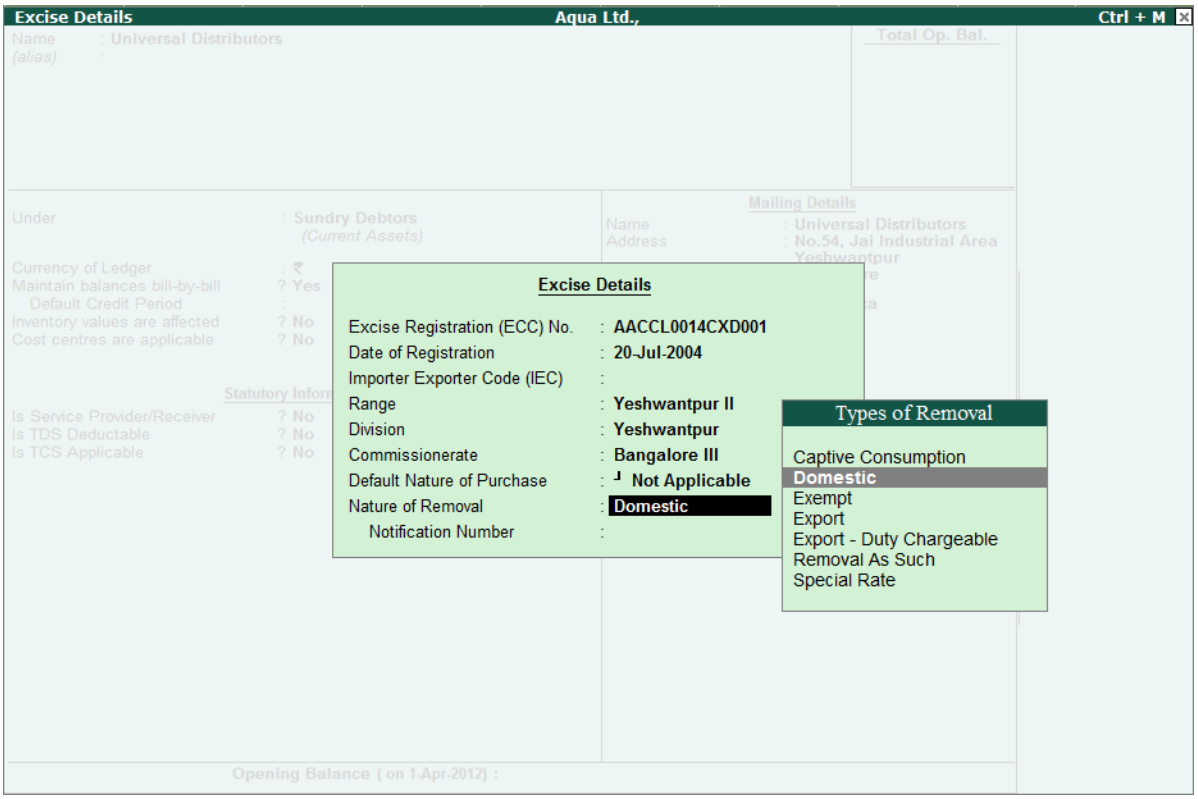


Figure 2.2 Excise Details

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

The completed Customer ledger appears as shown

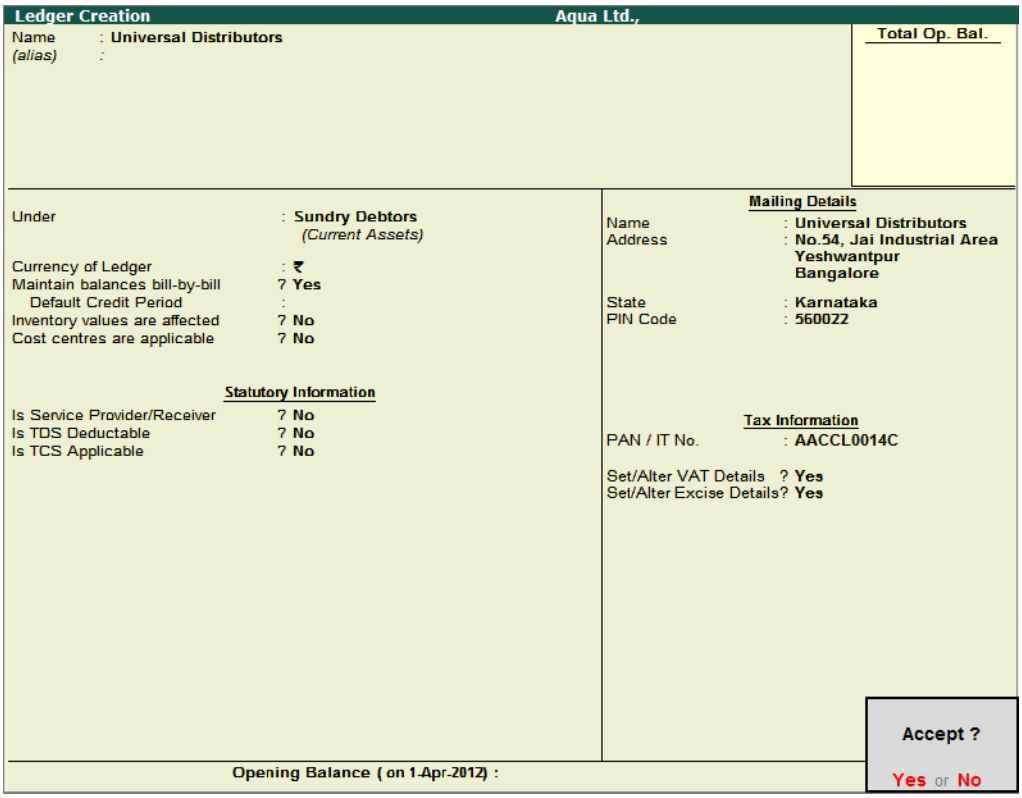


Figure 2.3 Completed Customer Ledger Creation screen

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

*The Excise Details sub-screen appears for ledgers created under **Sundry Creditors** and **Sundry Debtors** only.*

2.2 Creating a Supplier Ledger

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

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

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

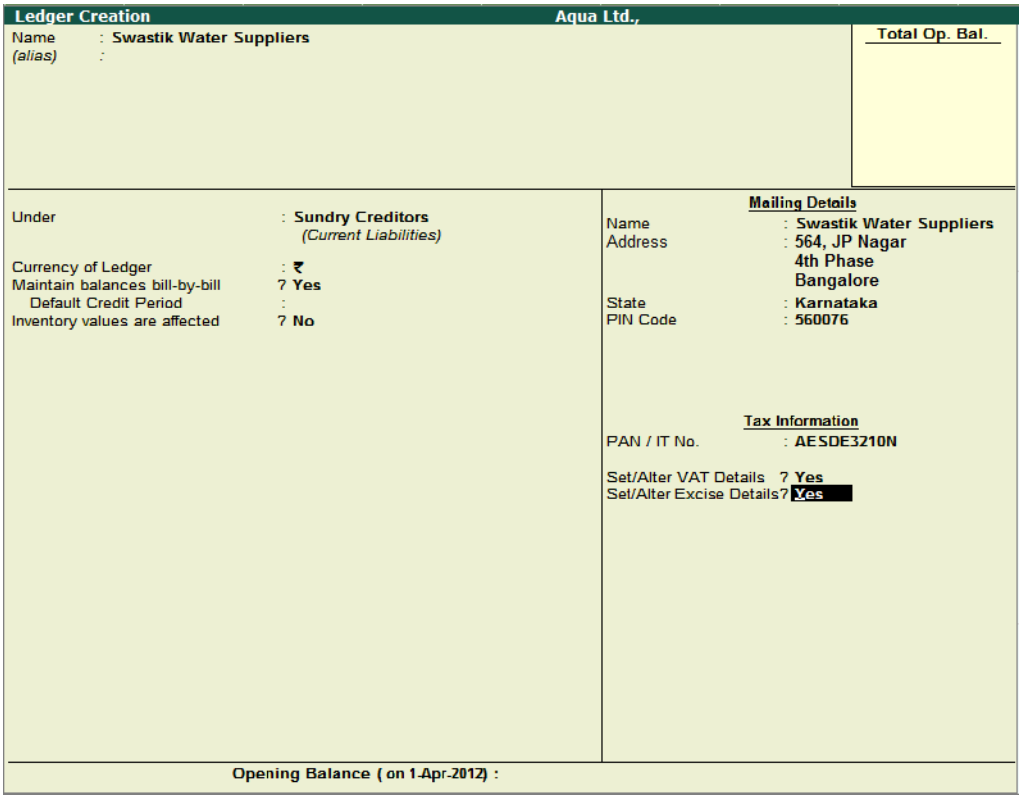


Figure 2.4 Supplier Ledger Creation

7. In the **Excise Details** screen,
   - Enter the **Excise Registration Number** of the supplier. E.g. **AESDE3210NXM001**
   - Enter the **Date of Excise Registration** in Date of Registration field. E.g. **15-May-1999**
   - Enter the **Range** under which the supplier's company is registered. E.g. **Bommanahalli**
   - Enter the **Division** under which the supplier's company is registered. E.g. **Division IV**

- Enter the **Commissionerate** under which the premise of the Supplier's company is registered. E.g. **Bangalore I**
- Select the **Default Nature of Purchase** as **Manufacturer** from Nature of Purchase

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

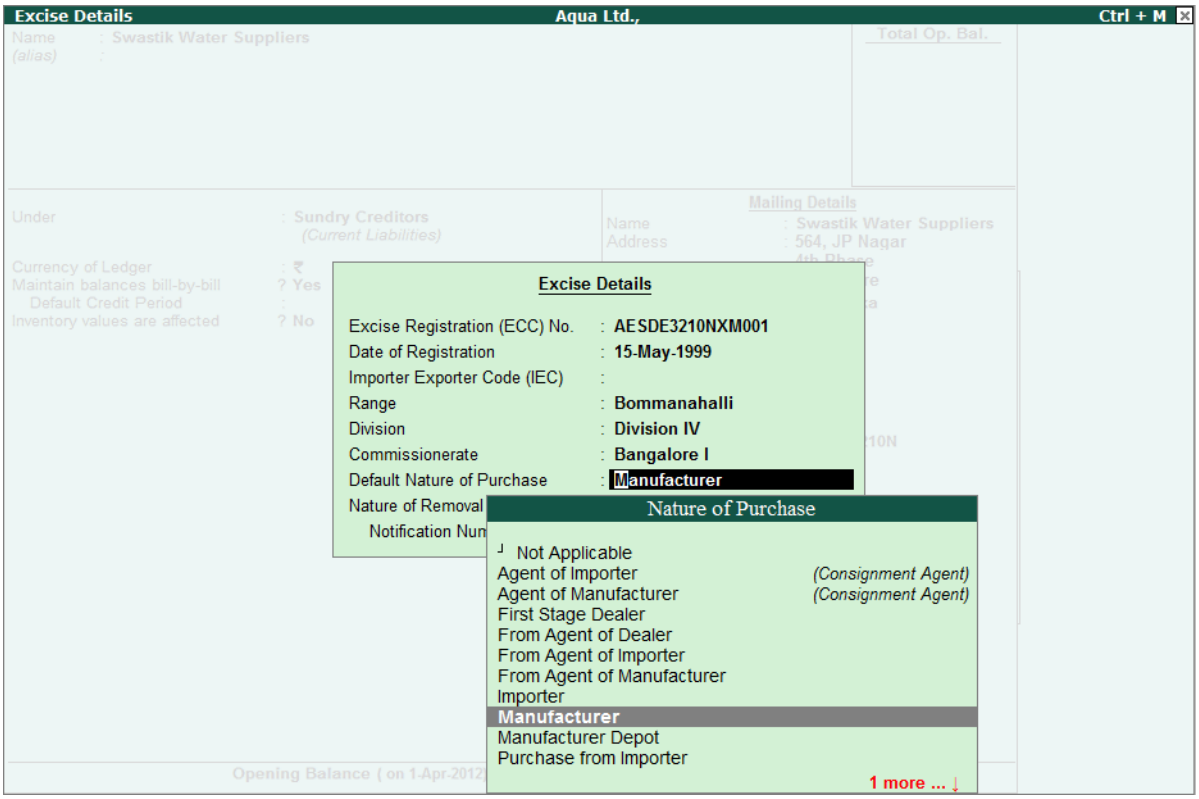


Figure 2.5 Excise Details screen

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

*The nature of removal can be defined for a **supplier** in such cases where the party acts as a **supplier** as well as a **customer**. However Nature of Removal will be used only in Sales and s (where good are removed from factory)*

The completed Supplier Ledger appears as shown

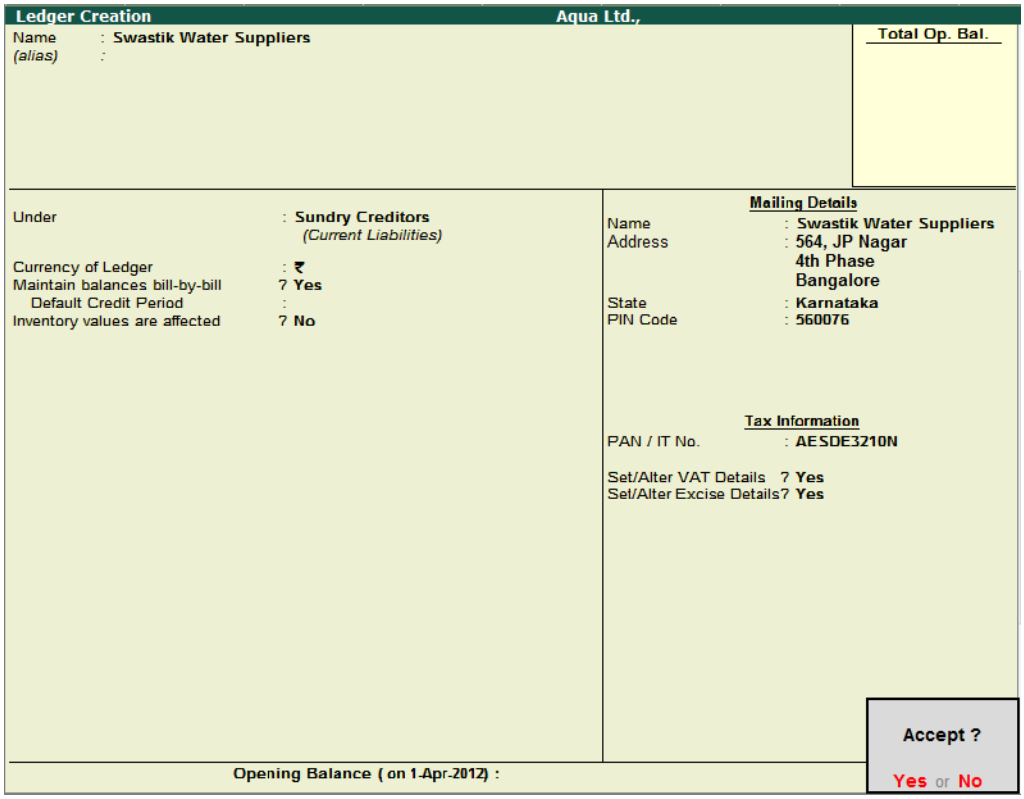


Figure 2.6 Completed Supplier Ledger screen

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

2.3 Creating a Sales Ledger

To create a **Sales Ledger**,

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

1. Enter the **Name** of the sales ledger you wish to create, for e.g., **Sales @ 13.5%**.
2. Select **Sales Accounts** as the group name in the **Under** field.
3. Set **Inventory values are affected** to **Yes**.

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

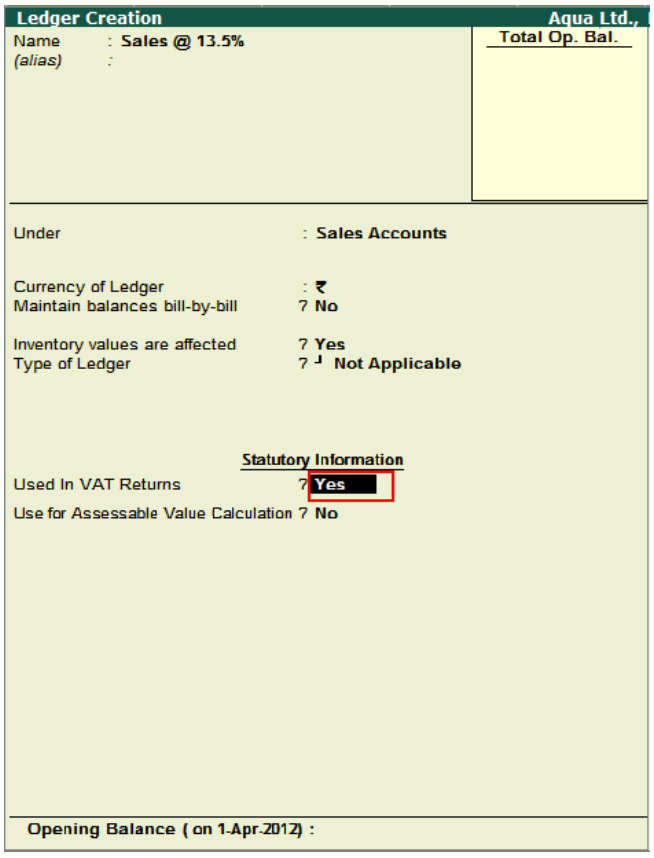


Figure 2.7 Sales Ledger Creation

5. Select the required **VAT/Tax Class**, for e.g., **Sales @ 13.5%**

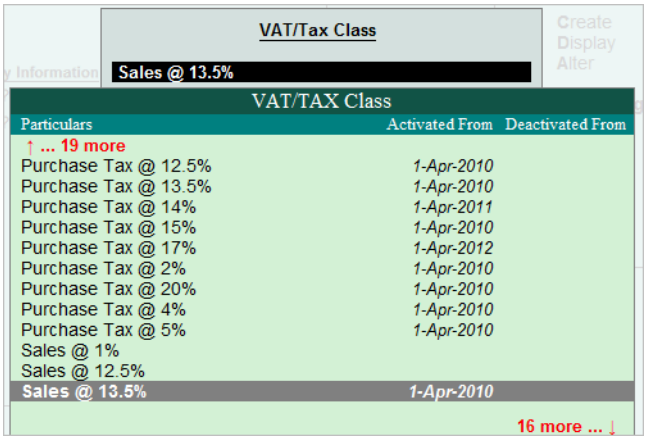


Figure 2.8 VAT/Tax Class Selection

6. Set the option **Use for Assessable Value Calculation** to **No**

The completed Sales ledger appears as shown:

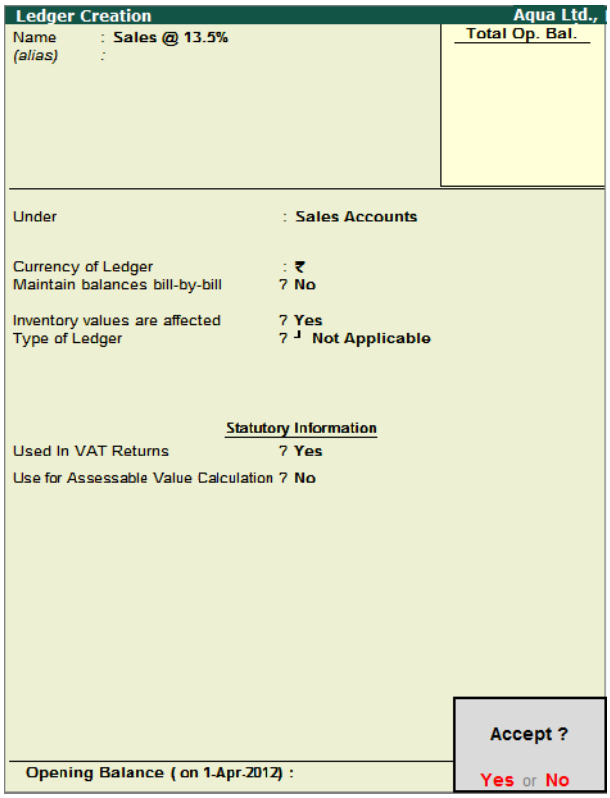


Figure 2.9 Sales Ledger

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

It is recommended to create separate Sales ledgers with appropriate VAT classification for different rates of VAT. However, Tally.ERP 9 provides you the flexibility to use a common sales ledger for different rates, by selecting VAT classification as Not Applicable and allows selection of required classification from the list of VAT/Tax Class while recording a transaction.

2.4 Creating a Purchase Ledger

To create a **Purchase Ledger**,

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

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

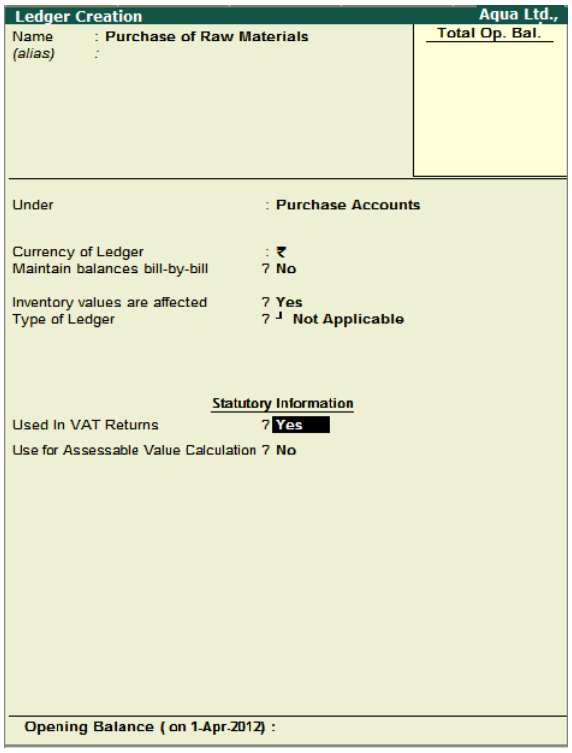


Figure 2.10 Purchase Ledger Creation

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

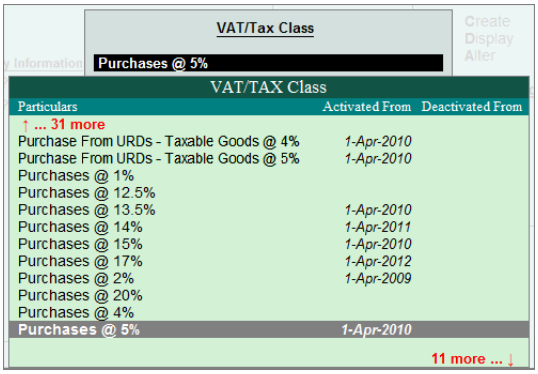


Figure 2.11 VAT/Tax Class Selection

6. Set the option **Use for Assessable Value Calculation** to **No**

The completed purchase ledger appears as shown

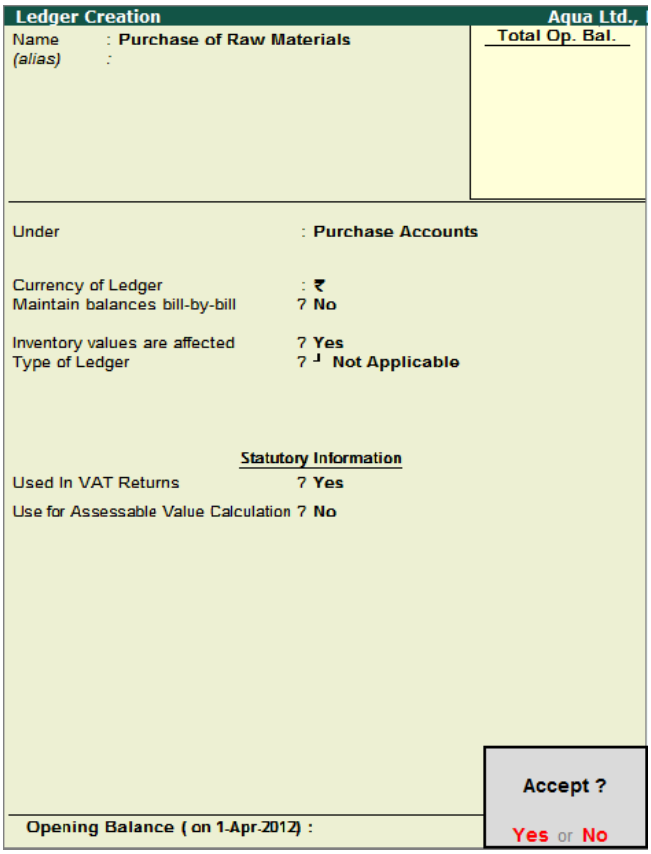


Figure 2.12 Purchase Ledger

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

It is recommended to create separate Purchase ledgers with appropriate VAT classification for different rates of VAT. However, Tally.ERP 9 provides you the flexibility to use a common Purchase ledger for different rates, by selecting VAT classification as Not Applicable and allows selection of required classification from the list of VAT/Tax Class while recording a transaction

2.5 Creating VAT Ledgers

2.5.1 Input VAT

To create a **Input VAT Ledger**,

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

1. Enter the **Name** of the input VAT ledger you wish to create, for e.g., **Input VAT @ 5%**
2. Select **Duties & Taxes** as the group name in the **Under** field.
3. Select **VAT** from the **Type of Duty/Tax** list in the field **Type of Duty/Tax**.
4. In **VAT Sub Type** field select **Input VAT** form the **List of VAT SubTypes**

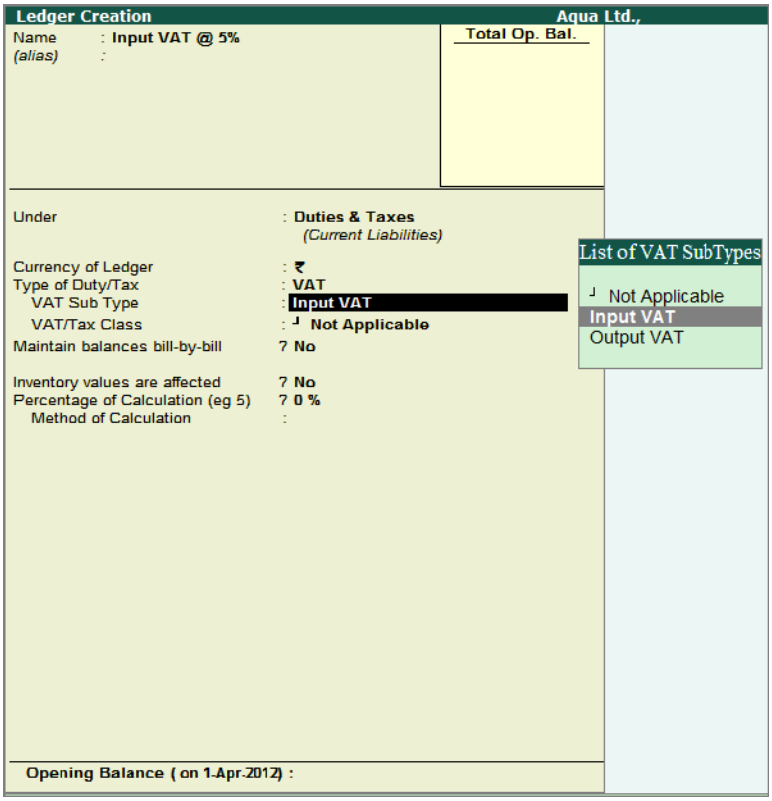


Figure 2.13 Input VAT Ledger Creation

5. Select the requisite **VAT/Tax Class**, for e.g., **Input VAT @ 5%** from the **VAT/TAX Class** list
6. **Percentage of Calculation** and **Method of Calculation** are updated automatically based on the Type of Duty/Tax and VAT/Tax Class selected.
7. Select **Normal Rounding** in **Rounding Method** field and set **Rounding Limit** to **1**.

The completed Input VAT ledger appears as shown

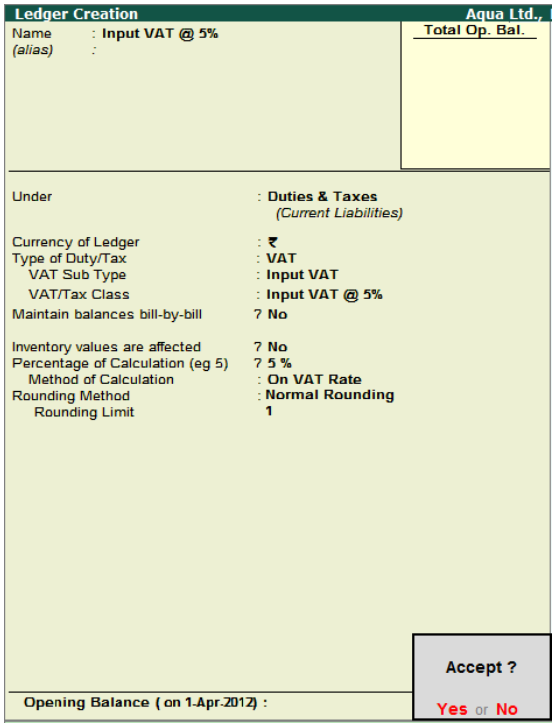


Figure 2.14 Completed Input VAT Ledger Creation screen

8. Press **Enter** to accept the ledger.

2.5.2 Output VAT

To create a **Output VAT Ledger**,

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

1. Enter the **Name** of the Output VAT Ledger you wish to create, for e.g., **Output VAT @ 13.5%**
2. Select **Duties & Taxes** as the group name in the **Under** field.
3. Select **VAT** from the **Type of Duty/Tax** list in the field Type of Duty/Tax.
4. In **VAT Sub Type** field select **Output VAT** form the **List of VAT SubTypes**

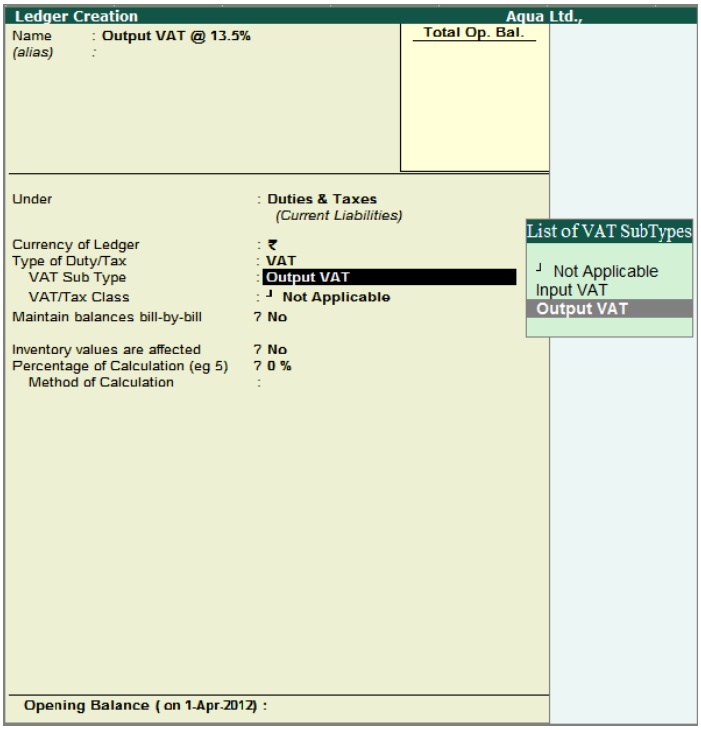


Figure 2.15 Output VAT Ledger Creation

5. Select the requisite **VAT/Tax Class**, for e.g., **Output VAT @ 13.5%** from the VAT/TAX Class list.
6. **Percentage of Calculation** and **Method of Calculation** are updated automatically based on the Type of Duty/Tax and VAT/Tax Class selected.

7. Select **Normal Rounding** in **Rounding Method** field and set **Rounding Limit** to **1**

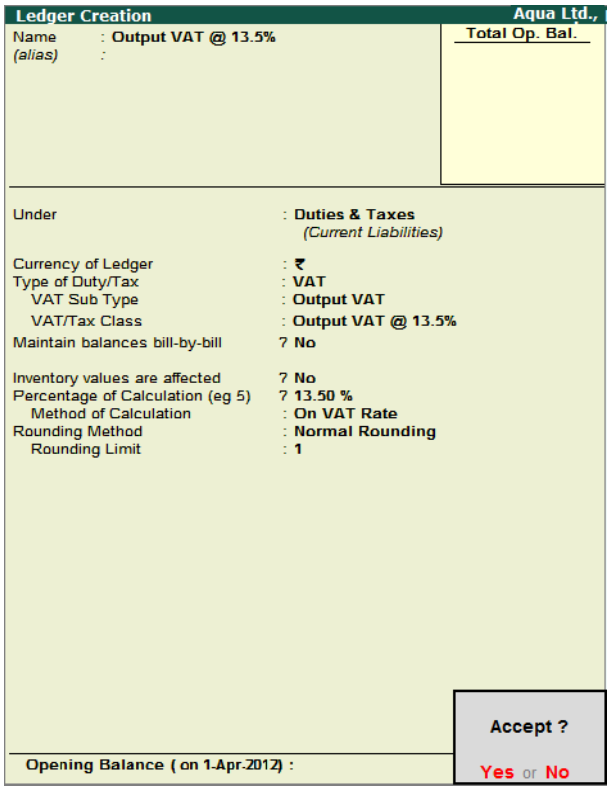


Figure 2.16 Completed Output VAT Ledger Creation screen

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

It is recommended to create separate Output VAT ledgers with appropriate VAT classification for different rates of VAT. However, Tally.ERP 9 provides you the flexibility to use a common Output VAT ledger for different rates, by selecting VAT classification as Not Applicable and allows selection of required classification from the list of VAT/Tax Class while recording a transaction.

2.6 Creating Excise Duty Ledgers

1. Ledger

To create a Ledger,

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

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

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

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

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

5. In **Duty Head** field select from the **List of Excise Duty Classification**

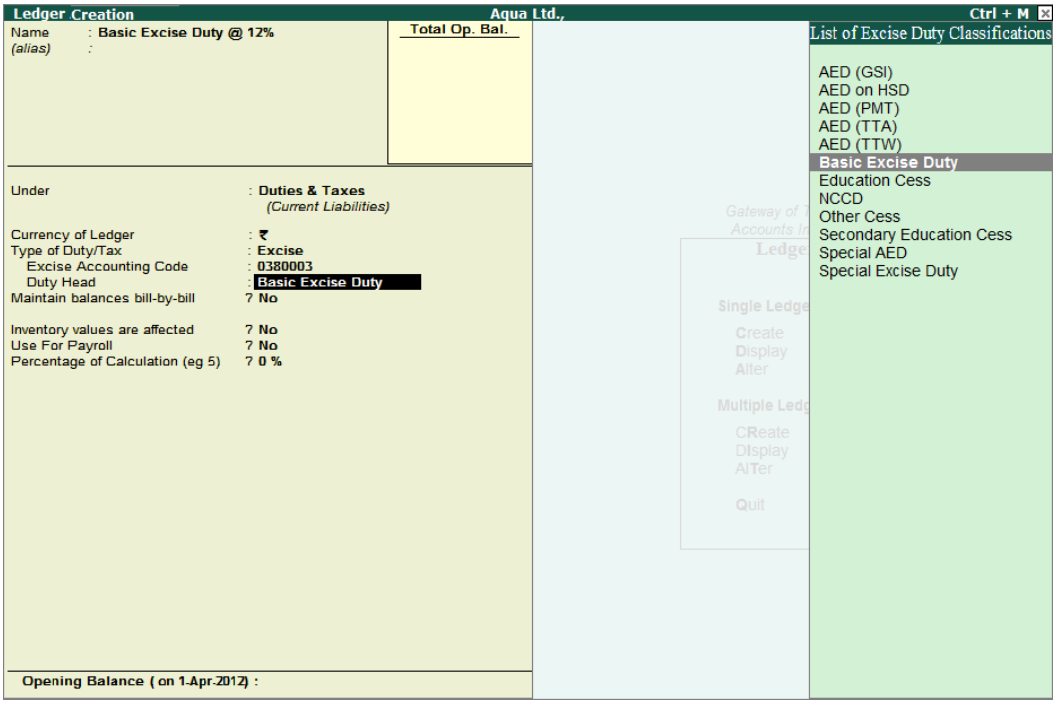


Figure 2.17 Ledger Creation

6. Set the option **Inventory values are affected** to **No**
7. In **Percentage of Calculation** field enter **12%** as the percentage of calculation
8. In **Method of Calculation** field, Tally.ERP 9 defaults **On Assessable Value** as the method of calculation.
9. Select **Not Applicable** in **Rounding Method** field

The completed ledger appears as shown

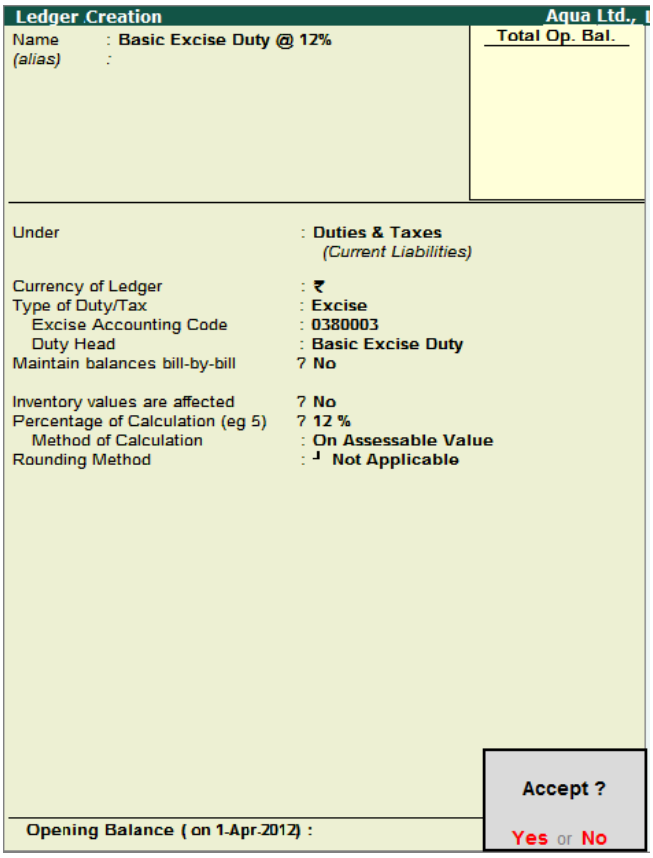


Figure 2.18 Completed Ledger Creation screen

10. Press **Enter** to accept the ledger

Excise Duty *is calculated on the* ***assessable value*** *(Stock item value +indirect expenses) of the transaction.*

2. Creating Education Cess Ledger

To create a **Education Cess** Ledger,

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

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

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

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

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

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

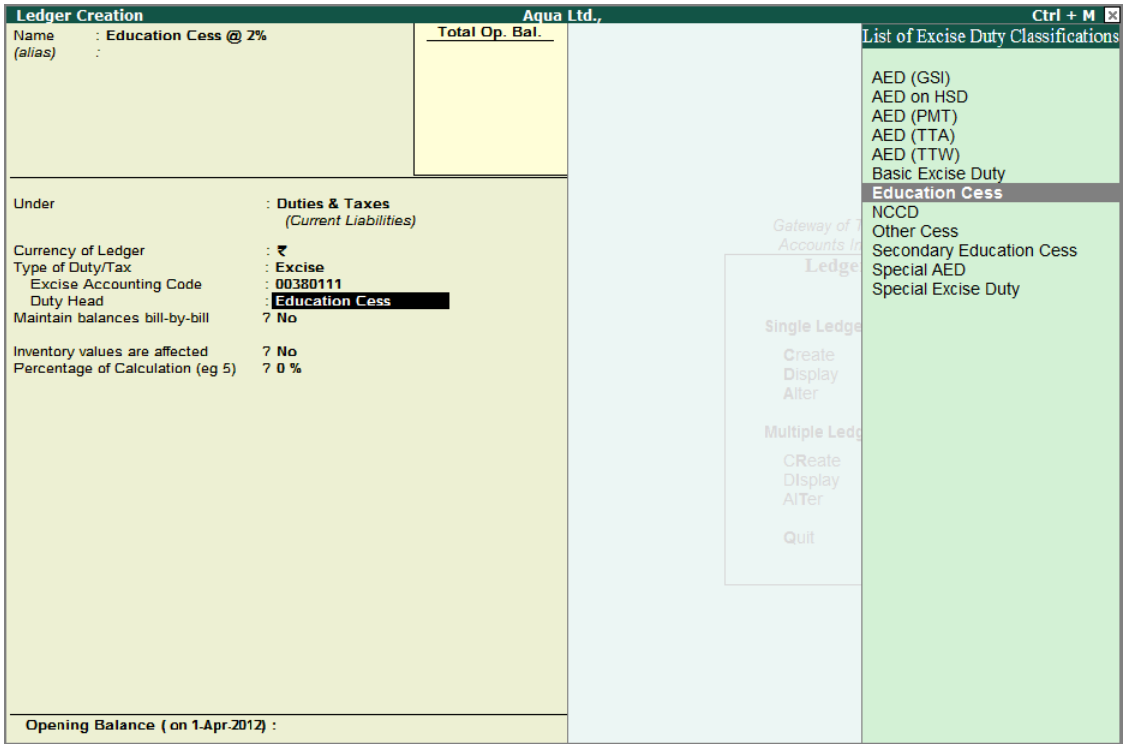


Figure 2.19 Education Cess Ledger Creation

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

The completed Education Cess ledger appears as shown:

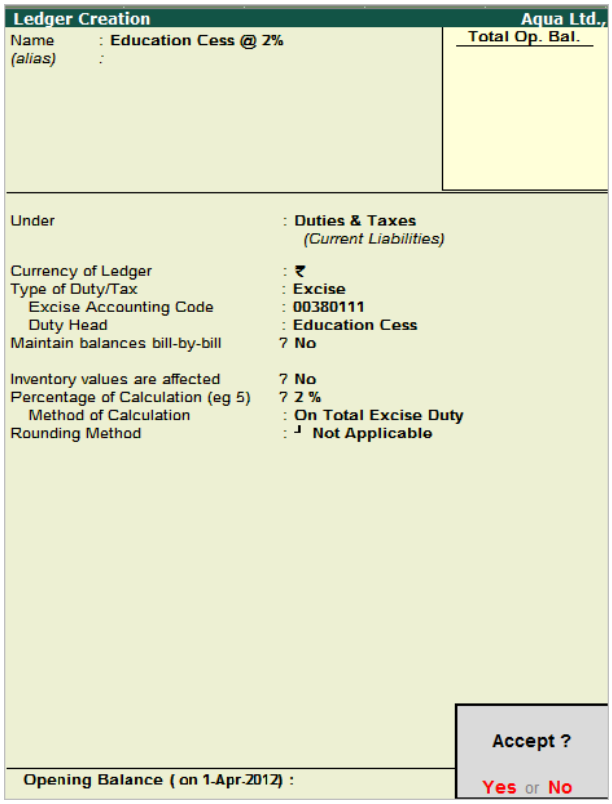


Figure 2.20 Completed Education Cess Ledger Creation screen

10. Press **Enter** to accept the ledger.

3. Creating Secondary and Higher Education (SHE) Cess Ledger

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

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

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

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

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

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

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

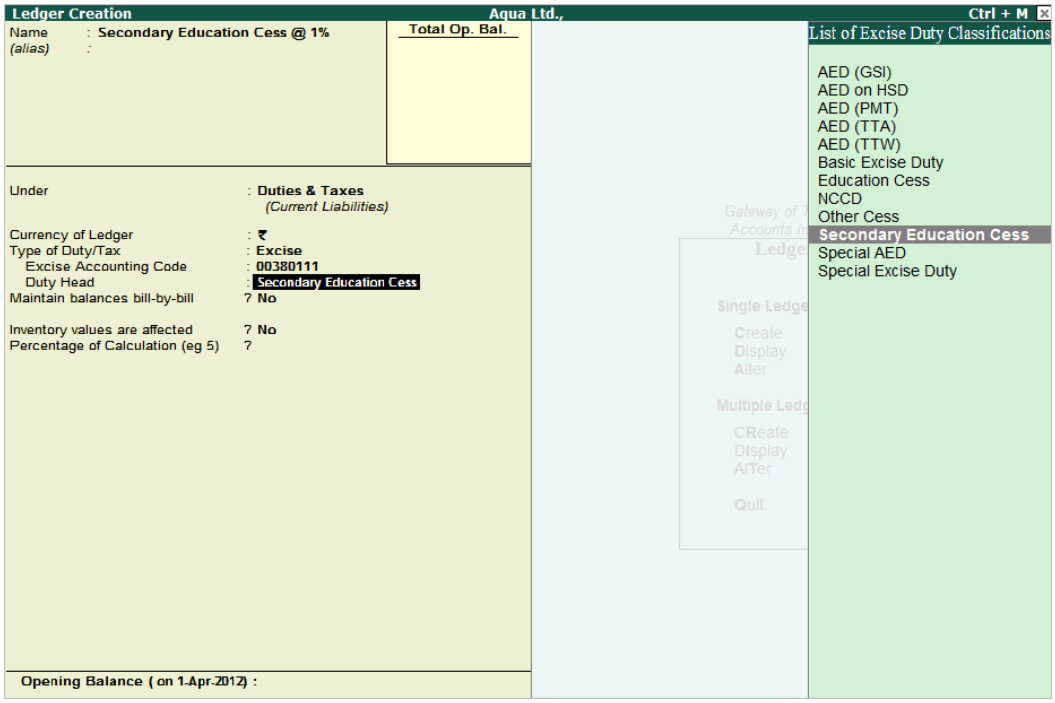


Figure 2.21 Secondary Education Cess Ledger Creation

6. Set the option **Inventory values are affected** to **No**
7. In **Percentage of Calculation** field enter **1%** as the percentage of calculation
8. In **Method of Calculation** field, Tally.ERP 9 defaults **On Total Excise Duty** as the method of calculation.
9. Select **Not Applicable** in **Rounding Method** field

The completed Secondary Education Cess ledger appears as shown:

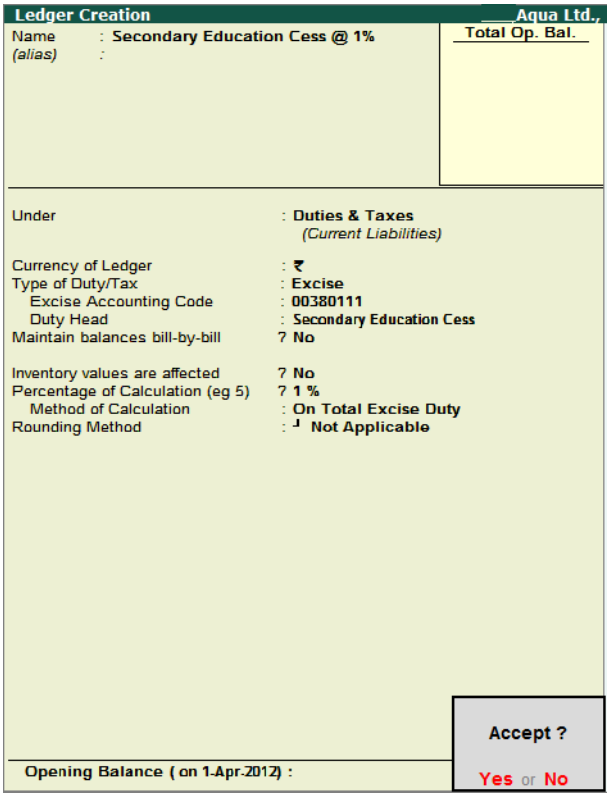


Figure 2.22 Secondary Education Cess Ledger

10. Press **Enter** to accept the ledger.

2.7 Creating CENVAT Ledgers

1. (CENVAT) Ledger

To create a **CENVAT** Ledger,

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

1. Enter the **Name** of the excise duty ledger you wish to create, for e.g., **(CENVAT)**
2. Select **Duties & Taxes** as the group name in the **Under** field.
3. Select **CENVAT** from the **Type of Duty/Tax** list in the field **Type of Duty/Tax**.
4. Skip the **Excise Accounting Code** field
5. In **Duty Head** field select from the **List of Excise Duty Classification**
6. Set the option **Inventory values are affected** to **No**
7. In **Percentage of Calculation** field enter **12%** as the percentage of calculation
8. In **Method of Calculation** field, Tally.ERP 9 defaults **On Assessable Value** as the method of calculation.
9. Select **Not Applicable** in **Rounding Method** field

The completed CENVAT ledger appears as shown

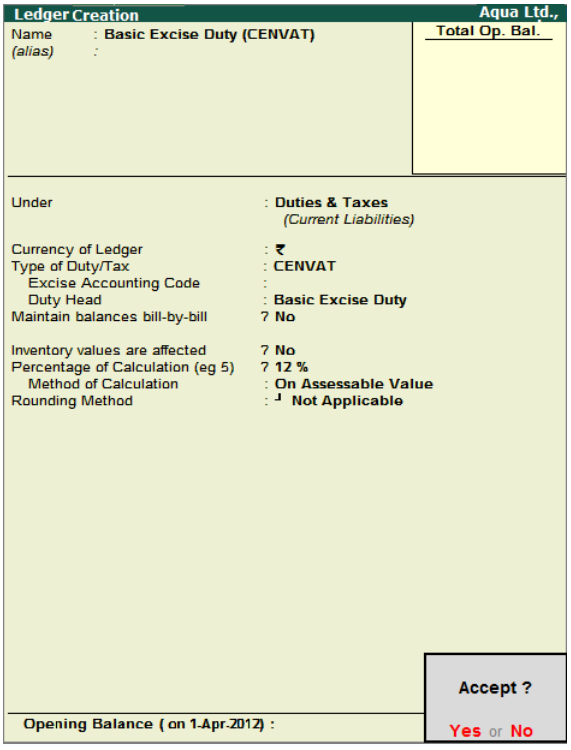


Figure 2.23 Completed Ledger Creation screen

10. Press **Enter** to accept the ledger.

2. Creating Education Cess (CENVAT) Ledger

To create a **Education Cess CENVAT** Ledger,

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

1. Enter the **Name** of the **Education Cess** ledger you wish to create, for e.g., **Education Cess (CENVAT)**
2. Select **Duties & Taxes** as the group name in the **Under** field.
3. Select **CENVAT** from the Type of Duty/Tax list in **Type of Duty/Tax** field.
4. Skip the **Excise Accounting Code** field
5. In **Duty Head** field select **Education Cess** from the **List of Excise Duty Classification**
6. Set the option **Inventory values are affected** to **No**
7. In **Percentage of Calculation** field enter **2%** as the percentage of calculation
8. In **Method of Calculation** field, Tally.ERP 9 defaults **On Total Excise Duty** as the method of calculation.
9. Select **Not Applicable** in **Rounding Method** field

The completed Education Cess CENVAT ledger appears as shown

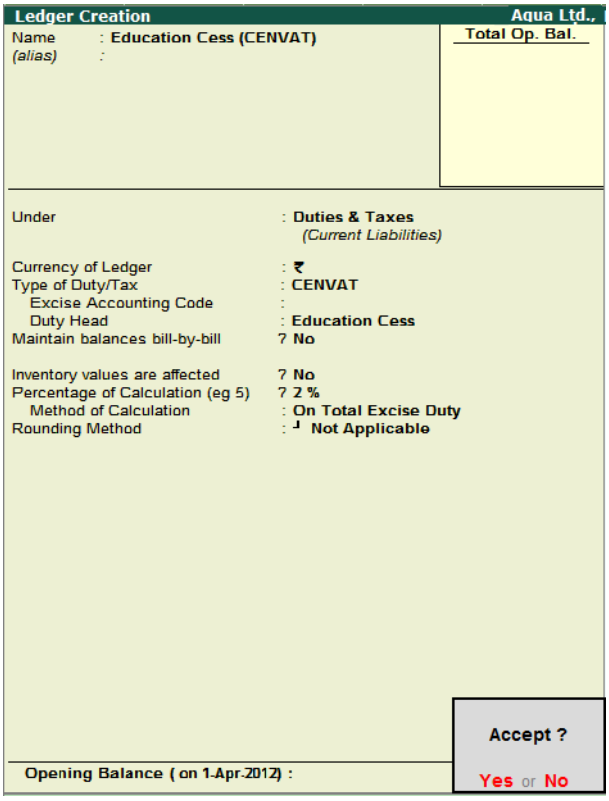


Figure 2.24 Completed Education Cess Ledger Creation screen

10.Press **Enter** to accept the ledger.

3. Creating Secondary and Higher Education Cess (CENVAT) Ledger

To create a **Secondary and Higher Education Cess CENVAT** Ledger,

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

1. Enter the **Name** of the Secondary and Higher Education Cess ledger you wish to create, for e.g., **Secondary Education Cess (CENVAT)**
2. Select **Duties & Taxes** as the group name in the **Under** field.
3. Select **CENVAT** from the Type of Duty/Tax list in the field **Type of Duty/Tax**.
4. Skip the **Excise Accounting Code** field
5. In **Duty Head** field select **Secondary Education Cess** from the **List of Duty Heads**
6. Set the option **Inventory values are affected** to **No**
7. In **Percentage of Calculation** field enter **1%** as the percentage of calculation
8. In **Method of Calculation** field, Tally.ERP 9 defaults **On Total Excise Duty** as the method of calculation.
9. Select **Not Applicable** in **Rounding Method** field

The completed Secondary Education Cess CENVAT ledger appears as shown

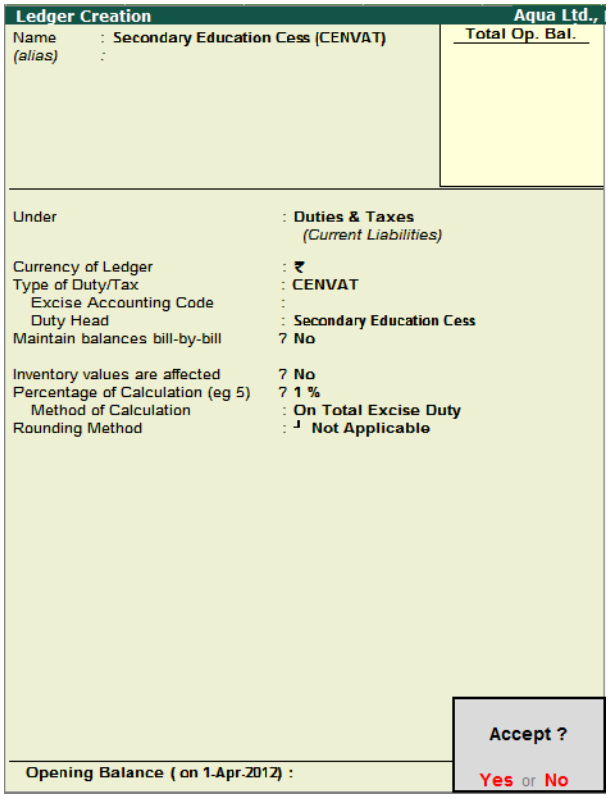


Figure 2.25 Secondary Education Cess Ledger

10.Press **Enter** to accept the ledger

2.8 Creating an Expense Ledger

To create an **Expense Ledger**

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

*When the option **Assessable Value Calculation (for Excise /VAT)** is set to **Yes** the Value given against this ledger in the sales/Purchase voucher will be used to calculate the assessable value of the stock item to compute the excise duty or VAT*

5. In **Apportion for** field select **Excise & VAT**
6. In **Method of Apportion** select **Based on Value** from **Method of Apportion List**

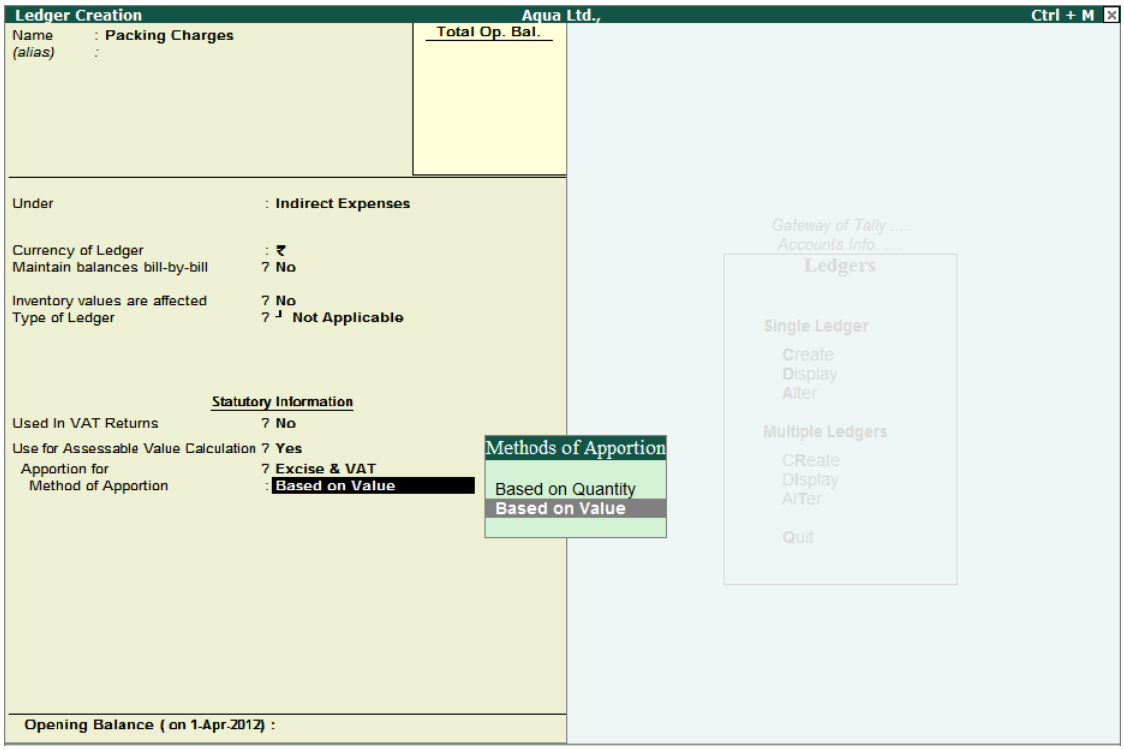


Figure 2.26 Expense Ledger Creation

Example 1: Based on Value

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

- **Packing charges** is 5,000
- Value of **Item X** is 50,000
- Value of **Item Y** is 60,000

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

Example 2: Based on Quantity

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

- **Packing charges** is 5,000
- Quantity of **Item X** is 200 and Value is 20,000
- Quantity of **Item Y** is 600 and Value is 60,000
- Apportionment of Packing Charges to **Item X**: 5,000*200/800 =1,250
- Apportionment of Packing Charges to **Item Y**: 5,000*600/800 = 3,750
- Assessable Value of **Item X** (21,250) = Value of **Item X** (20,000) +Packing Charges (1,250)
- Assessable Value of **Item Y** (63,750) = Value of **Item Y** (60000) +Packing Charges (3,750)

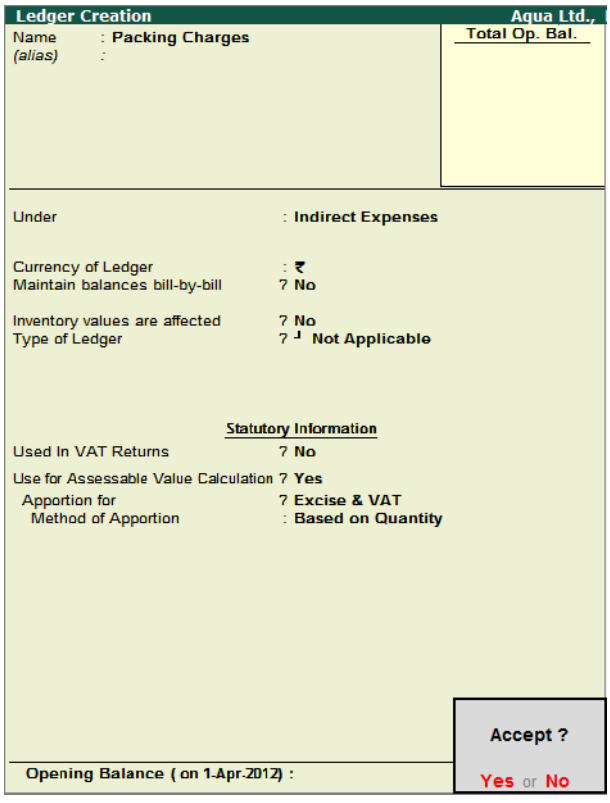


Figure 2.27 Completed Expense Ledger Creation Screen

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

2.9 Creating Excise Voucher Types

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

2.9.1 Creating Purchase Voucher Type

To create the **Purchase Voucher Type**,

1. Go to **Gateway of Tally > Accounts Info. > Voucher Type > Create**
2. Enter the name of the Voucher type in **Name** Field e.g. **Excise - Purchases**
3. Select **Purchase** as the voucher type in **Type of Voucher** Field
4. You may **abbreviate** the Voucher type as per your requirement e.g. **Ex-Purc**
5. Select the appropriate **Method of Voucher Numbering** e.g. **Automatic**
6. Set **Use Advanced Configuration** to **Yes** to specify the advanced settings for the numbering method selected, if required.
7. Set **Use for Excise** to **Yes,** to enter Excise Purchase to capture **Assessable Value and Excise Duty break-up.**
8. In **Default Excise Unit** field select **Aqua Ltd.** from the **List of Excise Units**

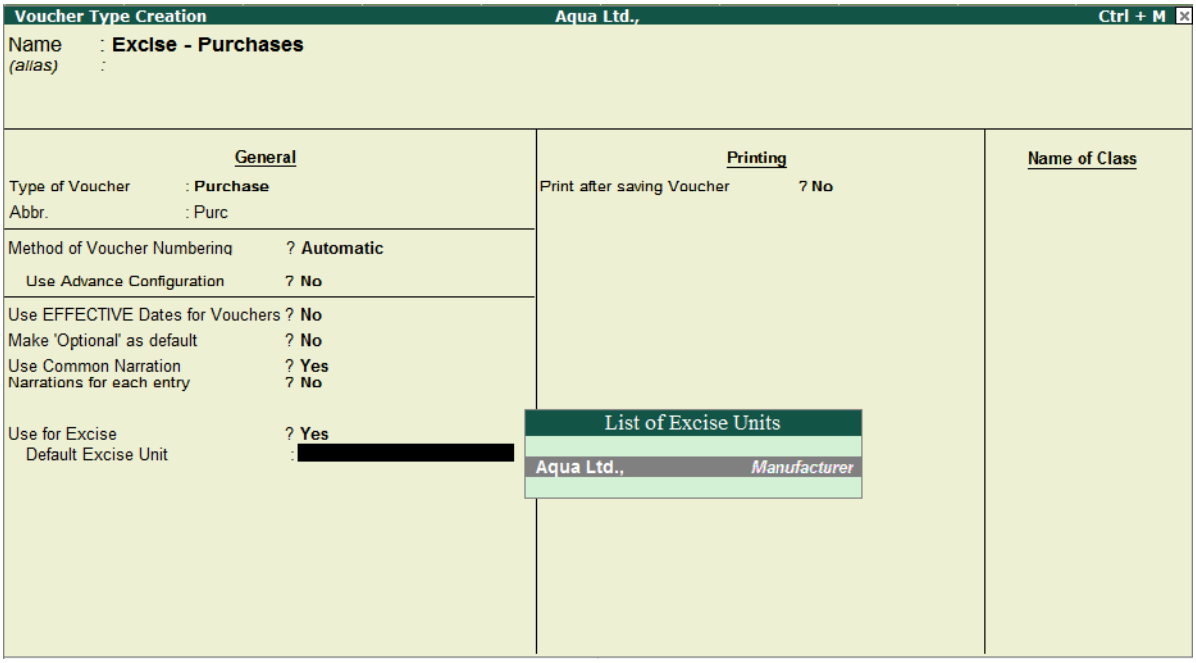


Figure 2.28 Excise Purchase Voucher Type Creation

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

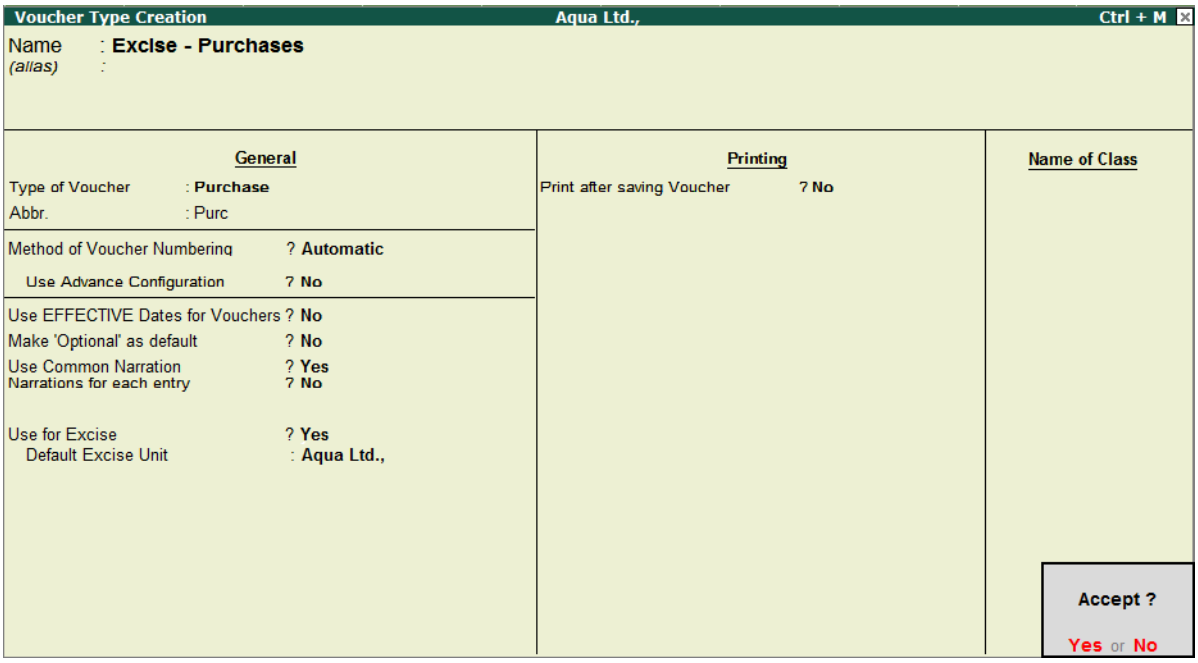


Figure 2.29 Completed Excise Purchase Voucher Type Creation screen

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

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

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

2.9.2 Creating Sales Voucher Type

To create the **Sales Voucher Type**,

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

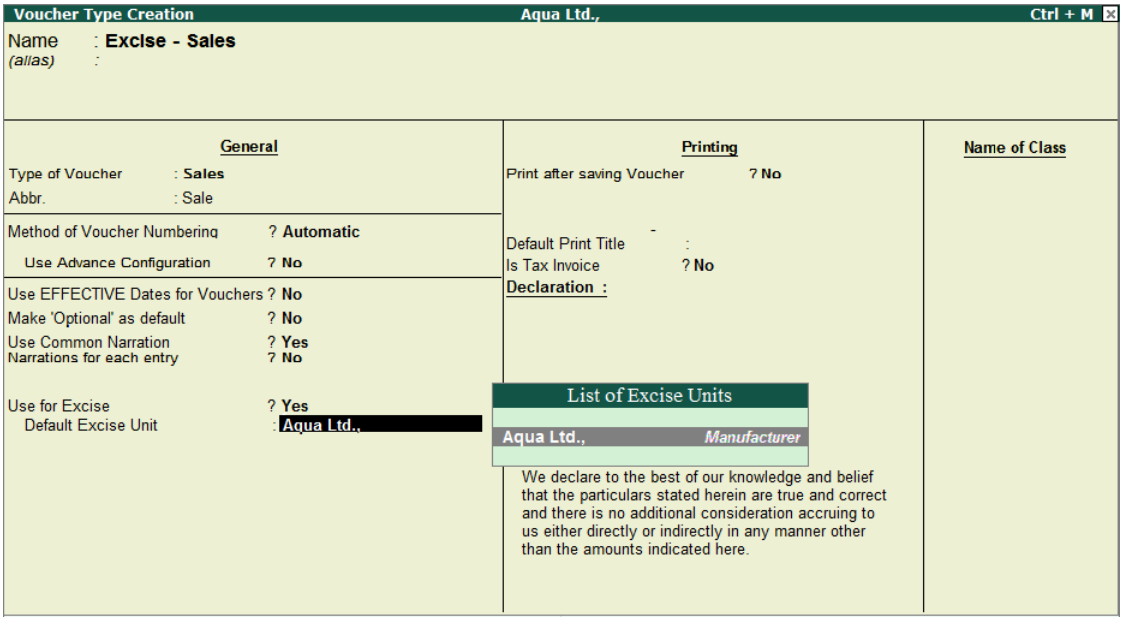


Figure 2.30 Excise Sales Voucher Type Creation

9. Set **Print after saving Voucher** to **Yes**
10. In **Default Print Title** enter the print title as **EXCISE INVOICE**
11. Set **No** to Is **Tax Invoice**.
12. Specify the **declaration**, if any.

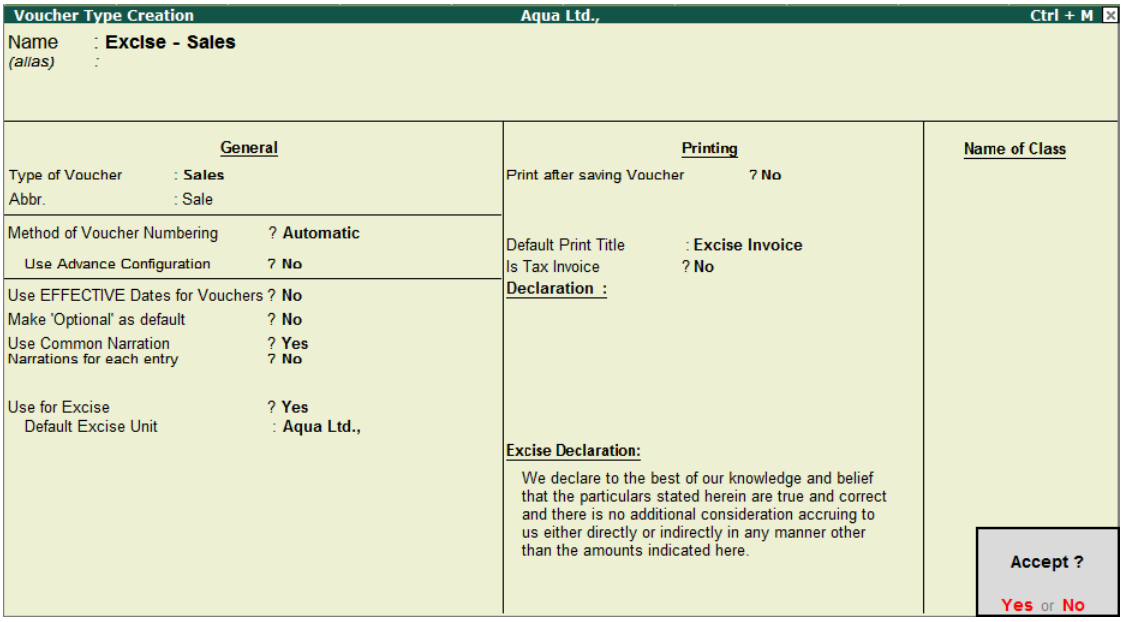


Figure 2.31 Excise Sales Voucher Type

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

2.9.3 Creating a Voucher Type

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

- Enable **Use for Excise** and select **Aqua Ltd.,** as the **Default Excise Unit**.

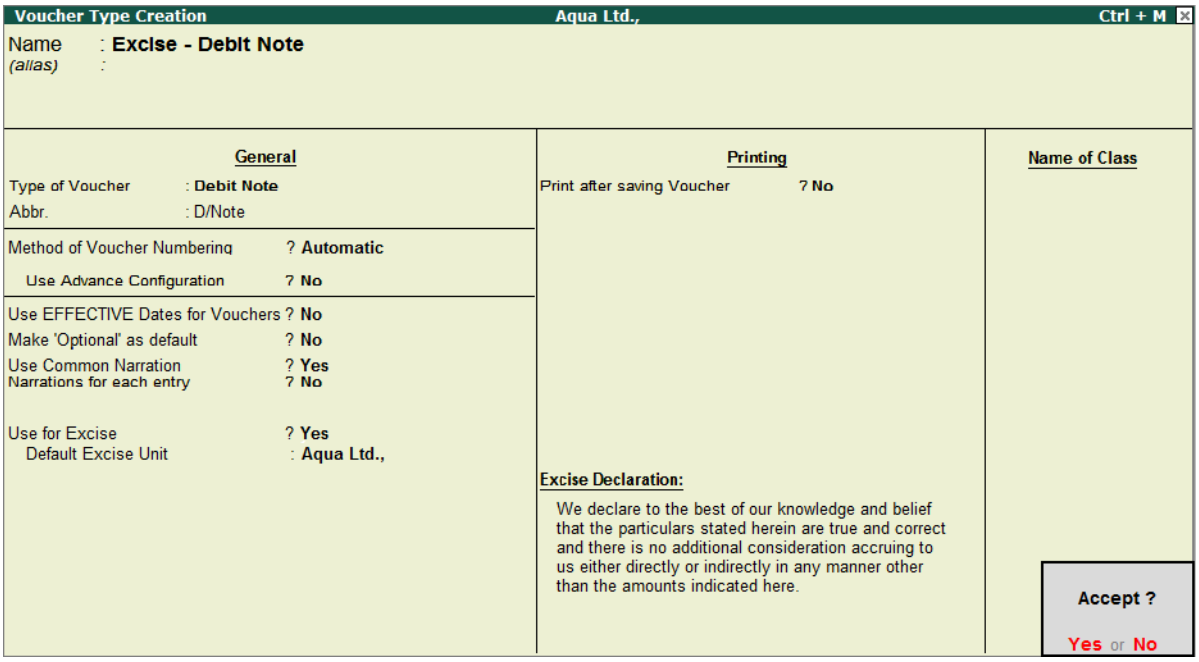


Figure 2.32 Excise Voucher Type

- Press **Enter** to accept the Excise - voucher.

2.9.4 Manufacturing Journal Voucher Type

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

In Tally.ERP 9 user can create a Manufacturing Journal under Stock Journal or alter the existing Stock Journal

In this scenario we are Creating the Manufacturing Journal to account the manufacture of Packed Drinking Water

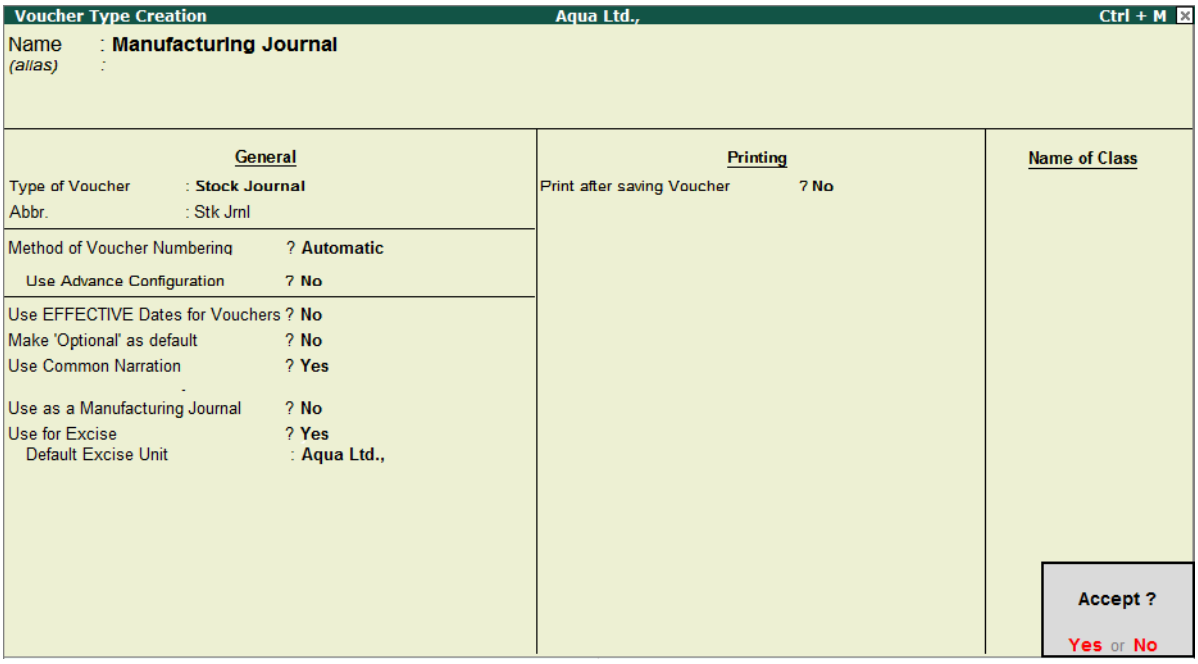


Figure 2.33 Completed Manufacturing Journal Voucher Type Creation screen

- Press **Enter** to accept the manufacturing Journal creation screen.

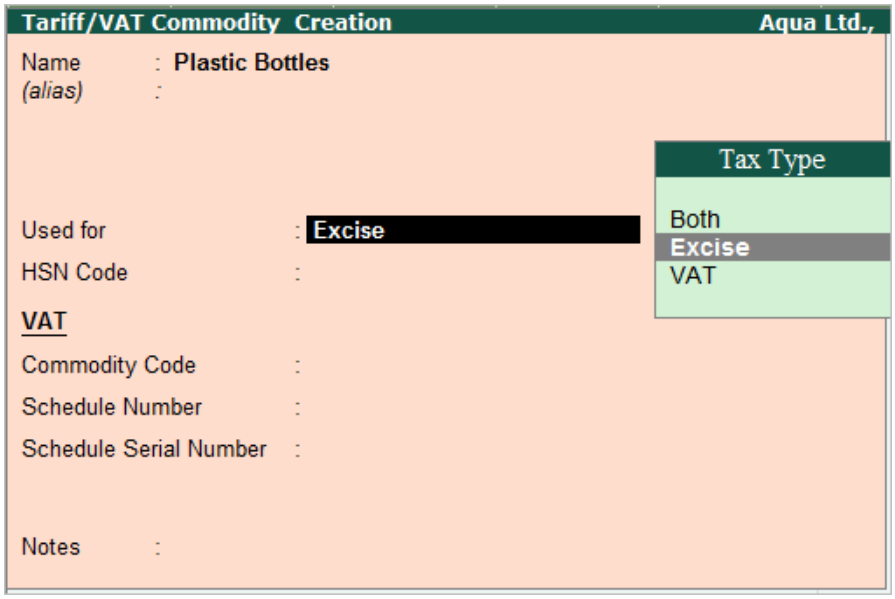
2.10 Creating Tariff Classification

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

To create a **Tariff Classification**,

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

1. Enter the name of the **Tariff Classification** e.g. **Plastic Bottles** in the **Name** field.
2. In **Used for** field select **Excise** as the Tax Type.



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

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

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

3. Enter the **Tariff Classification Code** e.g. **39233010** in **HSN Code** field

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

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

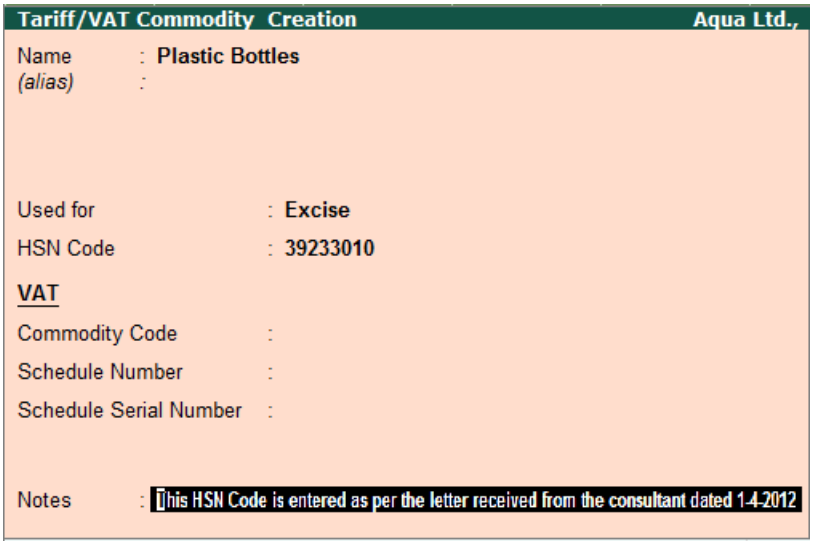


Figure 2.34 Tariff Classification

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

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

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

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

2.11 Creating Stock Item - Raw materials

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

In **F12: Configuration (Stock Item Configuration)**

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

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

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

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

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

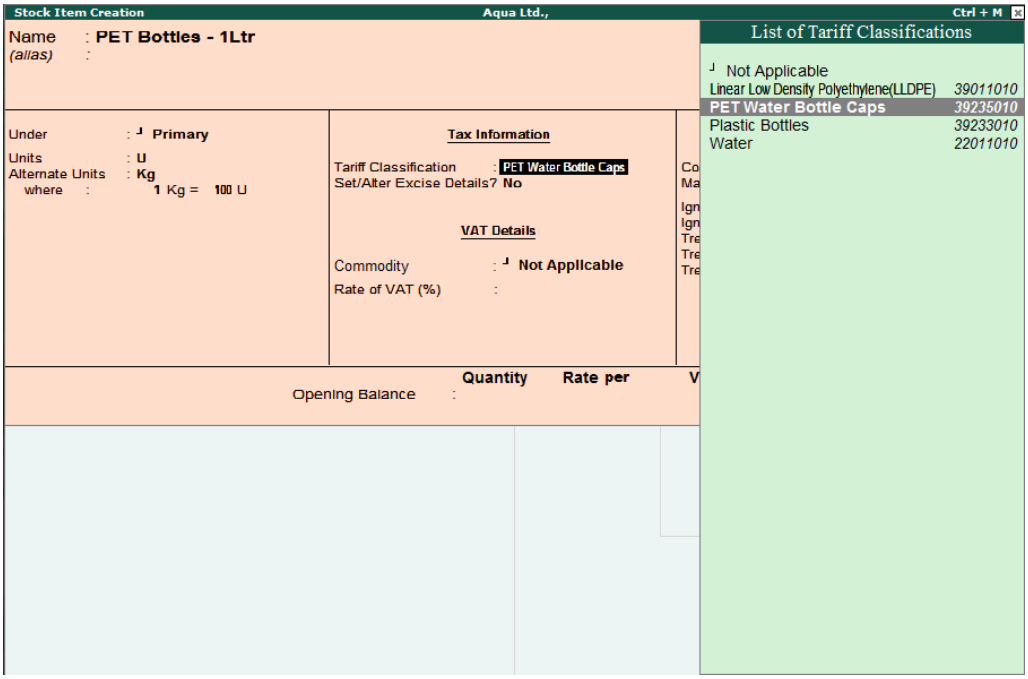


Figure 2.35 Stock Item Creation

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

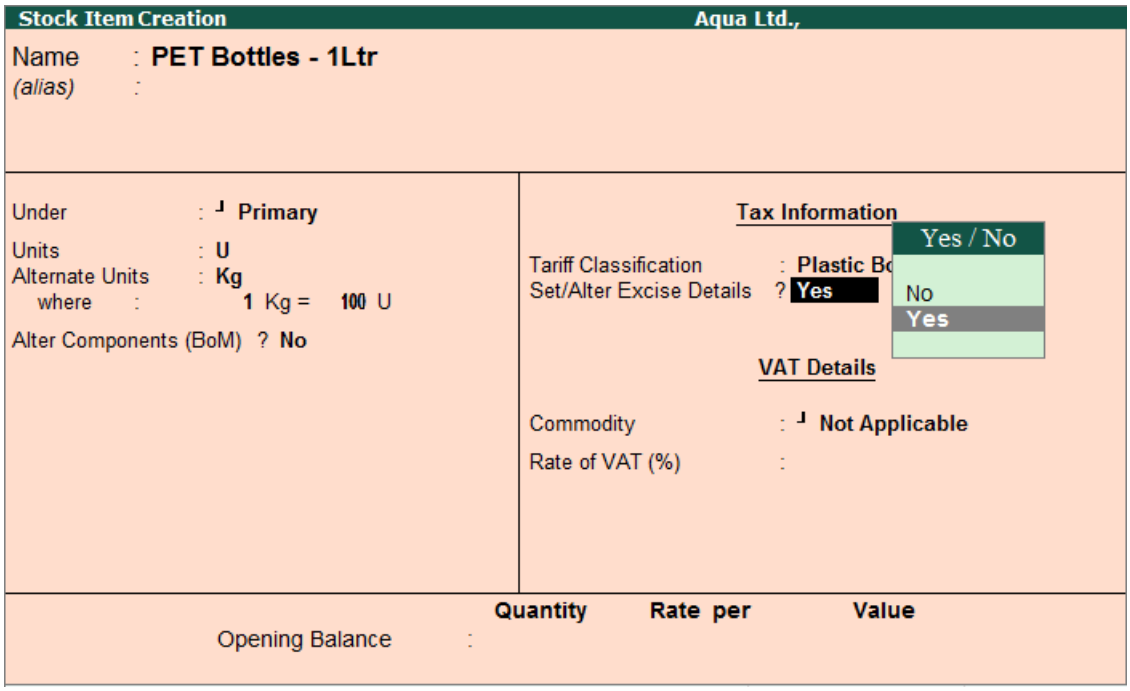


Figure 2.36 Stock Item Creation

8. In the **Excise Details** Screen
   - **Excise Unit Name**: By default Tally.ERP 9 displays **Aqua Ltd.** as Excise Unit Name.

*In Tally.ERP 9 excise units (Dealer/manufacturer) created are identified as godowns. When the option **Maintain Multiple Godowns/Excise Units** is not enabled in **F11: Features > Inventory Features (F2)** by default Tally.ERP 9 identifies the excise unit name with the Default Godown named - **Main Location***

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

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

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

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

*Tally.ERP 9 prompts the user to select the **Conversion Factor** only when the **alternate units** is enabled and defined for stock item*

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

Excise Details for : **PET Bottles - 1Ltr**
Tariff Classification : **PET Water Bottle Caps**

Excise Unit Name	Reporting UOM	Conversion Factor	Set/Alter Duty Details	Stock Item Type
Aqua Ltd.,	KG	1 KG = 100 U	Yes	Others

Figure 2.37 Excise Details Screen

- In **Duty Details** screen
  - In **Valuation Type** field select **Ad Valorem** from **List of Valuation Type**.
  - Select in the T**ype of Duty** filed from the **List of Excise Duty Classifications**
  - In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
  - Specify the **Rate of Duty** as **12%**
  - Select the **Education Cess** as the second duty in the **Type of Duty** filed from the List of Excise Duty classifications
  - In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
  - Specify the **Rate of Duty** as **2%**

- Select the **Secondary Education Cess** as the third duty in the **Type of Duty** filed from the List of Excise Duty classifications.

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

- In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
- Specify the **Rate of Duty** as **1%**

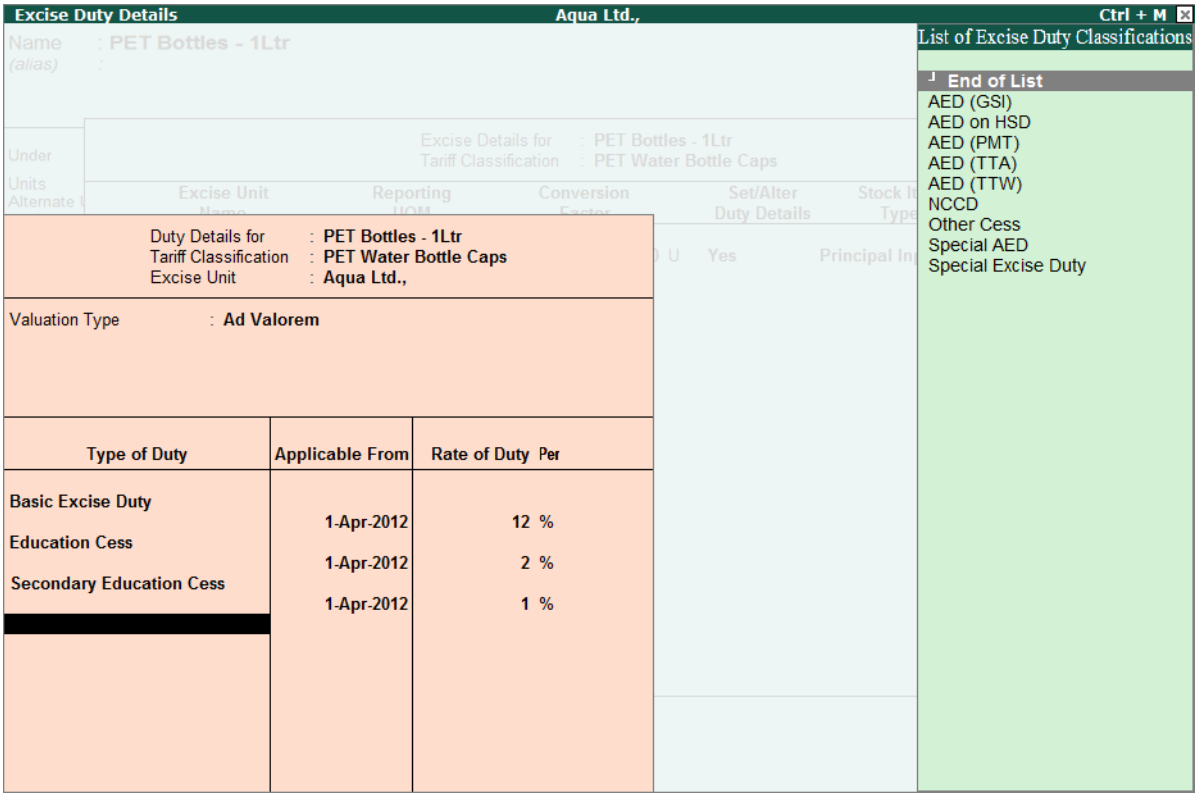


Figure 2.38 Duty Details screen

- Accept to save **Duty Details** screen.

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

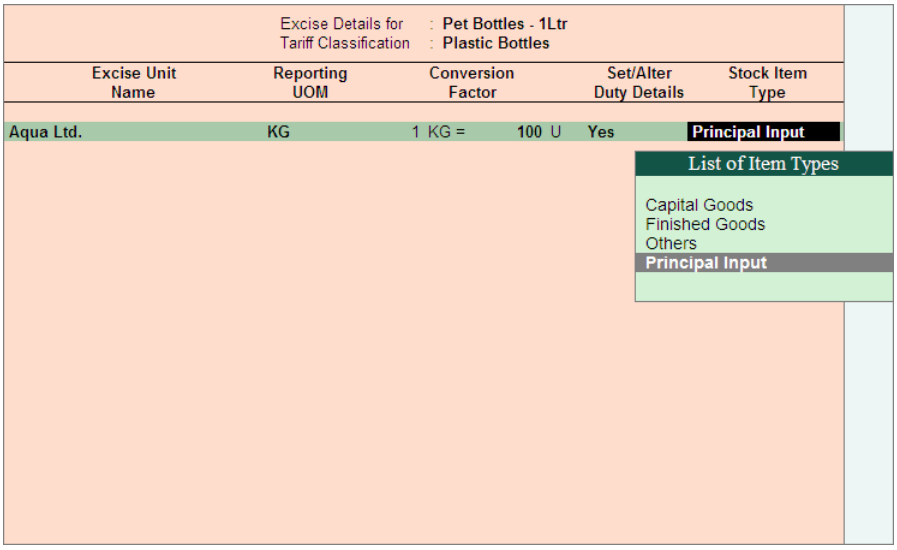


Figure 2.39 Excise Details Screen

9. **Rate of VAT (%)**: in this field enter the **Rate of VAT** applicable for the Stock Item e.g. **5%**

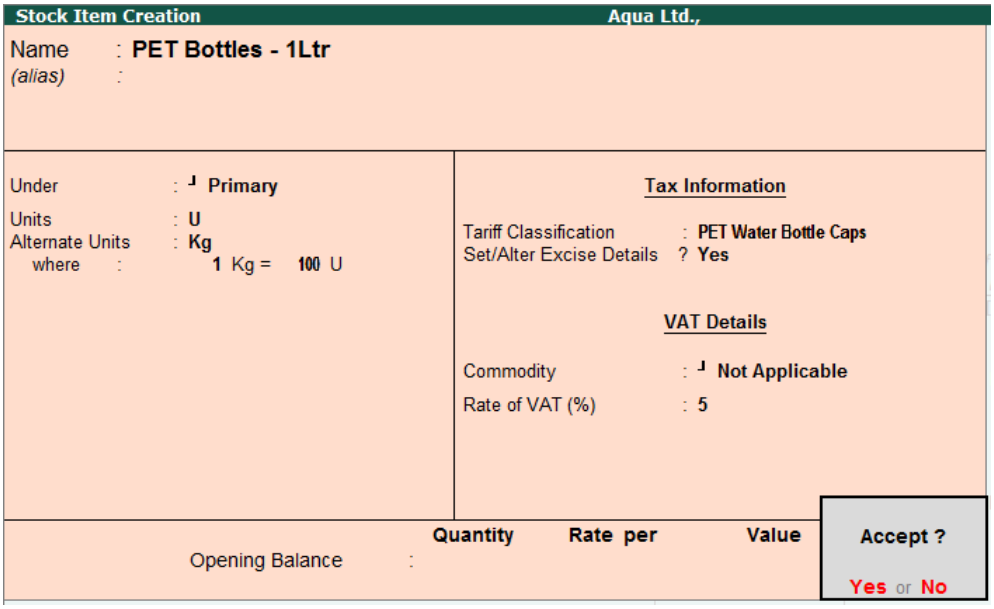


Figure 2.40 Completed Stock Item Creation Screen

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

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

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

Name of Stock Item	Units	Tariff classification	Reporting UOM	Valuation Type	Excise Duties Applicable with Rate	Stock Item Type	Rate of VAT
Water container - 20 ltrs	U **Alternate Unit (Kg)** 1Kg = 20U	Plastic Bottles	KG **Conversion Factor** 1 KG = 20 U	Ad Valorem	- 12% Education Cess - 2% SHE Cess - 1%	Principal Input	5%
Bottle caps	U **Alternate Unit (Kg)** 1Kg = 500U	Pet Bottle Caps	KG **Conversion Factor** 1 KG = 500 U	Ad Valorem	- 12% Education Cess - 2% SHE Cess - 1%	Principal Input	5%
Low Density Polyethylene	U **Alternate Unit (Kg)** 1Kg = 1000 U	Linear Low Density Polyethylene (LLDPE)	KG **Conversion Factor** 1 KG = 1000 U	Ad Valorem	- 12% Education Cess - 2% SHE Cess - 1%	Principal Input	5%
Natural Water	L (Litres)	Water	L	Ad Valorem	- 12% Education Cess - 2% SHE Cess - 1%	Principal Input	0%

2.12 Creating Stock Item - Finished Goods (MRP)

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

In **F12: Configuration (Stock Item Configuration)**

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

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

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

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

6. Enable **Set Components (BoM)** to **Yes** and press enter to view Stock Item Multi Components (M BoM) screen
7. In **Stock Item Multi Components (M BOM)** screen.
   - Under **Name of BOM** specify component list Name - **Standard** and press enter to view Stock Item Components (BOM) screen.

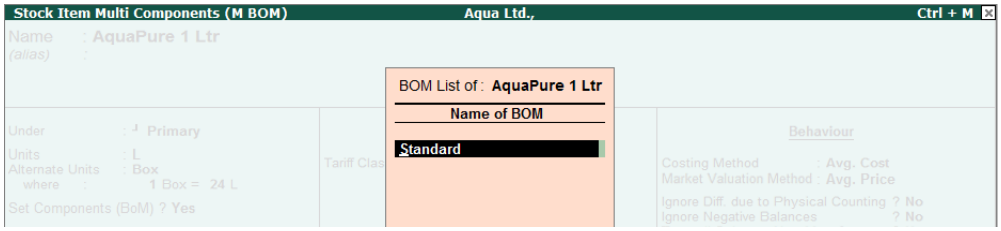


Figure 2.41 Stock Item Multi Components (M BOM) Screen

   - In **Stock Item Components (BOM)** screen
     - **BOM Name**: By default the BOM Name specified in Stock Item Multi- Components (M BOM) screen will be defaulted and application will not allow to move the cursor to BOM Name field.
     - **Components of**: In this field application displays the Name of the Stock Item for which the components are defined.
     - **Unit of manufacture**: Specify the appropriate number of finished product that will be manufactured by using the components identified in the component list.
     - **Item**: In this field identify the raw materials which are required to manufacture the finished goods
     - **Quantity**: In this field mention the quantity of Raw Material required to manufacture the finished goods

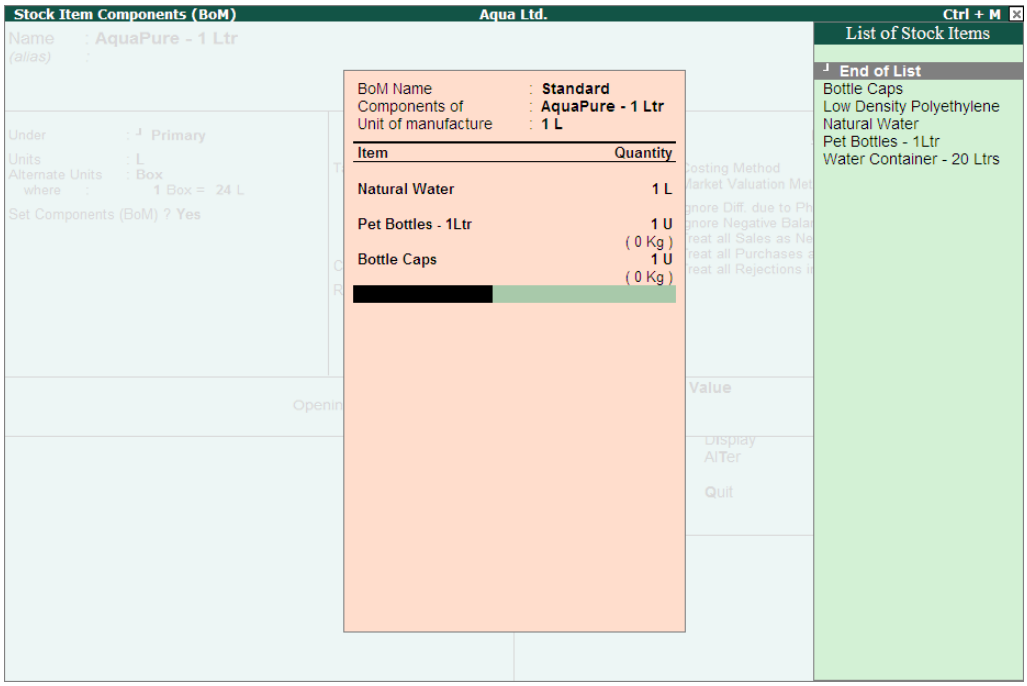


Figure 2.42 Stock item – BOM

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

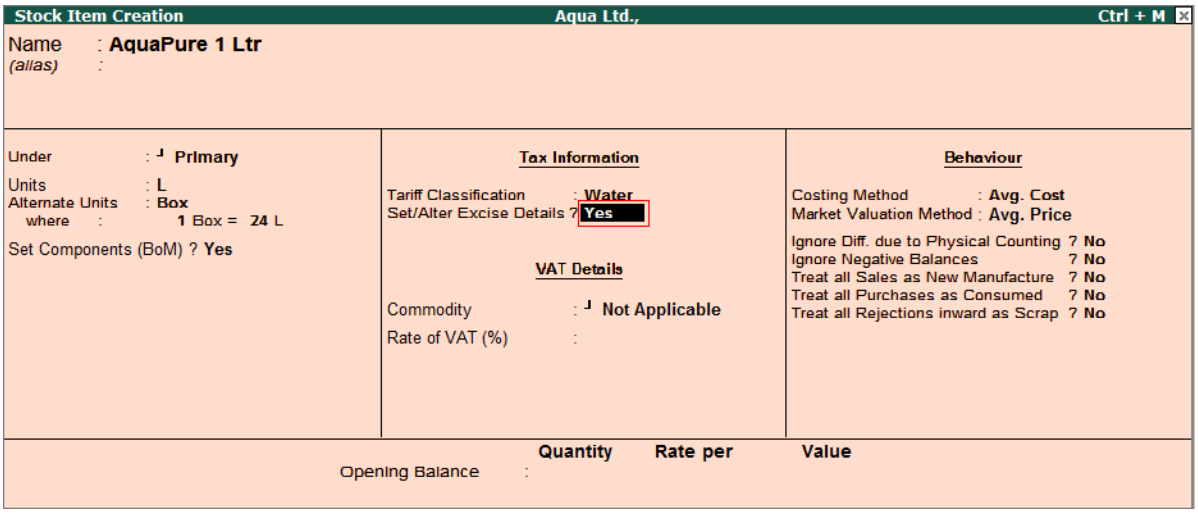


Figure 2.43 Stock Item– MRP

11. In the **Excise Details** Screen
    - **Excise Unit Name**: By default Tally.ERP 9 displays **Aqua Ltd.,** as **Excise Unit Name**.

*In Tally.ERP 9 excise units (Dealer/manufacturer) created are identified as godowns. When the option **Maintain Multiple Godowns/Excise Units** is not enabled in **F11: Features > Inventory Features (F2)** by default Tally.ERP 9 identifies the excise unit name with the Default Godown named - **Main Location***

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

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

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

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

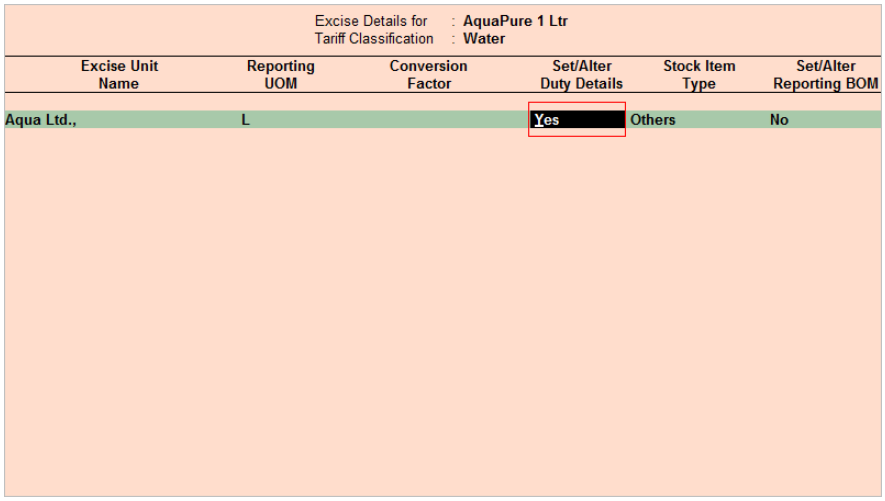


Figure 2.44 Excise Details

- Fill in the 'Duty Details for' sub-screen as follows:
  - In **valuation Type** field Select **MRP Based** from the **List of Valuation Type** and press enter to view **Excise MRP Rate Details**.
  - In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
  - In **MRP Rate** field enter the Rate as Rs. **20**
  - In **Abatement** field enter **48%** as the abatement percentage.

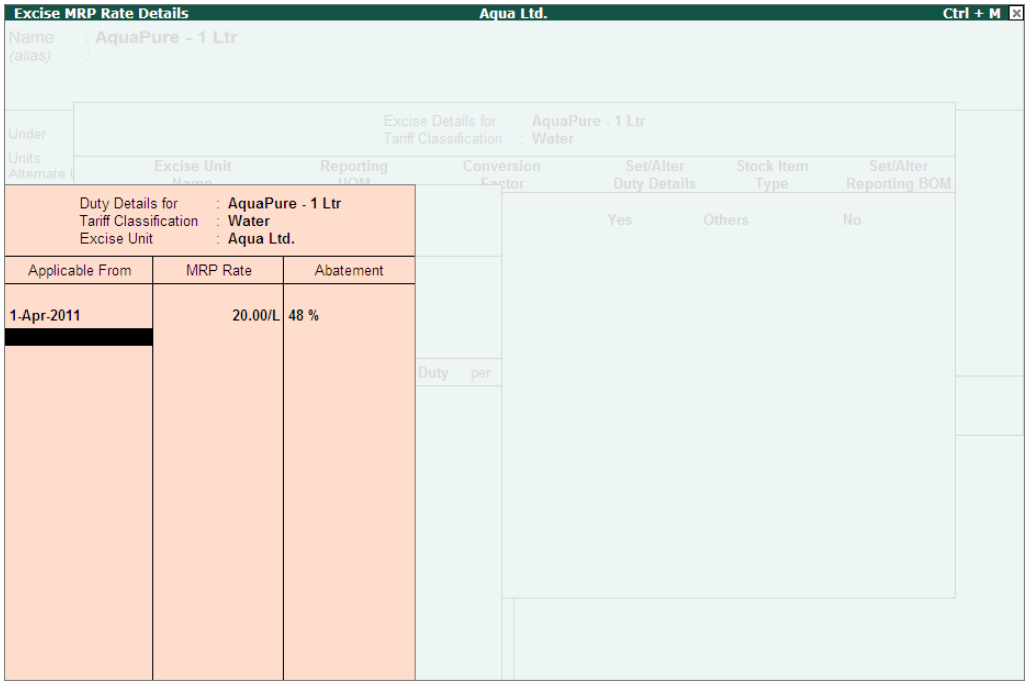


Figure 2.45 Excise MRP Rate Details Screen

- Press **Enter** to accept the Excise MRP Rate Details.
- In **Excise Duty Details** screen the **Applicable Date**, **MRP** and the **Abatement** defined in the Excise MRP Rate Details screen will be defaulted automatically.
- Select the in the **Type of Duty** filed from the List of Excise Duty classifications
- In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
- Specify the **Rate of Duty** as **12%**
- Select the **Education Cess** as the second duty in the **Type of Duty** filed from the List of Excise Duty classifications
- In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
- Specify the **Rate of Duty** as **2%**
- Select the **Secondary Education Cess** as the third duty in the **Type of Duty** filed from the List of Excise Duty classifications.
- In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
- Specify the **Rate of Duty** as **1%**

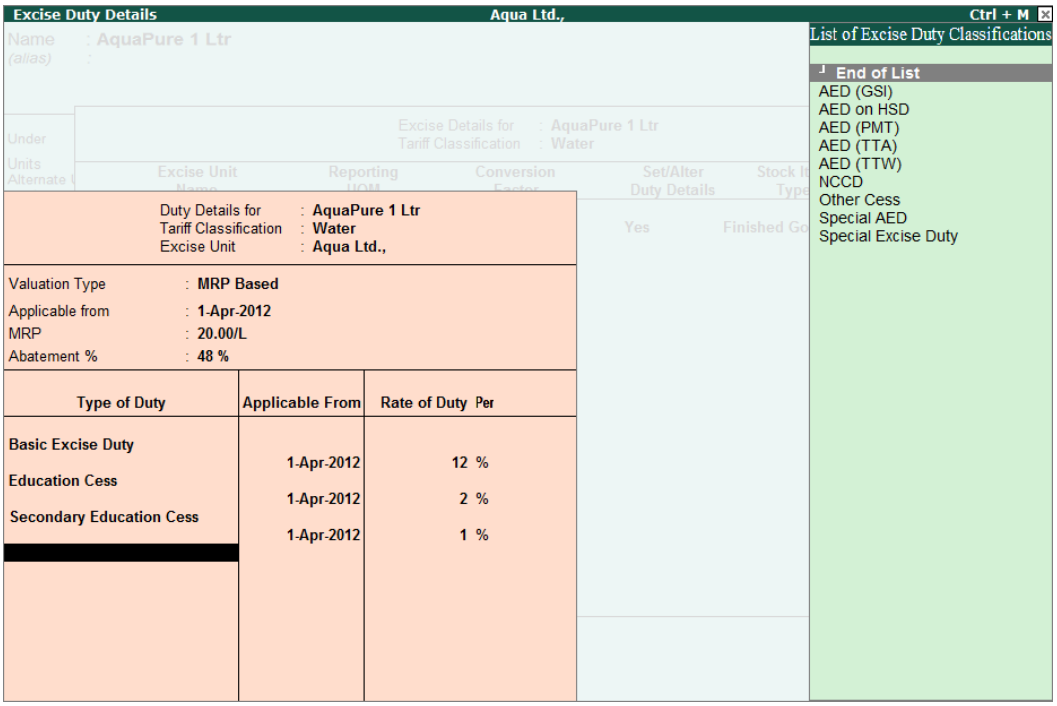


Figure 2.46 Excise Duty Details Screen

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

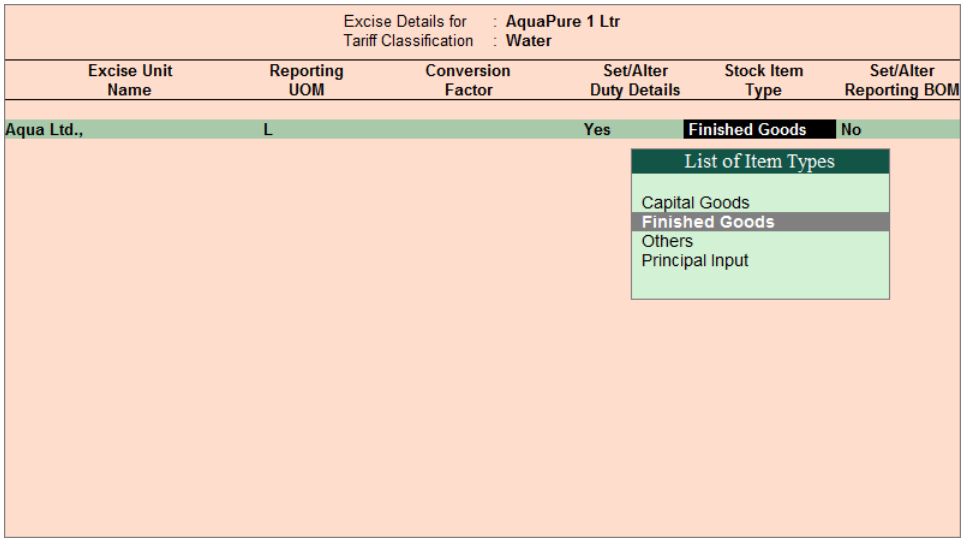


Figure 2.47 Selection of Stock Item Type

- Set the option **Set/ Alter Reporting BOM** to **Yes**.

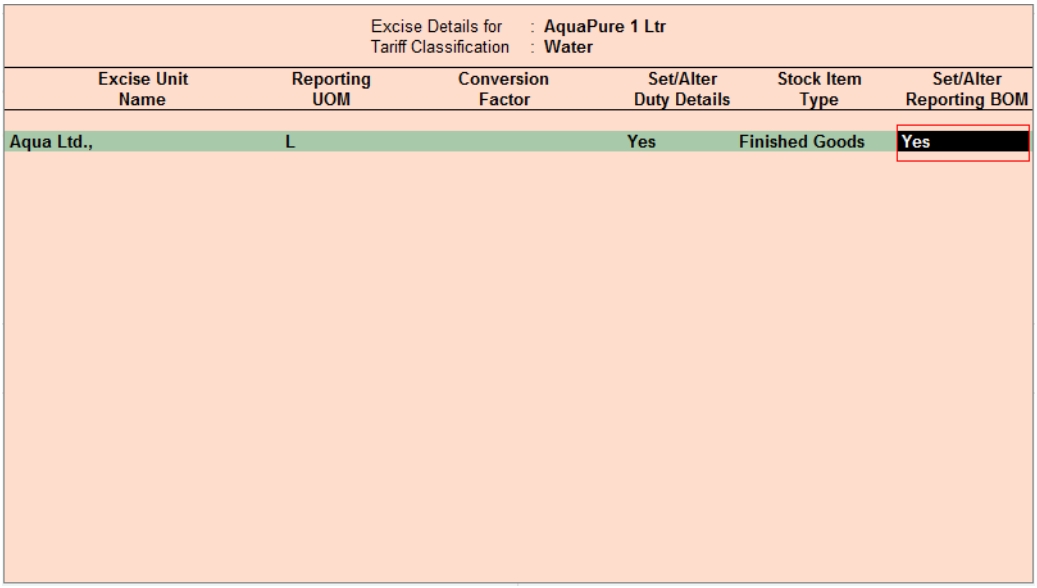


Figure 2.48 Enabling Reporting BOM

- **Reporting BOM** Screen appears as shown

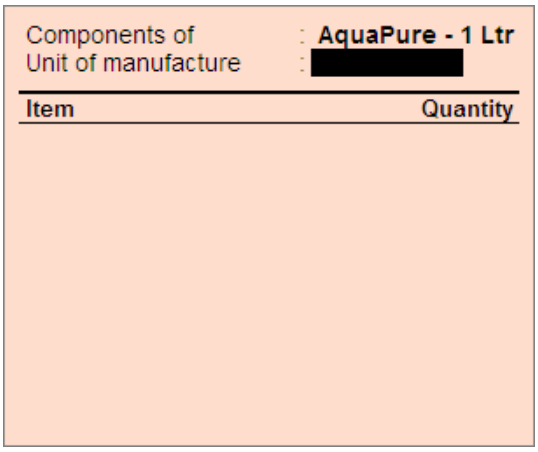


Figure 2.49 Stock Item BOM

*Define the **Stock Item Components (BOM)** under the option Set/ Alter Reporting BOM only when the Stock item has different Stock Item Components than the components defined under the BOM for Production. BOM Defined under this option is used only for reporting.*

12. **Rate of VAT (%)**: in this field enter the **Rate of VAT** applicable for the Stock Item e.g. **13.5%**

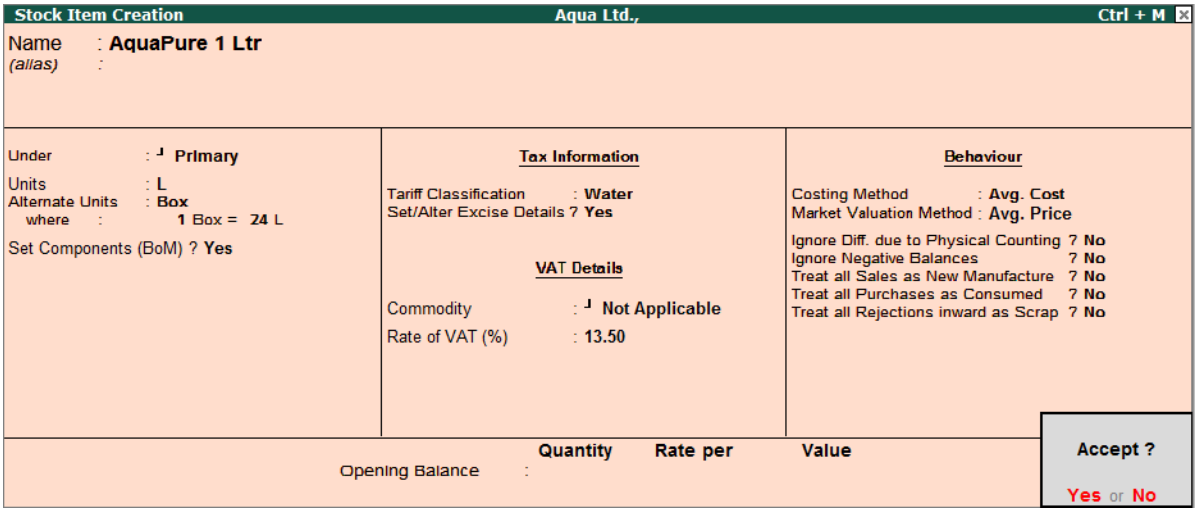


Figure 2.50 Stock Item – MRP

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

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

Similarly create **AquaSure – 1Ltr** as per the details given.

Name of Stock Item	Units	Tariff classification	Reporting UOM	Valuation Type	Excise Duties Applicable with Rate	Stock Item Type	Rate of VAT
AquaSure – 1Ltr	L	Water	L	MRP Based	- 12%	Finished Goods	13.5%
	Alternate Unit (Box) 1Box= 24L			**MRP**: Rs.35	Education Cess - 2%		
				Abatement: 48%	SHE Cess - 1%		

2.13 Creating Stock Item - Finished Goods (Ad Quantum)

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

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

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

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

6. Enable **Set Components (BoM)** to **Yes** and press enter to view Stock Item Multi Components (M BoM) screen
7. In **Stock Item Multi Components (M BOM)** screen
   - Under **Name of BOM** specify component list Name **BOM - 1** and press enter to view Stock Item Components (BOM) screen
   - In **Stock Item Components (BOM)** screen
     - **BOM Name**: By default the BOM Name specified in Stock Item Multi Components (M BOM) screen will be defaulted and application will not allow to move the cursor to BOM Name field.

- **Components of**: In this field application displays the Name of the Stock Item for which the components are defined.
- **Unit of manufacture**: Specify the appropriate number of finished product that will be manufactured by using the components identified in the component list.
- **Item**: In this field identify the raw materials which are required to manufacture the finished goods
- **Quantity**: In this field mention the quantity of Raw Material required to manufacture the finished goods

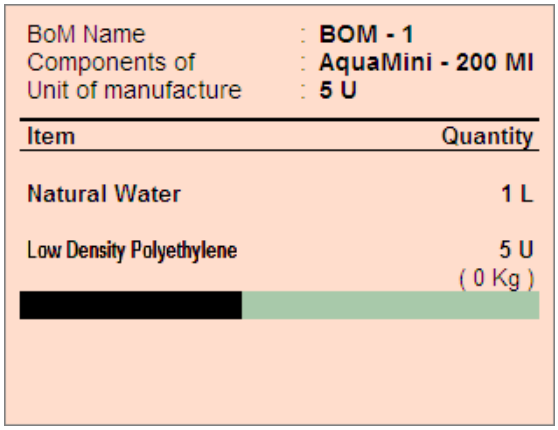


Figure 2.51 Stock Item BOM

8. Press **Enter** to save the Stock Item Components screen.
9. In **Tariff Classification** field select the applicable tariff classification e.g. **Water** from the **List of Tariff Classifications**
10. Enable **Set/Alter Excise Details** to **Yes** to display the **Excise Details** sub screen.
11. In the **Excise Details** Screen
    - **Excise Unit Name**: By default Tally.ERP 9 displays **Aqua Ltd.** as **Excise Unit Name**.

*In Tally.ERP 9 excise units (Dealer/manufacturer) created are identified as godowns. When the option Maintain **Multiple Godowns/Excise Units** is not enabled in **F11: Features > Inventory Features (F2)** by default Tally.ERP 9 identifies the excise unit name with the Default Godown named - **Main Location***

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

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

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

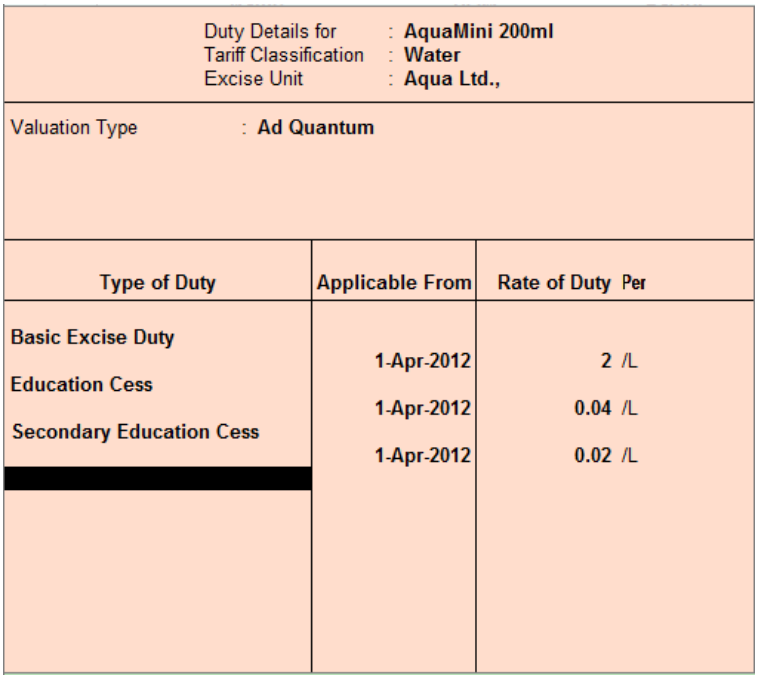
- In **Conversion Factor** field set as **1 L = 5 U**

Tally.ERP 9 prompts the user to select the Conversion Factor only when the alternate Item is enabled and defined for stock item

- **Set/Alter Duty Details**: Set this field to **Yes** to view the Duty Details screen.
- In **Duty Details** screen
  - In **valuation Type** field Select **Ad Quantum** from the **List of Valuation Type**
  - Select the in the **Type of Duty** filed from the List of Excise Duty classifications
  - In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
  - Specify the **Rate of Duty** as **Rs. 2 (per litre)**

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

  - Select the **Education Cess** as the second duty in the **Type of Duty** filed from the List of Excise Duty classifications
  - In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
  - Specify the **Rate of Duty** as **Rs. 0.04 (per litre)**
  - Select the **Secondary Education Cess)** as the third duty in the **Type of Duty** filed from the List of Excise Duty classifications.
  - In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
  - Specify the **Rate of Duty** as **Rs. 0.02 (per litre)**



Duty Details for : **AquaMini 200ml**
Tariff Classification : **Water**
Excise Unit : **Aqua Ltd.,**

Valuation Type : **Ad Quantum**

Type of Duty	Applicable From	Rate of Duty Per
Basic Excise Duty	1-Apr-2012	2 /L
Education Cess	1-Apr-2012	0.04 /L
Secondary Education Cess	1-Apr-2012	0.02 /L

Figure 2.52 Excise Duty Details

- In **Excise Details** screen, under **Stock Item Type** field select as **Finished Goods** from the List of Item Types
- Set the option **Set/ Alter Reporting BOM** to **No**.

*Define the **Stock Item Components (BOM)** under the option Set/ Alter Reporting BOM only when the Stock item has different Stock Item Components than the components defined under the BOM for Production. BOM Defined under this option is used only for reporting*

12.**Rate of VAT (%)**: in this field enter the **Rate of VAT** applicable for the Stock Item e.g. **13.5%**

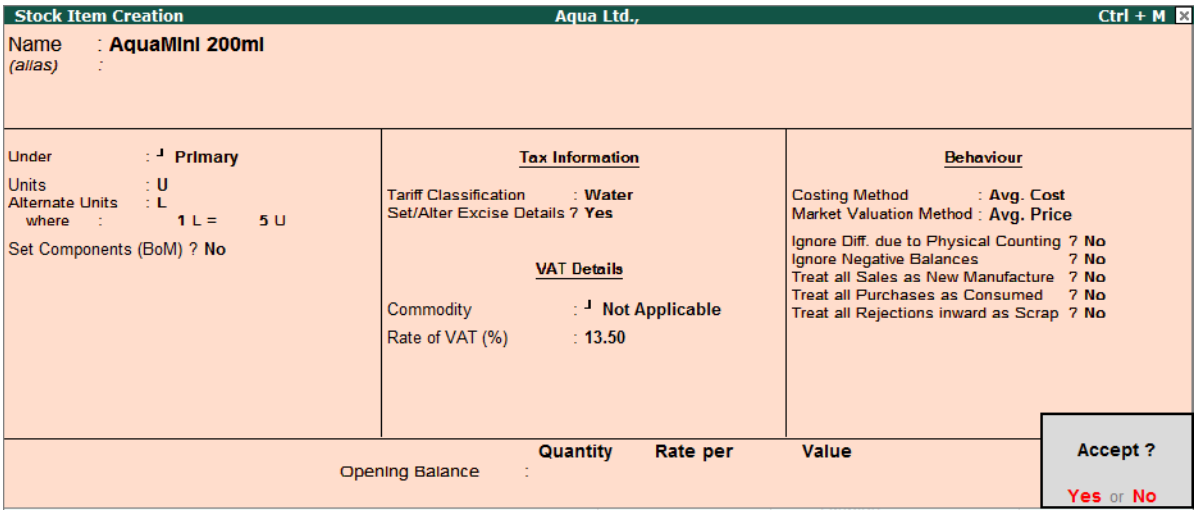


Figure 2.53 Stock Item – Quantum

12.Press **Enter** to accept the stock item creation screen.

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

2.14 Creating Stock Item - Finished Goods (Ad Valorem)

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

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

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

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

6. Enable **Set Components (BoM)** to **Yes** and press enter to view Stock Item Multi Components (M BoM) screen
7. In **Stock Item Multi Components (M BOM)** screen
   - Under **Name of BOM** specify component list Name **Standard BOM** and press enter to view Stock Item Components (BOM) screen
   - In **Stock Item Components (BOM)** screen
     - **BOM Name**: By default the BOM Name specified in Stock Item Multi Components (M BOM) screen will be defaulted and application will not allow to move the cursor to BOM Name field.
     - **Components of**: In this field application displays the Name of the Stock Item for which the components are defined.
     - **Unit of manufacture**: Specify the appropriate number of finished product that will be manufactured by using the components identified in the component list.
     - **Item**: In this field identify the raw materials which are required to manufacture the finished goods
     - **Quantity**: In this field mention the quantity of Raw Material required to manufacture the finished goods

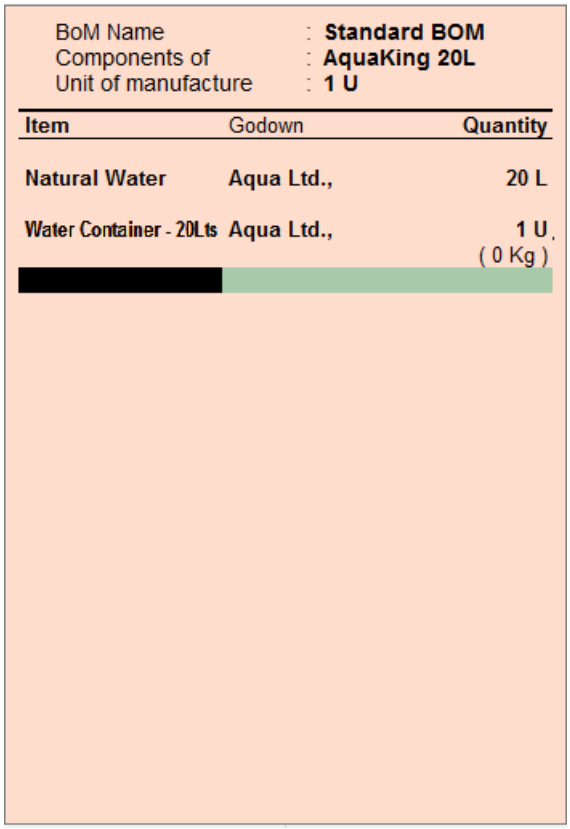


Figure 2.54 Stock Item – BOM

8. Press **Enter** to save the Stock Item Components screen.
9. In **Tariff Classification** field select the applicable tariff classification e.g. **Water** from the **List of Tariff Classifications**

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

11.In the **Excise Details** Screen

- **Excise Unit Name**: By default Tally.ERP 9 displays **Aqua Ltd.** as **Excise Unit Name**.

*In Tally.ERP 9 excise units (Dealer/manufacturer) created are identified as godowns. When the option **Maintain Multiple Godowns/Excise Units** is not enabled in **F11: Features > Inventory Features (F2)** by default Tally.ERP 9 identifies the excise unit name with the Default Godown named - Main Location*

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

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

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

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

Tally.ERP 9 prompts the user to select the Conversion Factor only when the alternate Item is enabled and defined for stock item

- **Set/Alter Duty Details**: Set this field to **Yes** to view the **Duty Details** screen.
- In **Duty Details** screen
  - In **valuation Type** field Select **Ad Valorem** from the **List of Valuation Type**
  - Select the in the **Type of Duty** filed from the List of Excise Duty classifications
  - In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
  - Specify the **Rate of Duty** as **12%**
  - Select the **Education Cess** as the second duty in the **Type of Duty** filed from the List of Excise Duty classifications
  - In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
  - Specify the **Rate of Duty** as **2%**

- Select the **Secondary Education Cess** as the third duty in the **Type of Duty** filed from the List of Excise Duty classifications.
- In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
- Specify the **Rate of Duty** as **1%**

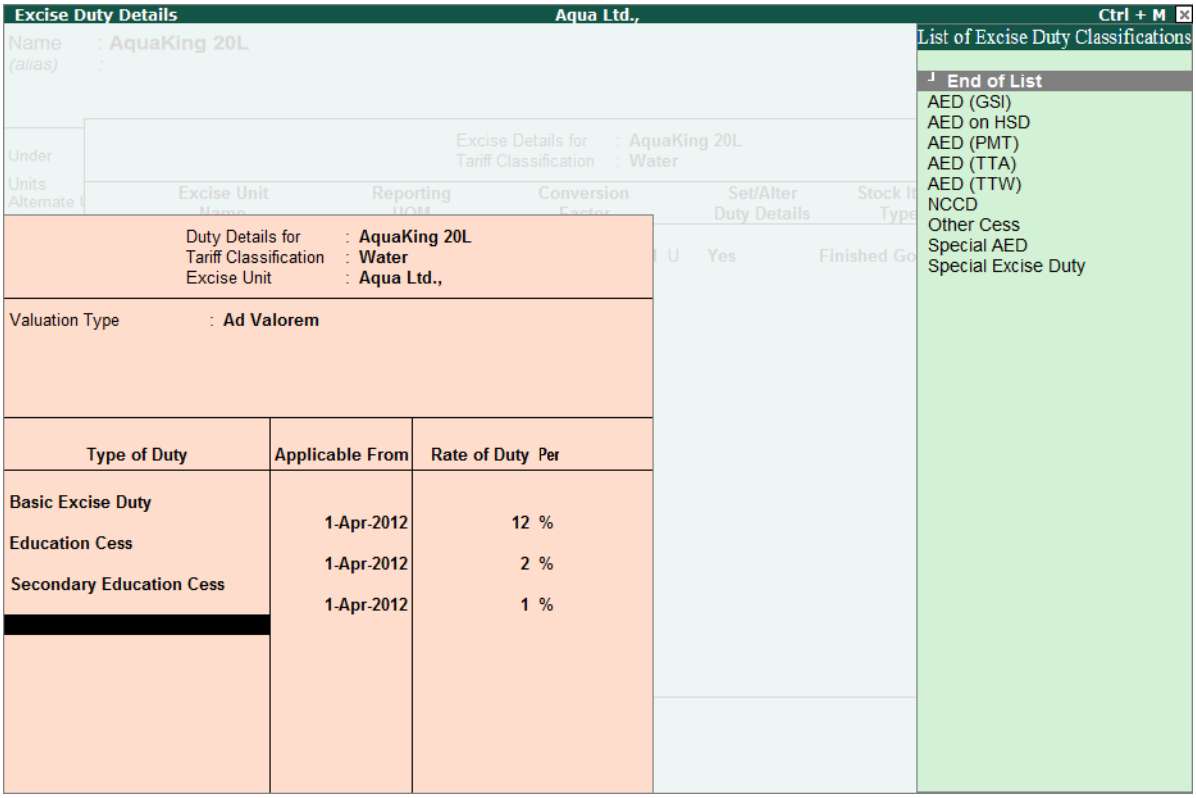


Figure 2.55 Duty Details

- In **Excise Details** screen, under **Stock Item Type** field select as **Finished Goods** from the List of Item Types
- Set the option **Set/ Alter Reporting BOM** to **No**

*Define the **Stock Item Components (BOM)** under the option Set/ Alter Reporting BOM only when the Stock item has different Stock Item Components than the components defined under the BOM for Production. BOM Defined under this option is used only for reporting*

12.**Rate of VAT (%)**: in this field enter the **Rate of VAT** applicable for the Stock Item e.g. **13.5%**

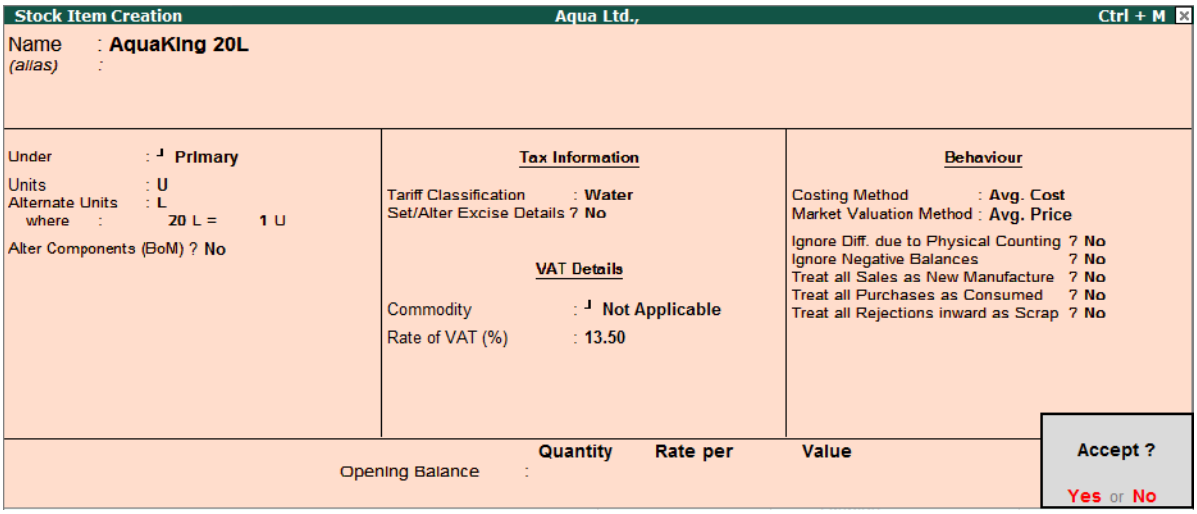


Figure 2.56 Stock Item – Ad Valorem

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

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

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

Lesson 3: Excise Opening Balances

3.1 Accounting CENVAT Credit Opening Balance

When the CENVAT Credit availed on the Principal Inputs purchased are not utilised at the closing of the financial year (i.e. 31st March 2012), in such cases the nonutilised CENVAT credit has to be carried forward to the next financial year (1st April 2012) and manufacturer is entitled to utilise the CENVAT Credit availed on the inputs during the current year (2012-13) or with in any prescribed period on quantifying the following required information viz.

- Excise Unit (Excise Factory for which the credit opening balance is accounted)
- Nature of Purchase (Credit availed on the inputs purchased from Manufacturer, First or Second Stage Dealer or Importer.
- Supplier Invoice Number/Bill of Entry & Date
- Description of Goods
- Quantity & Value of goods on which Credit is availed
- Amount of Credit Availed
- Name, address and Central Excise Registration number of supplier of such Inputs
- Name of the jurisdictional range / division / commissionerate of supplier of such Inputs

For this purpose, it is essential to record the above mentioned information in Tally.ERP 9, to facilitate utilising CENVAT Credit availed on the Inputs.

Consider the following example to illustrate the accounting of CENVAT Credit Opening Balance

Example 1:

On 1-4-2012, Aqua Ltd has opening CENVAT Credit of Rs.59,019 (Total) on the following Raw materials purchased under different purchase bills.

Invoice No. & Date	Supplier Name	Name of Item	Qty.	Duty Type	Assessable Value	Rate of Duty	Amount
152/12-13	Lamcy Manufacturers	Pet Bottles - 1Ltr	100000	BED	150000	12%	18,000
				ED Cess	15000	2%	360
				SED Cess	15000	1%	180
2052/12-13	Shubh Manufacturer	Pet Bottles - 1Ltr	200000	BED	240000	12%	28,800
				ED Cess	24000	2%	576
				SED Cess	24000	1%	288
		Bottle Caps	350000	BED	87500	12%	10,500
				ED Cess	7000	2%	210
				SED Cess	7000	1%	105

The Excise details of the supplier are as follows:

Supplier Name & Address	Nature of Purchase	Excise Regn. No.	Range	Division	Commissionerate
Lamcy Manufacturers # 89 Peenya Industrial Area Bangalore	Manufacturer	ADESR4033FXM001	Peenya	Yeshwanthpur	Bangalore - II
Shubh Manufacturers # 658 Rajajinagar Industrial Area Rajajinagar Bangalore	Manufacturer	AESRD7485AXM002	Rajajinagar	Division II	Bangalore - I

To account the CENVAT Credit Opening Balance

Go to **Gateway of Tally > Inventory Info. > Update Excise Info. > CENVAT Opening Balance**

1. Enter the **Date** on which the CENVAT Opening Balance is accounted.E.g.**1-4-2012**

2. In **Excise Unit** field select the Excise Unit for which the CENVAT Opening balance entry is recorded. e.g. **Aqua Ltd**.,

*As Tally.ERP 9 allows to maintain accounts of **Multiple Excise Units** in a **Single Company**, in CENVAT Credit Opening Balance Journal Voucher Excise Unit field has been provided to select the appropriate Excise Unit.*

3. In **Nature of Purchase** field select the Purchase Nature (whether purchase was from manufacturer/ First/ Second /Importer) for which the CENVAT credit is available. E.g **Manufacturer**

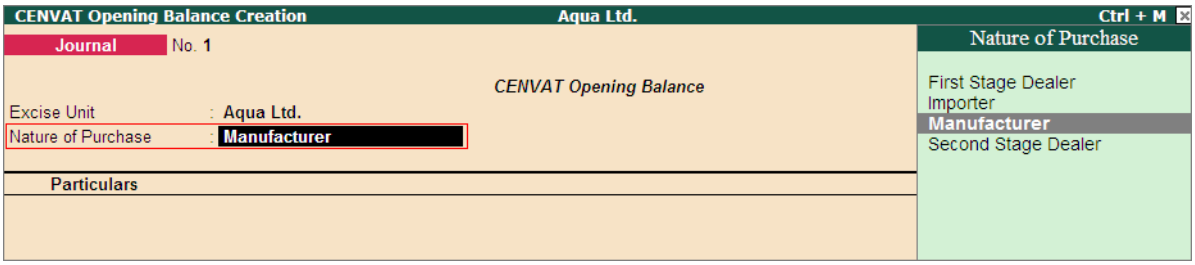


Figure 3.1 Selection of Nature of Purchase

*In case a company has CENVAT Credit opening balance against the purchases of different Nature - **First Stage Dealer/Manufacturer/Importer/Second Stage Dealer** then **separate** CENVAT Opening Balance entry for different **Nature of Purchases** has to be recorded.*

4. To account opening balance of credit, under **Particulars** select **(CENVAT)** and view Excise Duty Allocation screen.

*While accounting **CENVAT Opening Balance**, in **List of Ledger's** only the **CENVAT Type of ledgers** will be displayed for selection*

5. In **Excise Duty Allocation** screen
   - **Invoice No./Bill of Entry No. & Date**: In this field enter the invoice number and Date of purchase of Raw materials on which CENVAT Credit is available and accounted as opening balance.

- **Party Name**: In this field select the supplier from whom the purchase was made.
- **Name of Item**: Select the Stock item for which credit is available and accounted as opening balance
- **Quantity**: Specify the Quantity on which CENVAT Credit is available
- **Assessable Value**: Enter the Assessable values of the stock item on which the credit to be calculated.
- **Rate**: In this field rate of duty defined in the item master will be defaulted, which can be changed.
- **Amount**: CENVAT Credit Amount will be calculated and displayed automatically.

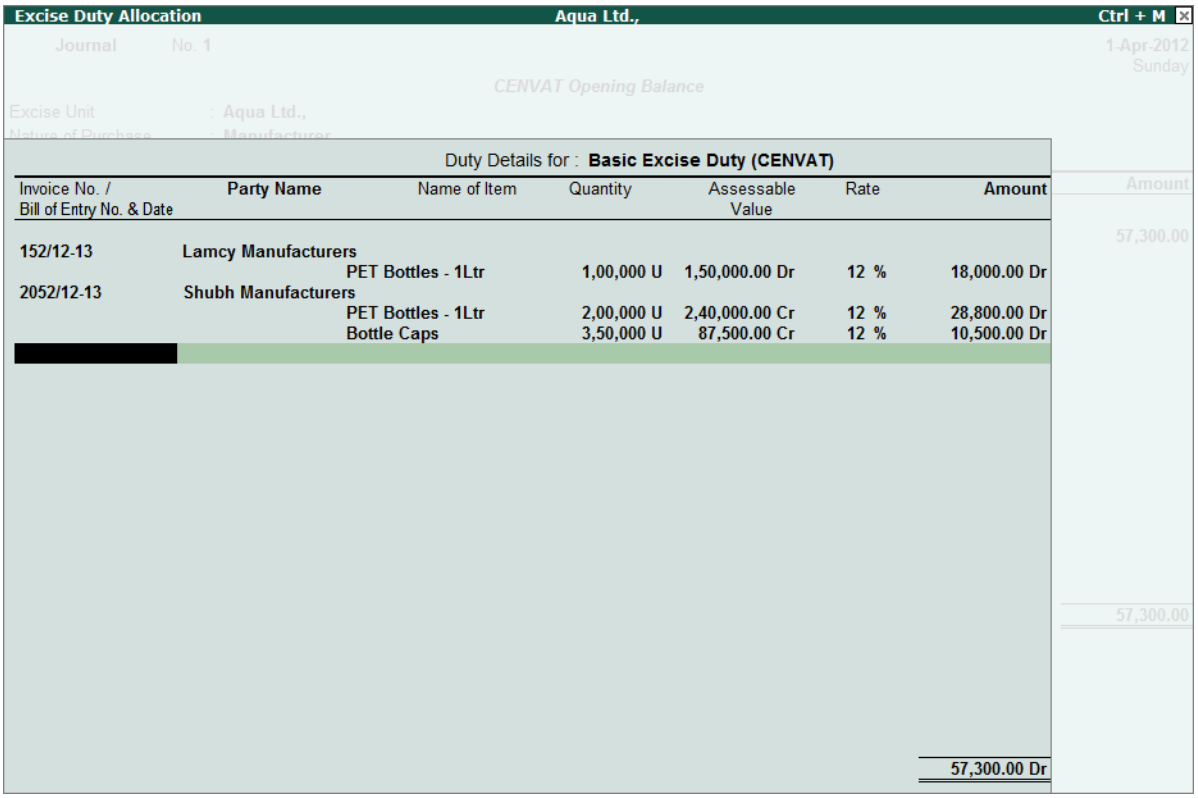


Figure 3.2 Completed Excise Duty Allocation Screen

*Supports to account **CENVAT opening Balance** of **multiple bills** of **different suppliers** of **same Nature of Purchase** with **different Raw Materials** and **Different Rate of Duty**.*

6. Press **Enter** to save **Excise Duty Allocation** screen.

7. To account opening balance of Education Cess credit, under Particulars select **Education Cess (CENVAT)** and view Excise Duty Allocation screen
8. In **Excise Duty Allocation** screen
   - Set the option **Copy Details from Previous Duty Ledger (s)** to **Yes** and press enter.

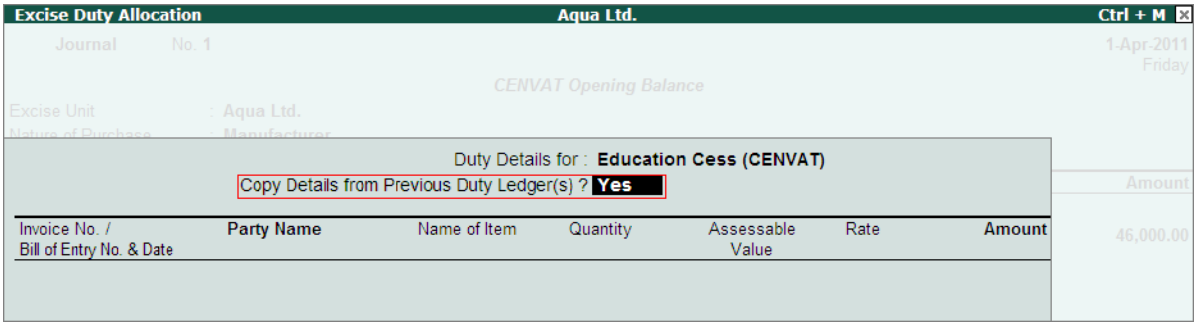


Figure 3.3 Excise Duty Allocation Screen

The details like - **Invoice Number/Bill of Entry No.& Date, Party Name, Name of Item, Quantity & Assessable Value** (to calculate the Education Cess) & **Cess Amount** will be calculated displayed automatically.

*If you do not want to copy the details of previous ledger retain **No** to the option **Copy Details from Previous Duty Ledger(s)** & manually enter the CENVAT credit details for the ledger selected.*

The completed Duty Details for Education Cess (CENVAT) will be displayed as shown:

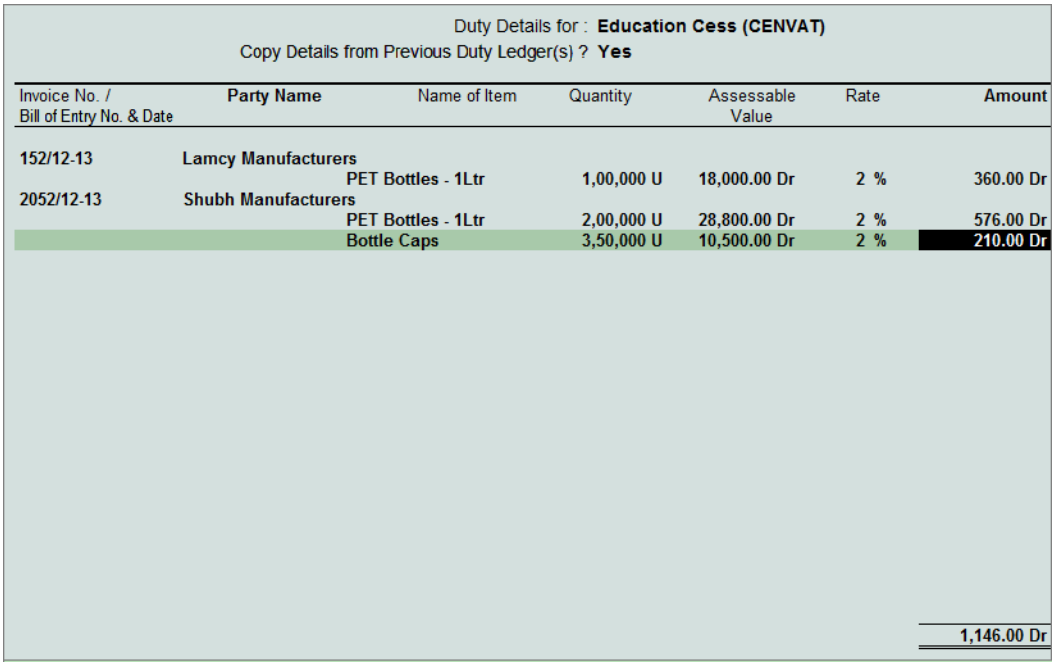


Figure 3.4 Completed Excise Duty Allocation Screen

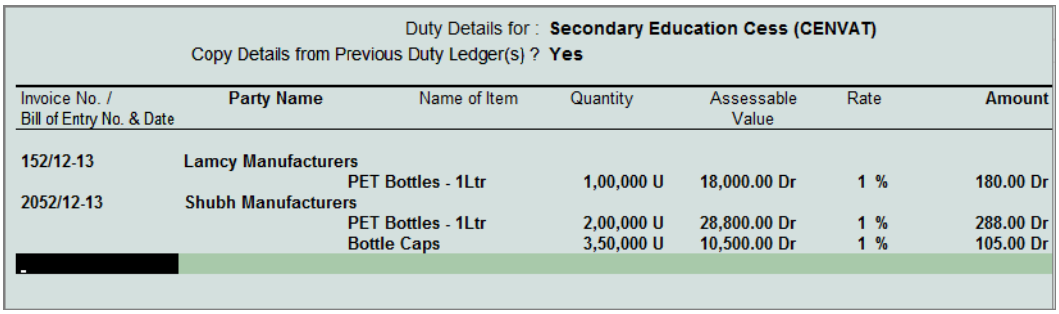
9. To account opening balance of Secondary Education Cess credit, under **Particulars** select **Secondary Education Cess (CENVAT)** and view Excise Duty Allocation screen.

10. In **Excise Duty Allocation** screen

- Set the option **Copy Details from Previous Duty Ledger (s)** to **Yes** and press enter.

  The details like - **Invoice Number/Bill of Entry No.& Date, Party Name, Name of Item, Quantity & Assessable Value** (to calculate the Secondary Education Cess) & **Cess Amount** will be calculated displayed automatically.

The completed Duty Details for Secondary Education Cess (CENVAT) will be displayed as shown

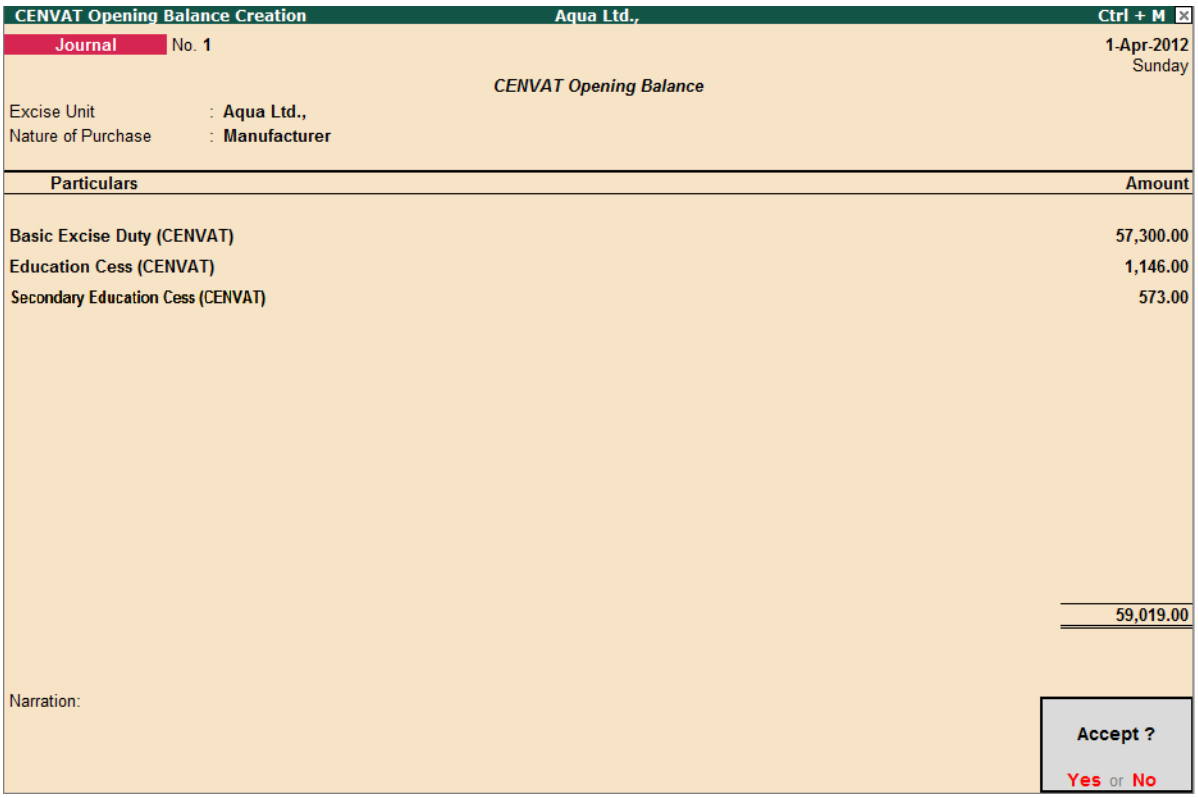


Duty Details for : **Secondary Education Cess (CENVAT)**
Copy Details from Previous Duty Ledger(s) ? **Yes**

Invoice No. / Bill of Entry No. & Date	Party Name	Name of Item	Quantity	Assessable Value	Rate	Amount
152/12-13	Lamcy Manufacturers					
		PET Bottles - 1Ltr	1,00,000 U	18,000.00 Dr	1 %	180.00 Dr
2052/12-13	Shubh Manufacturers					
		PET Bottles - 1Ltr	2,00,000 U	28,800.00 Dr	1 %	288.00 Dr
		Bottle Caps	3,50,000 U	10,500.00 Dr	1 %	105.00 Dr

Figure 3.5 Completed Excise Duty Allocation Screen

The completed CENVAT Opening Balance journal Voucher is displayed as shown:



CENVAT Opening Balance Creation — Aqua Ltd., — Ctrl + M

Journal No. 1 — 1-Apr-2012 Sunday

CENVAT Opening Balance

Excise Unit : Aqua Ltd.,
Nature of Purchase : Manufacturer

Particulars	Amount
Basic Excise Duty (CENVAT)	57,300.00
Education Cess (CENVAT)	1,146.00
Secondary Education Cess (CENVAT)	573.00
	59,019.00

Narration:

Accept ?
Yes or No

Figure 3.6 Completed CENVAT Opening Balance Journal Voucher

11. Press **enter** to accept.

CENVAT credit opening balance *of* ***Capital Goods*** *can also be accounted as explained above.*

The CENVAT Credit Opening Balance entry recorded above will affect all the Excise Reports.

The above CENVAT Opening Balance entry will affect the following Excise Reports:

1. **Computation**: In Computation report the CENVAT Credit Opening balance accounted will be displayed under Balance Input Credit as CENVAT Credit on Inputs
2. **Form ER 1**: CENVAT Credit opening balance will be displayed under Serial Number 8 - Details of CENVAT Credit Taken and utilised in Box 1- Opening Balance.
3. **CENVAT Credit Summary**
4. **CENVAT Availed**
5. **RG 23A Part I**
6. **RG 23A Part II**
7. **Abstract**

3.2 Accounting Excise Duty Opening Balance

When the duty payable on the Excise Sales (Removal of Finished Goods) made not paid at the closing of the financial year (i.e. i.e. 31st March 2012), in such cases the unpaid duty has to be carried forward to the next financial year (1st April 2012) and manufacturer is liable to pay the duty during the current financial year (2012-2013) by quantifying the following information:

- Excise Unit (Excise Factory for which the duty opening balance is accounted)
- Nature of Removal (Duty payable on the Finished goods or Inputs removed for Domestic sales/Captive Consumption/Export -Duty Chargeable/Removal as such/Special Rate).
- Sales Invoice Number/Bill of Entry & Date
- Description of Goods
- Quantity & Value of goods on which duty is payable
- Amount of duty payable
- Name, address and Central Excise Registration number of customer to whom sales is made
- Name of the jurisdictional range / division / commissionerate of customer to whom sales is made

For this purpose, it is essential to record the above mentioned information in Tally.ERP 9, to facilitate payment of Duty on the Finished goods removed.

Consider the following example to illustrate the accounting of Excise Duty Opening Balance,

Example 2:

On 1/4/2012, Aqua Ltd has opening Excise Duty of Rs.2,42,874 (Total) on the following Finished Goods sold under different sales bills.

Invoice No. & Date	Customer Name	Name of Item	Qty.	Duty Type	Assessable Value	Rate of Duty	Amount
AQ/785/12-13	Universal Distributors	AquaPure - 1Ltr	18,000	BED	540000	12%	64800
				ED Cess	15000	2%	1296
				SED Cess	15000	1%	648
AQ/1025/12-13	National Distributors	AquaKing - 20Ltr	25,000	BED	1125000	12%	1,35,000
				ED Cess	24000	2%	2700
				SED Cess	24000	1%	1350
		AquaPure - 1Ltr	10,000	BED	300000	12%	36,000
				ED Cess	7000	2%	720
				SED Cess	7000	1%	360

The Excise details of the Customer are as follows:

Customer Name & Address	Nature of Purchase	Excise Regn. No.	Range	Division	Commissionerate
National Distributors # 9685 5th Main BTM 3rd Block Bangalore	First Stage Dealer	ARMYD7910SXD001	Madiwala	Division IV	Bangalore - I

To account **Excise Duty Opening Balance,**

Go to **Gateway of Tally > Inventory Info. > Update Excise Info. > Excise Opening Balance**

1. Enter the **Date** on which the Excise Opening Balance is accounted.E.g.**1-4-2012**
2. In **Excise Unit** field select the Excise Unit for which the CENVAT Opening balance entry is recorded. e.g. **Aqua Ltd**.

*As Tally.ERP 9 allows to maintain accounts of **Multiple Excise Units** in a **Single Company**, in Excise Duty Opening Balance Journal Voucher Excise Unit field has been provided to select the appropriate Excise Unit.*

3. In **Nature of Removal** field select the sales Nature (whether sale was a Domestic/ Captive Consumption/Removal as such / Special Rate/Export - Duty Chargeable) for which the Excise Duty is payable. E.g. **Domestic**

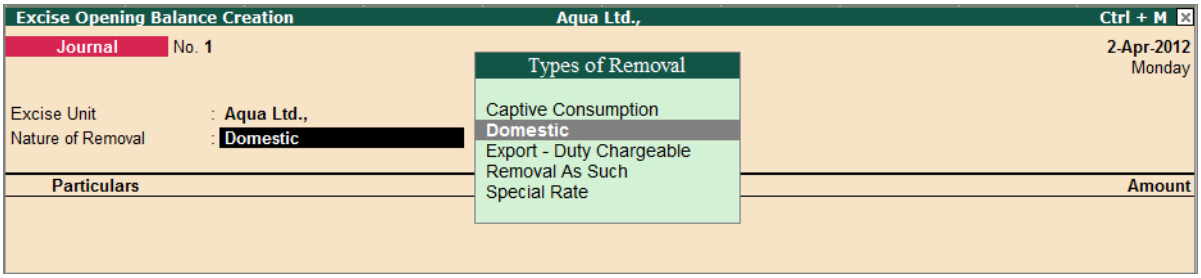


Figure 3.7 Selection of Nature of Removal

*In case a company has **Excise Duty opening balance** against sales of **different Nature of Removal** - Domestic/ Captive Consumption/Removal as such / Special Rate etc. then **separate Excise Opening Balance** entry for **different Nature of Removal** has to be recorded.*

4. To account opening balance of Basic Excise Duty, under Particulars select the ledger - Basic Excise Duty **@ 12%** and view **Excise Duty Allocation** screen.

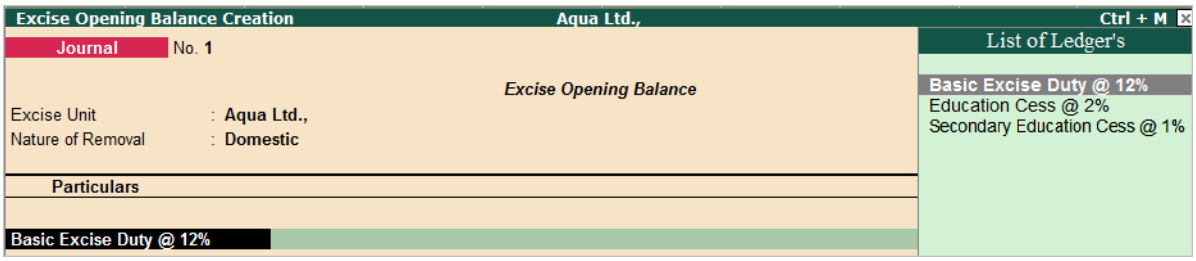


Figure 3.8 Selection of Duty Ledger

*While accounting **Excise Opening Balance**, in **List of Ledger's** only the **Excise Type of** ledgers will be displayed for selection.*

5. In **Excise Duty Allocation** screen
   - **Invoice No./Bill of Entry No. & Date**: In this field enter the invoice number and date of sale of finished good on which excise duty has been charged
   - **Party Name**: In this field select the supplier to whom the sale was made.
   - **Name of Item**: Select the Stock item against which duty is payable and accounted as opening balance
   - **Quantity**: Specify the Quantity on which Duty is payable
   - **Assessable Value**: Enter the Assessable values of the stock item on which the excise duty to be calculated.
   - **Rate**: In this field rate of duty defined in the item master will be defaulted, which can be changed if rate of duty is different.
   - **Amount**: Excise duty Amount will be calculated and displayed automatically.

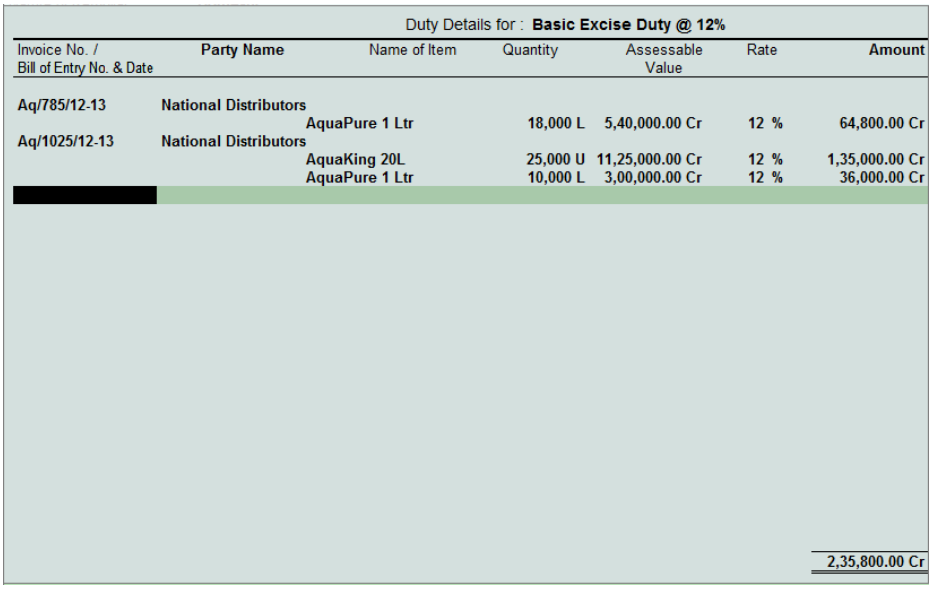


Figure 3.9 Excise Duty Allocation Screen

*Supports to account **Excise Opening Balance** of **multiple bills** of **different customers** of **same Nature of Removal** with **different Finished goods** and **Different Rate of Duty**.*

6. Press **Enter** to save Excise Duty Allocation screen.
7. To account opening balance of Education Cess, under Particulars select **Education Cess @ 2%** and view Excise Duty Allocation screen.
8. In **Excise Duty Allocation** screen.
   - Set the option **Copy Details from Previous Duty Ledger (s)** to **Yes** and press enter.

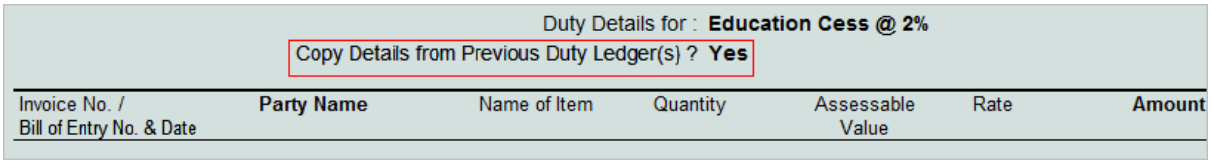
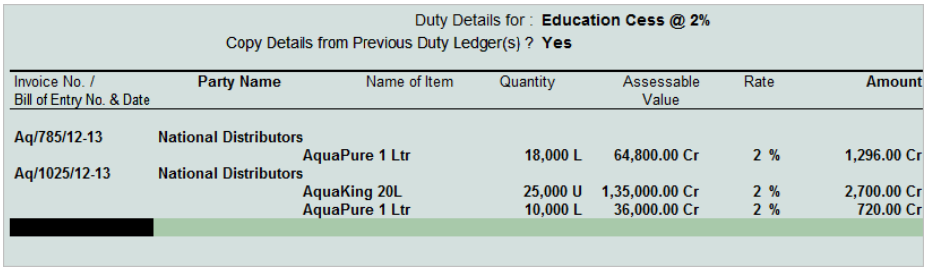


Figure 3.10 Excise Duty Details Screen

The details like - **Invoice Number/Bill of Entry No.& Date, Party Name, Name of Item, Quantity & Assessable Value** (to calculate the Education Cess) & **Cess Amount** will be calculated displayed automatically.

*If you do not want to copy the details of previous duty ledger retain **No** to the option **Copy Details from Previous Duty Ledger(s)** & manually enter the Excise Duty details for the ledger selected.*

The completed Duty Details for **Education Cess @ 2%** will be displayed as shown



Duty Details for : **Education Cess @ 2%**
Copy Details from Previous Duty Ledger(s) ? **Yes**

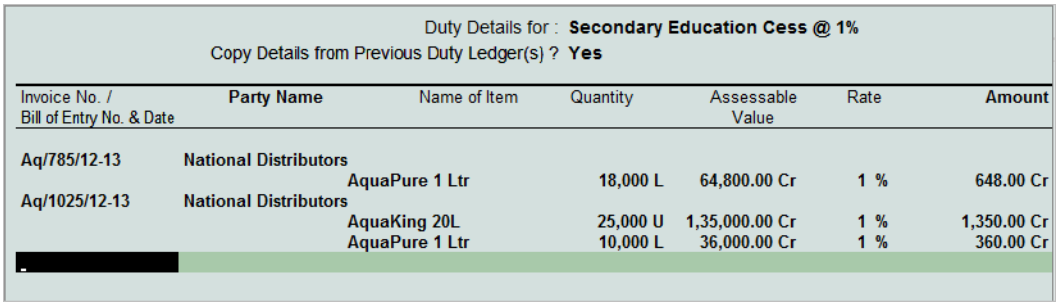
Invoice No. / Bill of Entry No. & Date	Party Name	Name of Item	Quantity	Assessable Value	Rate	Amount
Aq/785/12-13	National Distributors					
		AquaPure 1 Ltr	18,000 L	64,800.00 Cr	2 %	1,296.00 Cr
Aq/1025/12-13	National Distributors					
		AquaKing 20L	25,000 U	1,35,000.00 Cr	2 %	2,700.00 Cr
		AquaPure 1 Ltr	10,000 L	36,000.00 Cr	2 %	720.00 Cr

Figure 3.11 Completed Excise Duty Allocation Screen

9. To account opening balance of Secondary Education Cess, under Particulars select **Secondary Education Cess @ 1%** and view Excise Duty Allocation screen
10. In **Excise Duty Allocation** screen
    - Set the option **Copy Details from Previous Duty Ledger (s)** to **Yes** and press enter.

      The details like - **Invoice Number/Bill of Entry No.& Date, Party Name, Name of Item, Quantity & Assessable Value** (to calculate the Secondary Education Cess) & **Cess Amount** will be calculated displayed automatically.

The completed Duty Details for **Secondary Education Cess @ 1%** will be displayed as shown



Duty Details for : **Secondary Education Cess @ 1%**
Copy Details from Previous Duty Ledger(s) ? **Yes**

Invoice No. / Bill of Entry No. & Date	Party Name	Name of Item	Quantity	Assessable Value	Rate	Amount
Aq/785/12-13	National Distributors					
		AquaPure 1 Ltr	18,000 L	64,800.00 Cr	1 %	648.00 Cr
Aq/1025/12-13	National Distributors					
		AquaKing 20L	25,000 U	1,35,000.00 Cr	1 %	1,350.00 Cr
		AquaPure 1 Ltr	10,000 L	36,000.00 Cr	1 %	360.00 Cr

Figure 3.12 Completed Excise Duty Details Screen

The completed Excise Opening Balance Journal Voucher is displayed as shown

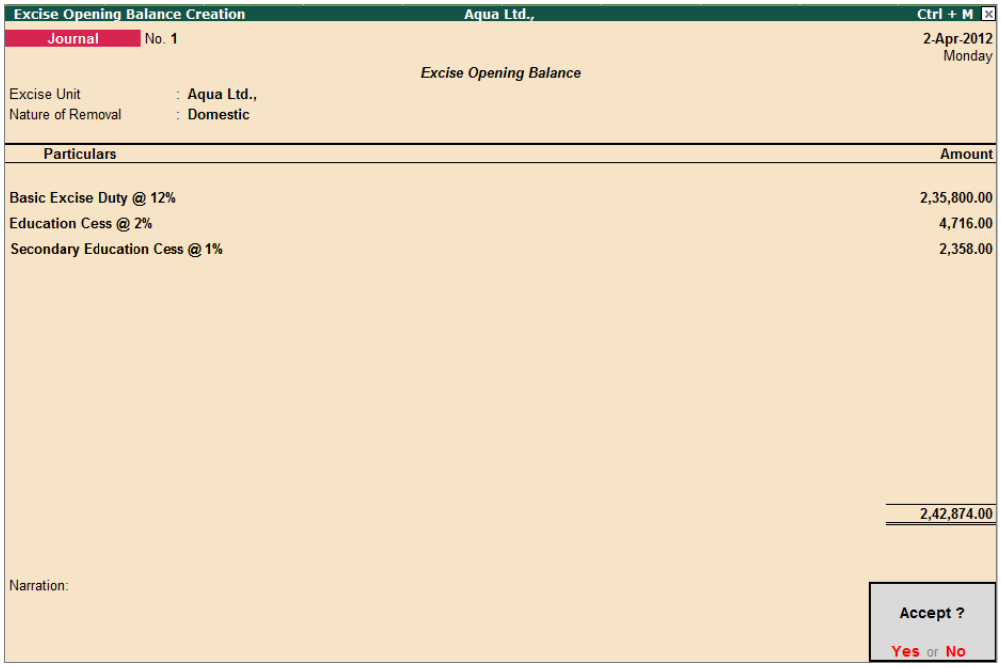


Figure 3.13 Completed Excise Opening Balance Journal Voucher

11.Press **Enter** to accept.

The above Excise Opening Balance entry will be displayed in

- **Excise Computation** report under Excise Duty Payable against Regular Rate
- **PLA Register**

3.3 Accounting PLA Opening Balance

PLA account is the acronym of **Personal Ledger Account**.

When a customer moves from manual accounting to Tally.ERP 9 Series A, the balance available in PLA (Manual Books) can be brought into Tally.ERP 9.

You can track the PLA Opening Balance by entering the Debit balance of Excise Duty, Education Cess and Secondary Education cess ledgers in the PLA Opening Balance entry.

Example 3:

Let us consider that Aqua Ltd., has Rs. 25000 Excise Duty paid in advance. The break up of the Excise Duty is as follows:

1. ***Basic Excise Duty** - Rs. 22500*
2. ***Education Cess** - Rs. 1500*
3. ***Secondary Education Cess** - Rs. 1000*

To account PLA Opening Balance,

Go to **Gateway of Tally** > **Inventory Info.** > **Update Excise Info.** > **PLA Opening Balance**

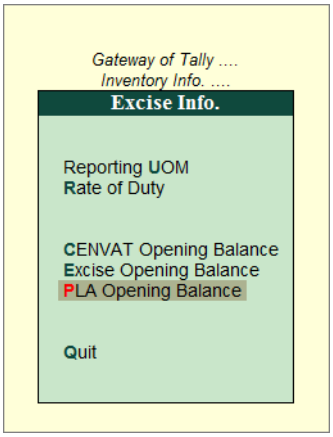


Figure 3.14 Selecting PLA Opening Balance

1. Enter **1-04-2012** in the Date field. This is the date on which the Excise Opening Balance is accounted.
2. In Excise Unit field select **Aqua Ltd.,** which is the Excise Unit for which the Excise Opening balance entry is recorded.

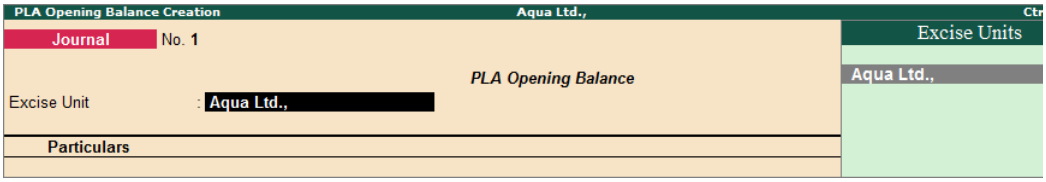


Figure 3.15 Selecting Excise Unit

3. To account opening balance of Basic Excise Duty, under Particulars select **Basic Excise Duty @ 12%** and view Excise Duty Allocation screen.

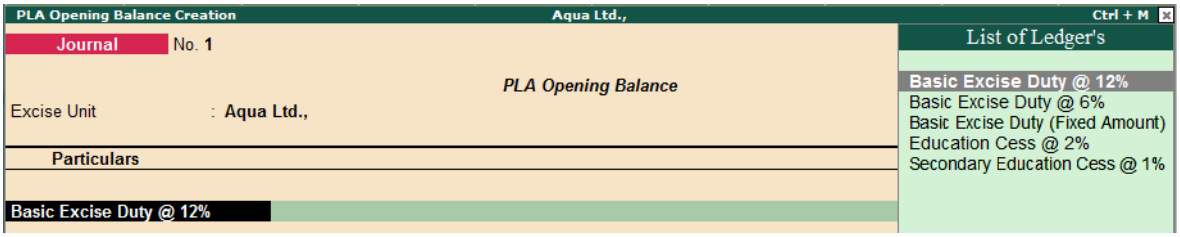


Figure 3.16 Selecting Duty Ledgers

4. Fill in the Details in the **Excise Duty Allocation** screen:
   - **Name**: Enter **Adv-001** (Reference number of the advance paid)
   - **Amount**: Enter **22500** (Advance Duty amount paid to the department)

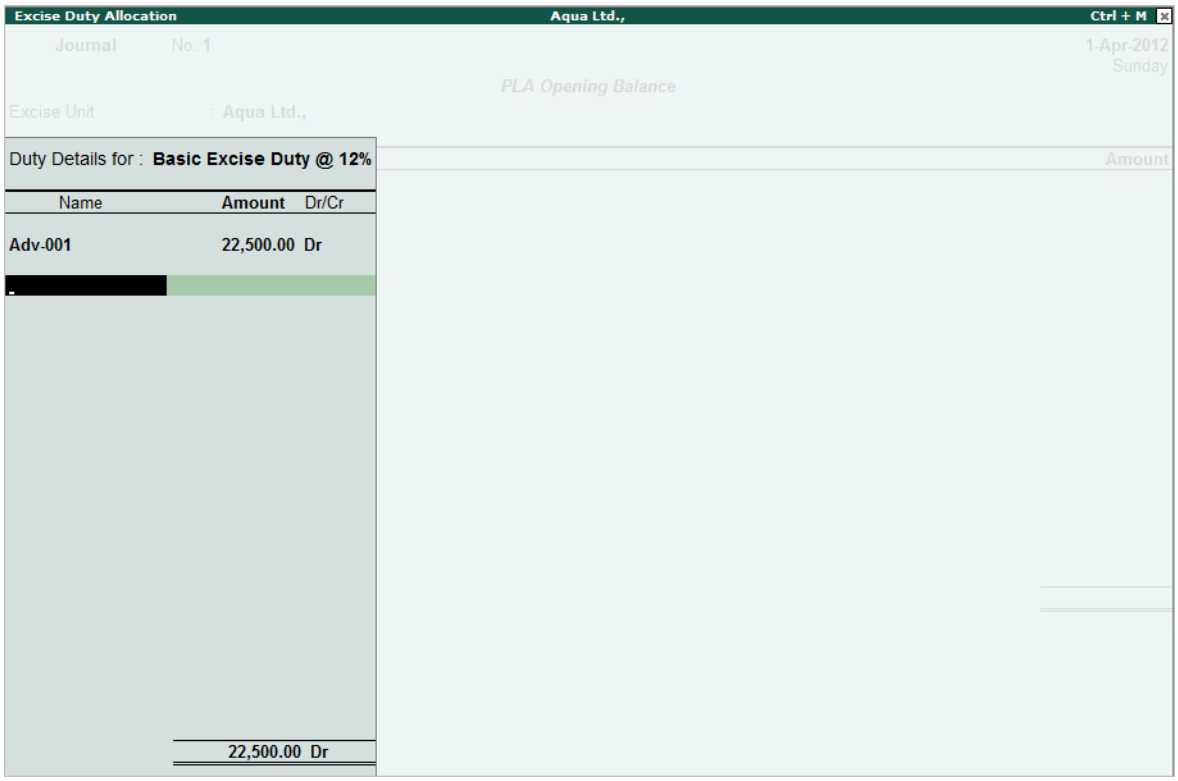


Figure 3.17 Excise Duty Allocation

   - Press Enter to accept the **Excise Duty Allocation** screen.

5. To account opening balance of Education Cess, under Particulars select Education Cess @ 2% and view Excise Duty Allocation screen.

6. Fill in the details in the Excise Duty Allocation screen:
    - **Name** : Enter **Adv-001** (Reference number of the advance paid)
    - **Amount** : Enter **22500** (Advance Education Cess amount paid to the department)

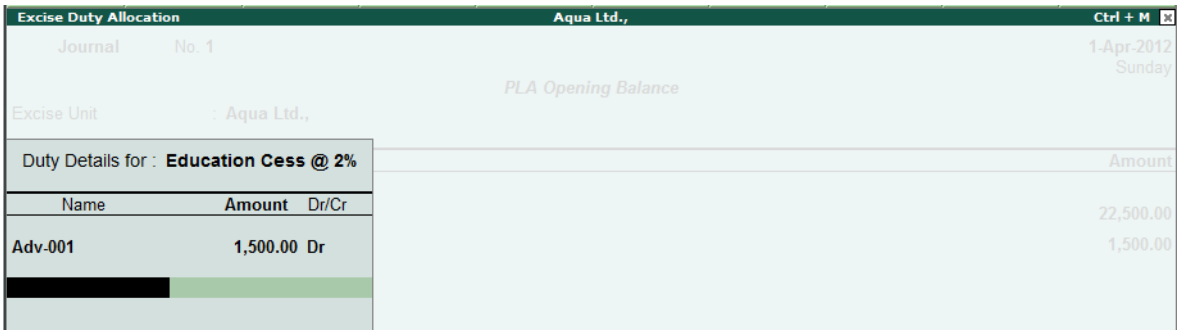


Figure 3.18 Excise Duty Allocation - Education Cess

- Press Enter to accept the **Excise Duty Allocation** screen.

7. To account opening balance of Secondary Education Cess, under Particulars select Secondary Education Cess @ 1% and view Excise Duty Allocation screen.
8. Fill in the details in the Excise Duty Allocation screen:
    - **Name**: Enter **Adv-001** (Reference number of the advance paid)
    - **Amount**: Enter **1000** (Advance Secondary Education Cess paid to the department)

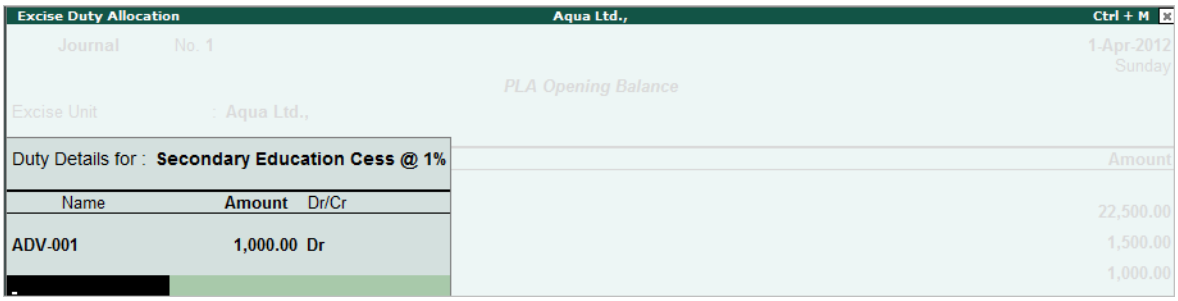


Figure 3.19 Excise Duty Allocation - Secondary Education Cess

- Press Enter to accept the **Excise Duty Allocation** screen.

9. Enter the narration if required.

The completed PLA Opening Balance Journal Voucher will be as follows:

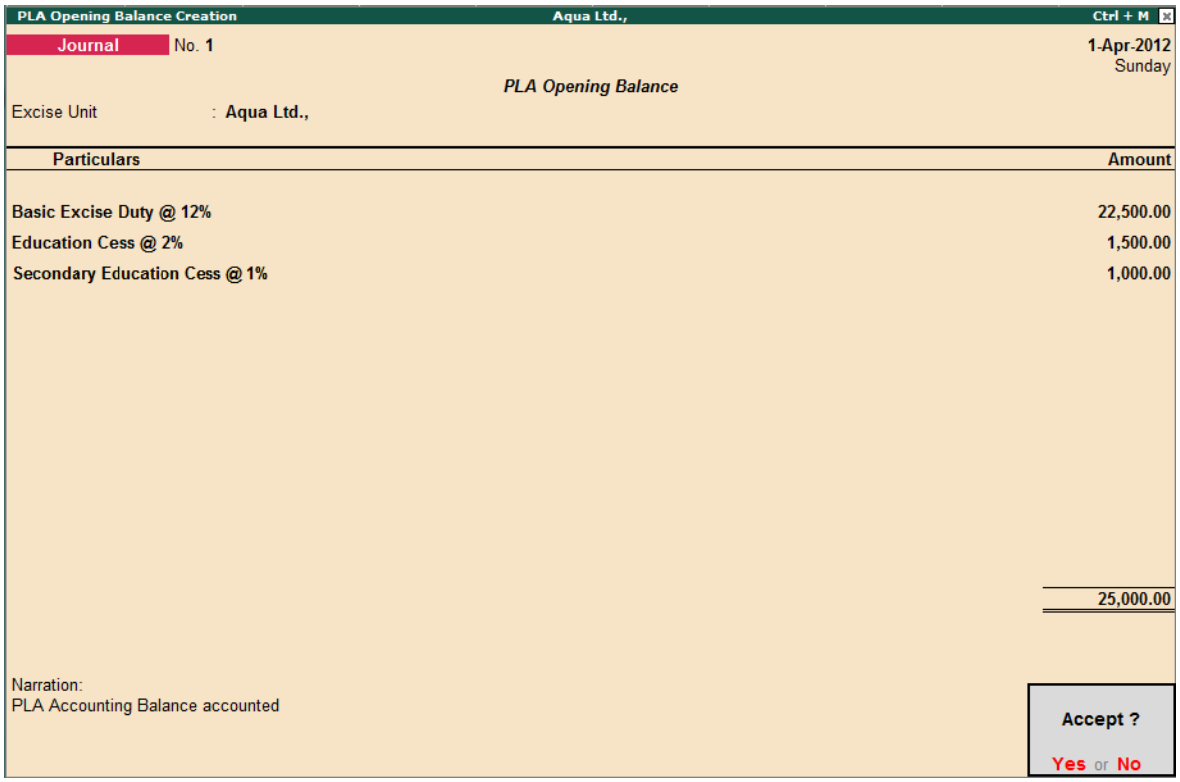


Figure 3.20 Completed PLA Opening Balance Journal Voucher

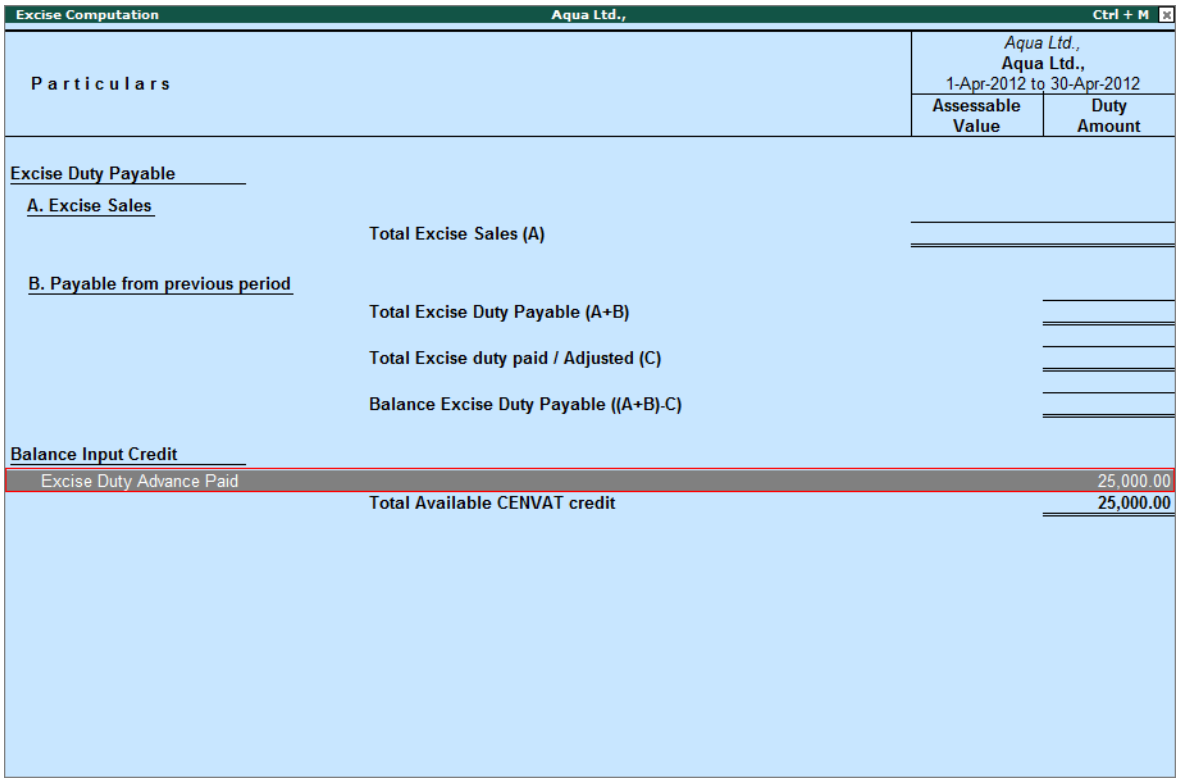
10. Press Enter to save the voucher.

If PLA Opening Balance is Debit Balance (Advance Duty Paid), then the references of Opening Balance accounted from PLA Opening Balance Journal will be available for Adjustment towards Duty payable.

The PLA opening balance thus recorded will be displayed in:

- Excise Computation Report
- PLA Register

PLA Opening balance will be displayed in **Excise Computation** Report as follows:

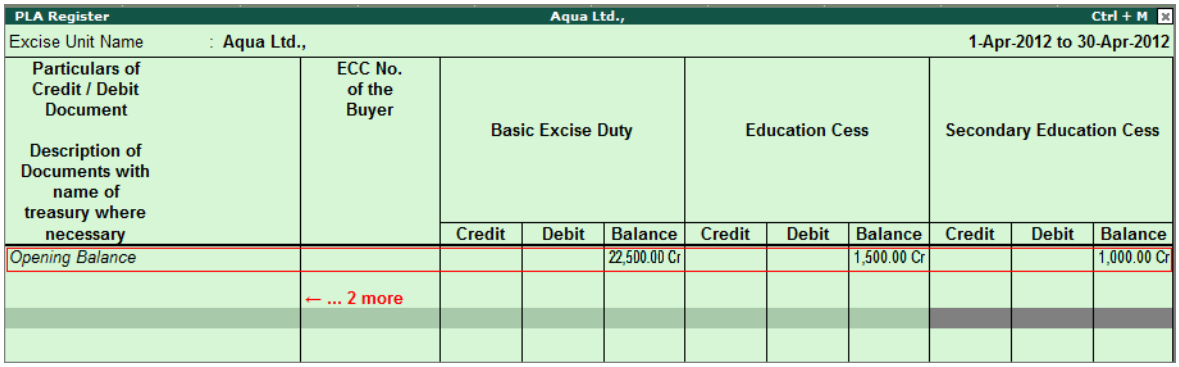


Excise Computation — Aqua Ltd., — Ctrl + M

Particulars		Aqua Ltd., Aqua Ltd., 1-Apr-2012 to 30-Apr-2012	
		Assessable Value	Duty Amount
Excise Duty Payable			
A. Excise Sales			
	Total Excise Sales (A)		
B. Payable from previous period			
	Total Excise Duty Payable (A+B)		
	Total Excise duty paid / Adjusted (C)		
	Balance Excise Duty Payable ((A+B)-C)		
Balance Input Credit			
Excise Duty Advance Paid			25,000.00
	Total Available CENVAT credit		**25,000.00**

Figure 3.21 PLA Opening balance - Excise Computation Report

In the PLA Register, PLA opening balance will be displayed as follows:



PLA Register — Aqua Ltd., — Ctrl + M

Excise Unit Name : **Aqua Ltd.,** — **1-Apr-2012 to 30-Apr-2012**

Particulars of Credit / Debit Document Description of Documents with name of treasury where necessary	ECC No. of the Buyer	Basic Excise Duty			Education Cess			Secondary Education Cess		
		Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance
Opening Balance				22,500.00 Cr			1,500.00 Cr			1,000.00 Cr
	← ... 2 more									

Figure 3.22 PLA Opening Balance as displayed in PLA Register

Debit PLA Opening Balance will be displayed with Negative Sign indicating that the assessee has deposited duty in advance to the Government.

Lesson 4: Excise Transactions

4.1 Purchase Order with Excise Details

In Tally.ERP 9 user can select excise Duty ledger applicable for the stock item in purchase orders and Sales orders.

Purchase Orders/Sales Orders can be tracked in Receipt Note or Delivery Note or Excise purchase or Sales Vouchers with excise details.

Example 1:

On 2-4-2012 Aqua Ltd. placed a Purchase order (P.O- 001) with Lamcy Manufacturers for the supply of 50,000 Pet Bottles @ Rs. 2 per bottle.

Step1: Create Ex- Purchase Order Voucher Type

Create the Voucher Type, Ex-Purchase Order as shown below:

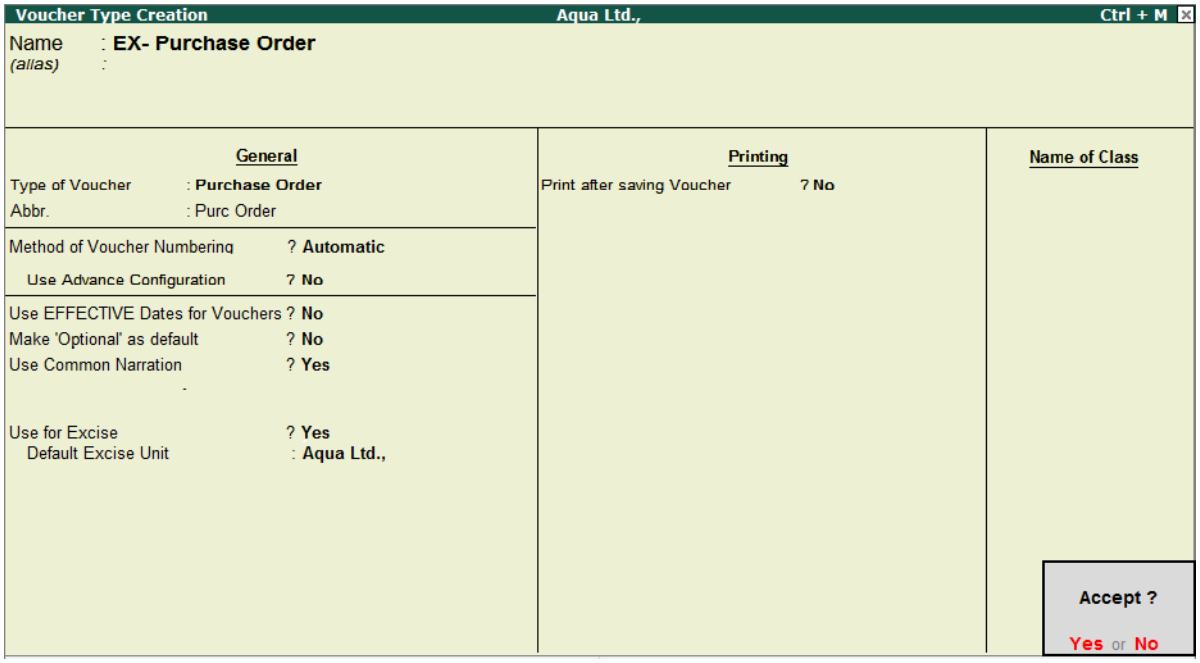


Figure 4.1 Ex- Purchase Order Voucher Type Creation Screen

Step 2: Record a Purchase Order

To record a **Purchase Order**

In **F11: Features > F2: Inventory Features**

- Set the option **Allow Purchase Order Processing** to **Yes**

Go to **Gateway of Tally > Accounting Vouchers > F4: Purchase Order**

1. In **Voucher Type** sub form select **Ex-Purchase Order** as the voucher type
2. Enter the **Date** as **2-4-2012**
3. In the **Party A/c Name** field select **Lamcy Manufacturers** from the **List of Ledger Accounts**
4. In the **Order No.** field enter the order number as **P.O-001**
5. In the **Purchase Ledger** field select **Purchase of Raw Materials**
6. In the **VAT/Tax Class** field the VAT Class will be defaulted automatically as defined in the ledger master
7. In the **Name of Item** field select **Pet Bottles - 1Ltr** and press enter to view the Item Allocation screen
8. In the **Item Allocation** screen
   - In **Due on** filed enter the date of delivery of the stock e.g. 20-4-2012
   - In the **Quantity** field enter **50000**
   - In the **Rate** field enter the rate as **Rs.2**
   - **Amount** will be calculated and displayed automatically.

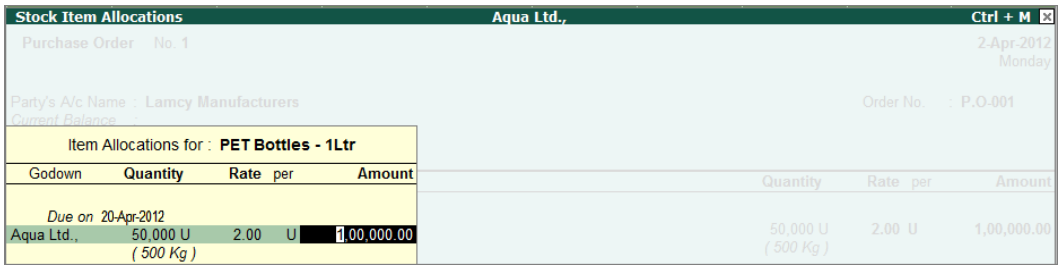


Figure 4.2 Item Allocation Screen

9. Select **Basic Excise Duty @ 12%** ledger, the **Rate of Duty** and **Duty amount** will be defaulted automatically.

*To avail **CENVAT credit,** in the same voucher you can select **CENVAT type of duty ledgers***

10. Similarly select **Education Cess @ 2%** and **Secondary Education Cess @ 1%** ledgers
11. Select **Input VAT @ 5%** ledger. The **VAT amount** will be calculated and displayed automatically

12.Set **Show Statutory Details** to view the Statutory details screen

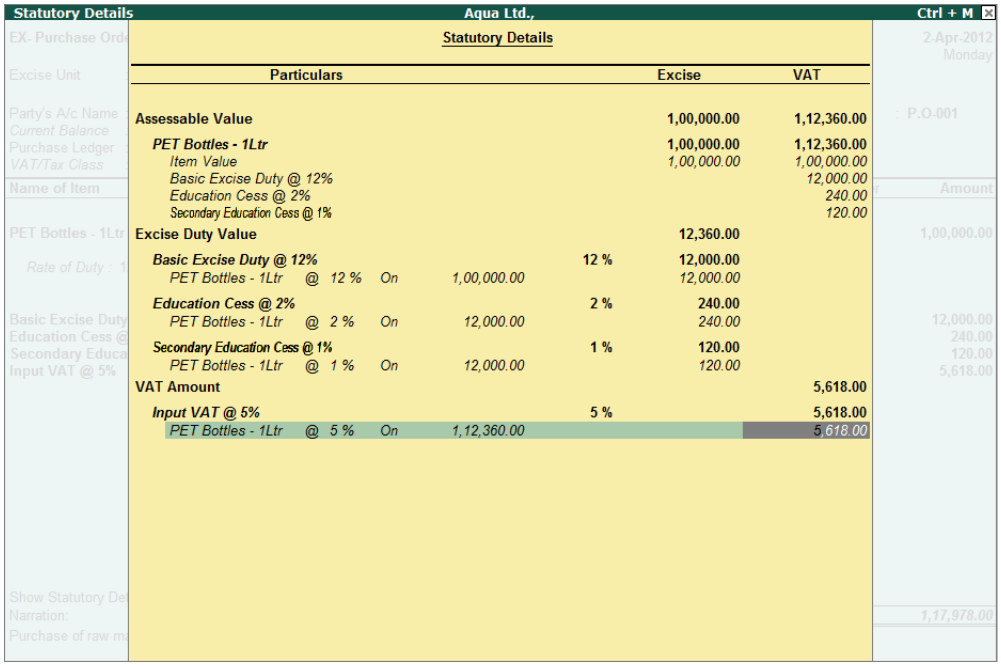


Figure 4.3 Statutory Details Screen

The completed Excise Purchase Order is displayed as shown.

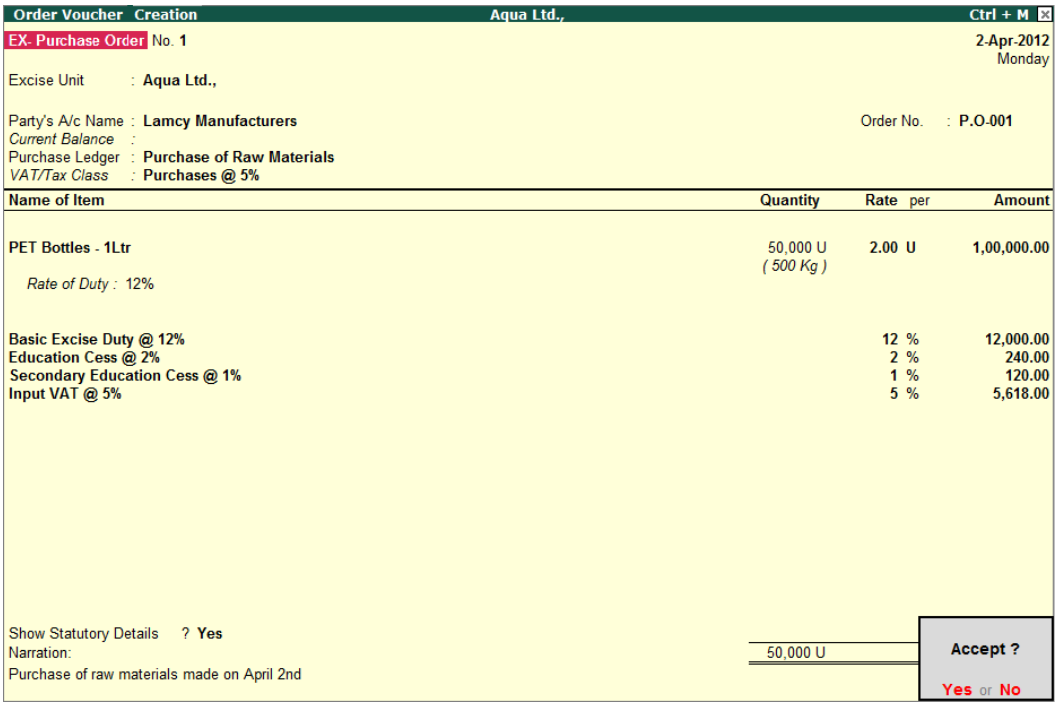


Figure 4.4 Completed Purchase Order

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

4.2 Recording an Excise Purchase Voucher – Not Availing CENVAT Credit

Follow the below mentioned procedure to account the purchases from **Manufacturer** and **Not availing the CENVAT Credit** at the time of recording the Purchase voucher.

Example 2:

On 4-4-2012 Aqua Ltd. purchased 10,00,000 Litres of Water from Swastik Water Suppliers at the rate of Rs. 2 per Litre (vide Invoice No. SI/336)

To record a **Purchase Voucher**

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

1. In **Voucher Type** sub form select **Excise - Purchases** as the voucher type
2. Ensure that the **Purchase Voucher** is in **Item Invoice** Mode

In Tally.ERP 9 ***Excise Purchase Transactions*** *needs to recorded in* ***Invoice Mode Only****.*

3. Enter the **Date** as **4-4-2012**.
4. In **Supplier Invoice No.** field enter the Invoice No. as **SI/336**
5. In **Party's A/c Name** field select the supplier i.e. **Swastik Water Suppliers** from the List of Ledger Accounts
6. In **Nature of Purchase** field **Manufacturer** is displayed automatically
7. In **Purchase Ledger** field select the ledger **Purchase of Raw Materials** from List of Ledger Accounts
8. In **VAT/Tax Class** field select the VAT class as **Not Applicable**
9. In **Name of Item** field select the Stock Item i.e. **Natural Water**
10. In **Stock Item Allocation** screen, in **Quantity** field enter the quantity as **10,00,000**
11. In **Rate** field enter the rate as **Rs. 2**
12. **Amount** will be displayed automatically.
13. Select Duty Ledger i.e.**Basic Excise Duty @ 12%**. **Amount** will be calculated and displayed automatically.
14. Select **Education Cess @ 2%** and **Secondary Education Cess @ 1%** ledgers. **Amount** will be calculated and displayed automatically

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

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

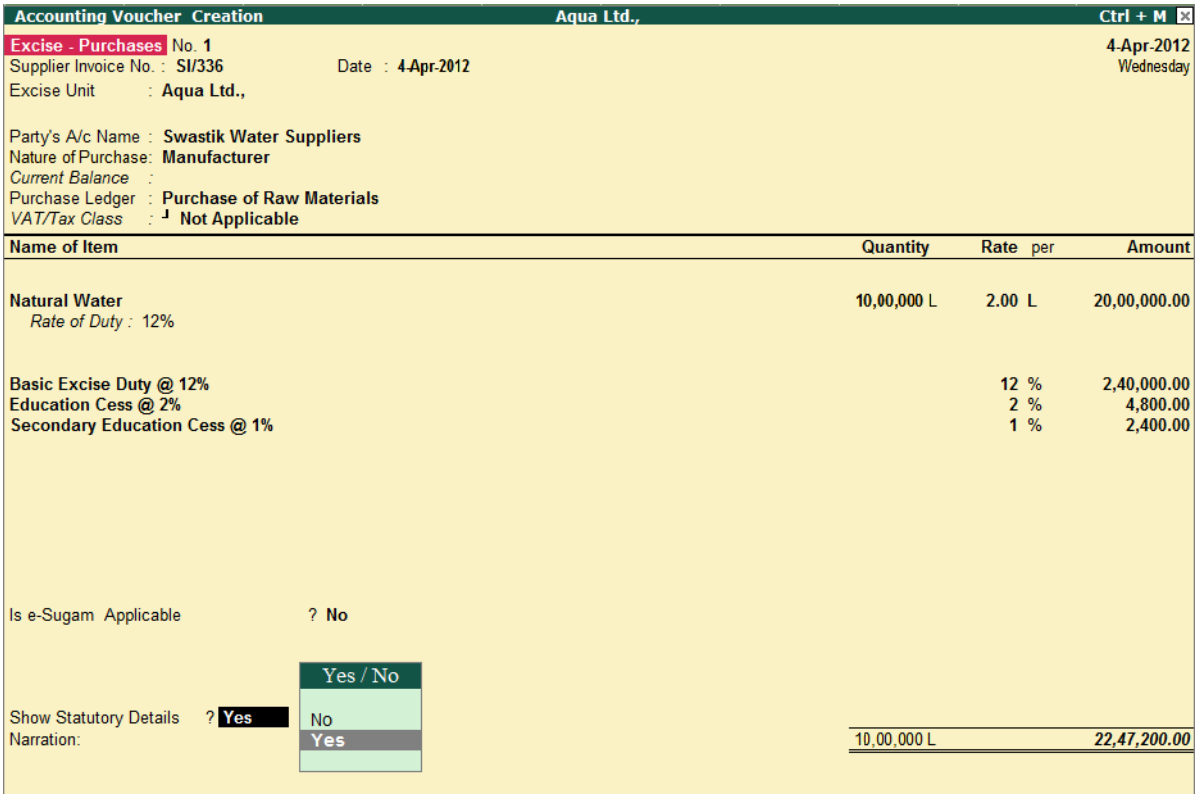


Figure 4.5 Purchase Voucher

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

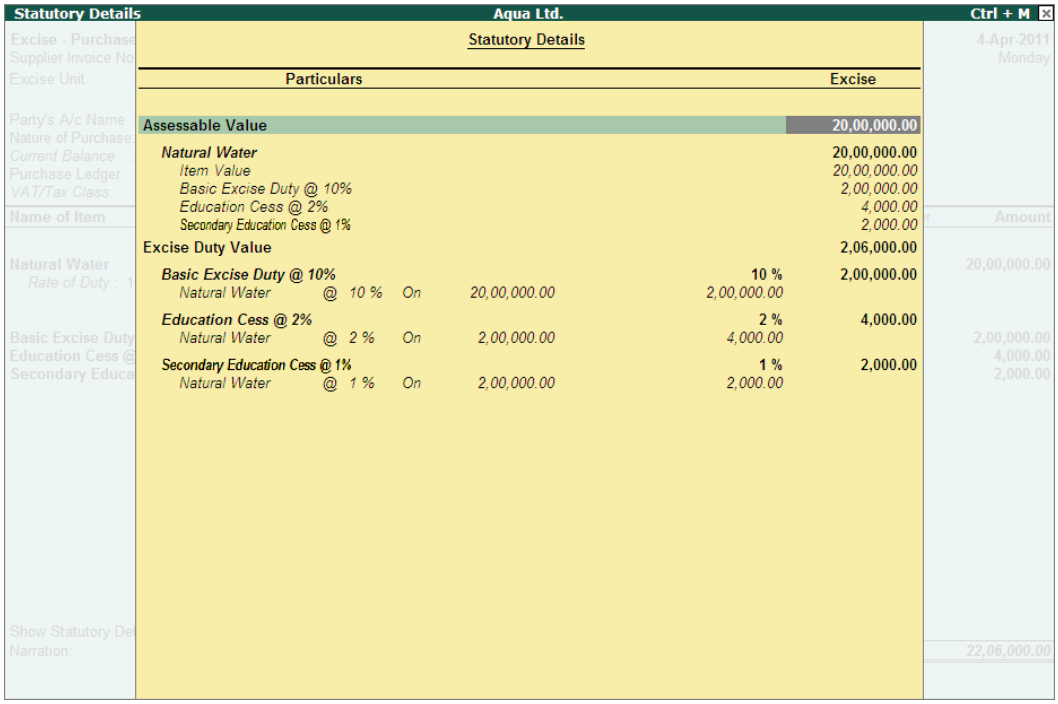


Figure 4.6 Statutory Details Screen

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

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

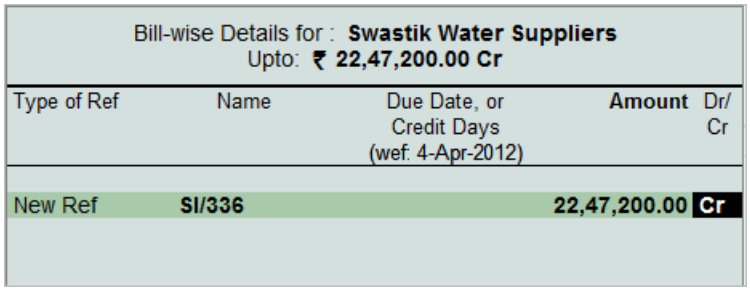


Figure 4.7 Bill-wise Details Screen

The completed Excise Purchase voucher appears as shown.

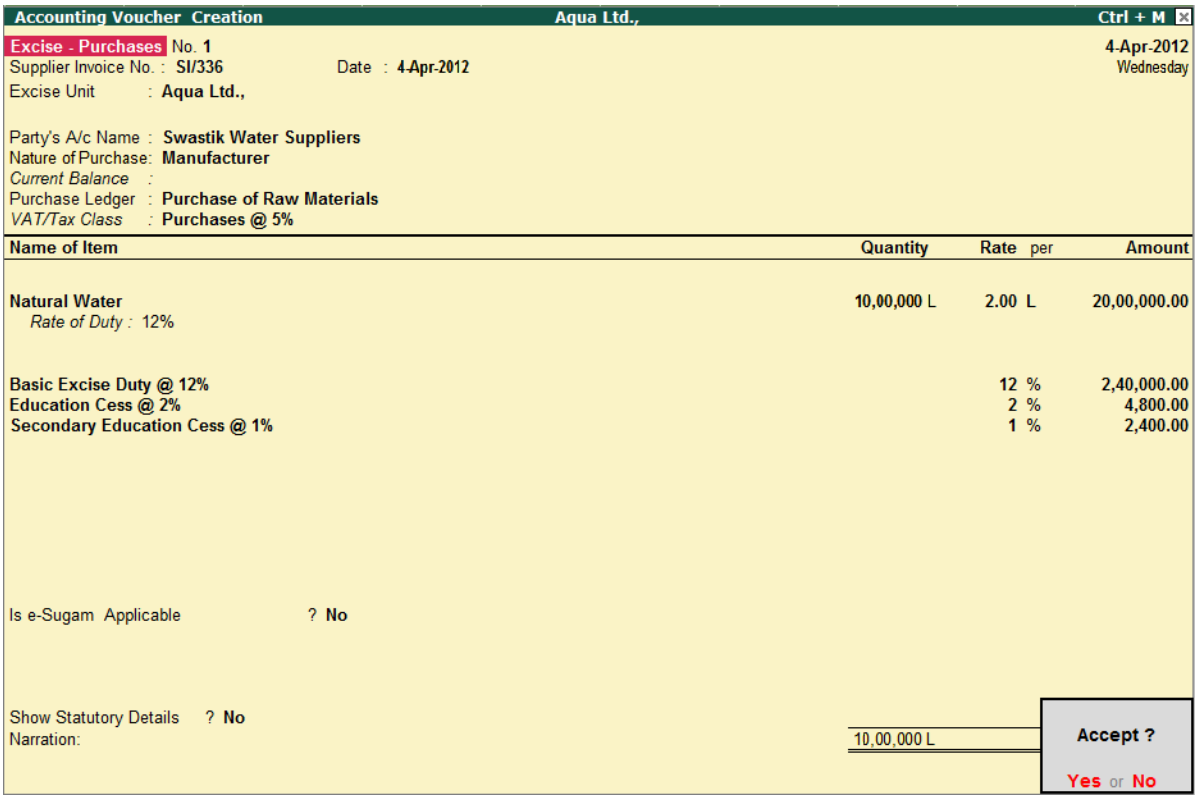


Figure 4.8 Purchase Voucher

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

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

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

Go to **Gateway of Tally > Display > Account Books > Ledgers > Basic Excise Duty @ 12%**

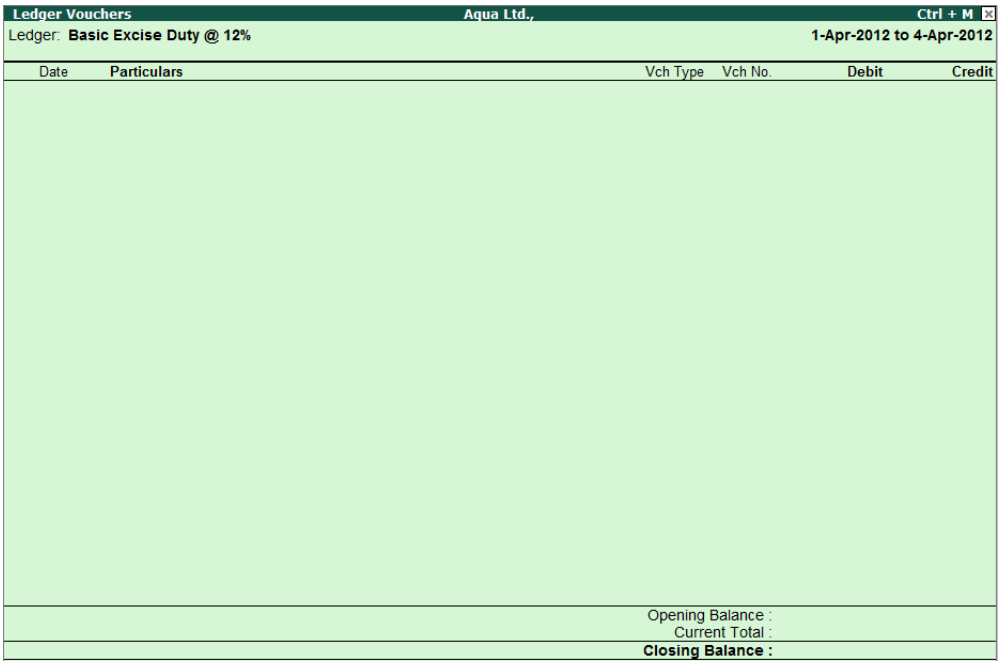


Figure 4.9 Ledger Vouchers

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

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

In **F12: Configuration**

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

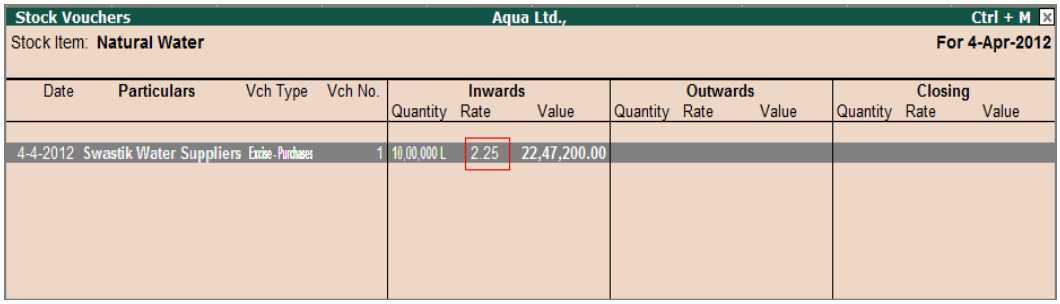


Figure 4.10 Stock Vouchers

Purchase rate of natural Water is **Rs.2** per Litre. Observe, in the above screen stock item rate is displayed as **2.25** which includes the excise duty amount.

***CENVAT Credit** of the above transaction can be availed at any point of time by recording a CENVAT credit availing.*

4.3 Creating a Excise Purchase Voucher – Availing CENVAT Credit

Follow the below mentioned procedure to account the purchases from **Manufacturer** and **availing the CENVAT Credit** at the time of recording the Purchase voucher.

Example 3:

On 5-4-2012 Aqua Ltd. purchased the following Stock items from Lamcy Manufacturers (vide Bill No- LM/243)

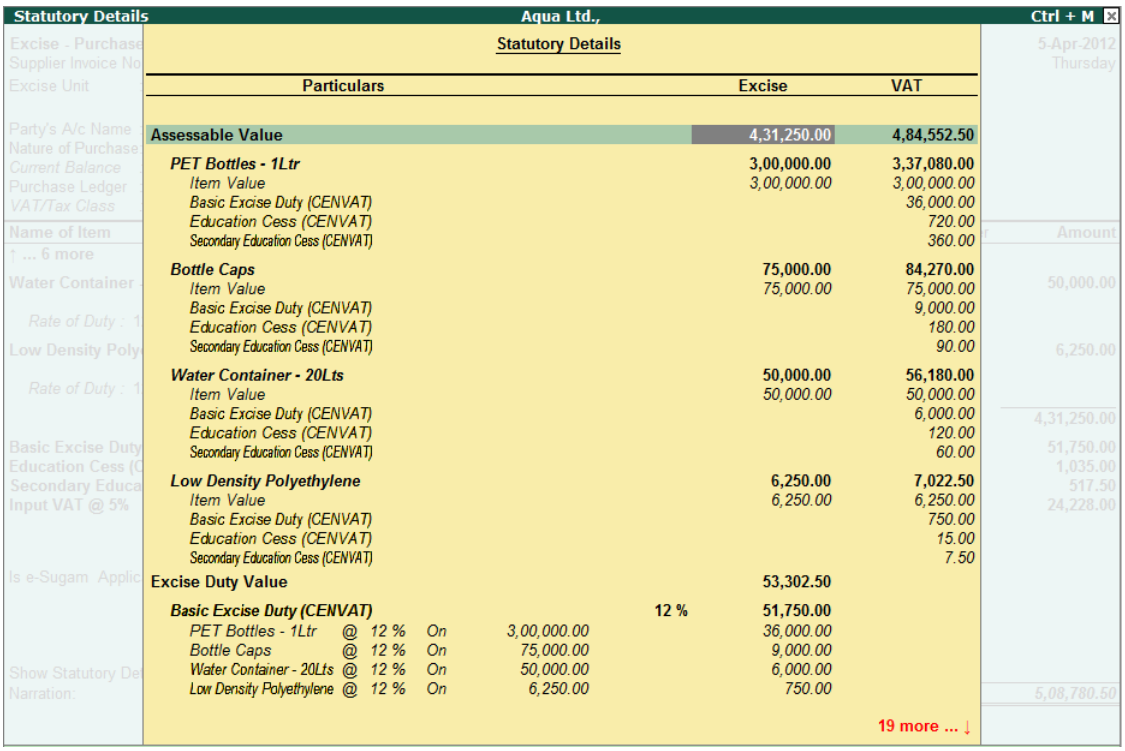
Stock Item	Quantity	Rate
Pet Bottles - 1 Ltr	3,00,000	Rs. 1.00
Bottle Caps	3,00,000	Rs. 0.25
Water Bottle Container - 20 Ltr	10,000	Rs.5.00
Low Density Polyethylene	25,000	Rs. 0.25

To record a **Purchase Voucher**

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

1. In **Voucher Type** sub form select **Excise - Purchases** as the voucher type
2. Ensure that the **Purchase Voucher** is in **Item Invoice** Mode
3. Enter the **Date** as **5-4-2012**
4. In **Supplier Invoice No.** field enter the Invoice No. as **LM/243**
5. In **Party's A/c Name** field select the supplier i.e. **Lamcy Manufacturers** from the **List of Ledger Accounts** (Use **Alt +C** to create the party ledger)
6. In **Nature of Purchase** field the option **Manufacturer** is displayed automatically (based on the Nature of Payment selected in the ledger master)
7. In **Purchase Ledger** field select the ledger **Purchase of Raw Materials** from List of Ledger Accounts
8. **VAT/Tax Class** field automatically gets updated with the VAT/Tax class as selected in the purchase ledger, which can be changed.
9. In **Name of Item** field select the Stock Item i.e. **Pet Bottles - 1 Ltr**

10. In Item allocation screen, in **Quantity** field enter the quantity as **3,00,000**
11. In **Rate** field enter the rate as **Rs. 1**
12. **Amount** will be displayed automatically
13. Select **Bottle Caps** as second item and specify **Quantity** as **3,00,000** and **Rate** as **Rs. 0.25**
14. Select **Water Container - 20 Ltr** as third item and specify **Quantity** as **10,000** and **Rate** as **Rs.5**
15. Select **Low Density Polyethylene** as fourth item and specify **Quantity** as **25,000** and **Rate** as **Rs.0.25**
16. Select **CENVAT Type of Duty Ledger** to avail the credit. **Amount** for **(CENVAT)** will be displayed automatically
17. Select **Education Cess (CENVAT)** and **Secondary Education Cess (CENVAT)** ledgers to account the cess on duty
18. Select **Input VAT @ 5%** as the VAT duty ledger. **Amount** will be displayed automatically
19. Set the option **Show Statutory Details** to **Yes** to view **Statutory Details** screen
20. In **Statutory Details** screen press **Alt + F1: Detailed** to view details of duty calculation. Statutory Details screen appears as shown:



Statutory Details — Aqua Ltd., — Ctrl + M

Statutory Details

Particulars				Excise	VAT
Assessable Value				4,31,250.00	4,84,552.50
PET Bottles - 1Ltr				3,00,000.00	3,37,080.00
Item Value				3,00,000.00	3,00,000.00
Basic Excise Duty (CENVAT)					36,000.00
Education Cess (CENVAT)					720.00
Secondary Education Cess (CENVAT)					360.00
Bottle Caps				75,000.00	84,270.00
Item Value				75,000.00	75,000.00
Basic Excise Duty (CENVAT)					9,000.00
Education Cess (CENVAT)					180.00
Secondary Education Cess (CENVAT)					90.00
Water Container - 20Lts				50,000.00	56,180.00
Item Value				50,000.00	50,000.00
Basic Excise Duty (CENVAT)					6,000.00
Education Cess (CENVAT)					120.00
Secondary Education Cess (CENVAT)					60.00
Low Density Polyethylene				6,250.00	7,022.50
Item Value				6,250.00	6,250.00
Basic Excise Duty (CENVAT)					750.00
Education Cess (CENVAT)					15.00
Secondary Education Cess (CENVAT)					7.50
Excise Duty Value				53,302.50	
Basic Excise Duty (CENVAT)			12 %	51,750.00	
PET Bottles - 1Ltr	*@ 12 % On*	*3,00,000.00*		*36,000.00*	
Bottle Caps	*@ 12 % On*	*75,000.00*		*9,000.00*	
Water Container - 20Lts	*@ 12 % On*	*50,000.00*		*6,000.00*	
Low Density Polyethylene	*@ 12 % On*	*6,250.00*		*750.00*	

19 more ... ↓

Figure 4.11 Statutory Details Screen

*In Statutory Details user can view **Item/ ledger wise assessable value and Duty/ Tax calculation**.*

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

Bill-wise Details for : **Lamcy Manufacturers**
Upto: ₹ **5,08,780.50 Cr**

Type of Ref	Name	Due Date, or Credit Days (wef: 5-Apr-2012)	Amount	Dr/ Cr
New Ref	**LM/243**		**5,08,780.50**	**Cr**

Figure 4.12 Bill-wise Details

The completed Excise Purchase voucher appears as shown

Accounting Voucher Creation — **Aqua Ltd.,** — **Ctrl + M**

Excise - Purchases No. 2 — 5-Apr-2012
Supplier Invoice No. : **LM/243** Date : **5-Apr-2012** — Thursday
Excise Unit : **Aqua Ltd.,**

Party's A/c Name : **Lamcy Manufacturers**
Nature of Purchase: **Manufacturer**
Current Balance :
Purchase Ledger : **Purchase of Raw Materials**
VAT/Tax Class : **Purchases @ 5%**

Name of Item	Quantity	Rate per	Amount
↑ ... 6 more			
Water Container - 20Lts	**10,000 U** *(500 Kg)*	**5.00 U**	**50,000.00**
Rate of Duty : 12%			
Low Density Polyethylene	**25,000 U** *(25 Kg)*	**0.25 U**	**6,250.00**
Rate of Duty : 12%			
			4,31,250.00
Basic Excise Duty (CENVAT)		**12 %**	**51,750.00**
Education Cess (CENVAT)		**2 %**	**1,035.00**
Secondary Education Cess (CENVAT)		**1 %**	**517.50**
Input VAT @ 5%		**5 %**	**24,228.00**

Is e-Sugam Applicable ? **No**

Show Statutory Details ? **Yes**
Narration:

6,35,000 U

Accept ?
Yes or **No**

Figure 4.13 Purchase Voucher

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

Tally.ERP 9 allows the user to select more than one stock item as well as selection of same item multiple times in purchase or sales invoice.

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

To check the **duty ledger balance**,

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

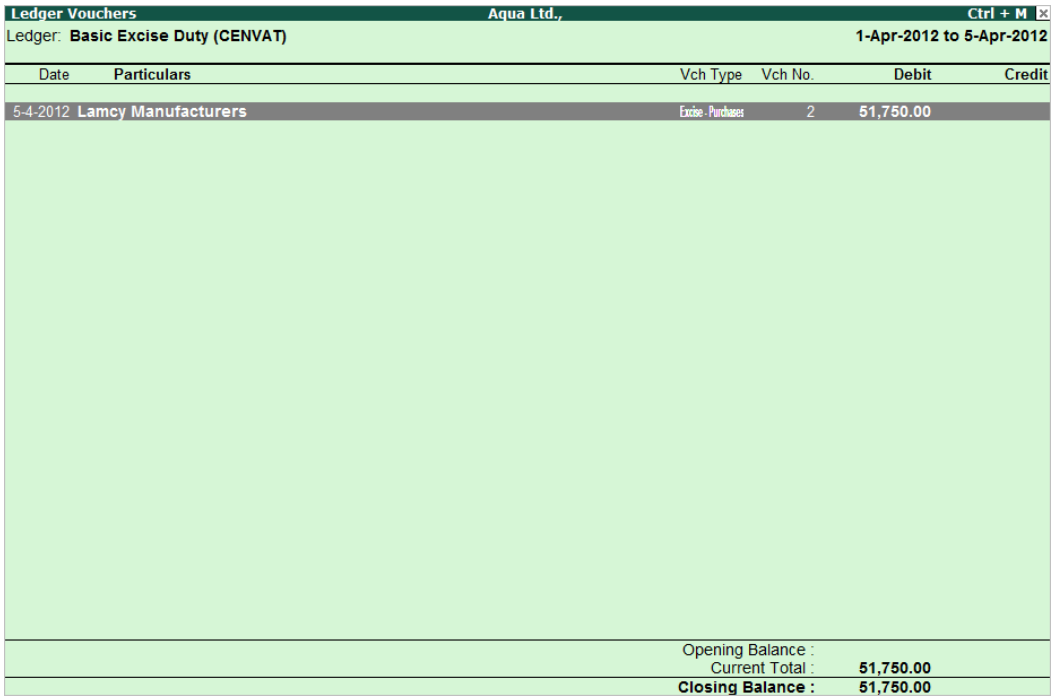


Figure 4.14 Ledger Vouchers Report

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

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

In **F12: Configuration**

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

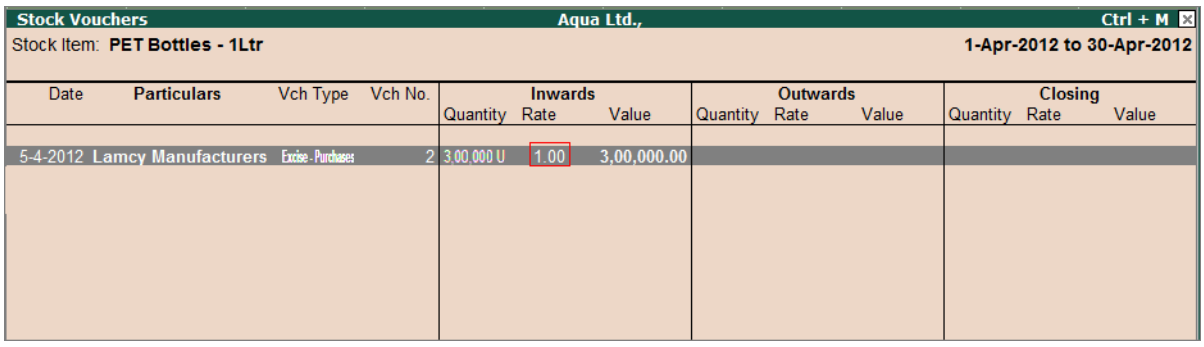


Figure 4.15 Stock Vouchers

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

4.4 CENVAT Credit on Purchases from Manufacturer (Duty Value Alteration)

In real business scenario it is possible that in the invoice received there may be some calculation errors (when invoice prepared manually) or Duty value may be rounded off. As per excise rule, receiving party can not make changes in the suppliers invoice. Even if it is a mistake in the excise calculations, buyer is supposed to enter the invoice as it is without making any correction. In this scenario you have to alter the duty amount while recording the transaction.

In Tally.ERP 9 (from Release 3.0 onwards) you can alter the Duty amount while availing the CENVAT Credit on purchases from Manufacturer.

Example 4:

On 6-4-2012 Aqua Ltd. purchased the following goods and received the invoice from Lamcy Manufacturer where the Duty values were rounded off. ***BED*** *of 31181.63 to* ***31182****,* ***Education Cess*** *of 623.63 to* ***624*** *and* ***Secondary Education*** *Cess of 311.83 to* ***312****.*

Raw Material	Quantity	Rate
Pet Bottles 1ltr	2,50,000 U	Rs.1
Bottle Caps	2,47,265 U	Rs.0.25

Record the Transaction in Excise Purchase Voucher

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

To alter the Duty Value in Excise Purchase, voucher has to be configured. To configure the purchase voucher a new configuration option has been provided.

In **F12: Configure (Purchase Invoice Configuration)**

- Set the option **Allow modification in Duty for Purchase form Manufacturer** to **Yes**

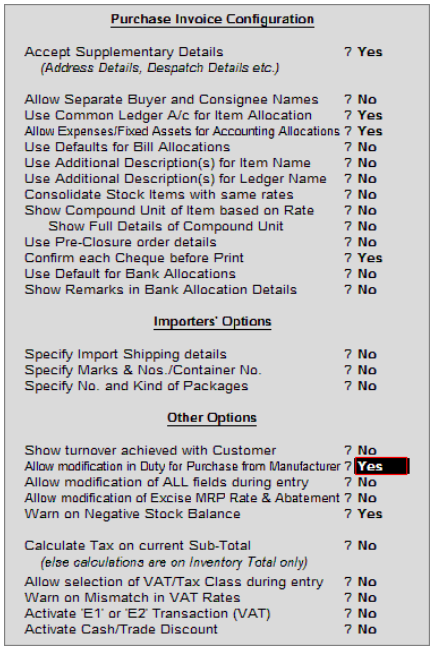


Figure 4.16 Purchase Invoice Configuration

1. Enter the **Date** as **6-4-2012**
2. In **Supplier Invoice No.** field enter the Invoice No. as **LM/2071**
3. In **Party's A/c Name** field select the supplier i.e. **Lamcy Manufacturers** from the List of Ledger Accounts (Use Alt +C to create the party ledger).
4. In **Nature of Purchase** field the option **Manufacturer** is displayed automatically
5. In **Purchase Ledger** field select the ledger **Purchase of Raw Materials** from List of Ledger Accounts.
6. **VAT/Tax Class** field automatically gets updated with the VAT/Tax class as selected in the purchase ledger, which can be changed.
7. In **Name of Item** field select the Stock Item i.e. **Pet Bottles – 1 Ltr**.
8. In **Item Allocations** screen, in **Quantity** field enter the quantity as **2,50,000**
9. In **Rate** field enter the rate as **Rs. 1**. **Amount** will be displayed automatically.
10. Select **Bottle Caps** as second item and specify **Quantity** as **2,47,265** and **Rate** as **Rs. 0.25**.
11. To avail the CENVAT credit, select CENVAT type of ledgers - **(CENVAT)** ledger and press enter to view Excise Duty allocation screen

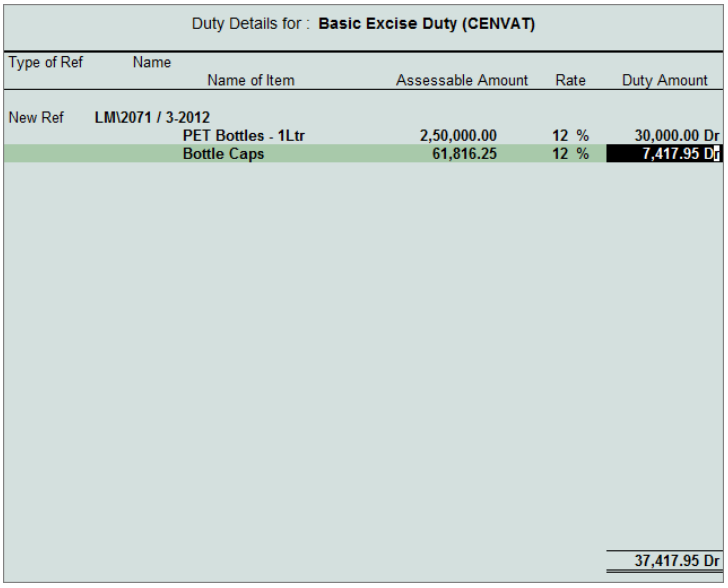
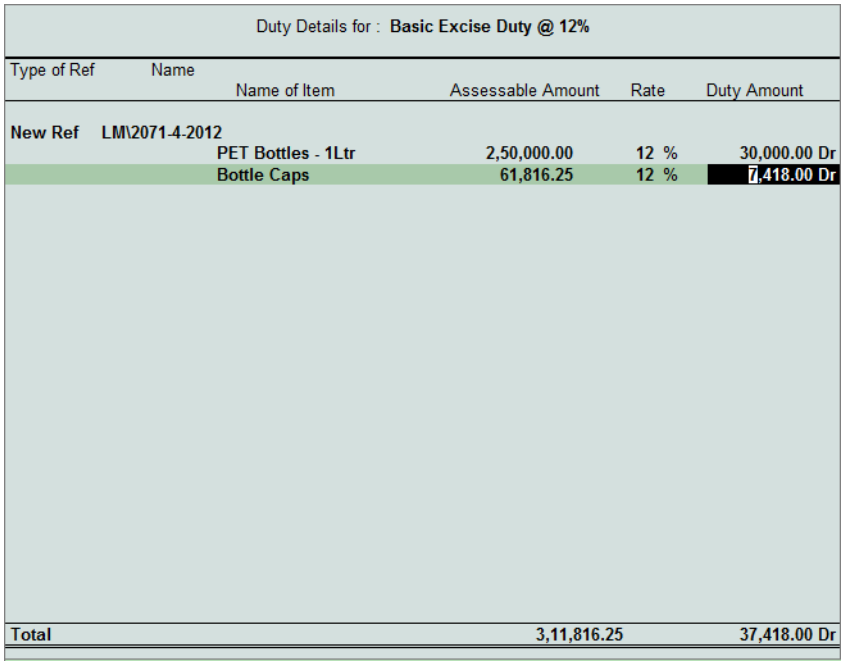


Figure 4.17 Excise Duty Allocation Screen

In Excise Duty Allocation screen for stock Item - Bottle Caps, Duty Amount is displayed as **7,417.95** which is Rounded off as **7418** to make the total as **37,418**.

*As per the **invoice** received from **Lamcy Manufacturers** the is rounded off and is specified as **31182**. Hence while accounting the credit, **duty value** is altered to arrive at the actual duty as per the invoice.*

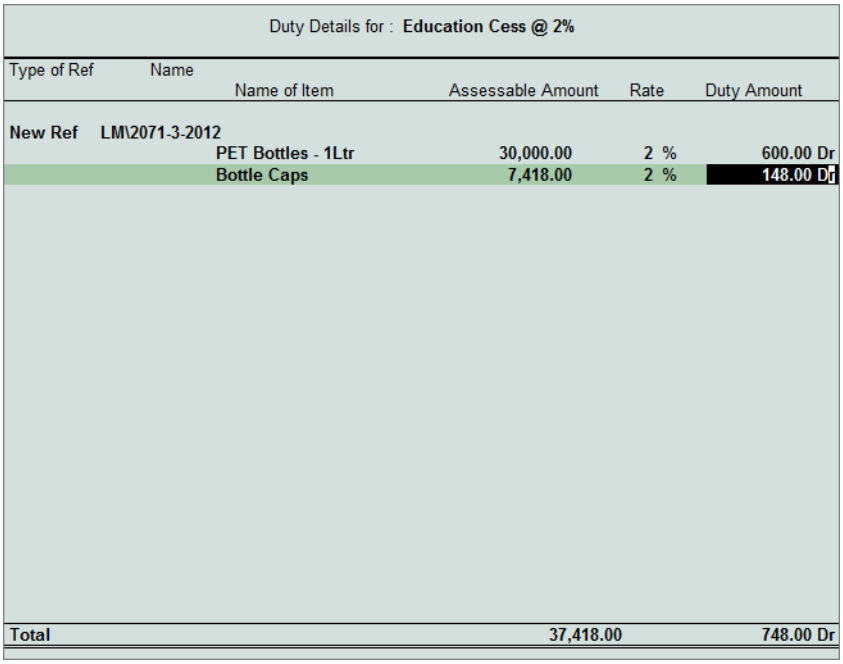


Duty Details for : **Basic Excise Duty @ 12%**

Type of Ref	Name	Name of Item	Assessable Amount	Rate	Duty Amount
New Ref	LM\2071-4-2012				
		PET Bottles - 1Ltr	2,50,000.00	12 %	30,000.00 Dr
		Bottle Caps	61,816.25	12 %	7,418.00 Dr
Total			3,11,816.25		37,418.00 Dr

Figure 4.18 Duty Details Screen

12. Select **Education Cess (CENVAT)** ledger and press enter to view **Excise Duty Allocation** screen
    - In **Excise Duty Allocation** screen for stock Item - **Bottle Caps**, **Duty Amount** is displayed as **148.35** which is Rounded off as **148** to make the total Education Cess as **748.**



Duty Details for : **Education Cess @ 2%**

Type of Ref	Name	Name of Item	Assessable Amount	Rate	Duty Amount
New Ref	LM\2071-3-2012				
		PET Bottles - 1Ltr	30,000.00	2 %	600.00 Dr
		Bottle Caps	7,418.00	2 %	148.00 Dr
Total			37,418.00		748.00 Dr

Figure 4.19 Duty Details Screen

13. Similarly, select **Secondary Education Cess** ledger. In **Excise Duty Allocation** screen for stock item - Bottle Caps, Duty Amount is displayed as **74.17**which is Rounded off as **74** to make the total Education Cess as **374**.
14. Select the **VAT ledger** to account the input vat on the goods purchased.

The completed Excise Purchase Voucher is displayed as shown

Accounting Voucher Creation — **Aqua Ltd.,** — **Ctrl + M**

Excise - Purchases No. 3 — 6-Apr-2012 Friday
Supplier Invoice No. : **LM\2071** Date : **6-Apr-2012**
Excise Unit : **Aqua Ltd.,**

Party's A/c Name : **Lamcy Manufacturers**
Nature of Purchase: **Manufacturer**
Current Balance : ***5,08,780.50 Cr***
Purchase Ledger : **Purchase of Raw Materials**
VAT/Tax Class : **Purchases @ 5%**

Name of Item	Quantity	Rate per	Amount
PET Bottles - 1Ltr	**2,50,000 U** *(2,500 Kg)*	**1.00 U**	**2,50,000.00**
Rate of Duty : 12%			
Bottle Caps	**2,47,265 U** *(495 Kg)*	**0.25 U**	**61,816.25**
Rate of Duty : 12%			
			3,11,816.25
Basic Excise Duty @ 12%		**12 %**	**37,418.00**
Education Cess @ 2%		**2 %**	**749.00**
Secondary Education Cess @ 1%		**1 %**	**374.00**
Input VAT @ 5%		**5 %**	**17,518.00**

Is e-Sugam Applicable ? **No**

Show Statutory Details ? **No**
Narration:

4,97,265 U

Accept ?
Yes or **No**

Figure 4.20 Completed Excise Purchase Voucher

15.Press **Enter** to accept.

4.5 Availing CENVAT Credit on Purchases from Excise Dealers

In Tally.ERP 9, CENVAT Credit on purchases from Excise Dealers (First Stage/Second Stage) and importers can be availed

1. While recording the purchase transaction (in the same invoice)

2. Later by recording a separate: In this case first purchase invoice will be recorded without availing credit and later a separate will be recorded to avail the CENVAT credit.

Example 5:

On 6-4-2012 Aqua Ltd. received the bill for Rs. 14,610 from Shubh distributors for the supply of 100 Water Containers – 20 ltrs @ Rs. 134.30 per container. Against this purchase of 100 water containers, Aqua Ltd. can avail CENVAT Credit on Rs. 10,000 (@ Rs. 100 per Container i.e., on Assessable Value as per manufacturer's invoice).

4.5.1 Avail CENVAT Credit on purchases (in the same invoice).

i. Create Party Ledger

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

- In the **Name** field enter the name of the ledger. e.g. **Shubh Distributors**
- In **Under** field select **Sundry Creditors**
- Enter the **Default Credit** Period if any
- Enter the **Mailing Details** and **Tax Information**
- Enable **Set/Alter Excise Details** to **Yes**
- Enter the **Excise Details** as shown

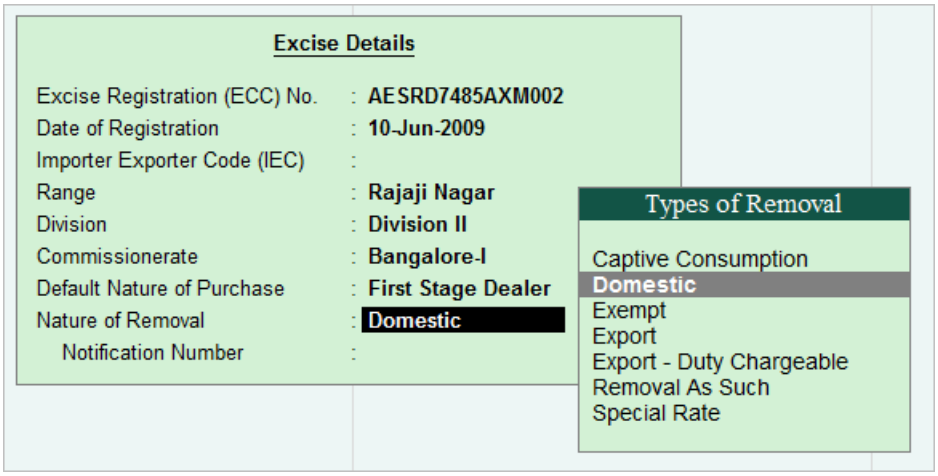


Figure 4.21 Excise Details Screen

- Press **Enter** to save.

ii. Record a Purchase Voucher

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

1. In **Voucher Type** sub form select **Excise – Purchases** as the voucher type.
2. Ensure that the Purchase Voucher is in **Item Invoice Mode**.
3. Enter the **Date** as **6-4-2012**
4. In **Supplier Invoice No.** field enter the Invoice No. as **SD/4578**.
5. In **Party's A/c Name** field select the supplier i.e. **Shubh Distributors** from the **List of Ledger Accounts**.
6. In **Nature of Purchase** field **First Stage Dealer** is displayed automatically.
7. In **Purchase Ledger** field select the ledger **Purchase of Raw Materials** from List of Ledger Accounts.
8. **VAT/Tax Class** field automatically gets updated with the VAT/Tax class as selected in the purchase ledger, which can be changed.
9. In **Name of Item** field select the Stock Item i.e. **Water Container – 20 Ltrs**
10. In the **Item Allocation** screen
    - In **Quantity** field enter the quantity as **100**
    - In **Rate** field enter the rate as Rs. **124** [Actual purchase rate (134.30) – CENVAT Credit (10.30)].
    - **Amount** will be displayed automatically
11. Select **(CENVAT)** ledger to view the Duty Details screen

*To Avail the **CENVAT Credit** user needs to select **CENVAT Type of Duty ledgers***

12. In the **Duty details** screen
    - In the fields **Type of Ref** and **Name** field the details will be defaulted automatically
    - In the **Name of Item** field select the Item – **Water Container – 20ltrs**
    - In the **Assessable Value** field enter **Rs. 12,200** (Assessable Value as per the Manufacturer's invoice)
    - In the **Amount** field the **Duty Amount** will be calculated and displayed based on the assessable value entered.

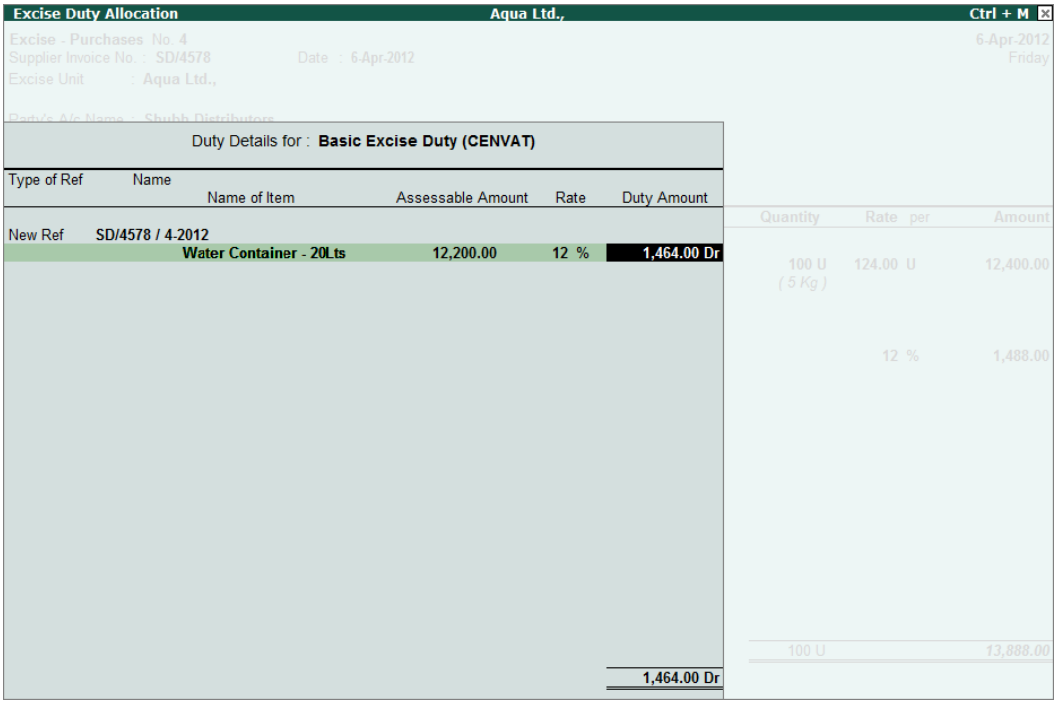


Figure 4.22 Excise Duty Allocation screen

13.Select **Education Cess (CENVAT)** ledger to view the **Duty Details** screen

14.The **Duty Details** screen appears as shown

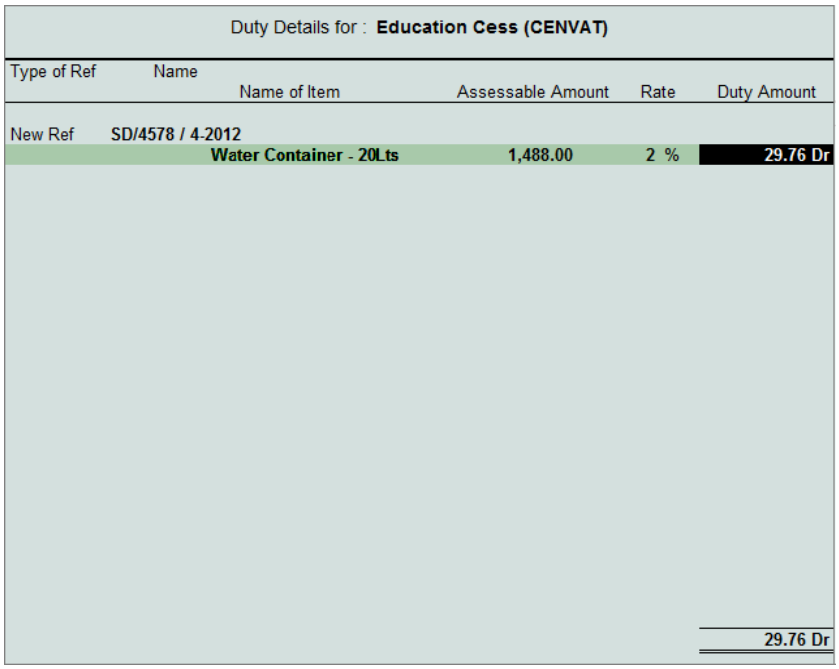


Figure 4.23 Excise Duty Allocation Screen

*For the **Education Cess (CENVAT)** the **(CENVAT)** amount is defaulted as the assessable value.*

15. Select **Secondary Education Cess (CENVAT)** ledger to view the **Duty Details** screen. In the Duty Details screen accept the default details.
16. Select **Input VAT @ 5%** ledger. **Amount** will be displayed automatically
17. Set **Show Statutory Details** to **Yes** to view statutory details

To view the calculation details press **Alt+F1** or click on **F1: Detailed** button in the buttons bar

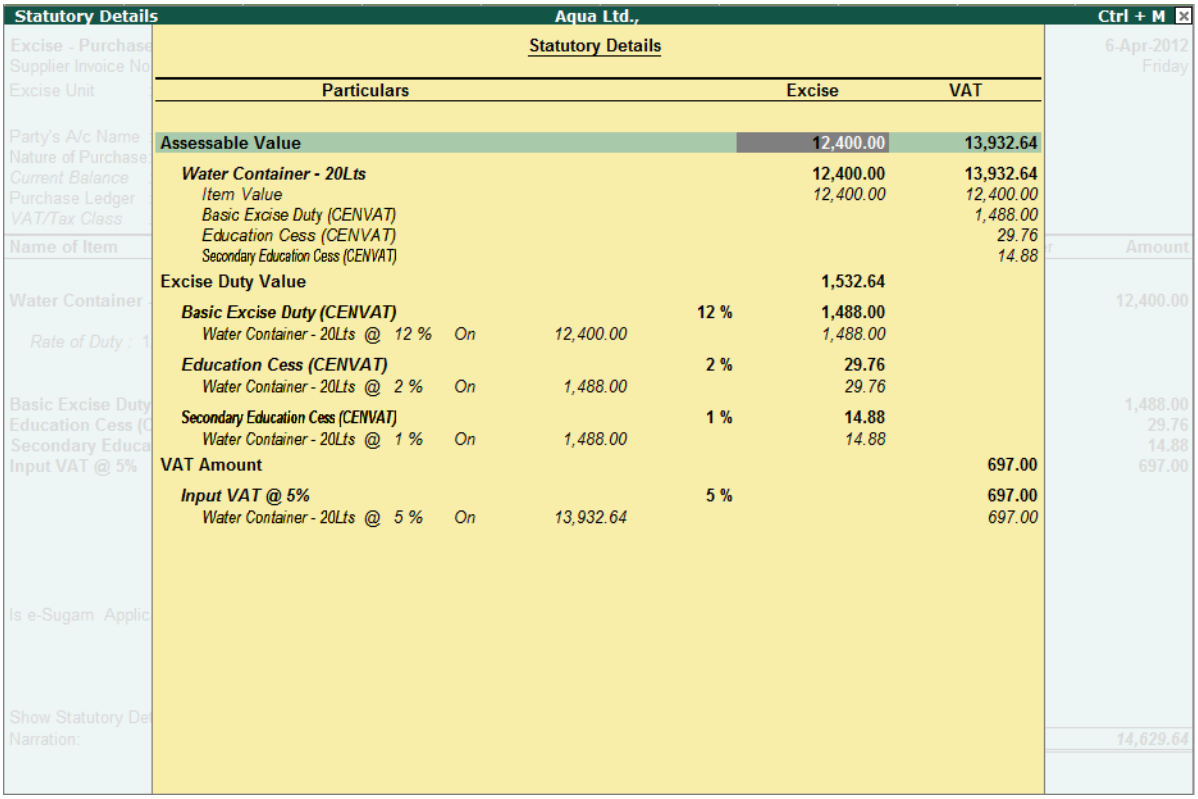


Figure 4.24 Statutory Details Screen

18. In the **Bill-wise Details** screen accept the default details. Enter the transaction details in the **Narration** field

The completed Excise Purchase voucher appears as shown

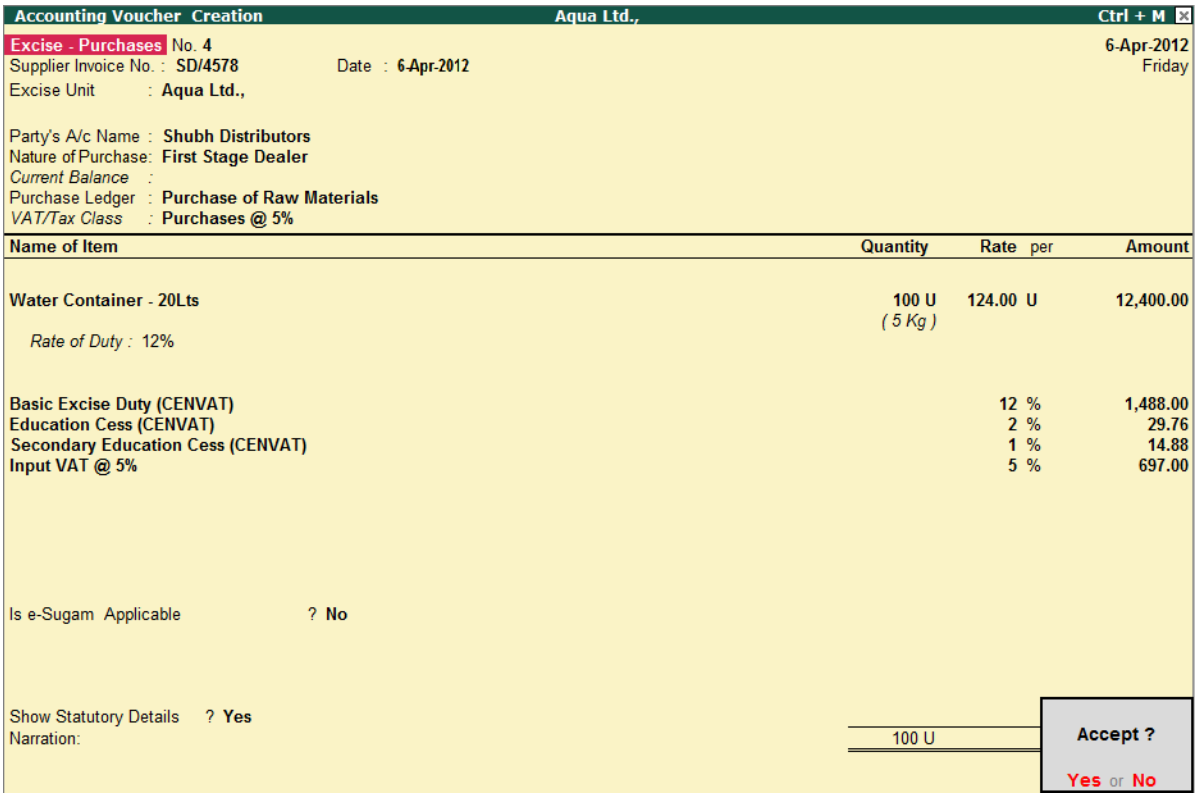


Figure 4.25 Excise Purchase Voucher

19.Press **Enter** to save.

4.5.2 Avail CENVAT Credit on purchases (later by recording a separate Debit Note)

i.Create Voucher Class for Debit Note

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

- From the **List of Voucher Types** select
- In the Voucher Type tab down to **Name of Class** field
- In the **Name of Class** enter the class name as **CENVAT Availing**

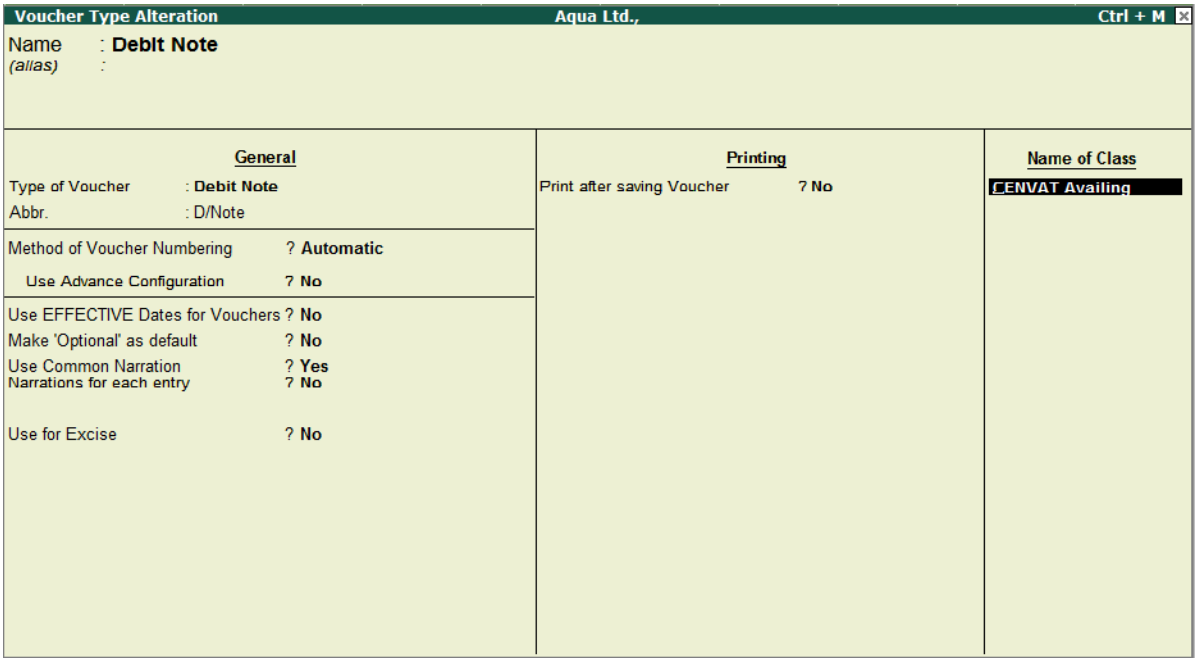


Figure 4.26 Voucher Type Alteration Screen

- In the **Voucher Type Class** screen set the option **Use Class for Excise/CENVAT Adjustments** to **Yes**

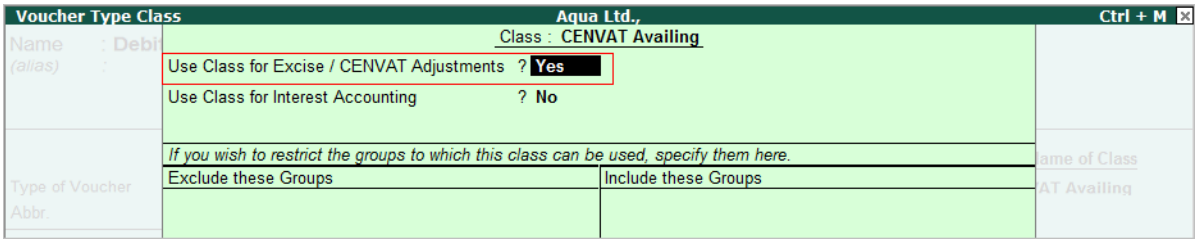


Figure 4.27 Voucher Type Class screen

- Press **Enter** to save **Voucher Type Class** screen and **Voucher Type Alteration** screen

ii. Record a Purchase Voucher

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

1. In Voucher Type sub form select **Excise – Purchases** as the voucher type.
2. Ensure that the Purchase Voucher is in **Item Invoice Mode**.
3. Enter the **Date** as **6-4-2012**
4. In **Supplier Invoice No.** field enter the Invoice No. as **SD/4578**.
5. In **Party's A/c Name** field select the supplier i.e. **Shubh Distributors** from the List of Ledger Accounts.
6. In **Nature of Purchase** field **First Stage Dealer** is displayed automatically.
7. In **Purchase Ledger** field select the ledger **Purchase of Raw Materials** from List of Ledger Accounts. In VAT/Tax Class field automatically gets updated with the VAT/Tax class as selected in the purchase ledger, which can be changed.
8. In **Name of Item** field select the Stock Item i.e. **Water Container – 20 Ltrs**. Enter the **Quantity** as **100** and **Rate** as **Rs. 134.30**
9. Select **Input VAT @ 5%** ledger. Amount will be displayed automatically
10. In the **Bill-wise Details** screen accept the default details and enter the Narration, if any

The completed Excise Purchase voucher appears as shown

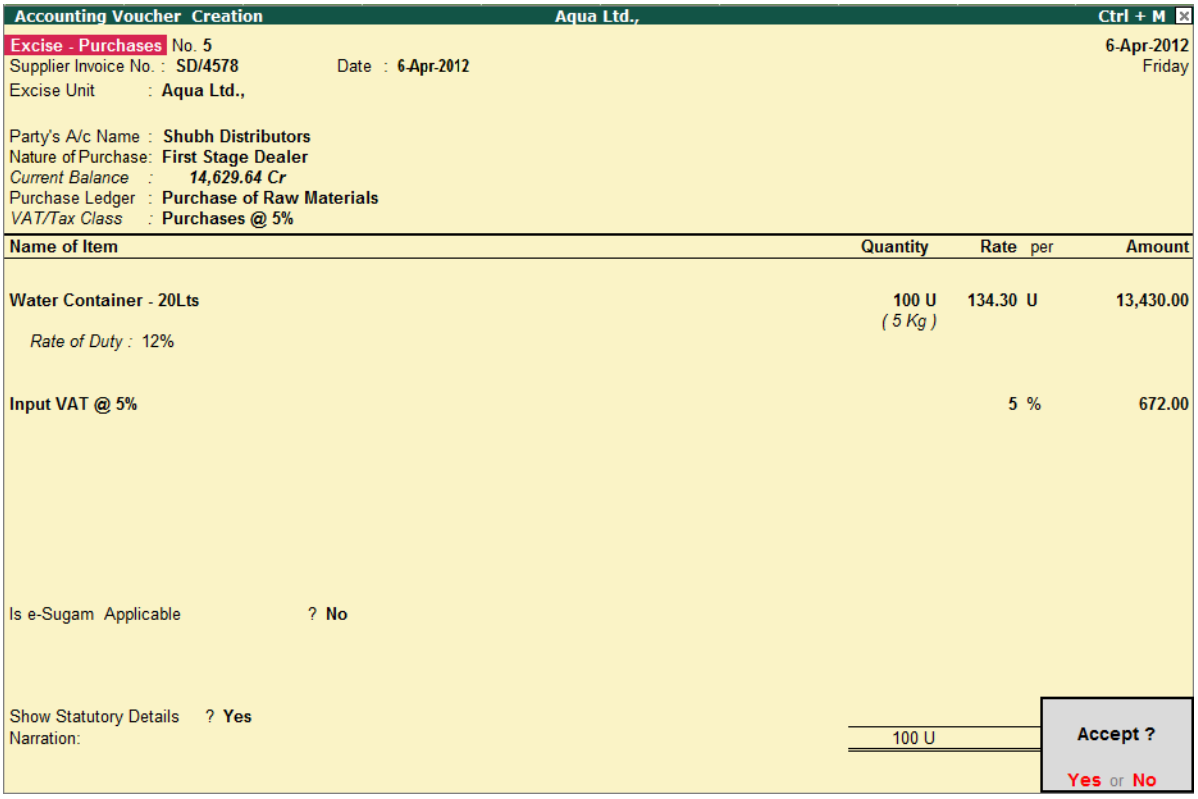


Figure 4.28 Completed Excise Purchase Voucher

- Press **Enter** to save.

iii. Recording a Debit Note (to avail CENVAT Credit)

Set Up:

In **F11: Features (F1: Accounting Features)**

- Ensure the option **Use Debit/Credit Notes** is set to **Yes**
- Set **Use Invoice mode for s** is set to **Yes**

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

1. In **Change Voucher Type** screen in **Class** field select **CENVAT Availing** from the Voucher Class List

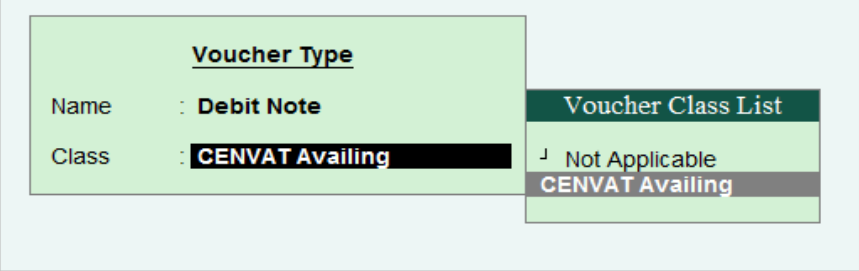


Figure 4.29 Change Voucher Type screen

*Ensure the is in **Voucher Mode**. If the is in Invoice Mode press **Ctrl + V** keys or Click on **V: As Voucher** button in the Buttons bar.*

2. In **Used For** field **CENVAT Availing** will be displayed automatically
3. In **Excise Unit** field select **Aqua Ltd.**
4. In **Nature of Purchase** field select **First Stage Dealer**
5. In **Debit** field select **(CENVAT)** to view **Excise Duty Allocation** screen
6. In **Excise Duty Allocation** screen
   - In **Type of Ref** field select **New Ref**
   - In **Name** field enter the reference name. Here enter the reference name used in the **purchase voucher** i.e. **SD/4578**
   - In **Party Name** field select **Shubh Distributors** from the **List of Ledger Accounts**
   - In the **Name of Item** field select **Water Container – 20 Ltrs**
   - In **Quantity** field enter **100**

- In the **Assessable Value** field enter Rs. **12200** (i.e. the manufacturer's sales value)
- In the **Rate** field the rate of duty i.e. **12%** defined in the ledger will be defaulted (if the rate of duty is not defined during ledger creation enter the applicable rate of duty)
- The **duty amount** will be calculated and displayed in the **Amount** field.

Figure 4.30 Excise Duty Allocation Screen

7. In **Debit** field select **Education Cess (CENVAT)** to view Excise Duty Allocation screen
8. In **Excise Duty Allocation** screen
   - Set the option **Copy Details from Previous Duty Ledger (s)** to **Yes** and press enter.

     The details like - **Invoice Number/Bill of Entry No.& Date, Party Name, Name of Item, Quantity & Assessable Value** (to calculate the Secondary Education Cess) & **Cess Amount** will be calculated displayed automatically.

The completed Duty Details for Secondary Education Cess (CENVAT) will be displayed as shown

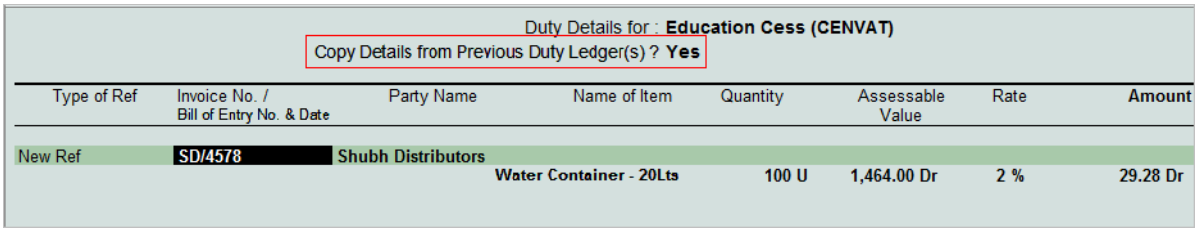


Figure 4.31 Excise Duty Allocation Screen

9. Similarly, in **Debit** filed select **Secondary Education Cess (CENVAT)** to view Excise Duty Allocation screen

10.In **Excise Duty Allocation** screen

- Set the option **Copy Details from Previous Duty Ledger (s)** to **Yes** and press enter.

  The details like - **Invoice Number/Bill of Entry No.& Date, Party Name, Name of Item, Quantity & Assessable Value** (to calculate the Secondary Education Cess) & **Cess Amount** will be calculated displayed automatically.

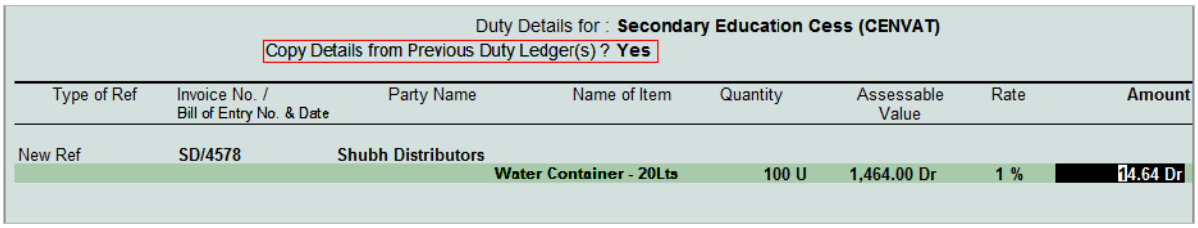


Figure 4.32 Excise Duty Allocation Screen

11.In the **Credit** field select **Purchase of Raw Materials** ledger. In **VAT/Tax Class** screen select **Not Applicable**.

12.In the **Inventory Allocation** screen

- In **Name of Item** field select the stock item **Water Container – 20 Ltrs**
- In the **Amount** column enter the total amount (of Basic Excise Duty, Education Cess and Secondary Education Cess) **Rs. 1,507.92**

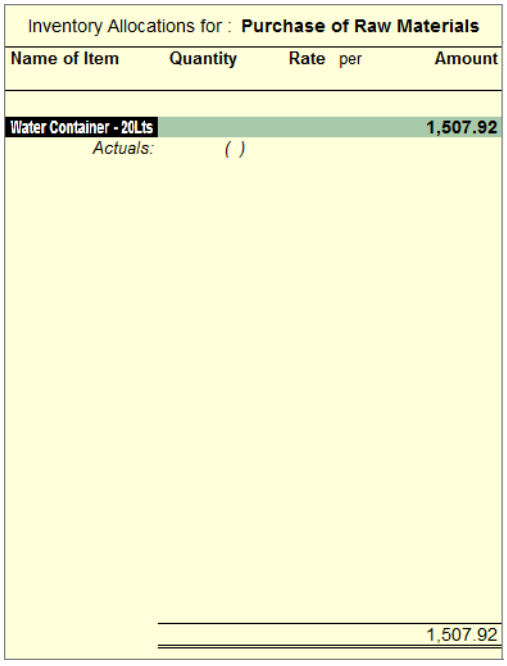


Figure 4.33 Inventory Allocation Screen

The completed voucher is displayed as shown:

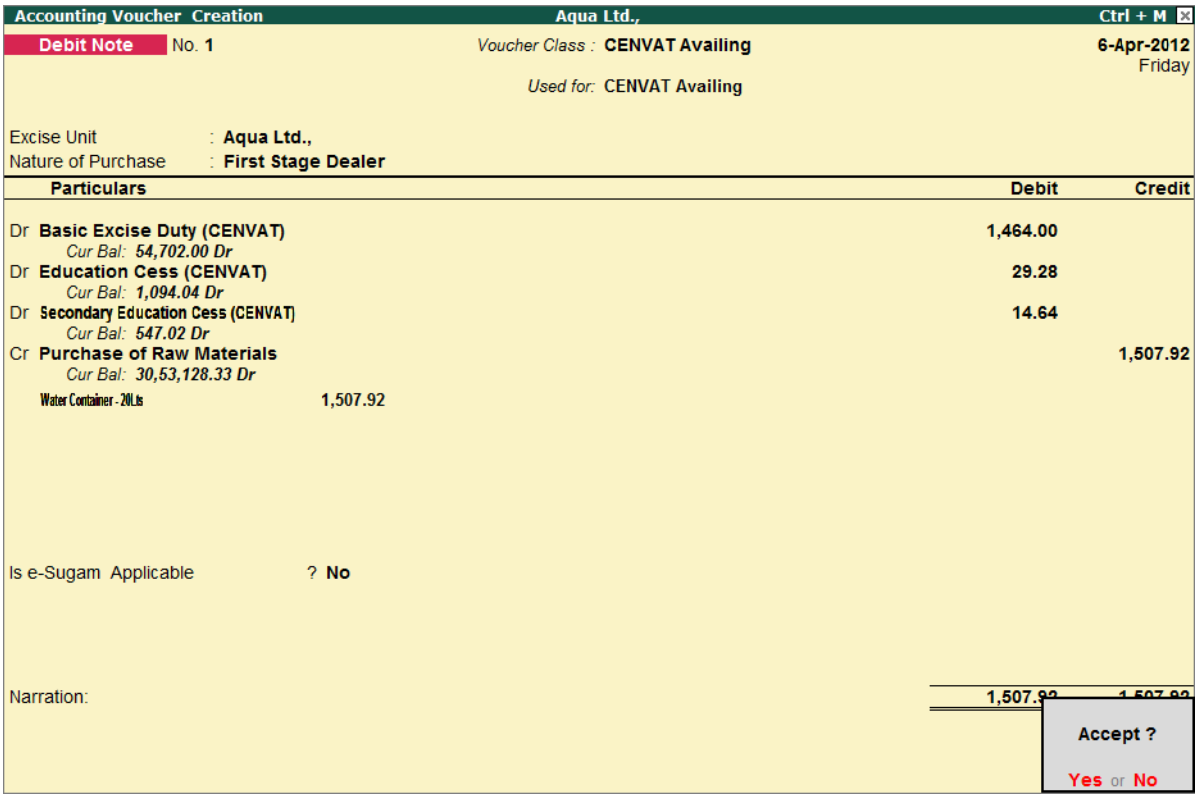


Figure 4.34 Voucher

13. Press **Enter** to save.

CENVAT Credit *can be availed* ***partially*** *based on* ***Assessable Value*** *or on the* ***quantity of stock item*** *purchased.*

4.6 CENVAT Credit on Capital Goods

As per the Act, on the purchase of Capital goods at any point of time in a financial year CENVAT credit shall be availed to the extent of 50% of the Duty paid in the same financial year. The balance of CENVAT credit may be availed in any financial year subsequent to the financial year in which the capital goods were received in the factory of the manufacturer.

The CENVAT credit in respect of the capital goods shall be allowed to a manufacturer even if the capital goods are acquired by him on lease, hire purchase or loan agreement, from a financing company.

The CENVAT credit in respect of capital goods shall not be allowed if the manufacturer claims depreciation on that part of the value of such capital goods that represents the amount of duty on such capital goods.

Example 6:

On 9-4-2012 Aqua Ltd. Purchased Machinery for Rs. 1,00,000 from Tricon Industries. Excise Duty applicable on the machinery is 12%.

1. Create Stock Item (Capital Goods)

Set Up:

In **F12: Configure** (Stock Item Configuration)

- Set the option **Allow ADVANCED entries in Masters** to **Yes**

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

1. Enter the name of the Stock Item e.g. **Machinery** in the **Name** field.
2. Select the **Stock Group** e.g. **Primary** in **Under** field
3. Select the **unit of measurement** e.g. **U (Numbers)** of the stock item in the **Units** field.
4. In T**ariff Classification** field select **Boilers** (use **Alt + C** to create)
5. Enable **Set/Alter Excise Details** to **Yes** to view Excise Details screen
6. In the **Excise Details** screen
   - Select the **Excise Unit Name** field select **Aqua Ltd.**
   - In the **Reporting UOM** field select **U (Numbers)**
   - Enable the **Set/Alter Duty Details** to **Yes** to view Excise Duty Details screen
   - In the **Excise Duty Details** screen
     - In the **Valuation Type** field select **Ad Valorem**
     - In the **Type of Duty** field select
     - In the **Applicable From** field enter the date as **1-4-2012**
     - In the **Rate of Duty** field enter the rate as **12%**
     - Similarly select **Education Cess** and **Secondary Education Cess**. In the **Rate of Duty** field enter the duty as **2%** and **1%** respectively
   - In the **Stock Item Type** field select **Capital Goods**

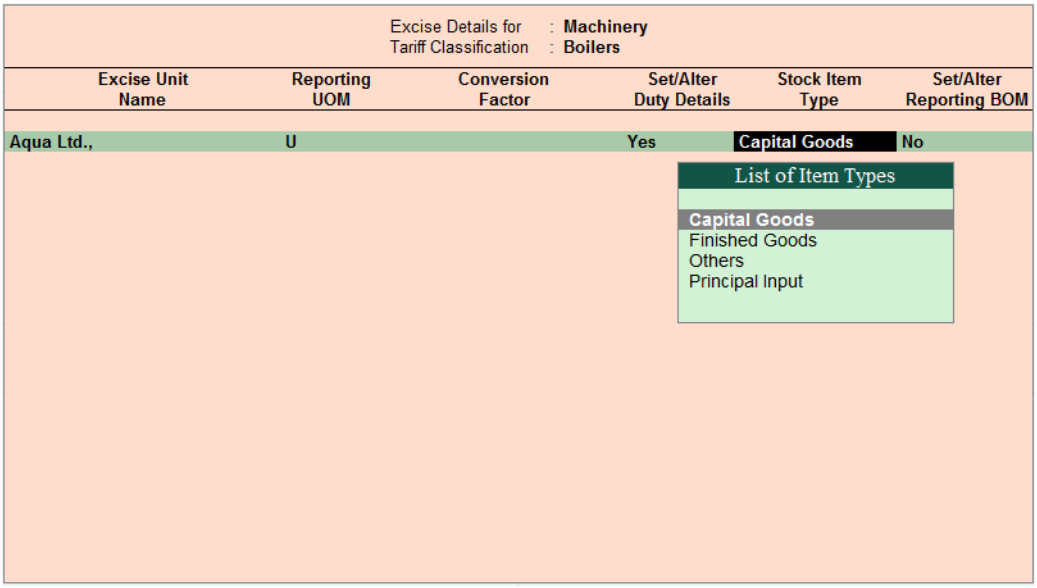


Figure 4.35 Excise Details Screen

7. In the **Rate of VAT** field enter the rate as **5%**
8. In the **Costing Method** field select **At Zero Cost** as the costing method

*Machinery being capital goods the value of the capital goods should not appear in the Stock summary. The **Costing Method - At Zero Cost** does not display the value of the stock item in the Stock Summary.*

9. Set the option **Treat all Purchases as Consumed** to **Yes**

*Machinery being capital goods should not appear in the Stock summary, so the option **Treat all Purchases as Consumed** is set to **Yes.***

The completed stock item creation screen is displayed as shown

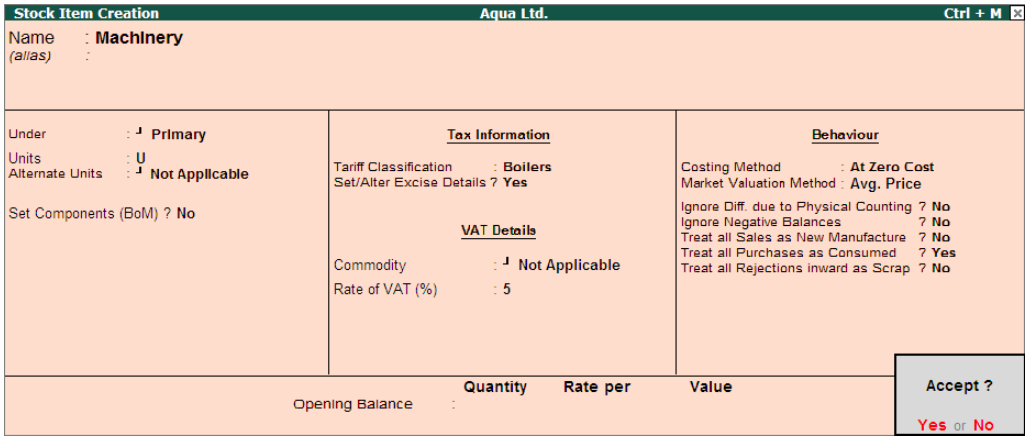


Figure 4.36 Completed Stock Item (Capital Goods) Creation screen

10.Press **Enter** to save.

2. Create Fixed Asset Ledger

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

1. In the **Name** field enter **Plant & Machinery** as the name of the Ledger
2. Select **Fixed Assets** as the group in the **Under** field
3. Set **Inventory values are affected** to **Yes**
4. Enable **Used in VAT Returns** to **Yes** to view VAT/Tax Class screen
5. In the **VAT/Tax Class** screen select **Purchases – Capital Goods @ 5%**

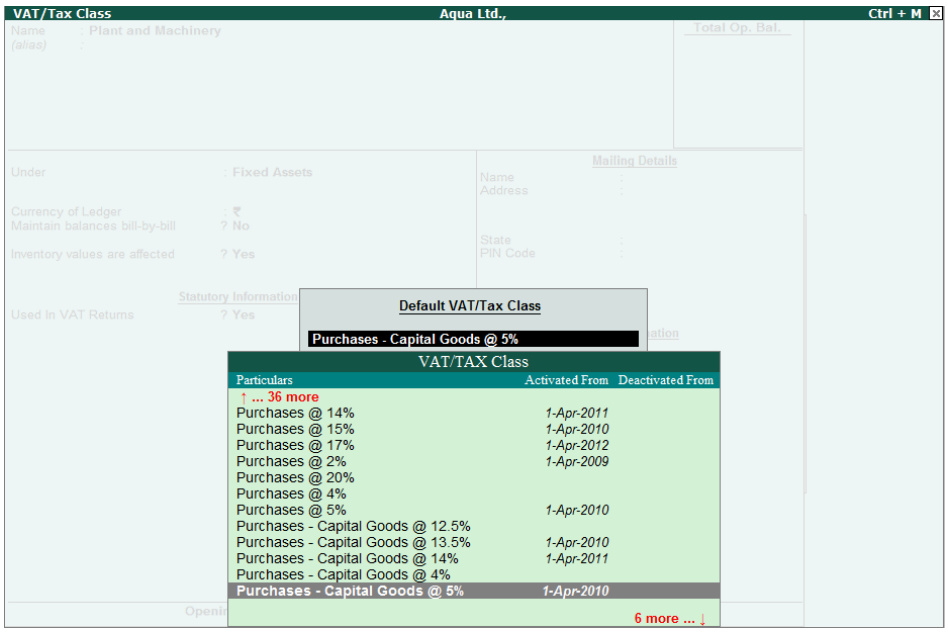


Figure 4.37 VAT/Tax Class screen

6. Press **Enter** to save.

3. Create Input VAT Ledger

Create the Input VAT Ledger shown below

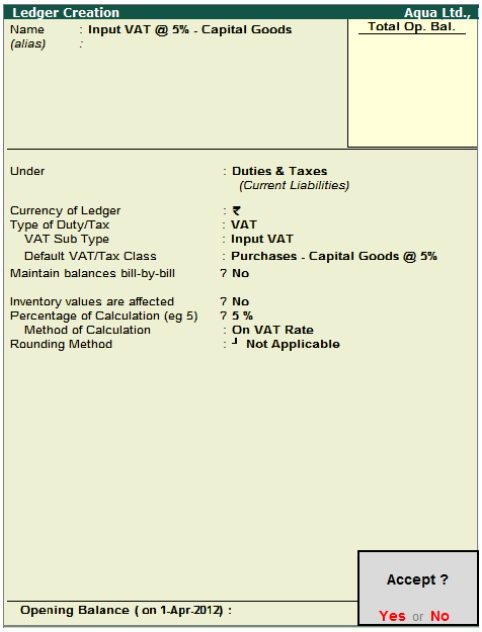


Figure 4.38 Input VAT ledger

4. Create CENVAT Credit Control Ledger

In the Name field enter Available CENVAT Credit on Capital Goods as the name of the Ledger. Select **Current Assets** as the group in **Under** field. In **Type of Duty/Tax** field select **Not Applicable**

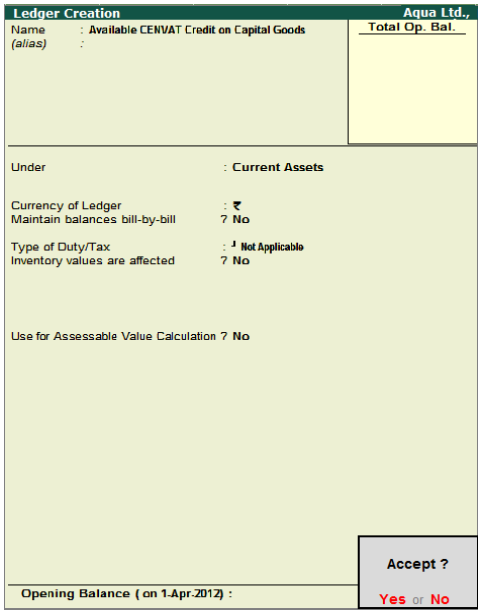


Figure 4.39 CENVAT Credit Control Ledger

4. Record a Purchase Voucher

Set up: In F12: Configuration (Purchase Configuration)

- Set **Allow Expenses/ Fixed Assets in Purchase Vouchers** to **Yes**

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

1. In **Voucher Type** sub form select **Excise – Purchases** as the voucher type.
2. Ensure that the Purchase Voucher is in **Item Invoice Mode**.
3. Enter the **Date** as **9-4-2012**.
4. In **Supplier Invoice No.** field enter the Invoice No. as **TI/6894**
5. In **Party's A/c Name** field select the supplier i.e. **Tricon Industries** from the List of Ledger Accounts (use **Alt+C** to create the party ledger. Provide Excise details in party ledger)
6. In **Nature of Purchase** field the option **Manufacturer** is displayed automatically
7. In **Name of Item** field select the Stock Item i.e. **Machinery**
8. In **Stock Item Allocation** screen
   - In **Quantity** field enter the quantity as **1**
   - In **Rate** field enter the rate as **Rs. 1,00,000**. Amount will be displayed automatically.
9. In **Accounting Details** screen
   - In **Particulars** field select **Plant & Machinery** ledger
   - In **VAT/Tax Class** field **Purchases – Capital Goods @ 5%** will be displayed
   - In the **Amount** column the total amount of the item will be displayed

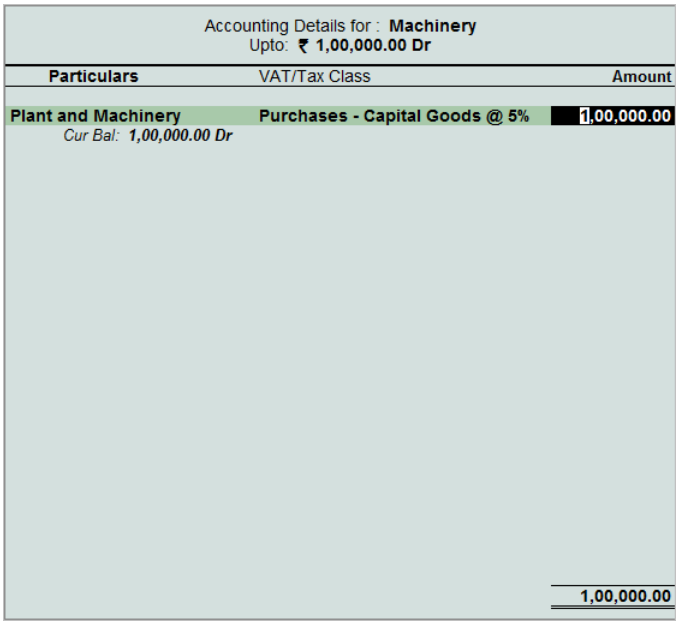


Figure 4.40 Accounting Details screen

10. Select the duty ledger **Basic Excise Duty @ 12%**, the duty amount will be displayed automatically.
11. Similarly select **Education Cess @ 2%** and **Secondary Education Cess @ 1%** ledgers
12. Select **Input VAT @ 5% - Capital Goods** ledger. VAT amount will be calculated and displayed automatically.
13. Set **Show Statutory Details** to **Yes** to view the Statutory Details.
14. In the **Bill-wise Details** screen accept the default bill allocation.
15. Enter **Narration** if any

The completed Excise Purchase voucher is displayed as shown:

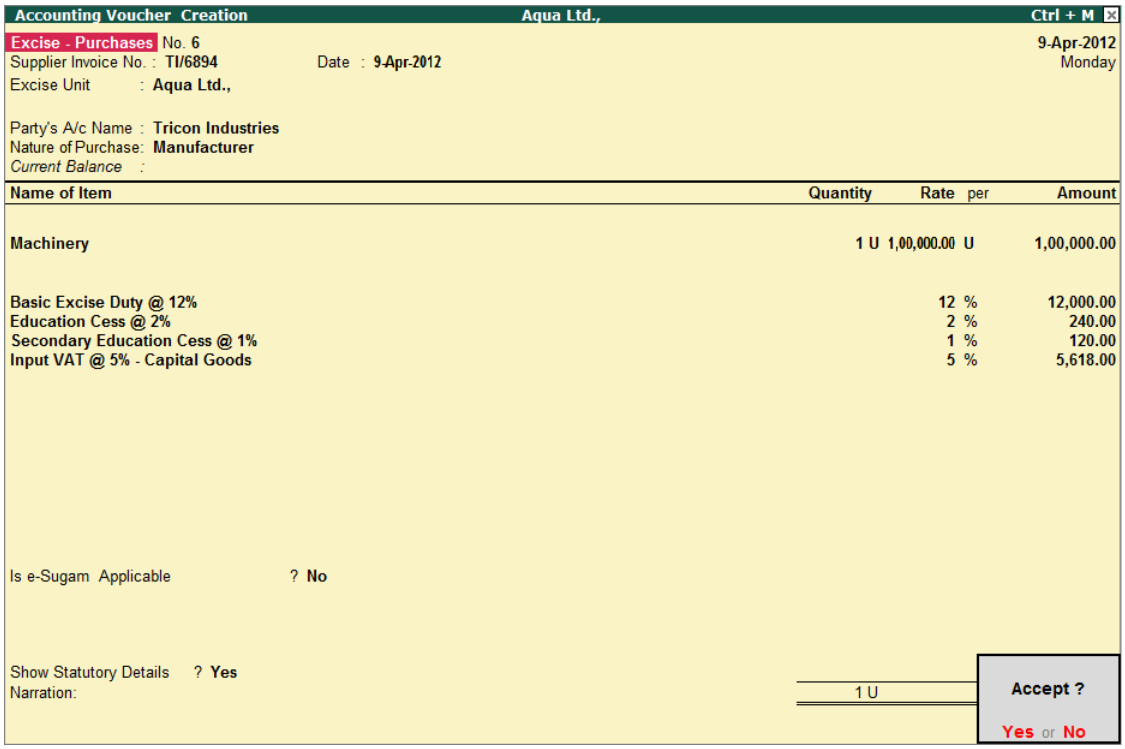


Figure 4.41 Purchase Voucher

As on capital goods purchases user can avail only 50% of the credit in current financial year and 50% should be transferred to current asset account. Currently there is no provision to avail partial credit and transfer the balance 50% credit to control account in Purchase Voucher.

To satisfy all the above conditions, in purchase voucher select the Excise duty ledgers instead of CENVAT ledgers so that, the total excise amount gets allocated to the Fixed Asset Ledger. Later by recording a adjustment entry the credit amount can be transferred to a control account to claim 50% credit in current financial year and remaining 50% credit in subsequent years

16. Press **Enter** to save.

5. Record a Journal Voucher

To transfer the eligible credit amount of Capital Goods from Fixed Asset Ledger to Current Asset Ledger

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

1. In **Debit** field select **Available CENVAT Credit on Capital Goods** (CENVAT Credit Control) ledger
2. In **Debit Amount** field enter **Rs. 10,300** (the total eligible credit amount on capital goods)
3. In **Credit** field select **Plant & Machinery** ledger (to transfer the CENVAT Credit amount from the asset ledger) and press enter to view Inventory Allocation screen
4. In **Inventory Allocation** screen
   - In **Name of Item** field select **Machinery**
   - In **Amount** filed specify **Rs. 12360** (the total eligible credit amount on capital goods)

Inventory Allocations for : **Plant and Machinery**

Name of Item	Quantity	Rate per	Amount
Machinery			12,360.00
			12,360.00

Figure 4.42 Inventory Allocation Screen

***Quantity** and **Rate** details are not required.*

Completed Journal Voucher is displayed as shown:

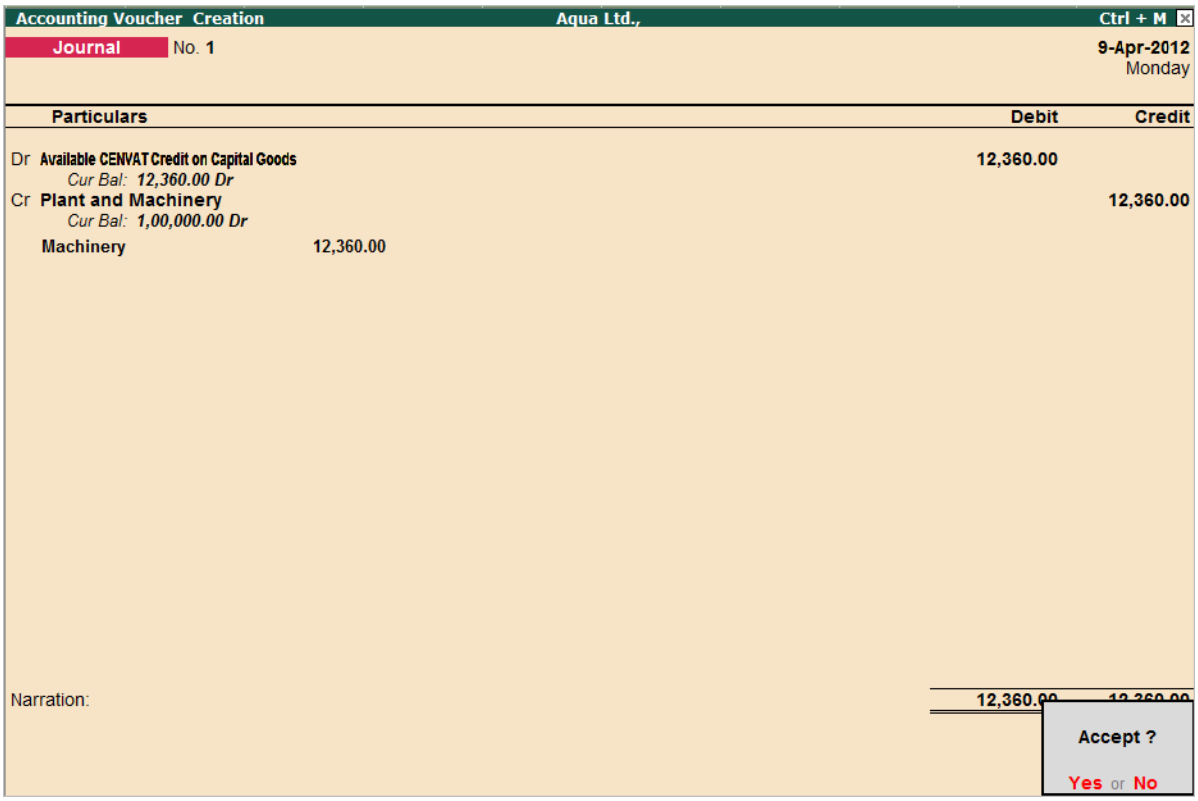


Figure 4.43 Completed Journal Voucher

5. Press **Enter** to save.

6. Record a Debit Note (to avail CENVAT Credit)

CENVAT Credit Can be availed at the time of accounting the purchase or later. In this scenario CENVAT Credit is availed on **9-4-2012**.

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

1. In **Change Voucher Type** screen in **Class** field select **CENVAT Availing** from the Voucher Class List
2. Enter the **Date** as **9-4-2012**
3. In **Used For** field **CENVAT Availing** will be displayed automatically.
4. In **Excise Unit** field select **Aqua Ltd.**
5. In **Nature of Purchase** field select **Manufacturer**
6. In **Debit** field select **(CENVAT)** to view **Excise Duty Allocation** screen
7. In **Excise Duty Allocation** screen
   - In **Type of Ref** field select **New Ref**

- In **Name** field enter the reference name. Here enter the reference name used in the **purchase voucher** i.e. **TI/6894**
- In **Party Name** field select **Tricon Industries** from the **List of Ledger Accounts**
- In the **Name of Item** field select **Machinery**
- In **Quantity** field enter **1**
- In the **Assessable Value** field enter **Rs.1,00,000**
- In the **Rate** field the rate of duty i.e. **12%** defined in the ledger will be defaulted (if the rate of duty is not defined during ledger creation enter the applicable rate of duty)
- In **Amount** field enter the duty amount of **Rs. 6,000** (50% of duty on capital goods).

*As per law, only **50%** of the duty paid on **capital goods** can be availed as CENVAT credit in the same financial year in which the capital goods is purchased. To calculate the partial CENVAT Credit here, enter the credit amount in Amount column.*

Duty Details for : **Basic Excise Duty (CENVAT)**

Type of Ref	Invoice No. / Bill of Entry No. & Date	Party Name	Name of Item	Quantity	Assessable Value	Rate	Amount
New Ref	TI/6894	Tricon Industries					
			Machinery (Capital Goods)	1 U	1,00,000.00 Dr	12 %	6,000.00 Dr
							6,000.00

Figure 4.44 Excise Duty Allocation Screen

8. In **Debit** field select **Education Cess (CENVAT)** to view Excise Duty Allocation screen
9. In **Excise Duty Allocation** screen
   - Set the option **Copy Details from Previous Duty Ledger (s)** to **Yes** and press enter.

The details like - **Invoice Number/Bill of Entry No.& Date, Party Name, Name of Item, Quantity & Assessable Value** (to calculate the Secondary Education Cess) & **Cess Amount** will be calculated displayed automatically.

The completed Duty Details for Secondary Education Cess (CENVAT) will be displayed as shown

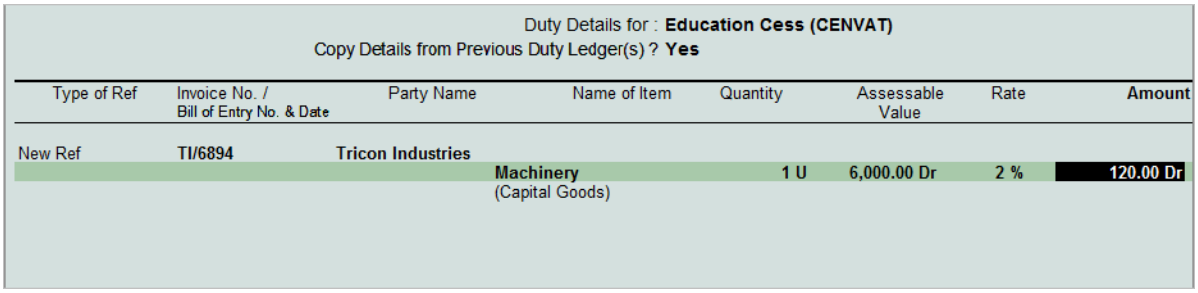


Figure 4.45 Excise Duty Allocation Screen

10. Similarly, in **Debit** filed select **Secondary Education Cess (CENVAT)** to view Excise Duty Allocation screen
    - Set the option **Copy Details from Previous Duty Ledger (s)** to **Yes** and press enter.

      The details like - **Invoice Number/Bill of Entry No.& Date, Party Name, Name of Item, Quantity & Assessable Value** (to calculate the Secondary Education Cess) & **Cess Amount** will be calculated displayed automatically.
11. In the **Credit** field select **Available CENVAT Credit on Capital Goods** ledger to view **Excise Duty Allocation** screen
12. In the **Excise Duty Allocation** screen
    - Select **Agst Ref** in **Type of Ref** field
    - In **Name** field select bill **TI/6894** dated **9-4-2012** (Basic Excise Duty @ 12%) from the List of Pending Tax Bills
    - In the **Amount** field enter **Rs. 6000** (is the amount which is availed as CENVAT Credit against the Basic Excise Duty)
    - Select **Agst Ref** in **Type of Ref** field
    - In **Name** field select bill **TI/6894** dated **9-4-2012** (Education Cess @ 2%) from the List of Pending Tax Bills
    - In the **Amount** field enter **Rs.120** (is the amount which is availed as CENVAT Credit against the Education Cess)
    - Select **Agst Ref** in **Type of Ref** field
    - In **Name** field select bill **TI/6894** dated **9-4-2012** (Secondary Education Cess @ 1%) from the List of Pending Tax Bills
    - In the **Amount** field enter **Rs.60**(is the amount which is availed as CENVAT Credit against the Secondary Education Cess)

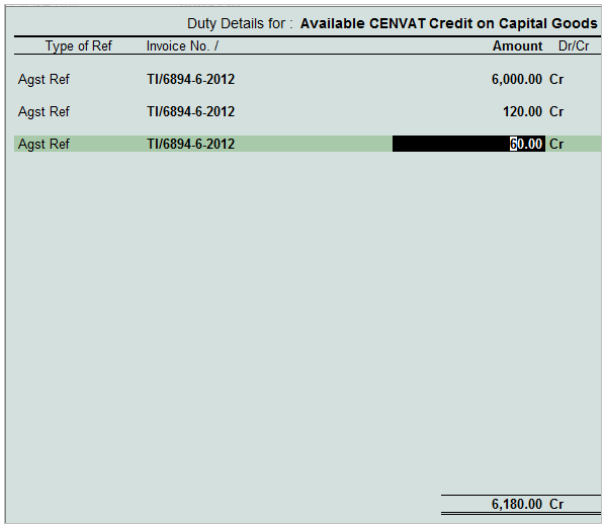


Figure 4.46 Duty Details Screen

The completed is displayed as shown:

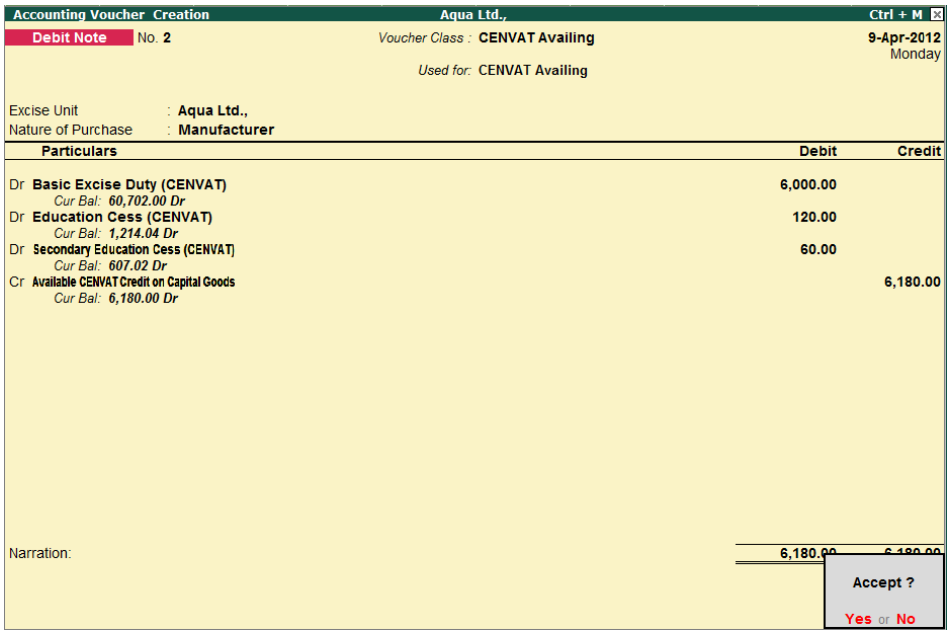


Figure 4.47 Voucher

13.Press **Enter** to save

*Check, stock item **Machinery** will not be displayed in the **Stock Summary** report.*

***Machinery** being a **fixed asset**, the purchase cost of the machinery (Rs. 1,00,000) will be displayed in the **Balance Sheet**.*

***Balance CENVAT Credit** (Rs. 6,180 not availed in the current financial year) will be displayed in balance sheet under the head **Current Assets**.*

4.7 Creating a Manufacturing Voucher

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

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

Example 7:

On 9-4-2012 Aqua Ltd. manufactured 2,00,000 Ltrs of AquaPure - Ltr.

Record the transaction in Manufacturing Journal

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

1. Enter the **Date** as **9-04-2012**
2. In **Name of Product** field select **AquaPure - 1Ltr** from the **List of Items**

Tally.ERP 9 automatically updates the components required to manufacture **AquaPure - 1Ltr** as defined in BOM of finished goods under **Components (Consumption)** section

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

Tally.ERP 9 automatically updates the **Quantity, Rate** and **Amount** of the components used in the manufacture of **AquaPure - 1Ltr**

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

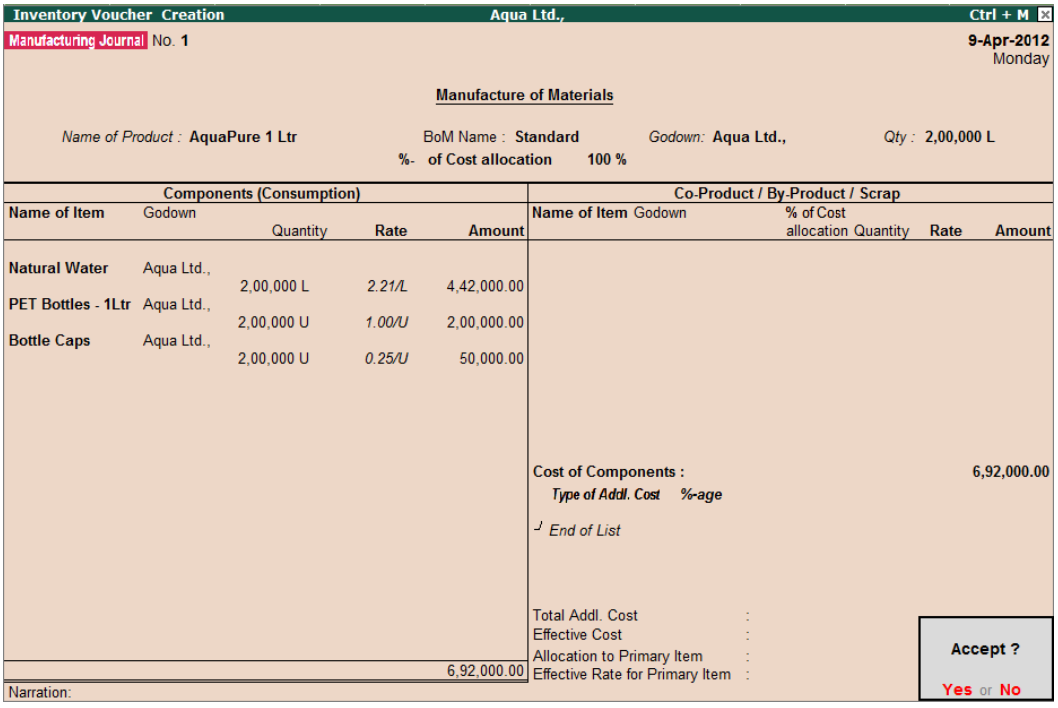


Figure 4.48 Manufacturing Journal

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

Similarly record the Manufacturing Journal to account the manufacture of

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

4.8 Manufacture of Multiple Finished Foods (with or without By-products)

There are industries which use common raw materials to manufacture multiple finished goods. In this case Raw materials will be issued from the godown to production floor for the manufacture of multiple finished goods (with or without by-products).

In Tally.ERP 9, multiple finished goods manufacture (with or without by-products) can be recorded using Excise-Stock Journal.

To Record the manufacture of Multiple Finished Goods

- Create Excise Stock Journal
- Record Excise stock Journal Voucher (Manufacture of Finished Goods)

Example 8:

*On 10-4-2012 Aqua Ltd. Manufactured **20,000 Litres** of **AquaPure – 1 Ltr** and **40,000 Litres** of **AquaSure – 1 Ltr** using common Raw Materials (Natural Water, Pet Bottles 1ltr and Bottle Caps)*

*For the manufacture of **20,000 Ltrs** of **AquaPure – 1 Ltr** and **40,000** Ltr of **AquaSure – 1 Ltr** following Raw Materials are issued*

Raw Material	***Quantity***
Natural Water	*60,000 L*
Pet Bottles 1ltr	*60,000 U*
Bottle Caps	*60,000 U*

Create Excise Stock Journal Voucher Type

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

- In **Name** field mention the name as **Excise – Stock Journal**
- In **Type of Voucher** field select the voucher type as **Stock Journal**
- Enable the option **Use for Excise** to **Yes**
- Select **Aqua Ltd.** in **Default Excise Unit** field.

The completed Excise Stock Journal Voucher is displayed as shown

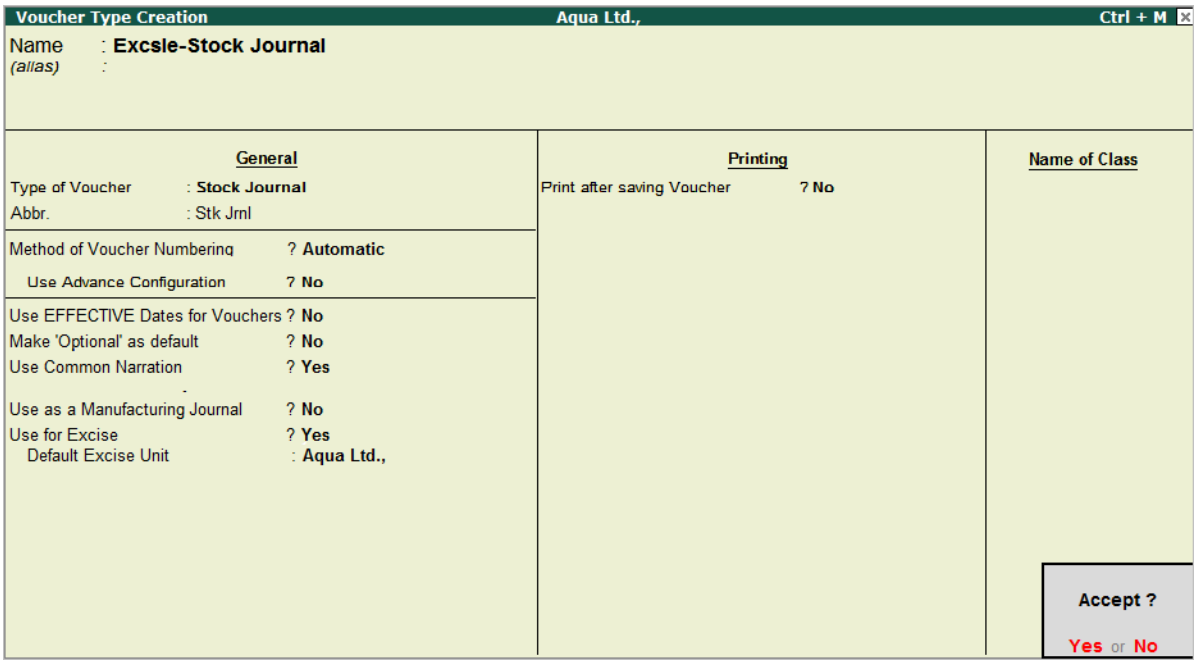


Figure 4.49 Excise Stock Journal Voucher

Record Excise stock Journal Voucher (Manufacture of Multiple Finished Goods)

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

1. In **Change Voucher Type** screen select **Excise – Stock journal** form the **List of Types**
2. Enter the **Date** as **10-4-2012**
3. Under **Source (Consumption)** column
   - In **Name of Item** field select **Natural Water**
   - In **Godown** field select **Aqua Ltd.**
   - In **Quantity** field specify the quantity as **60000**
   - **Rate** and **Amount** fields will be updated automatically.
   - Similarly select **Pet Bottles 1ltr** and **Bottle Caps**. Specify the **Quantity**.

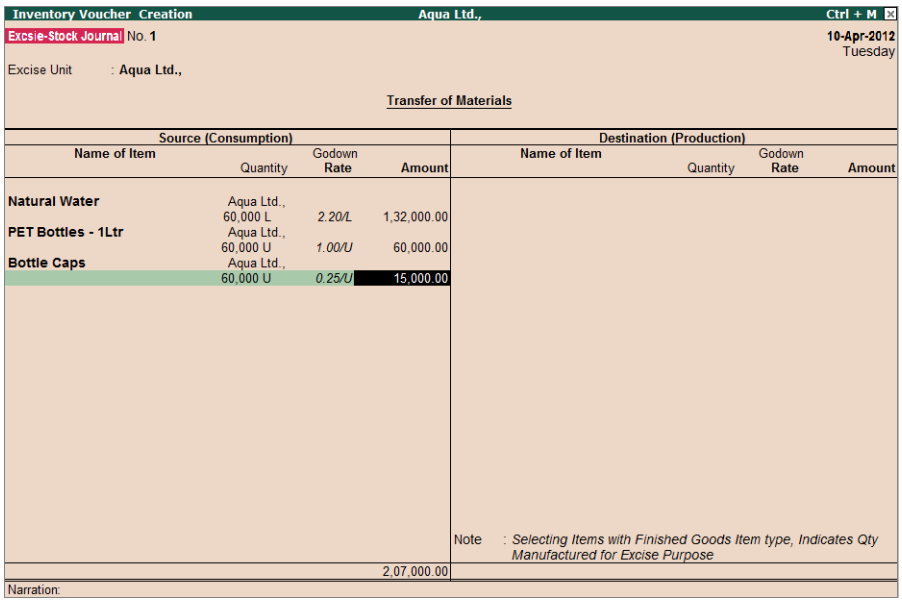


Figure 4.50 Stock Journal Voucher

4. In **Destination (Production)** column
   - Select the Finished goods - **AquaPure - 1 Ltr** in **Name of Item** filed
   - Specify **20,000** in **Quantity** field
   - Similarly select **AquaSure - 1 Ltr** in **Name of Item** field and specify the **Quantity** manufactured as **40,000**

The Completed Excise stock Journal is displayed as shown

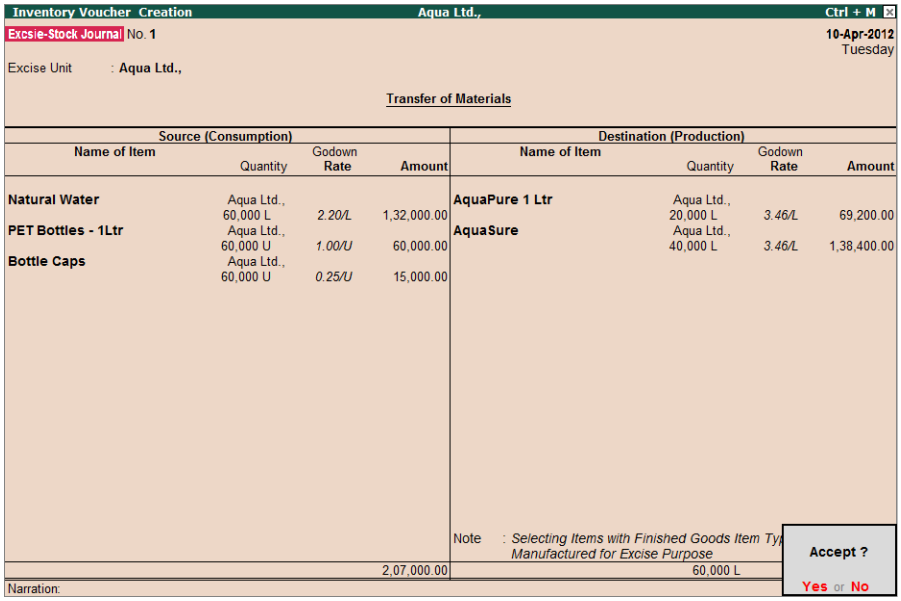


Figure 4.51 Completed Excise Stock Journal

5. Press **Enter** to save.

*Excise Stock Journal voucher allows the users to account even the **By-products** manufactured in the process of Production.*

You can view the details of goods manufactured using Stock Journal in **Daily Stock Register**.

4.9 Creating an Excise Sales Voucher – Rule 11 Invoice

Example 9:

On 11-4-2012 Aqua Ltd. sold the 1,00,000 Ltrs of AquaPure - 1Ltr @ of Rs. 20 per Litre to Universal Distributors.

To create a **Sales Voucher**

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

1. In **Voucher Type** sub form select **Ex - Sales** as the voucher type
2. Ensure that the **Sales Voucher** is in **Item Invoice** Mode

*In Tally.ERP 9 **Excise Sales Transactions** needs to recorded in **Invoice Mode Only**.*

3. Enter the **Date** as **11-4-2012**
4. Enter the **Ref** details as **AQ/689**
5. In **Excise Unit** field Tally.ERP 9 displays **Aqua Ltd.**, as selected during voucher type creation
6. **Excise Book Name** field displays the name of the **excise invoice book (Aqua/Rule11/Book1/12-13)** created for the Excise Unit
7. **Serial No.** field displays the Rule 11 invoice Number e.g. **Aqua/101/12-13**
8. In **Party A/c Name** field select **Universal Distributors** from the **List of Ledger Accounts**
9. In **Party Details** sub form
   - **Despatch/Order Details**: Under these two sections enter the **Despatch and Order Details**
   - **Sl.No. in PLA /RG-23**: In this filed enter the Sl.No. in PLA /RG-23 register as **1**
   - **Date & Time of Invoice**: In this field enter the time Date of Invoice. Tally.ERP 9 by default displays the system time and date in this field which can be changed

- **Date & Time of Removal**: In this field enter the Time & Date of Removal of Goods. Tally.ERP 9 by default displays the system time and date in this field which can be changed

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

- **Buyer Details**: In this section Tally.ERP 9 by default displays the details provided during buyer ledger creation, which can be changed.

Despatch Details

Delivery Note No(s)	:	Despatch Doc. No.	: **AQ/689**
		Despatched through	: **Road**
End of List		Destination	: **Bangalore**
		Bill of lading/LR-RR No.	: dt.
		Carrier Name/Agent	:
		Motor Vehicle No.	: **KA-02-MF-9119**

Order Details

Order No(s)	:	Mode/Terms of Payment	:
End of List		Terms of Delivery	:

VAT/Excise Details

Sl. No. in PLA/RG-23	: **1**
Date & Time of Invoice	: **11-Apr-2012 at 16:03**
Date & Time of Removal	: **11-Apr-2012 at 16:03**

Buyer's Details

Buyer	: **Universal Distributors**
Address	: No.54, Jai Industrial Area Yeshwantpur Bangalore
TIN/Sales Tax No.	: **564565**
CST Number	:
Type of Dealer	: **Registered Dealer**
Excise Regn No.	: **AACCL0014CXD001**
Range	: **Yeshwantpur II**
Division	: **Yeshwantpur**
Commissionerate	: **Bangalore III**

Figure 4.52 Despatch Details

*In Tally.ERP 9 user can track the **Delivery Notes** in **Rule 11 Invoice**, if the goods are delivered through delivery note and Rule 11 Invoice is generated after the delivery of the goods.*

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

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

- ***Domestic** will be selected if the removal is for domestic Sales.*
- ***Export** is selected when the goods are removed for Export*
- ***Exempt** is selected when the sales is a exempt sales. In case of exempt sales user needs to enter the notification number under which the exemption is provided*
- ***Special Rate** is selected when the sales is made to the customer at special rate of Duty other than the standard rate of Duty.*

11. In **Sales Ledger** field select the ledger **Sales @ 13.5%** from the **List of Ledger Accounts**
12. **VAT/Tax Class** field automatically gets updated with the VAT/Tax class as selected in the sales ledger, which can be changed.
13. In **Name of Item** field select the Stock Item i.e. **AquaPure - 1Ltr**
14. In **Quantity** field enter the quantity as **1,00,000**
15. In **Rate** field enter the rate as **Rs. 20**
16. **Amount** will be displayed automatically
17. Select **Duty Ledger** i.e. **Basic Excise Duty @ 12%**. **Amount** will be calculated and displayed automatically.
18. Select **Education Cess @ 2%** and **Secondary Education Cess @ 1%** ledgers. **Amount** will be calculated and displayed automatically
19. Select **Output VAT @ 5%** as the Vat duty ledger. **Amount** will be displayed automatically
20. Set the option **Show Statutory Details** to **Yes** to view Statutory Details screen

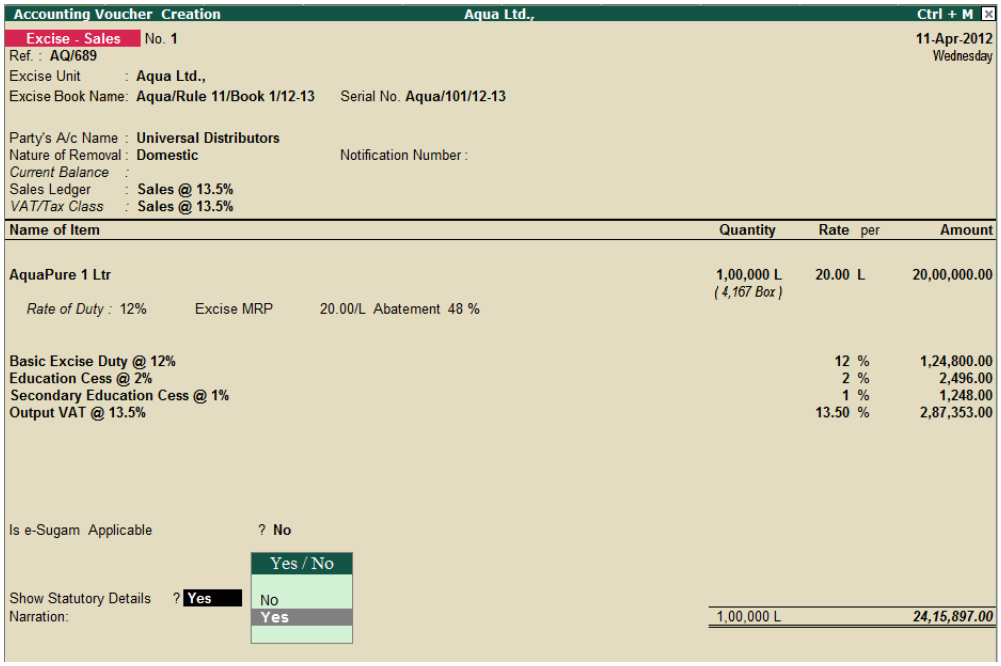


Figure 4.53 Sales Voucher

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

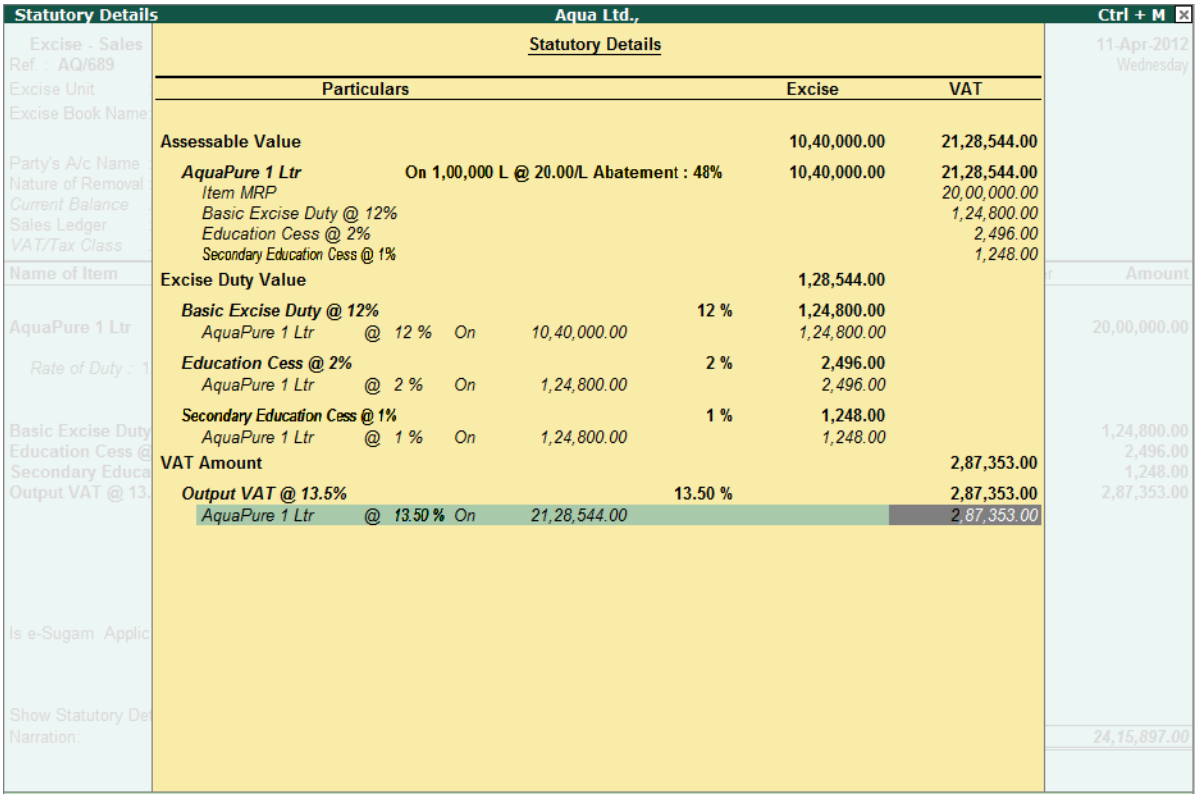


Figure 4.54 Statutory Details

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

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

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

***Rs. 10,40,000**: 100000 X20 = 20,00,000 - 9,60,000 (20,00,000 X 48/100)*

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

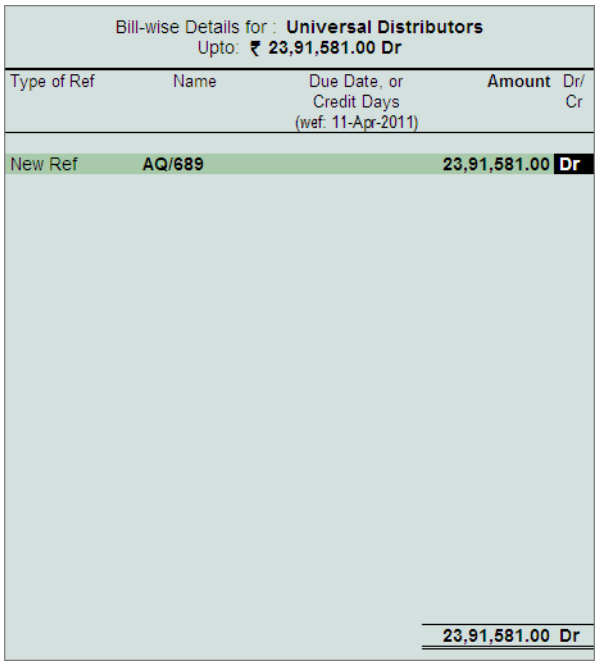


Figure 4.55 Bill-wise Details

23.The completed Excise Sales voucher is displayed as shown

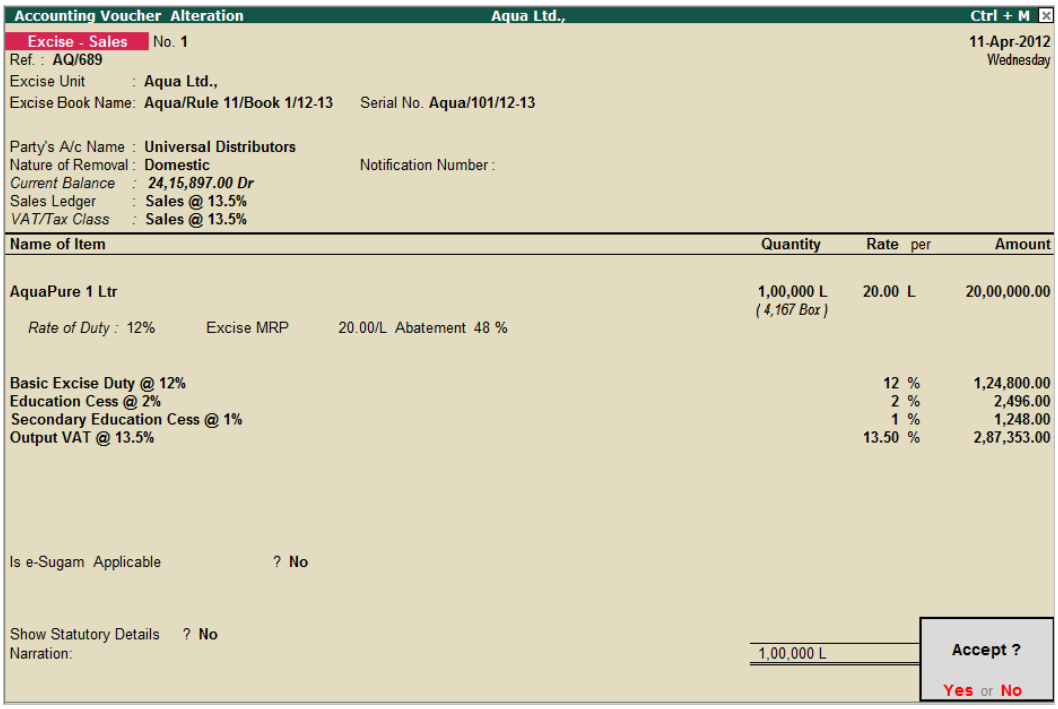


Figure 4.56 Sales Voucher

24.Press **Enter** to save.

Printing Excise Sales Invoice

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

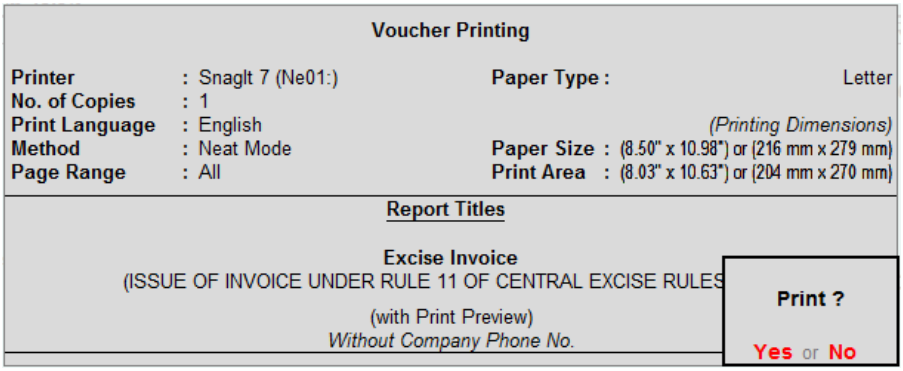


Figure 4.57 Voucher Printing screen

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

Enable the following Options

- **Print Excise Duty Details of Items**
- **Print Tax Analysis of Items**
- **Print VAT/CST Analysis of Items**

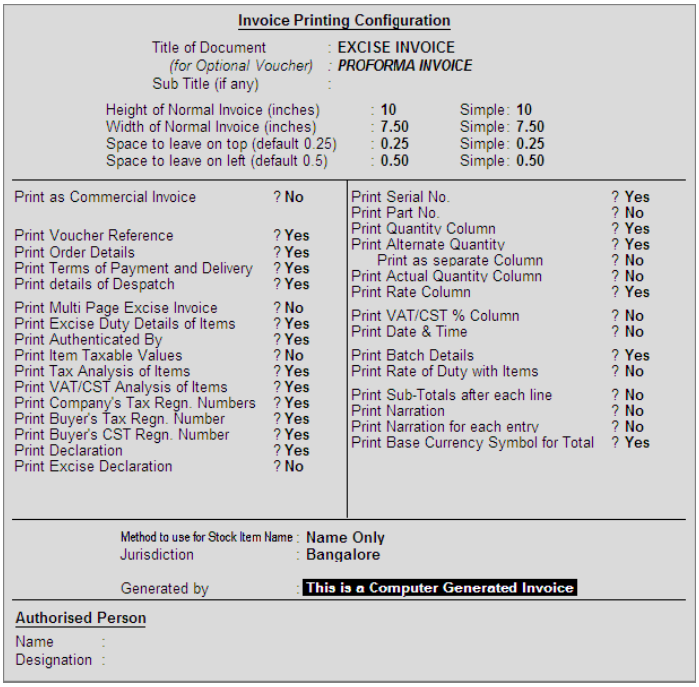


Figure 4.58 Invoice Printing Configuration screen

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

Excise Invoice

(ISSUE OF INVOICE UNDER RULE 11 OF CENTRAL EXCISE RULES 2002)

Aqua Ltd.,
55, Koramangala Industrial Area, Bengaluru
Phone : 08055647825 / E-mail : sales@aqua.com

VAT TIN : **11004578123**
CST No. : **42514878245**
Excise Regn No.: **AAPCL2149RXM001**
Range : Koramangala I 18/6th Floor, A Wing, Kendriya Sadhan, Koramangala, Bangalore Urban 560034
Division : Division II 02/7th Floor, C Wing, Kendriya Sadhan, Koramangala, Bangalore Urban 560034
Commissionerate : Bangalore I/09/PB No. 5400, Queen's Road, CR Building, Bangalore GPO, Bangalore Urban 560001

Buyer
Universal Distributors
No.54, Jai Industrial Area
Yeshwantpur
Bangalore

VAT TIN : **564565**
Excise Regn No.: **AACCL0014CXD001**
Range : **Yeshwantpur II**
Division : **Yeshwantpur**
Commissionerate : **Bangalore III**

Invoice No.	Dated
Aqua/101/12-13	**11-Apr-2012**
Buyer's Order No.	Dated
Delivery Note	Dated
Supplier's Ref.	Despatch Document No.
AQ/689	**AQ/689**
Despatched through	Destination
Road	**Bangalore**
Date & Time of issue of Invoice	Motor Vehicle No.
11-Apr-2012 at 16:03	**KA-02-MF-9119**
Date & Time of Removal of Goods	Authenticated By
11-Apr-2012 at 16:03	***for Aqua Ltd.,***
Mode/Terms of Payment	*Authorised Signatory*

Sl No.	Description of Goods	Tariff / HSN Classification	Quantity	Rate	per	Amount
1	AquaPure 1 Ltr	22011010	1,00,000 L (4,167 Box)	20.00	L	20,00,000.00
	Basic Excise Duty @ 12%			12	%	1,24,800.00
	Education Cess @ 2%			2	%	2,496.00
	Secondary Education Cess @ 1%			1	%	1,248.00
	Output VAT @ 13.5% (21,28,544.00)			13.50	%	2,87,353.00
	Total		**1,00,000 L**			**₹ 24,15,897.00**

Amount Chargeable (in words) : **INR Twenty Four Lakh Fifteen Thousand Eight Hundred Ninety Seven Only**
VAT Amount (in words) **INR Two Lakh Eighty Seven Thousand Three Hundred Fifty Three Only (₹ 2,87,353.00)**

Description of Goods	Assessable Value	Rate of BED	BED Amount	Rate of Ed Cess	Ed Cess Amount	Rate of Sec Ed Cess	Sec Ed Cess Amount
AquaPure 1 Ltr (MRP: 20.00/L Abatement: 48%)	10,40,000.00	12 %	1,24,800.00	2 %	2,496.00	1 %	1,248.00
Total	**10,40,000.00**		**1,24,800.00**		**2,496.00**		**1,248.00**

Amount of Duty (in words) : **INR One Lakh Twenty Four Thousand Eight Hundred Only**
Amount of Cess (in words) : **INR Three Thousand Seven Hundred Forty Four Only**

Serial No. in PLA/RG-23 : **1**

Declaration : We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.

for Aqua Ltd.,

Authorised Signatory

This is a Computer Generated Invoice E. & O.E

Figure 4.59 Print Preview – Excise Invoice

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

In Tally.ERP 9, user can account different stock items falling under different valuation type in single sales voucher.

Example 10:

On 13-4-2012 Aqua Ltd. sold the following Stock Items to Universal Distributors.

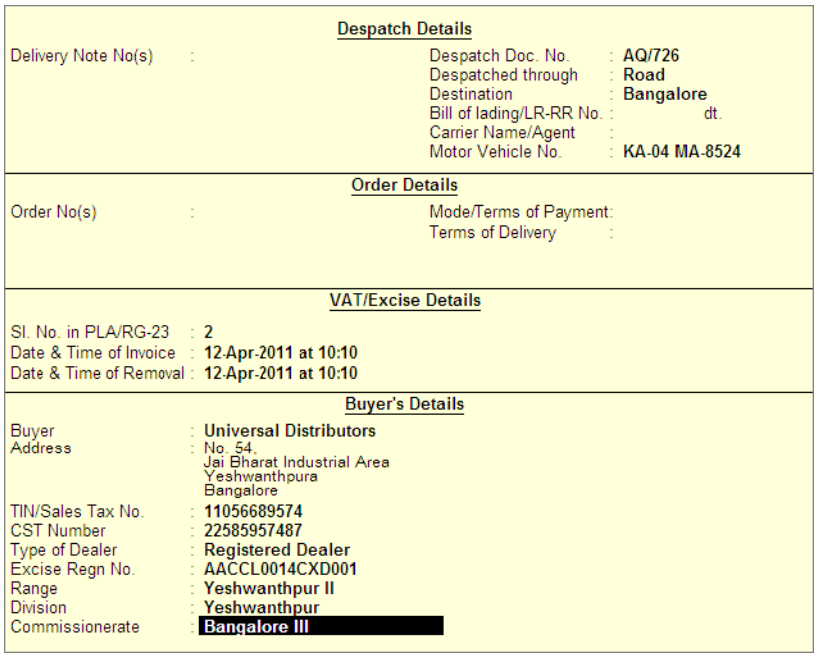
Stock items	*Quantity*	*Rate*
AquaPure - 1 Ltr	*20000*	*Rs. 20*
AquaMini - 200 ml	*4000*	*Rs. 5*
AquaKing - 20 Ltr	*3000*	*Rs. 60*

Here we are selling **AquaPure - 1 Ltr (MRP Based), AquaMini - 200 ml (Ad Quantum) and AquaKing - 20 Ltr (Ad Valorem)** in single sales voucher.

To create a Sales Voucher

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

1. In **Voucher Type** sub form select **Ex - Sales** as the voucher type
2. Ensure that the **Sales Voucher** is in **Item Invoice** Mode
3. Enter the **Date** as **13-4-2012**
4. Enter the **Ref** details as **AQ/726**
5. In **Excise Unit** field Tally.ERP 9 displays **Aqua Ltd.**, as selected during voucher type creation
6. **Excise Book Name** field displays the name of the excise invoice book (Aqua/Rule11/Book1/12-13) created for the Excise Unit
7. **Serial No.** field displays the Rule 11 invoice Number e.g. **Aqua/102/12-13**
8. In **Party A/c Name** field select **Universal Distributors** from the List of Ledger Accounts
9. In **Party Details** sub form
   - **Despatch/Order Details**: Under these two sections enter the Despatch and Order Details
   - **Sl.No. in PLA /RG-23**: In this filed enter the Sl.No. in PLA /RG-23 register as **2**
   - **Date & Time of Invoice**: In this field enter the time Date of Invoice. Tally.ERP 9 by default displays the system time and date in this field which can be changed
   - **Date & Time of Removal**: In this field enter the Time & Date of Removal of Goods. Tally.ERP 9 by default displays the system time and date in this field which can be changed
   - **Buyer Details**: In this section Tally.ERP 9 by default displays the details provided during buyer ledger creation, which can be changed.



Despatch Details

Delivery Note No(s)	:	Despatch Doc. No.	: AQ/726
		Despatched through	: Road
		Destination	: Bangalore
		Bill of lading/LR-RR No.	: dt.
		Carrier Name/Agent	:
		Motor Vehicle No.	: KA-04 MA-8524

Order Details

Order No(s)	:	Mode/Terms of Payment	:
		Terms of Delivery	:

VAT/Excise Details

Sl. No. in PLA/RG-23	: 2
Date & Time of Invoice	: 12-Apr-2011 at 10:10
Date & Time of Removal	: 12-Apr-2011 at 10:10

Buyer's Details

Buyer	: Universal Distributors
Address	: No. 54, Jai Bharat Industrial Area Yeshwanthpura Bangalore
TIN/Sales Tax No.	: 11056689574
CST Number	: 22585957487
Type of Dealer	: Registered Dealer
Excise Regn No.	: AACCL0014CXD001
Range	: Yeshwanthpur II
Division	: Yeshwanthpur
Commissionerate	: Bangalore III

Figure 4.60 Despatch Details

10. In **Nature of Removal** field select the option **Domestic** from the list of **Types of Removals**
11. In **Sales Ledger** field select the ledger **Sales @ 13.5%** from the **List of Ledger Accounts**
12. **VAT/Tax Class** field automatically gets updated with the VAT/Tax class as selected in the sales ledger, which can be changed.
13. In **Name of Item** field select the Stock Item i.e. **AquaPure - 1Ltr**
14. In **Quantity** field enter the quantity as **20,000**
15. In **Rate** field enter the rate as **Rs. 20**. **Amount** will be displayed automatically
16. In **Name of Item** field select the Stock Item i.e. **AquaMini - 200 ml** as the second Item
17. Enter **4000** as **Quantity** and **Rs. 5** as **Rate**
18. In **Name of Item** field select the Stock Item i.e. **AquaKing - 20 Ltr** as the third Item
19. Enter **3000** as **Quantity** and **Rs. 60** as **Rate**
20. Select Duty Ledger i.e. **Basic Excise Duty @ 12%**. **Amount** will be calculated and displayed automatically.
21. Select **Education Cess @ 2%** and **Secondary Education Cess @ 1%** ledgers. **Amount** will be calculated and displayed automatically
22. Select **Output VAT @ 13.5%**. **Amount** will be calculated and displayed automatically.
23. Set the option **Show Statutory Details** to **Yes** to view **Statutory Details** screen.
24. In **Statutory Details** screen press **Alt + F1: Detailed** to view details of duty calculation. **Statutory Details** screen appears as shown.

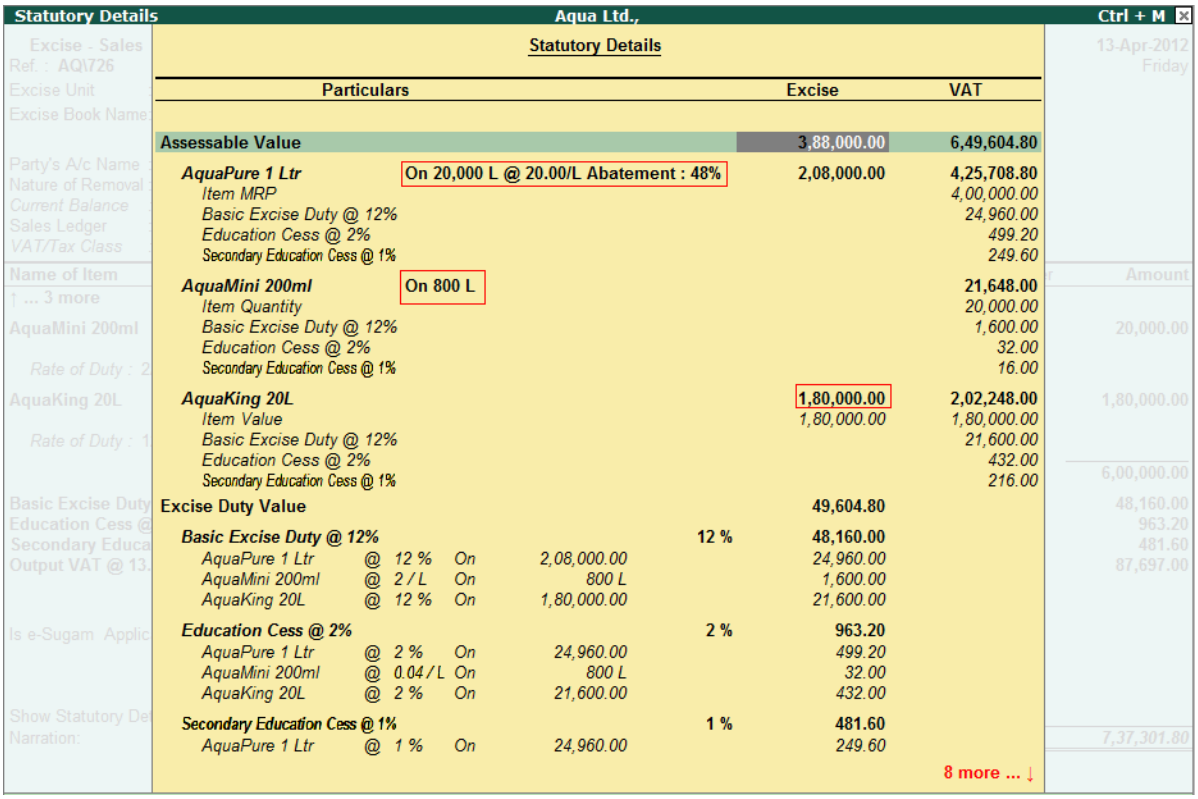


Figure 4.61 Statutory Details

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

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

- **Assessable Value**: Sales Quantity X Rate= Total Amount - Abatement (Total Amount X 48/ 100)
- **Rs. 2,08,000**: 20,000 X 20 = 4,00,000 - 1,92,000 (4,00,000 X 48/100)

On the **Assessable Value (2,08,000)** BED is calculated @ 12%. Education Cess @ 2% and Secondary Education Cess @ 1% is calculated on BED

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

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

- **BED** for AquaMini - 200ml is calculated on (4000*0.200ml) 800 litres (800*2 = 1600)
- **Education Cess** for AquaMini - 200ml is calculated on 800 litres (800*0.04 = 32)
- **Secondary Education Cess** is calculated for AquaMini - 200ml is calculated on 800 litres (800*0.02 = 16)

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

BED @ 12% is calculated on the Transaction Amount/Assessable Value of Rs. 1,80,000 (180000*12/100 = 21,600)

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

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

The completed Excise Sales Voucher is displayed as shown:

Accounting Voucher Creation — **Aqua Ltd.,** — Ctrl + M

Excise - Sales No. 2 — 13-Apr-2012, Friday

Ref. : AQ\726
Excise Unit : Aqua Ltd.,
Excise Book Name: Aqua/Rule 11/Book 1/12-13 Serial No. Aqua/102/12-13

Party's A/c Name : Universal Distributors
Nature of Removal : Domestic Notification Number :
Current Balance : *24,15,897.00 Dr*
Sales Ledger : Sales @ 13.5%
VAT/Tax Class : Sales @ 13.5%

Name of Item	Quantity	Rate per	Amount
↑ ... 3 more			
AquaMini 200ml	4,000 U (800 L)	5.00 U	20,000.00
Rate of Duty : 2/L			
AquaKing 20L	3,000 U (60,000 L)	60.00 U	1,80,000.00
Rate of Duty : 12%			
			6,00,000.00
Basic Excise Duty @ 12%		12 %	48,160.00
Education Cess @ 2%		2 %	963.20
Secondary Education Cess @ 1%		1 %	481.60
Output VAT @ 13.5%		13.50 %	87,697.00

Is e-Sugam Applicable ? No

Show Statutory Details ? Yes
Narration:

80,800 L

Accept ?
Yes or No

Figure 4.62 Completed Excise Sales Voucher

26. Press **Enter** to save.

Print Preview of Excise Invoice appears as shown:

Excise Invoice

(ISSUE OF INVOICE UNDER RULE 11 OF CENTRAL EXCISE RULES 2002)

Aqua Ltd.,
55, Koramangala Industrial Area, Bengaluru
Phone : 08055647825 / E-mail : sales@aqua.com

VAT TIN : **11004578123** | Range : Koramangala I/48/6th Floor, A Wing, Kendriya Sadhan,Koramangala, Bangalore Urban 560034
CST No. : **42514878245** | Division : Division II/02/7th Floor, C Wing, Kendriya Sadhan, Koramangala, Bangalore Urban 560034
Excise Regn No.: **AAPCL2149RXM001** | Commissionerate : Bangalore I/09/PB No. 5400, Queen's Road,CR Building, Bangalore GPO, Bangalore Urban 560001

Buyer	Invoice No.	Dated
Universal Distributors No.54, Jai Industrial Area Yeshwantpur Bangalore	**Aqua/102/12-13**	**13-Apr-2012**
	Buyer's Order No.	Dated
	Delivery Note	Dated
VAT TIN : **564565**		
Excise Regn No.: **AACCL0014CXD001**	Supplier's Ref. **AQ\726**	Despatch Document No.
Range : **Yeshwantpur II**	Despatched through	Destination
Division : **Yeshwantpur**		
Commissionerate : **Bangalore III**	Date & Time of issue of Invoice **13-Apr-2012 at 17:15**	Motor Vehicle No.
	Date & Time of Removal of Goods **13-Apr-2012 at 17:15**	Authenticated By ***for Aqua Ltd.,***
	Mode/Terms of Payment	*Authorised Signatory*

Sl No.	Description of Goods	Tariff / HSN Classification	Quantity	Rate	per	Amount
1	AquaPure 1 Ltr	22011010	20,000 L (833 Box)	20.00	L	4,00,000.00
2	AquaMini 200ml	22011010	4,000 U (800 L)	5.00	U	20,000.00
3	AquaKing 20L	22011010	3,000 U (60,000 L)	60.00	U	1,80,000.00
						6,00,000.00
	Basic Excise Duty @ 12%			12	%	48,160.00
	Education Cess @ 2%			2	%	963.20
	Secondary Education Cess @ 1%			1	%	481.60
	Output VAT @ 13.5% (6,49,604.80)			13.50	%	87,697.00
	Total		**80,800 L**			**₹ 7,37,301.80**

Amount Chargeable (in words) : **INR Seven Lakh Thirty Seven Thousand Three Hundred One and Eighty paise Only**
VAT Amount (in words) **INR Eighty Seven Thousand Six Hundred Ninety Seven Only (₹ 87,697.00)**

Description of Goods	Assessable Value	Rate of BED	BED Amount	BED on Qty	Rate of Ed Cess	Ed Cess Amount	Rate of Sec Ed Cess	Sec Ed Cess Amount
AquaPure 1 Ltr (MRP: 20.00/L Abatement: 48%)	2,08,000.00	12 %	24,960.00		2 %	499.20	1 %	249.60
AquaMini 200ml (4,000 U)		2/L		1,600.00	0.04/L	32.00	0.02/L	16.00
AquaKing 20L	1,80,000.00	12 %	21,600.00		2 %	432.00	1 %	216.00
Total	**3,88,000.00**		**46,560.00**	**1,600.00**		**963.20**		**481.60**

Amount of Duty (in words) : **INR Forty Eight Thousand One Hundred Sixty Only**
Amount of Cess (in words) : **INR One Thousand Four Hundred Forty Four and Eighty paise Only**

Serial No. in PLA/RG-23 :

Declaration : We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.

for Aqua Ltd.,

Authorised Signatory

This is a Computer Generated Invoice E. & O.E

Figure 4.63 Print Preview – Excise Invoice

4.11 Rule 11 Invoice for Stock Items with Expenses

Example 11:

On 14-4-2012 Aqua Ltd. sold the below items to Universal Distributors. Universal Distributors requested to deliver the items with additional packing. The packing charges of Rs. 6000 are also included to the Product Cost.

Stock Item	Quantity	Rate
AquaKing - 20Ltr	1000	Rs. 70
AquaEase - 20Ltr	200	Rs. 100

To create a **Sales Voucher**

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

1. In **Voucher Type** sub form select **Ex - Sales** as the voucher type
2. Ensure that the **Sales Voucher** is in **Item Invoice** Mode
3. Enter the **Date** as **14-4-2012**
4. Enter the **Ref** details as **AQ/830**
5. In **Excise Unit** field Tally.ERP 9 displays **Aqua Ltd.**, as selected during voucher type creation
6. **Excise Book Name** field displays the name of the excise invoice book (**Aqua/Rule11/Book1/12-13**) created for the Excise Unit
7. **Serial No.** field displays the Rule 11 invoice Number e.g. **Aqua/103/12-13**
8. In **Party A/c Name** field select **Universal Distributors** from the List of Ledger Accounts
9. In **Party Details** sub form enter the details as shown

Despatch Details

Delivery Note No(s) :
J **End of List**

Despatch Doc. No. : **AQ\830**
Despatched through : **Road**
Destination : **Bangalore**
Bill of lading/LR-RR No. : dt.
Carrier Name/Agent :
Motor Vehicle No. : **KA-05 FE 960**

Order Details

Order No(s) :
J **End of List**

Mode/Terms of Payment :
Terms of Delivery :

VAT/Excise Details

Sl. No. in PLA/RG-23 : **3**
Date & Time of Invoice : **14-Apr-2012 at 17:53**
Date & Time of Removal : **14-Apr-2012 at 17:53**

Buyer's Details

Buyer : **Universal Distributors**
Address : No.54, Jai Industrial Area
Yeshwantpur
Bangalore
TIN/Sales Tax No. : **564565**
CST Number :
Type of Dealer : **Registered Dealer**
Excise Regn No. : **AACCL0014CXD001**
Range : **Yeshwantpur II**
Division : **Yeshwantpur**
Commissionerate : **Bangalore III**

Figure 4.64 Despatch Details

10. In **Nature of Removal** field select the option **Domestic** from the list of **Types of Removals**
11. In **Sales Ledger** field select the ledger **Sales @ 13.5%** from the **List of Ledger Accounts**
12. **VAT/Tax Class** field automatically gets updated with the VAT/Tax class as selected in the sales ledger, which can be changed.
13. In **Name of Item** field select the Stock Item i.e. **AquaKing - 20Ltr**
14. In **Quantity** field enter the quantity as **1,000**
15. In **Rate** field enter the rate as **Rs. 70**
16. In **Name of Item** field select the Stock Item i.e. **AquaEase - 20Ltr**
17. In **Quantity** field enter the quantity as **200** and **Rate** as **Rs.100**
18. Select the expense ledger - **Packing Charges** and enter **Rs. 6000** in **Amount** field
19. Select **Duty Ledger** i.e. **Basic Excise Duty @ 12%**. Amount will be calculated and displayed automatically.
20. Select **Education Cess @ 2%** and **Secondary Education Cess @ 1%** ledgers. **Amount** will be calculated and displayed automatically
21. Select **Output VAT @ 13.5%** as the Vat duty ledger. **Amount** will be displayed automatically
22. Set the option **Show Statutory Details** to **Yes** to view Statutory Details screen
23. In **Statutory Details** screen press **Alt + F1: Detailed** to view details of duty calculation. **Statutory Details** screen appears as shown.

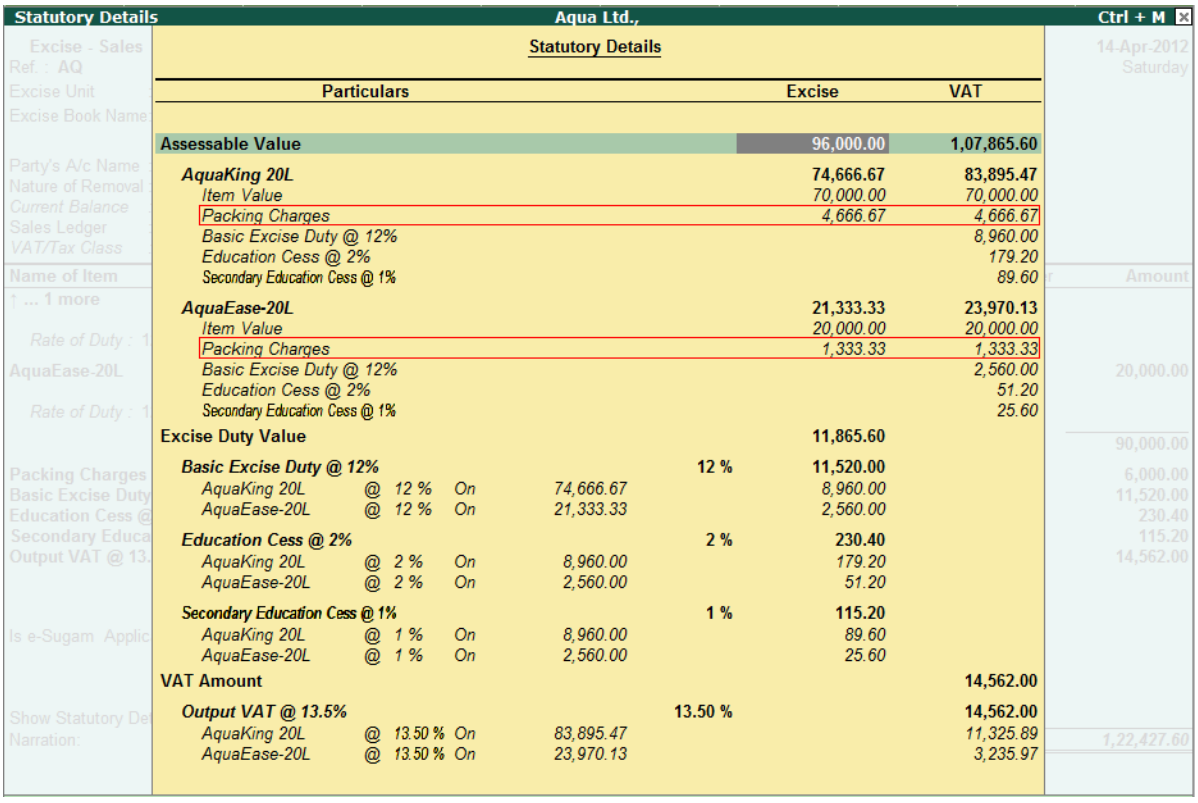


Figure 4.65 Statutory Details

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

***Packing charges** is 6,000*

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

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

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

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

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

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

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

The completed Excise sales voucher is displayed as shown

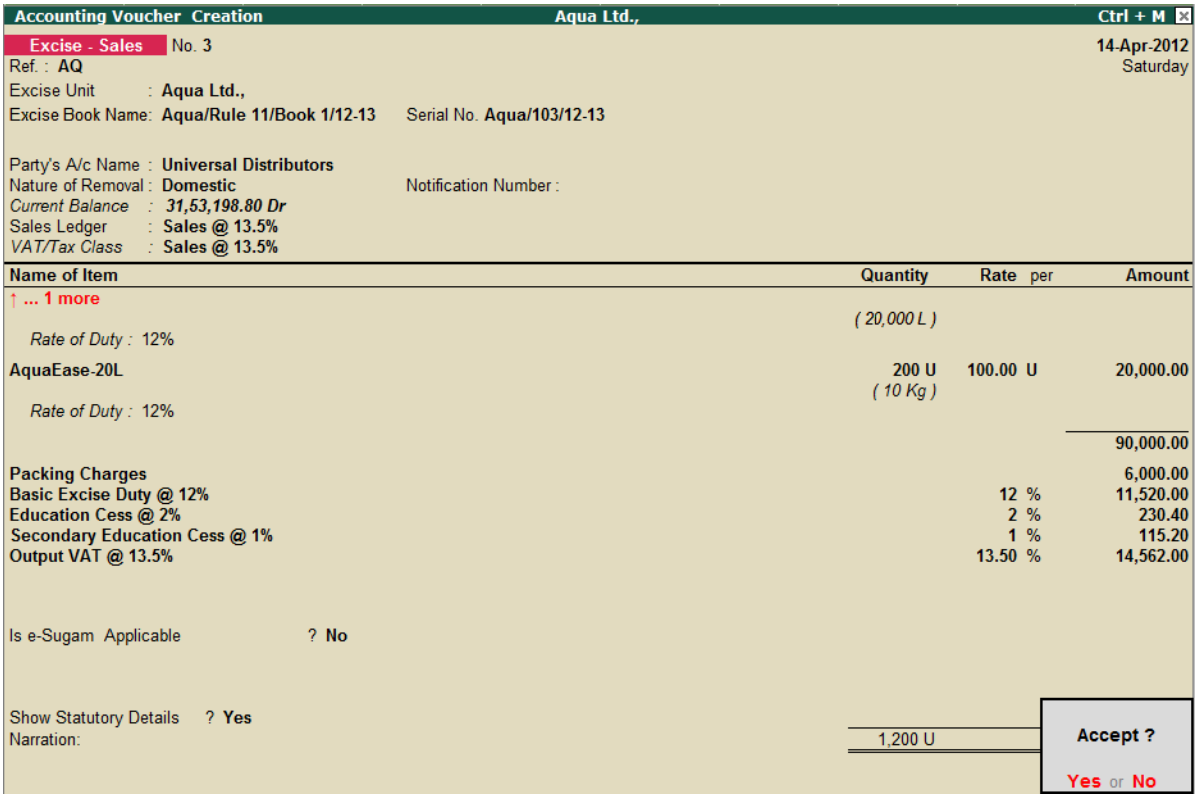


Figure 4.66 Sales Voucher

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

4.12 Sales at Special Rate

Example 12:

On 14-4-2012 Aqua Ltd. sold 1000 nos of AquaKing - 20 Ltr @ 100/no to Universal Distributors, at special rate of Duty @ 8% as per the Notification No. EB/20/2012-13.

To Record a Purchase Voucher

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

1. In Voucher Type sub form select **Ex – Sales** as the voucher type.
2. Ensure that the Sales Voucher is in **Item Invoice Mode**.
3. Enter the **Date** as **14-4-2012**.
4. Enter the **Ref** details as **AQ/910**
5. In **Excise Unit** field Tally.ERP 9 displays **Aqua Ltd**. as selected during voucher type creation.
6. **Excise Book Name** field displays the name of the excise invoice book (Aqua/Rule11/Book1/12-13) created for the Excise Unit.
7. **Serial No.** field displays the Rule 11 invoice Number e.g. **Aqua/104/12-13**
8. In **Party A/c Name** field select **Universal Distributors** from the List of Ledger Accounts.
9. In **Party Details** sub form accept the default details
10. In **Nature of Removal** field select the option **Special Rate** from the list of Types of Removals

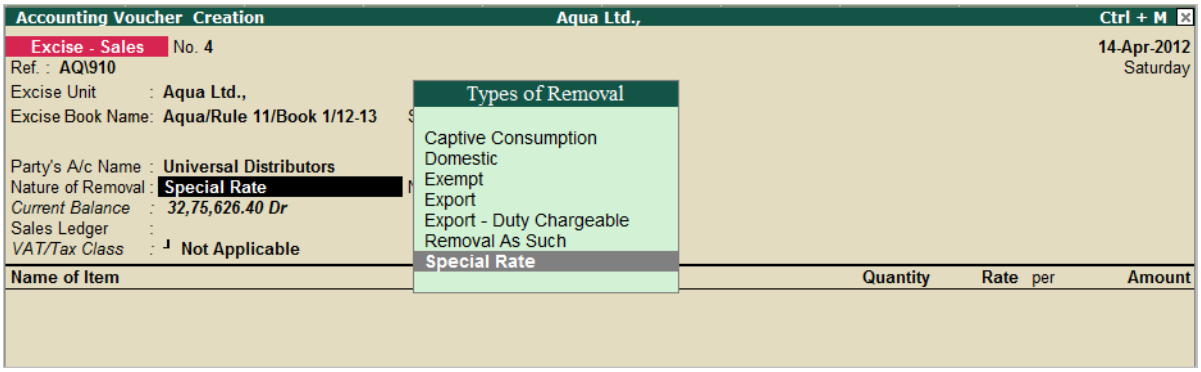


Figure 4.67 Selection of Nature of Removal - Special Rate

11. In the **Notification Number** field enter the notification number **EB/20/2012-13**. In **Notification Type** field select **Tariff** as the type of notification.
12. In **Sales Ledger** field select the ledger **Sales @ 13.5%** from the List of Ledger Accounts.
13. **VAT/Tax Class** field automatically gets updated with the VAT/Tax class as selected in the sales ledger, which can be changed.
14. In **Name** of Item field select the Stock Item i.e. **AquaKing - 20Ltr**
15. In **Quantity** field enter the quantity as **1,000**
16. In **Rate** field enter the rate as **Rs. 100**. Amount will be calculated automatically.
17. Select Duty Ledger i.e. **Basic Excise Duty @ 12%**. to view **Excise Duty Allocation** screen. in the Duty Details screen alter the **Rate** of Duty to **8%**. **Amount** will be calculated and displayed automatically based on the Rate entered.

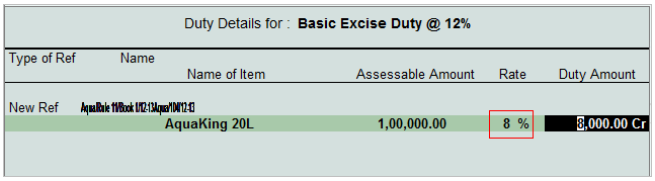


Figure 4.68 Duty Details Screen

*In the sales voucher screen, the rate of duty in **Rate** field displays as **10%** (Which is captured from Stock Item), alter the rate to **8%***

18. Select **Education Cess @ 2%** and **Secondary Education Cess @ 1%** ledgers. **Amount** will be calculated and displayed automatically. Select **Output VAT @ 13.5%** as the VAT duty ledger. **Amount** will be displayed automatically.

The completed Excise Sales voucher is displayed as shown

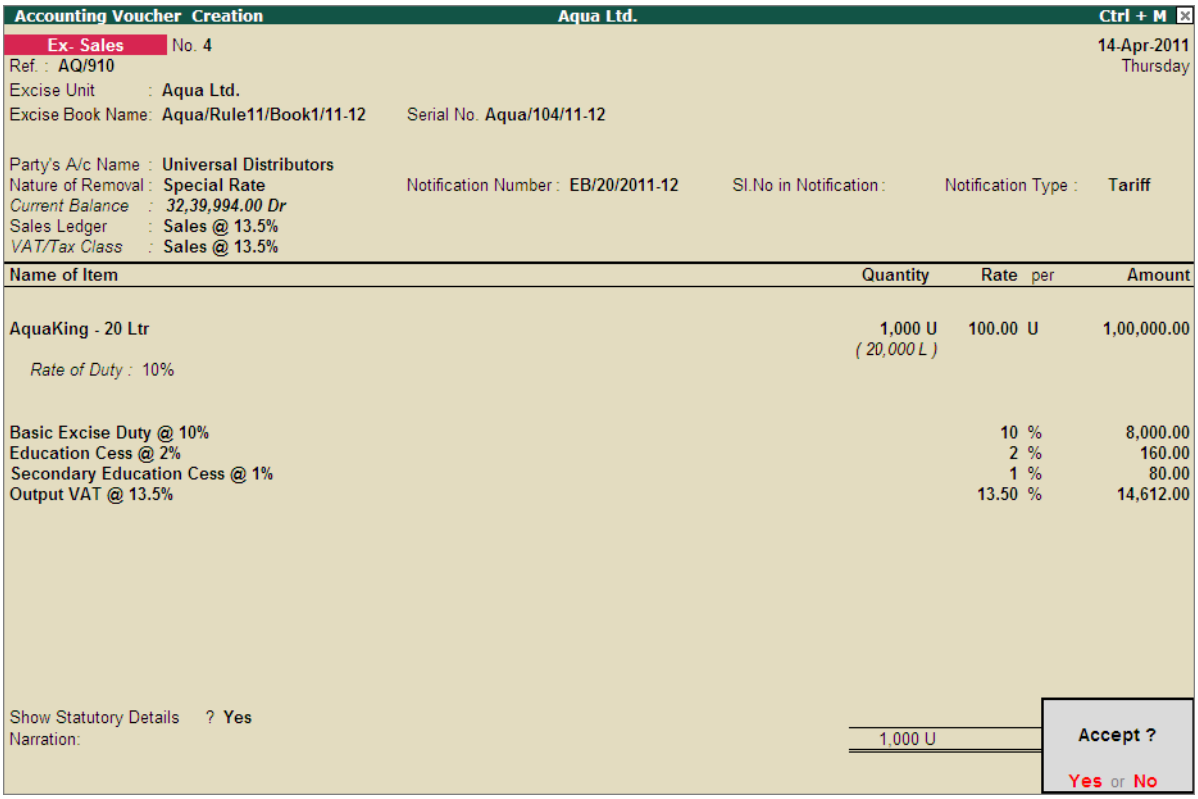


Figure 4.69 Excise Sales – at Special Rate

19. Press **Enter** to save.

4.13 Removal as Such

Removal of Inputs/Capital Goods without having put the same into use (production) is referred to as **Removal as Such**.

Sometimes, Inputs/Capital Goods purchased by the manufacturer for the manufacture of Final Product can be sold/disposed if,

- The input/capital goods are not required by the manufacturer
- The prospective is willing to pay more
- Excess Supply
- Change in Production plan

Inputs or Capital Goods can be removed from factory of manufacturer on payment of Duty at the rate applicable on such goods on the date of removal.

Tally.ERP 9 allows to record the Removal as Such transactions and captures the details of credit adjusted against the duty paid on removal of goods in appropriate reports and Form ER- 1.

Example 13:

on 16-4-2012 Aqua Ltd. removed (as such) following inputs by paying Excise Duty @ 10% along with Education Cess @ 2% and Secondary Education Cess @ 1% to sell to Lamcy Manufacturers

Stock items	*Quantity*	*Rate*
Pet Bottles - 1Ltr	*25000*	*Rs. 5*
Water Container - 20Ltr	*2500*	*Rs. 10*

1. Record the Transaction in Excise - Sales Voucher

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

1. In **Voucher Type** sub form select **Ex – Sales** as the voucher type.
2. Ensure that the Sales Voucher is in Item Invoice Mode.
3. Enter the **Date** as **16-4-2012**
4. Enter the **Ref** details as **AQ/1003**
5. In **Excise Unit** field Tally.ERP 9 displays **Aqua Ltd.**, as selected during voucher type creation.
6. **Excise Book Name** field displays the name of the excise invoice book (Aqua/Rule11/Book1/12-13) created for the Excise Unit.
7. **Serial No.** field displays the Rule 11 invoice Number e.g. **Aqua/105/12-13**.
8. In **Party A/c Name** field select **Lamcy Manufacturers** from the List of Ledger Accounts.
9. In **Party Details** sub form.
   - **Despatch/Order Detail**s: Under these two sections enter the Despatch and Order Details.
   - **Sl.No. in PLA /RG-23**: In this filed enter the Sl.No. in PLA /RG-23 register as **5**.
   - **Date & Time of Invoice**: In this field enter the time Date of Invoice. Tally.ERP 9 by default displays the system time and date in this field which can be changed.

- **Date & Time of Removal**: In this field enter the Time & Date of Removal of Goods. Tally.ERP 9 by default displays the system time and date in this field which can be changed.
- **Buyer Details**: In this section Tally.ERP 9 by default displays the details provided during buyer ledger creation, which can be changed.

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

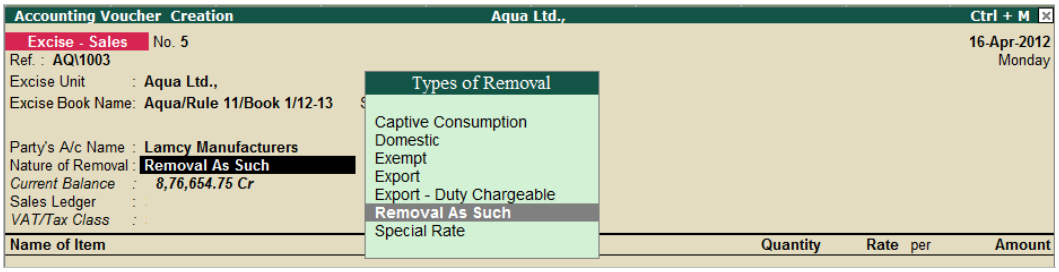


Figure 4.70 Selection of Nature of Removal

*It is a must to define the **Nature of Removal** in **Rule 11 Invoice**.*

- ***Removal as Such** is selected when the inputs/capital goods are removed as such.21*

11. In **Sales Ledger** field select the ledger **Sales @ 13.5%** from the List of Ledger Accounts.
12. **VAT/Tax Class** field automatically gets updated with the VAT/Tax class as selected in the sales ledger, which can be changed.
13. In **Name of Item** field select the Stock Item i.e. **Pet Bottles - 1Ltr**.
14. In **Quantity** field enter the quantity as **25,000**.
15. In **Rate** field enter the rate as **Rs. 5**.
16. **Amount** will be displayed automatically.
17. Similarly, select **Water Container - 20 Ltrs**, specify **Quantity** as **2,500** and **Rate** of **Rs. 10**
18. Select Duty Ledger i.e. **Basic Excise Duty @ 12%** and press enter to view Excise Duty Allocation screen
19. In **Excise Duty Allocation** screen
    - **New Ref** is defaulted in **Type of Ref** field
    - In **Name** field, the combination **Excise Book Name** and **Serial Number** details will be captured and displayed automatically. Tally.ERP9 does not allow you to alter the Name details.
    - **Name Item**: This field displays all the stock items which are selected in the sales voucher
    - **Assessable Amount**: This displays the **item wise Assessable Value** on which the duty is calculated
    - **Rate**: Rate of duty defined in the duty ledger will be defaulted. If the duty paid is at higher or lower rate than the rate defined in the ledger, same can be altered in **Rate** field.

- **Duty Amount**: Duty Amount will be calculated on the Assessable Value at the rate specified.

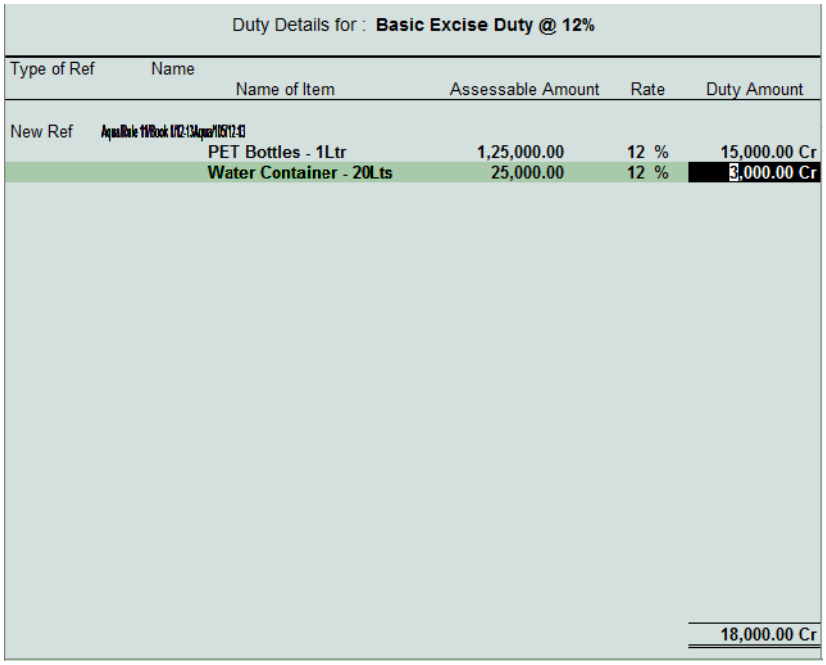


Figure 4.71 Excise Duty Allocation Screen - Basic Excise Duty

20. **Duty** calculated in the **Excise Duty Allocation** screen will be displayed automatically in **Amount** filed of Ledger.
21. Select **Education Cess @ 2%** and press enter to view the **Excise Duty Allocation** screen.

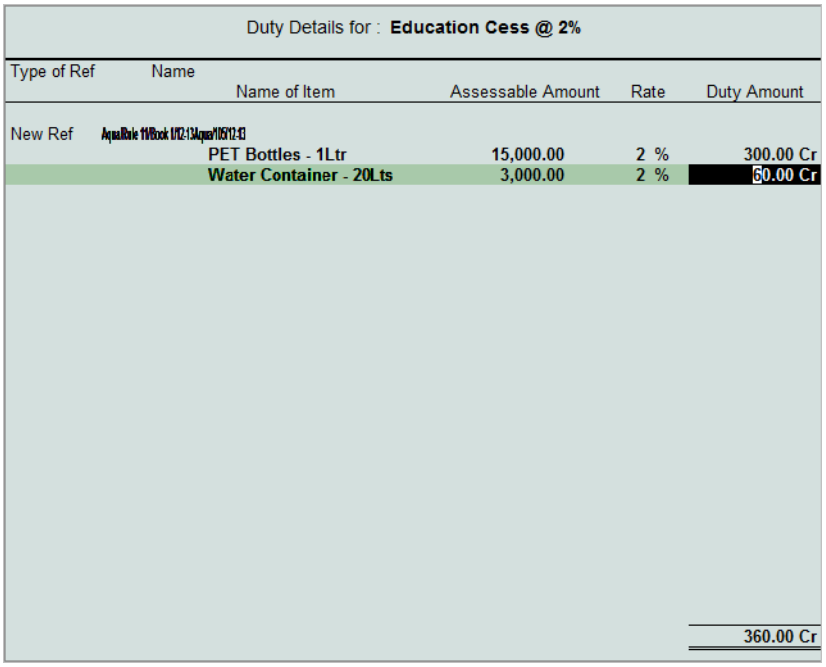


Figure 4.72 Excise Duty Allocation Screen - Education Cess

*In Excise Duty Allocation screen of Education Cess - amount will be considered as the **Assessable Value** to calculate the education Cess.*

22. Similarly, select **Secondary Education Cess @ 1%** and accept the default details displayed in Excise Duty Allocation screen.
23. Select **Output VAT @ 13.5%** as the Vat duty ledger. **Amount** will be displayed automatically.
24. Set the option **Show Statutory Details** to **Yes** to view Statutory Details screen.
25. In the Statutory Details screen press **Alt + F1: Detailed** to view details of duty calculation. The Statutory Details screen is displayed as shown.
26. In **Bill-wise Details** screen
    - In **Type of Ref** select **New Ref**
    - In **Name** field specify **AQ/1003**
    - **Amount** will be defaulted automatically.

Completed Removal as Such entry is displayed as shown:

Accounting Voucher Creation — **Aqua Ltd.,** — **Ctrl + M**

Excise - Sales No. 5 — 16-Apr-2012, Monday
Ref. : AQ\1003
Excise Unit : **Aqua Ltd.,**
Excise Book Name: **Aqua/Rule 11/Book 1/12-13** Serial No. **Aqua/105/12-13**

Party's A/c Name : **Lamcy Manufacturers**
Nature of Removal : **Removal As Such**
Current Balance : ***8,76,654.75 Cr***
Sales Ledger : **Sales @ 13.5%**
VAT/Tax Class : **Sales @ 13.5%**

Name of Item	Quantity	Rate per	Amount
PET Bottles - 1Ltr	**25,000 U** *(250 Kg)*	**5.00 U**	**1,25,000.00**
Rate of Duty : 12%			
Water Container - 20Lts	**2,500 U** *(125 Kg)*	**10.00 U**	**25,000.00**
Rate of Duty : 12%			
			1,50,000.00
Basic Excise Duty @ 12%		**12 %**	**18,000.00**
Education Cess @ 2%		**2 %**	**360.00**
Secondary Education Cess @ 1%		**1 %**	**180.00**
Output VAT @ 13.5%		**13.50 %**	**22,753.00**

Is e-Sugam Applicable ? **No**

Show Statutory Details ? **Yes**
Narration:

27,500 U

Accept ?
Yes or **No**

Figure 4.73 Completed Excise Sales Voucher

27. Press **Enter** to accept.

2. Print Rule 11 invoice

The Rule 11 invoice of Removal as such transaction appears as shown

Excise Invoice

(ISSUE OF INVOICE UNDER RULE 11 OF CENTRAL EXCISE RULES 2002)

Aqua Ltd.,
55, Koramangala Industrial Area, Bengaluru
Phone : 08055647825 / E-mail : sales@aqua.com

VAT TIN : **11004578123**
CST No. : **42514878245**
Excise Regn No.: **AAPCL2149RXM001**

Range : Koramangala I/II/6th Floor, A Wing, Kendriya Sadhan,Koramangala, Bangalore Urban 560034
Division : Division II /02/ 7th Floor, C Wing, Kendriya Sadhan, Koramangala, Bangalore Urban 560034
Commissionerate : Bangalore I/09/PB No. 5400, Queen's Road,CR Building, Bangalore GPO, Bangalore Urban 560001

Buyer	Invoice No.	Dated
Cash Peenya Industrial Area Bangalore Excise Regn No.: **ADESR4033FXM001** Range : **Peenya** Division : **Yeshwantpur** Commissionerate : **Bangalore II**	**Aqua/105/12-13**	**16-Apr-2012**
	Buyer's Order No.	Dated
	Delivery Note	Dated
	Supplier's Ref. **AQ\1003**	Despatch Document No.
	Despatched through	Destination
	Date & Time of issue of Invoice **16-Apr-2012 at 18:46**	Motor Vehicle No.
	Date & Time of Removal of Goods **16-Apr-2012 at 18:46**	Authenticated By ***for Aqua Ltd.,***
	Mode/Terms of Payment	*Authorised Signatory*

Sl No.	Description of Goods	Tariff / HSN Classification	Quantity	Rate	per	Amount
1	PET Bottles - 1Ltr	39233010	25,000 U (250 Kg)	5.00	U	1,25,000.00
2	Water Container - 20Lts	39233010	2,500 U (125 Kg)	10.00	U	25,000.00
						1,50,000.00
	Basic Excise Duty @ 12%			12	%	18,000.00
	Education Cess @ 2%			2	%	360.00
	Secondary Education Cess @ 1%			1	%	180.00
	Output VAT @ 13.5% (1,68,540.00)			13.50	%	22,753.00
	Total		**27,500 U**			**₹ 1,91,293.00**

Amount Chargeable (in words) : **INR One Lakh Ninety One Thousand Two Hundred Ninety Three Only**
VAT Amount (in words) **INR Twenty Two Thousand Seven Hundred Fifty Three Only (₹ 22,753.00)**

Description of Goods	Assessable Value	Rate of BED	BED Amount	Rate of Ed Cess	Ed Cess Amount	Rate of Sec Ed Cess	Sec Ed Cess Amount
PET Bottles - 1Ltr	1,25,000.00	12 %	15,000.00	2 %	300.00	1 %	150.00
Water Container - 20Lts	25,000.00	12 %	3,000.00	2 %	60.00	1 %	30.00
Total	**1,50,000.00**		**18,000.00**		**360.00**		**180.00**

Amount of Duty (in words) : **INR Eighteen Thousand Only**
Amount of Cess (in words) : **INR Five Hundred Forty Only**

Serial No. in PLA/RG-23 :

Declaration : We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.

for Aqua Ltd.,

Authorised Signatory

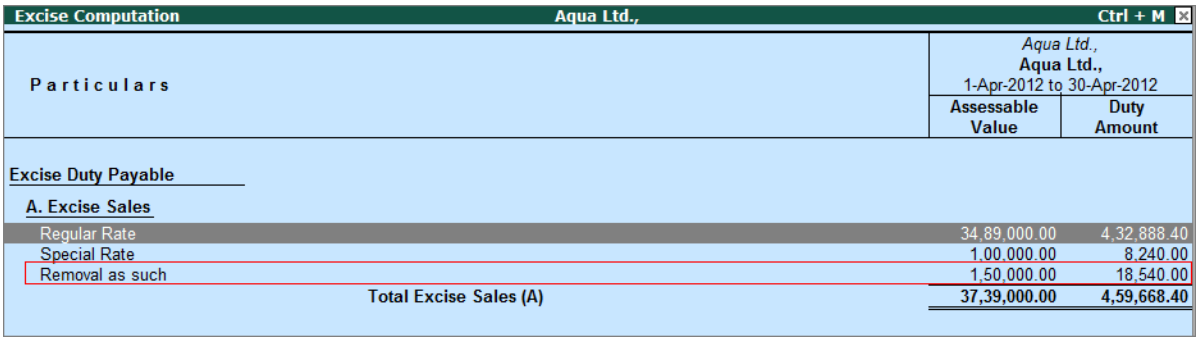
This is a Computer Generated Invoice

E.&O.E

Figure 4.74 Rule 11 Invoice fro removal As Such Sales

3. Excise Computation

The details of Removal As Such will be displayed in computation report under Excise Duty Payable section with a separate line item as **Removal As Such** with **Assessable Value** and **Duty Amount**.



Excise Computation	Aqua Ltd.,	Ctrl + M
Particulars	*Aqua Ltd.*, Aqua Ltd., 1-Apr-2012 to 30-Apr-2012	
	Assessable Value	Duty Amount
Excise Duty Payable		
A. Excise Sales		
Regular Rate	34,89,000.00	4,32,888.40
Special Rate	1,00,000.00	8,240.00
Removal as such	1,50,000.00	18,540.00
Total Excise Sales (A)	**37,39,000.00**	**4,59,668.40**

Figure 4.75 Excise Computation Report

4.14 Captive Consumption

Captive Consumption means the consumption of goods manufactured within the same factory or transfer of goods to a sister concern or another factory of the same company/firm for further use in the manufacture of goods.

The goods internally consumed to manufacture the final product is termed as **Intermediate Goods**.

Now you can account captive consumption transaction in Tally.ERP 9. To record captive consumption transaction a new Nature of Removal - **Captive Consumption** has been provided.

Duty payable on captive consumption:

- If the **Intermediate Goods** are used to manufacture **Final Product** which is duty chargeable, then on the removal of the intermediate goods for internal use **Duty** is not payable to the Government.
- If the **Intermediate Goods** are used to manufacture **Final Product** which is Exempted from Duty, then on the removal of the intermediate goods for internal use **Duty** is payable to the Government.

Invoice for Removal of Goods for captive consumption

As per Excise Rules even for Removal of intermediate goods from factory for Captive Consumption excise unit has to raise Rule 11 invoice in the name of the excise unit.

4.14.1 Accounting Captive Consumption (of Intermediate Goods to manufacturer Duty Chargeable Final Products)

Example 14:

on 16-4-2012, Aqua Ltd. removed 200 U of AquaEase - 20 Ltr for using in the production of Final Products.

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

- Set the option **Allow Zero valued entries** to **Yes**

To record the above transaction

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

1. In **Voucher Type** sub form select **Ex – Sales** as the voucher type.
2. Ensure that the **Sales Voucher** is in **Item Invoice Mode**.
3. Enter the **Date** as **16-4-2012**
4. In **Ref** field mention the bill reference number.
5. In **Excise Unit** field Tally.ERP 9 displays **Aqua Ltd.** as selected during voucher type creation.
6. **Excise Book Name** field displays the name of the excise invoice book (**Aqua/Rule11/Book1/12-13**) created for the Excise Unit.
7. **Serial No.** field displays the Rule 11 invoice Number e.g. **Aqua/106/12-13**
8. In **Party A/c Name** field select **Aqua Ltd.** from the List of Ledger Accounts. (Use Alt+C to create the ledger)
9. In **Party Details** sub form accept the other default details.
10. In **Nature of Removal** field select **Captive Consumption** form Type of Removal list

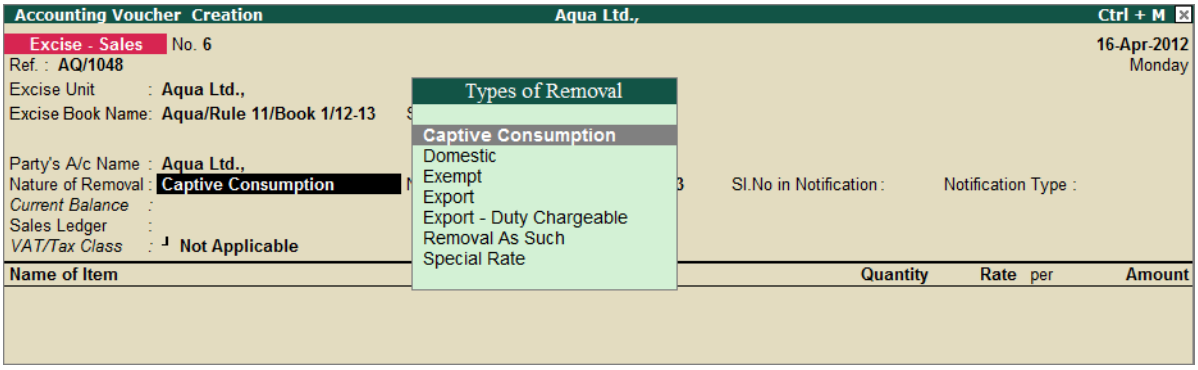


Figure 4.76 Selection of Nature of Removal

11. In **Notification Number** field enter the notification under which the goods are exported. If the Notification number is already specified while creating the party ledger application will capture the details from party ledger.
12. In **Notification Serial Number** field enter the serial number of the notification if any.

13. In **Sales Ledger** field select **Sales - Captive Consumption** (Use Alt + C create the ledger. Set Used for VAT Returns **NO**)
14. In **Name of Item** field select **AquaEase - 20 Ltr** from the List of Stock Items
15. In **Quantity** field specify the quantity as **200**
16. **Rate** is not specified as the goods are removed for captive consumption.

The completed Captive Consumption invoice appears as shown:

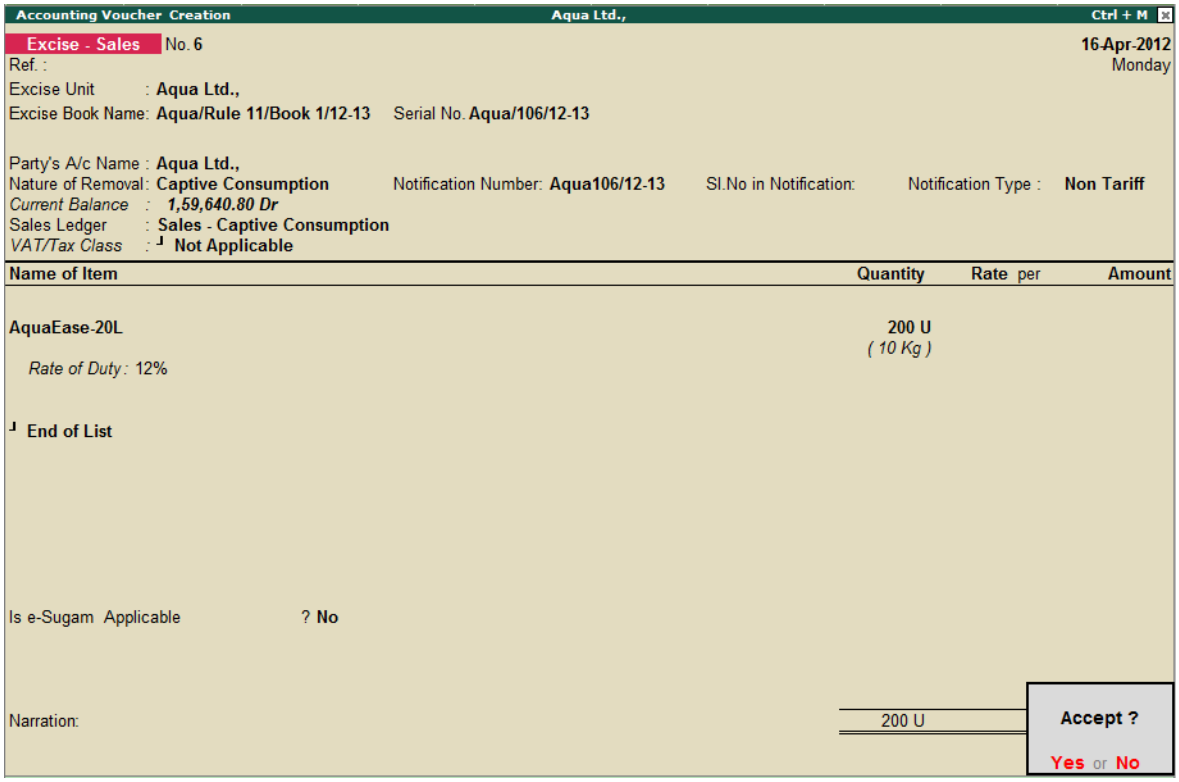


Figure 4.77 Completed Sales Voucher - Captive Consumption

17.Press **enter** to accept.

Rule 11 Invoice of Captive Consumption appears as shown below

Excise Invoice

(ISSUE OF INVOICE UNDER RULE 11 OF CENTRAL EXCISE RULES 2002)

Aqua Ltd.,
55, Koramangala Industrial Area, Bengaluru
Phone : 08055647825 / E-mail : sales@aqua.com

VAT TIN	: **11004578123**	Range	: Koramangala I/01 / 6th Floor, A Wing, Kendriya Sadhan, Koramangala, Bangalore Urban 560034
CST No.	: **42514878245**	Division	: Division II / 02 / 7th Floor, C Wing, Kendriya Sadhan, Koramangala, Bangalore Urban 560034
Excise Regn No.	: **AAPCL2149RXM001**	Commissionerate	: Bangalore I / 08 / PB No. 5400, Queen's Road, CR Building, Bangalore GPO, Bangalore Urban 560001

Buyer **Aqua Ltd.,** Excise Regn No.: **234465345** Notification No. : **Aqua106/12-13**	Invoice No. e-Sugam No. **Aqua/106/12-13**	Dated **16-Apr-2012**
	Buyer's Order No.	Dated
	Delivery Note	Dated
	Supplier's Ref.	Despatch Document No.
	Despatched through	Destination
	Date & Time of issue of Invoice **16-Apr-2012 at 11:14**	Motor Vehicle No.
	Date & Time of Removal of Goods **16-Apr-2012 at 11:14**	Authenticated By ***for Aqua Ltd.,***
	Mode/Terms of Payment	*Authorised Signatory*

Sl No.	Description of Goods	Tariff / HSN Classification	Quantity	Rate	per	Amount
1	AquaEase-20L	22011010	200 U (10 Kg)			
	Total		**200 U**			

Serial No. In PLA/RG-23 :

Declaration : We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.

for Aqua Ltd.,

Authorised Signatory

This is a Computer Generated Invoice E. & O.E

Figure 4.78 Rule 11 Invoice

4.14.2 Accounting Captive Consumption (of Intermediate Goods to manufacturer Final Products Exempted from Duty)

Example 15:

on 18-4-2012, Aqua Ltd. removed 7500 Ltrs of AquaPure - 1 Ltr for using in the production of Final Products.

To record the above transaction

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

1. In **Voucher Type** sub form select **Ex – Sales** as the voucher type.
2. Ensure that the **Sales Voucher** is in **Item Invoice Mode**.
3. Enter the **Date** as **18-4-2012**
4. In **Ref** field select enter the Reference number of the invoice
5. In **Excise Unit** field Tally.ERP 9 displays **Aqua Ltd.** as selected during voucher type creation.
6. **Excise Book Name** field displays the name of the excise invoice book (Aqua/Rule11/Book1/12-13) created for the Excise Unit.
7. **Serial No.** field displays the Rule 11 invoice Number e.g. **Aqua/107/12-13**
8. In **Party A/c Name** field select **Aqua Ltd.** from the List of Ledger Accounts.
9. In **Party Details** sub form, in **Sl. No. in PLA/RG 23** field enter the PLA Entry number - **7** and accept the other default details.
10. In **Nature of Removal** field select **Captive Consumption** form Type of Removal list
11. In **Notification Number** field enter the notification under which the goods are exported. If the Notification number is already specified while creating the party ledger application will capture the details from party ledger.
12. In **Notification Serial Number** field enter the serial number of the notification if any.
13. In **Sales Ledger** field select **Sales - Captive Consumption**
14. In **Name of Item** field select **AquaPure – 1 Ltr** from the List of Stock Items
15. In **Quantity** field specify the quantity as **7500**
16. In **Rate** field enter **Rs 20**. **Amount** will be calculated and displayed automatically.
17. Select **Basic Excise Duty @ 12%** ledger and press enter to view Excise Duty Allocation screen
18. In the **Excise Duty Allocation** screen accept the default details as Aqua Ltd. is paying the duty on the transaction assessable Value. If the assessable Value or Rate of duty is different then specify the same in Excise Duty Allocation screen

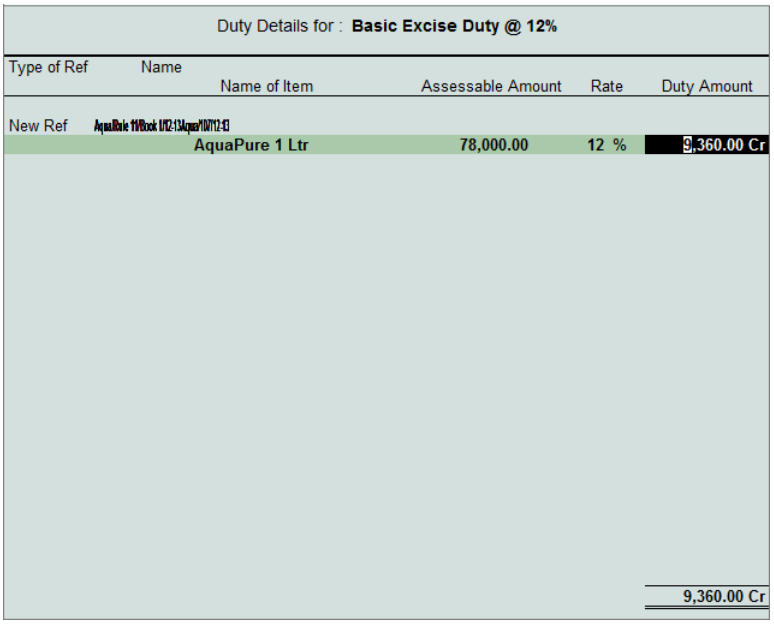


Figure 4.79 Excise Duty Allocation Screen

19. Similarly select **Education Cess** and **Secondary Education Cess** ledger. Accept the default Excise Duty Allocations.

The completed Captive Consumption invoice appears as shown

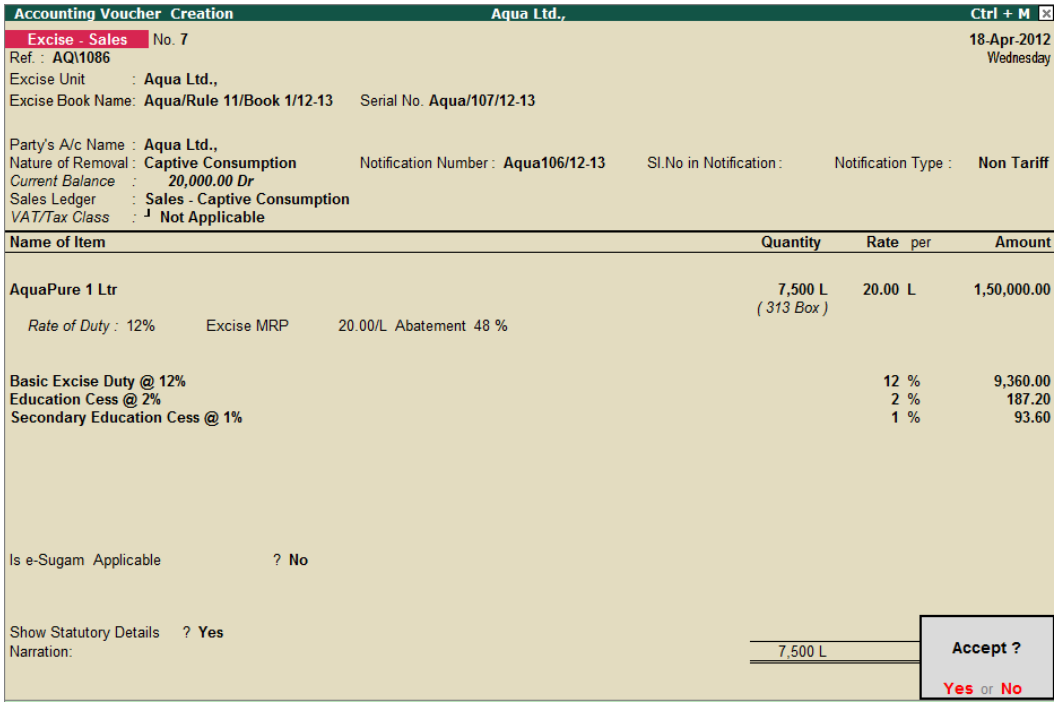


Figure 4.80 Completed Excise Sales - Captive Consumption

20. Press **Enter** to accept.

4.15 Accounting Exports

There are basically **2 export procedures** for dispatching the Goods out of India

1. **Export of Goods under Bond**: Under this procedure the exporter can send the goods out of India without payment of Duty to the Government. Export of goods under Bond can be recorded in Tally.ERP 9 using the **Nature of Removal** as **Exports**
2. **Export of Goods by paying duty and later claim the rebate or refund**: under this procedure while exporting the goods duty is paid to the government and subsequently refund is claimed on the exported goods.

To assist accounting of Export of goods by paying duty, in **Tally.ERP 9 Release 2.1** a new **Nature of Payment, Export - Duty Chargeable** has been provided.

4.15.1 Export of Goods under Bond

Example 16:

on 18-4-2012, Aqua Ltd. exported 10000 Litres of AquaPure - 1Ltr at Rs. 20 per Litre to Intra Technologies based in Singapore.

To record the above transaction

1. Create the Party (Importer) Ledger

2. Record the Transaction in Sales Voucher

1. Create the Party (Importer) Ledger

- Enter the **Name** of the importer in the Name field. E.g. **Intra Technologies**
- Select the group **Sundry Debtors** in the **Under** field.
- Set **Maintain Balances Bill by Bill** to **Yes** and enter the Default Credit Period if any.
- Set **Inventory Values are affected** to **No**.
- In **Mailing Details** enter the Importer contact details.
- Enable **Set/Alter Excise Details** to **Yes** to display the Excise Details sub screen.
- In **Excise Details** screen
  - In **Nature of Removal** field select **Export**
  - In **Notification** field enter the notification number under which the goods are exported.

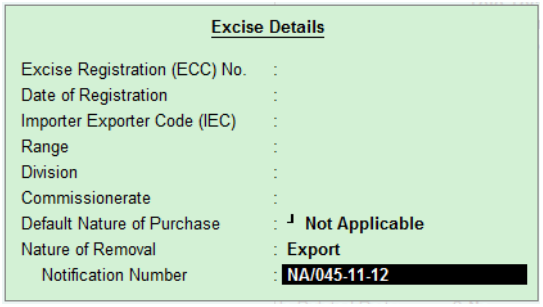


Figure 4.81 Excise Details Screen

- Press **Enter** to accept the **Excise Details** and **Ledger Creation**.

2. Record the Transaction in Sales Voucher

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

1. In **Voucher Type** sub form select **Ex – Sales** as the voucher type.
2. Ensure that the **Sales Voucher** is in **Item Invoice Mode**.
3. Enter the **Date** as **18-4-2012**
4. In **Ref** field enter the Sales invoice number
5. In **Excise Unit** field Tally.ERP 9 displays **Aqua Ltd**. as selected during voucher type creation.
6. **Excise Book Name** field displays the name of the excise invoice book (Aqua/Rule11/Book1/12-13) created for the Excise Unit.
7. **Serial No.** field displays the Rule 11 invoice Number e.g. **Aqua/108/12-13**
8. In **Party A/c Name** field select **Intra Technologies** from the List of Ledger Accounts.
9. In **Party Details** sub form, in Sl. No. in PLA/RG 23 field enter the **PLA Entry number** - **8** and accept the other default details.
10. In **Nature of Removal** field select the option **Export** from the list of Types of Removals

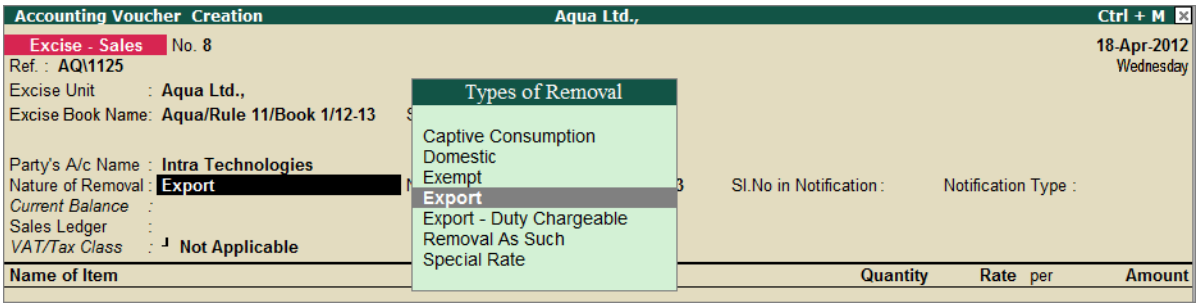


Figure 4.82 Selection of Nature of Removal

11. In **Notification Number** field enter the notification under which the goods are exported. If the Notification number is specified while creating the party ledger application will capture the details from party ledger.
12. In **Notification Serial Number** field enter the serial number of the notification
13. In **Sales Ledger** field select the sales ledger - **Sale - Exports** from the List of Ledger Accounts
14. In **VAT/Tax Class** field the VAT/Tax class selected in the sales ledger will be displayed automatically.
15. In **Name of Item** field select the Stock Item i.e. **AquaPure - 1Ltr**
16. In **Quantity** field enter the quantity as **10,000**
17. In **Rate** field enter the rate as **Rs. 20**. **Amount** will be calculated automatically.

The completed Excise- Sales voucher:

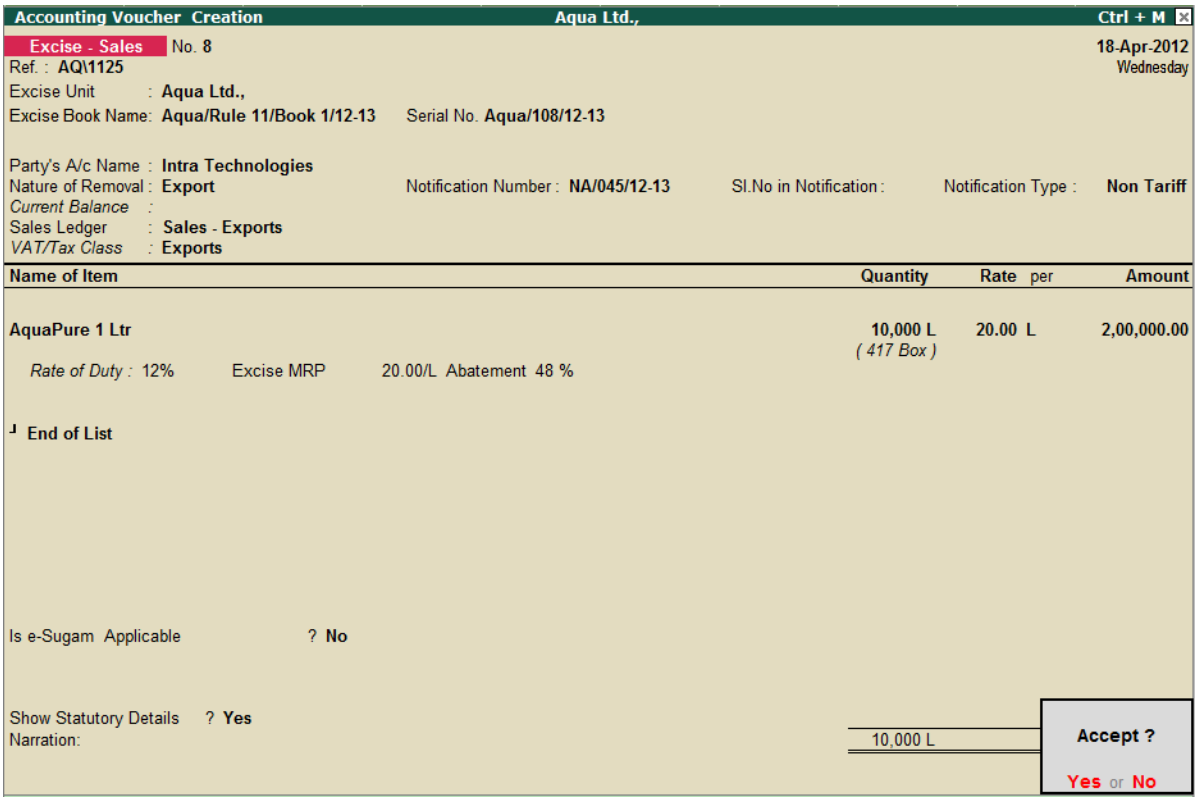


Figure 4.83 Completed Excise Sales – Exports

18.Press **Enter** to accept.

4.15.2 Export of Goods – Duty Chargeable

Example 17:

on 18-4-2012, Aqua Ltd. exported 20000 Litres of AquaSure - 1Ltr at Rs. 35 per Litre to Innovative Infomatics based in Singapore by paying duty to the Government.

To record the above transaction

1. Create the Party (Importer) Ledger
2. Record the Transaction in Sales Voucher

1. Create the Party (importer) Ledger

- Enter the **Name** of the importer in the Name field. E.g. **Innovative Infomatics**
- Select the group **Sundry Debtors** in the **Under** field.
- Set **Maintain Balances Bill by Bill** to **Yes** and enter the Default Credit Period if any.
- Set **Inventory Values are affected** to **No**.
- In **Mailing Details** enter the Importer contact details.
- Enable **Set/Alter Excise Details** to **Yes** to display the Excise Details sub screen.
- In **Excise Details** screen
  - In **Nature of Removal** field select **Export - Duty Chargeable**
  - In **Notification** field enter the notification number under which the goods are exported.

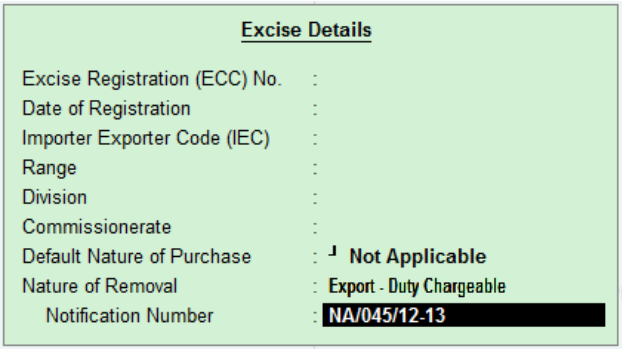


Figure 4.84 Excise Details Screen

- Press **Enter** to accept the **Excise Details** and **Ledger Creation**.

2. Record the Transaction in Sales Voucher

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

1. In **Voucher Type** sub form select **Ex – Sales** as the voucher type.
2. Ensure that the **Sales Voucher** is in **Item Invoice Mode**.
3. Enter the **Date** as **18-4-2012**

4. In **Ref** field enter the sales transaction Reference Number.
5. In **Excise Unit** field Tally.ERP 9 displays **Aqua Ltd**. as selected during voucher type creation.
6. **Excise Book Name** field displays the name of the excise invoice book (Aqua/Rule11/Book1/12-13) created for the Excise Unit.
7. **Serial No.** field displays the Rule 11 invoice Number e.g. **Aqua/109/12-13**
8. In **Party A/c Name** field select **Innovative Infomatics** from the List of Ledger Accounts.
9. In **Party Details** sub form, in Sl. No. in PLA/RG 23 field enter the PLA Entry number - **9** and accept the other default details.
10. In **Nature of Removal** field select the option **Export - Duty Chargeable** from the list of Types of Removals

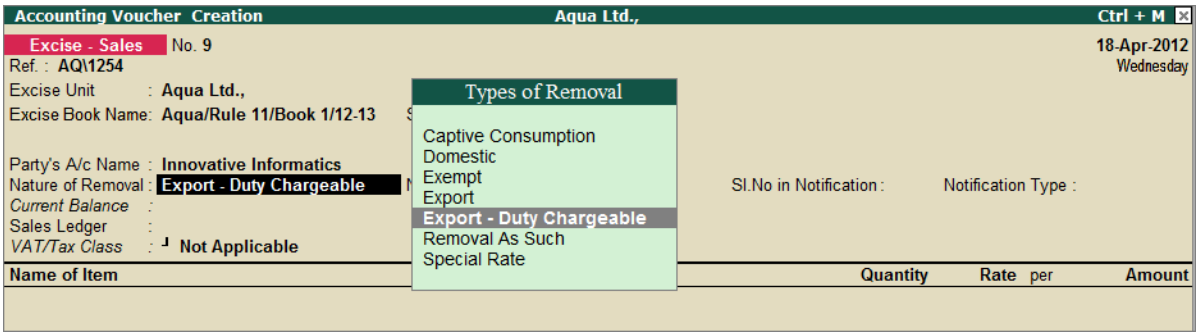


Figure 4.85 Selection of Nature of Removal

11. In **Notification Number** field enter the notification under which the goods are exported. If the Notification number is specified while creating the party ledger application will capture the details from party ledger.
12. In **Notification Serial Number** field enter the serial number of the notification
13. In **Sales Ledger** field select the sales ledger **Sale - Exports** from the List of Ledger Accounts
14. In **VAT/Tax Class** field the VAT/Tax class selected in the sales ledger will be displayed automatically.
15. In **Name of Item** field select the Stock Item i.e. **AquaSure - 1 Ltr**
16. In **Quantity** field enter the quantity as **20,000**
17. In **Rate** field enter the rate as **Rs. 35**. Amount will be calculated automatically.
18. Select Duty Ledger i.e.**Basic Excise Duty @ 12%**. to view Excise Duty Allocation screen
19. In the **Excise Duty Allocation** screen accept the default details as Aqua Ltd. is paying the duty on the transaction assessable Value.

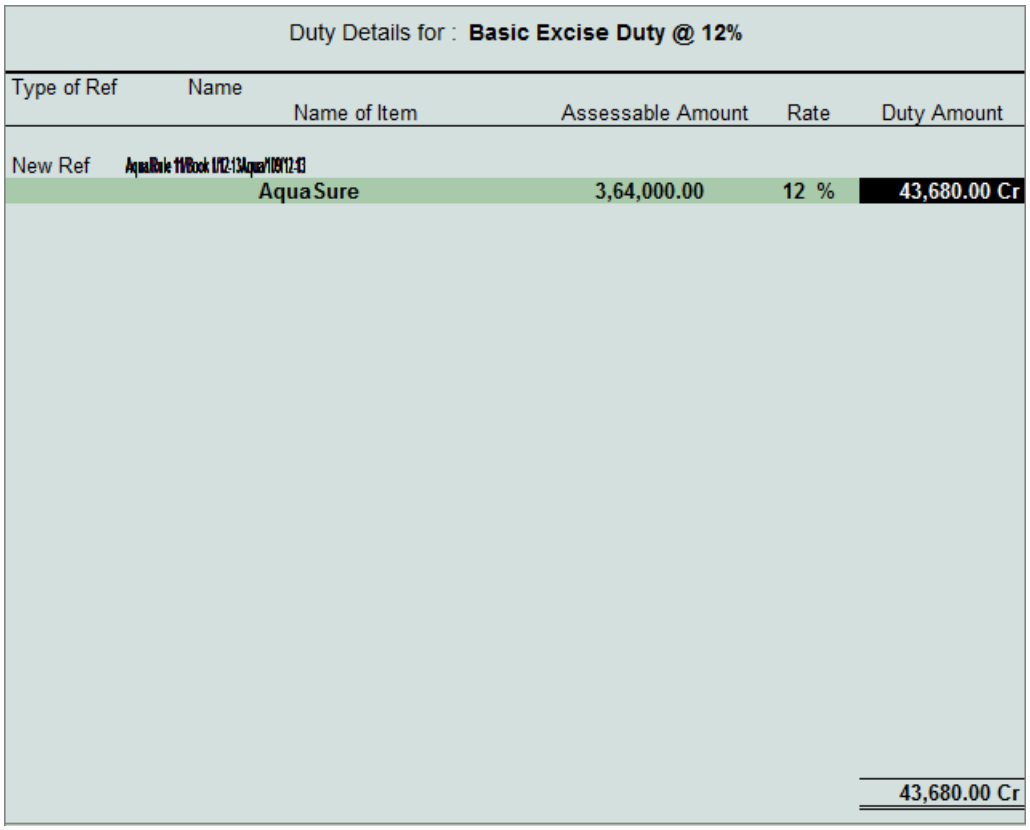


Figure 4.86 Excise Duty Allocation Screen

*If the **Exporter** is paying the duty on the **assessable value** which is different from the **transaction assessable value** then user can alter the assessable value. Similarly **Duty Rate** changes can also be specified in this screen.*

20. Similarly, select **Education Cess** and **Secondary Education Cess** ledger. **Amount** will be calculated and displayed automatically. In Excise Duty Allocation screen accept the Default details.

The completed Sales invoice is displayed as shown:

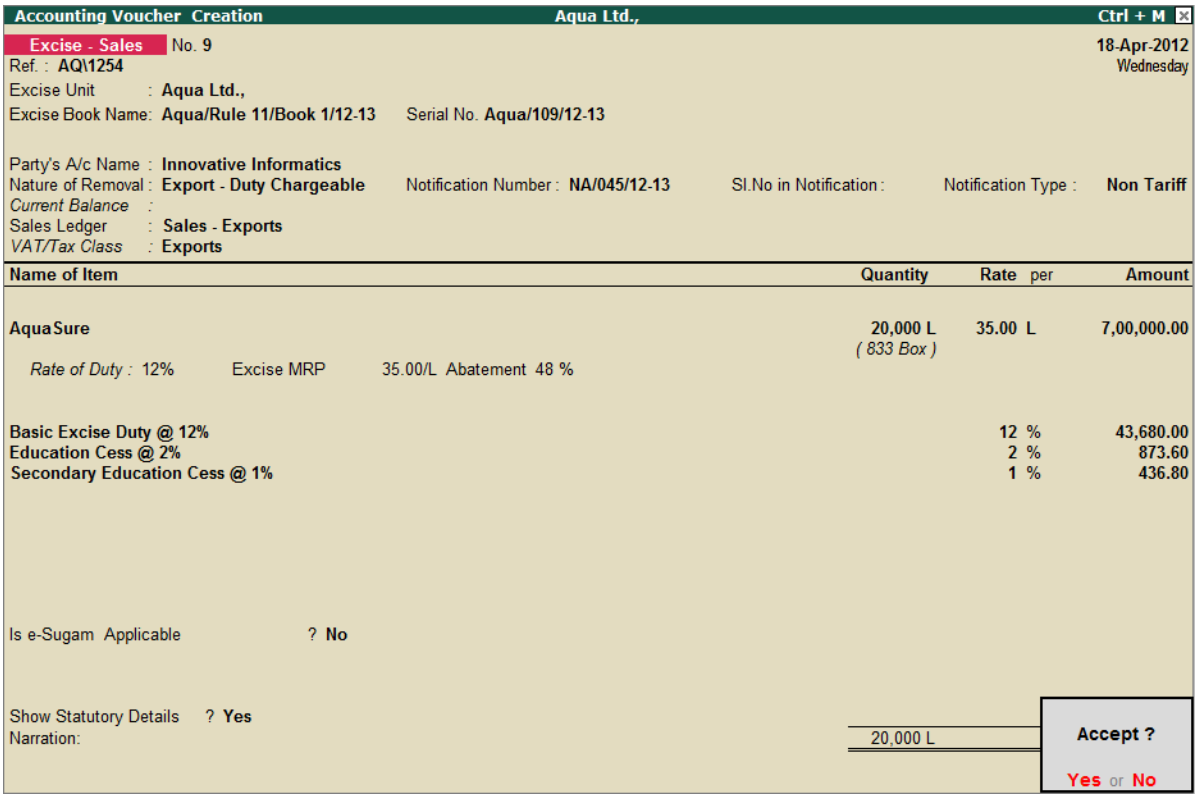


Figure 4.87 Completed Sales Invoice

21.Press **Enter** to accept.

*The claim of **Rebate or Refund of Duty paid** on **exports** can be recorded in **Journal Voucher**.*

4.16 Accounting CENVAT Reversal/Refund

In case of exports under bond, Excise Duty will not be charged. But the Duty already paid on the raw materials which are used for manufacturing the finished goods can be utilised for paying any other duty (Excise or Service Tax). In case if there are no other sales apart from Export Sales, then the Assessee can apply for refund of duties paid on inputs from the Government.

As per the Rule, before applying for Refund, the assessee should reverse the availed CENVAT Credit in the books of accounts.

In Tally.ERP 9 you can record the CENVAT Credit Reversal transactions. To record reversal transactions a new flag **CENVAT Refund/Reversa**l has been provided in Journal Voucher.

Example 18:

Aqua Ltd a manufacturer of Mineral Water, on 21-4-2012 purchased the following Raw materials from Lamcy Manufacturers

Item Name	*Quantity*	*Rate*
Pet Bottles - 1Ltr	*2,00,000*	*Rs. 1*
Bottle Caps	*2,00,000*	*Rs. 0.25*

While accounting the purchases in the books of accounts Aqua Ltd Availed CENVAT Credit

** BED- 25000*

** Education Cess - 500*

** Secondary Education Cess - 250*

Later the above Items were used in the manufacture of goods meant for Export.

On 22-4-2012 Aqua Ltd reversed the CENVAT Credit availed on goods purchased dated 21-4-2012 to claim the refund of Duty on Raw Materials from the department.

To record the above transaction

1. Create a CENVAT Refund Receivable Ledger
2. Record the Excise Purchase voucher (to account purchase & avail Credit)
3. Create Voucher Class for Journal Voucher
4. Record a Journal Voucher (to reverse the credit availed)

1. Create a CENVAT Refund Receivable Ledger

The CENVAT Refund Receivable ledger is a control ledger to account the CENVAT refund receivable. Create this ledger under **Current Assets**.

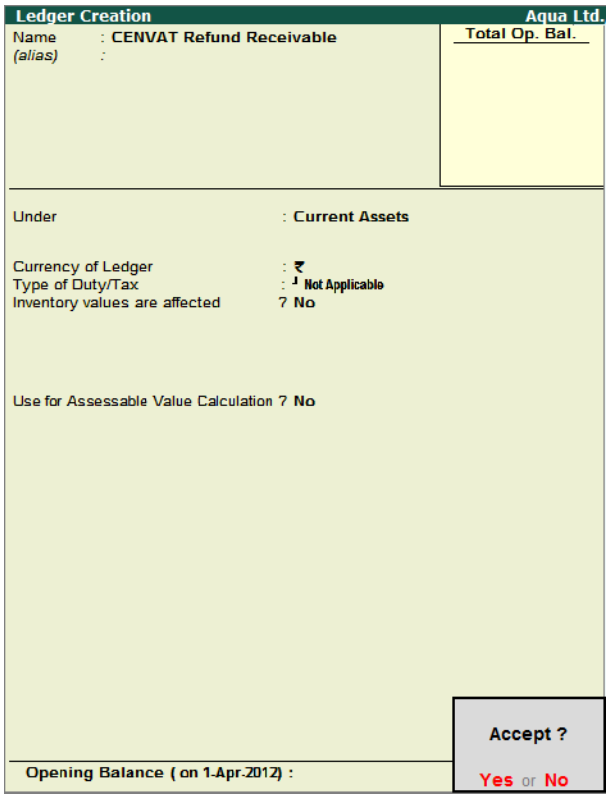


Figure 4.88 Completed Ledger Creation Screen

- Press **Enter** to accept.

2. Record the Excise Purchase Voucher (to account Purchase & Avail Credit)

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

1. In **Voucher Type** sub form select **Excise – Purchases** as the voucher type.
2. Ensure that the **Purchase Voucher** is in **Item Invoice Mode**.
3. Enter the **Date** as **21-4-2012**
4. In **Supplier Invoice No.** field specify the Invoice Number - **LM\5446**
5. In **Excise Unit** field Tally.ERP 9 displays **Aqua Ltd**. as selected during voucher type creation.
6. In **Party A/c Name** field select **Lamcy Manufacturers** from the List of Ledger Accounts.
7. In **Nature of Purchase** field **Manufacturer** will be defaulted as selected in the party ledger.
8. In **Purchase Ledger** field select **Purchase of Raw Materials** from the List of Ledger Accounts.

9. In **VAT/Tax Class** field the Vat Class selected in the Purchase ledger will be displayed automatically.
10. In **Name of Item** field select **Pet Bottles - 1Ltr** from the List of Stock Items
11. In **Quantity** field specify **2,00,000** & **Rate** as **Rs. 1** per bottle. **Amount** will be calculated and displayed automatically.
12. Select **Bottle Caps** as second item in **Name of Item** field
13. In **Quantity** field specify **2,00,000** & **Rate** as **Rs. 0.25** per bottle. **Amount** will be calculated and displayed automatically.
14. Press **Enter** twice and select **(CENVAT)** ledger to account the CENVA Credit on the items purchased. BED amount will be calculated and displayed automatically
15. Similarly, select **Education Cess (CENVAT)** and **Secondary Education Cess (CENVAT)** ledgers.
16. Select **Input VAT ledger** to account the input vat paid on the purchases
16. In **Bill-wise Details**, accept the default bill details

The completed Excise Purchase Voucher is displayed as shown:

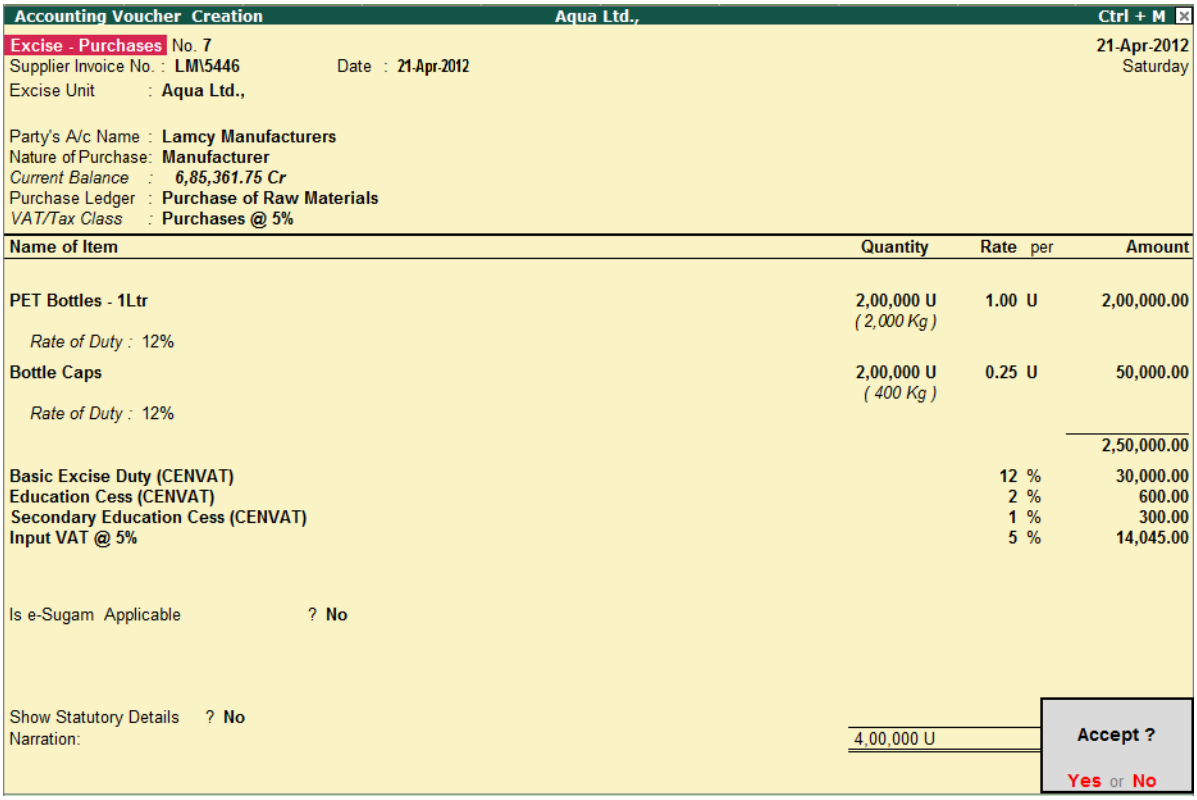


Figure 4.89 Completed Excise Purchase Voucher

17. Press **Enter** to accept.

3. Create Voucher class for Journal Voucher

To create voucher class for Journal voucher

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

In **Voucher Alteration** screen

- Tab down to **Name of Class** field
- In **Name of Class** field enter the class name as **CENVAT Adjustment**

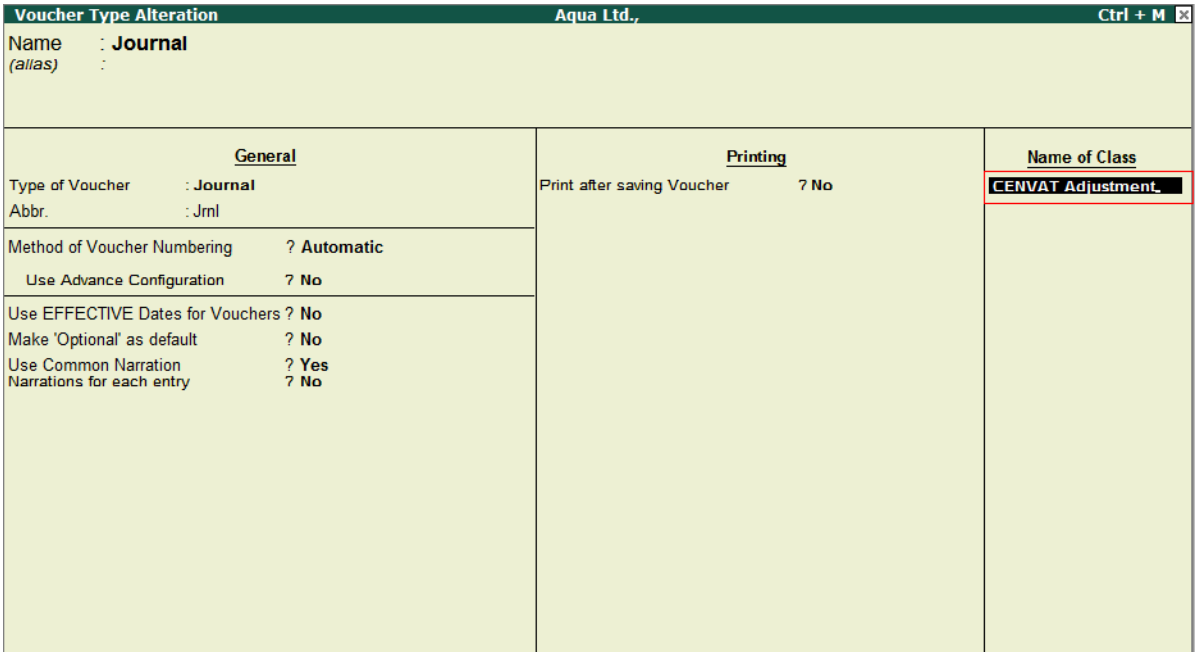


Figure 4.90 Creation of Voucher Class in Journal Voucher

- Press **enter** from Name of Class field to view **Voucher Type Class** screen
- In **Voucher Type Class** screen
  - Set the option **Use Class for Excise/CENVAT Adjustments** to **Yes**

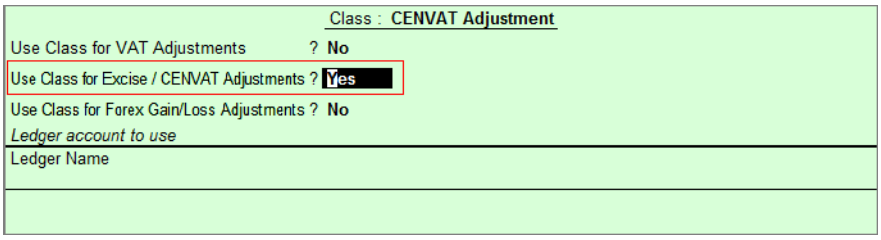


Figure 4.91 Voucher Type Class Screen

- Press **Enter** to save **Voucher Type Class** and **Voucher Type Alteration** screen.

4. Record a Journal Voucher (to reverse the credit availed)

Before recording the CENVAT Reversal transaction in Journal Voucher, ensure a voucher **Class** is created in **Journal Voucher** by enabling the option - **USe Class for Excise/CENVAT Adjustments**.

To record the CENVAT Credit reversal transaction

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

1. In **Change Voucher Type** Screen, select **CENVAT Credit Adjustment** in **Class** field
2. Enter the **Date** as **23-4-2012**
3. In **Used for** field, select **CENVAT Refund/Reversal** from the list of **Excise Adjustments**

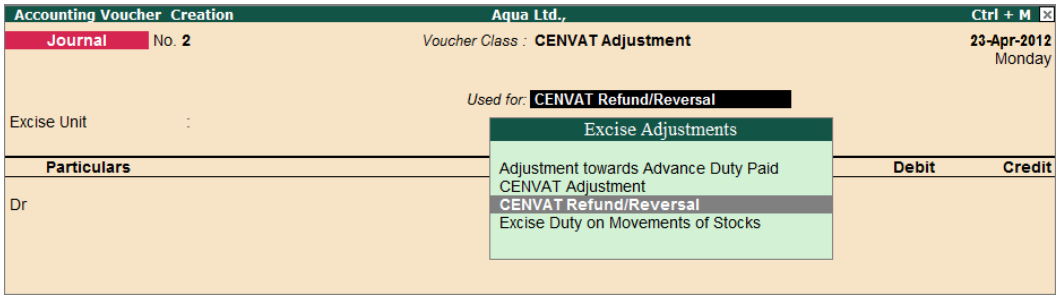


Figure 4.92 Selection of Excise Adjustments

4. In **Excise Unit** field select the Excise unit - **Aqua Ltd.** for which the CENVAT Reversal entry is being recorded.
5. In **Debit** field select **CENVAT Refund Receivable** ledger and in Debit Amount field enter the amount which is to be claimed as refund from the department. In this case Aqua Ltd. is claiming the refund of **Rs. 30,900**
6. In **Credit** field select the **(CENVAT)** and press enter to view the Excise Duty Allocation screen
7. In **Excise Duty Allocation** screen
   - In **Type of Ref** field **Agst Ref** will be defaulted
   - In **Name** field Tally.ERP 9 displays the list of tax bills towards which the credit is already availed

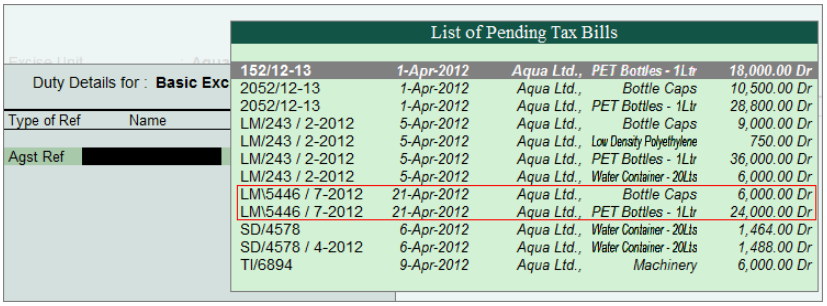


Figure 4.93 Excise Duty Allocation Screen

- In **Name** field select **Bills** towards which the CENVAT Credit refund to be claimed. In this case Aqua Ltd. want to reverse the credit availed on tax bill - **LM\5446**, dated **21-4-2012** for items **Bottle Caps (Rs. 6,000)** and **Pet Bottles - 1 Ltr (Rs. 24,000)**

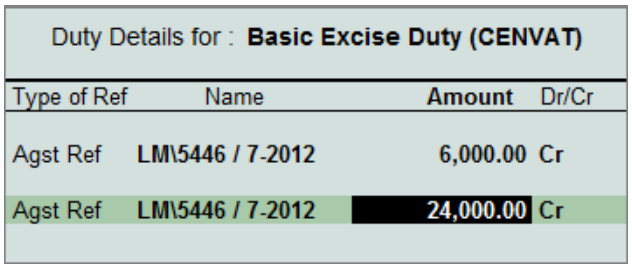


Figure 4.94 Excise Duty Allocation Screen

8. In **Credit** field select **Education Cess (CENVAT)** and press enter. In **Excise Duty Allocation** screen select the tax bill - **LM\4556**, dated **21-4-2012** for items **Bottle Caps (Rs. 120)** and **Pet Bottles - 1 Ltr (Rs. 480)**

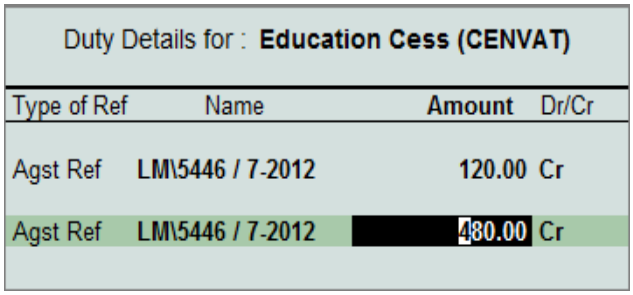


Figure 4.95 Excise Duty Allocation Screen

9. In **Credit** field select **Secondary Education Cess (CENVAT)** and press enter. In **Excise Duty Allocation** screen select the tax bill - **LM\4556**, dated **21-4-2012** for items **Bottle Caps (Rs. 50)** and **Pet Bottles - 1 Ltr (Rs. 200)**
10. Set the option **Provide Details** to **Yes** to specify the period for which the cenvat credit is reversed.

Figure 4.96 Adjustment Details Screen

The completed CENVAT Credit Reversal Journal is displayed as shown:

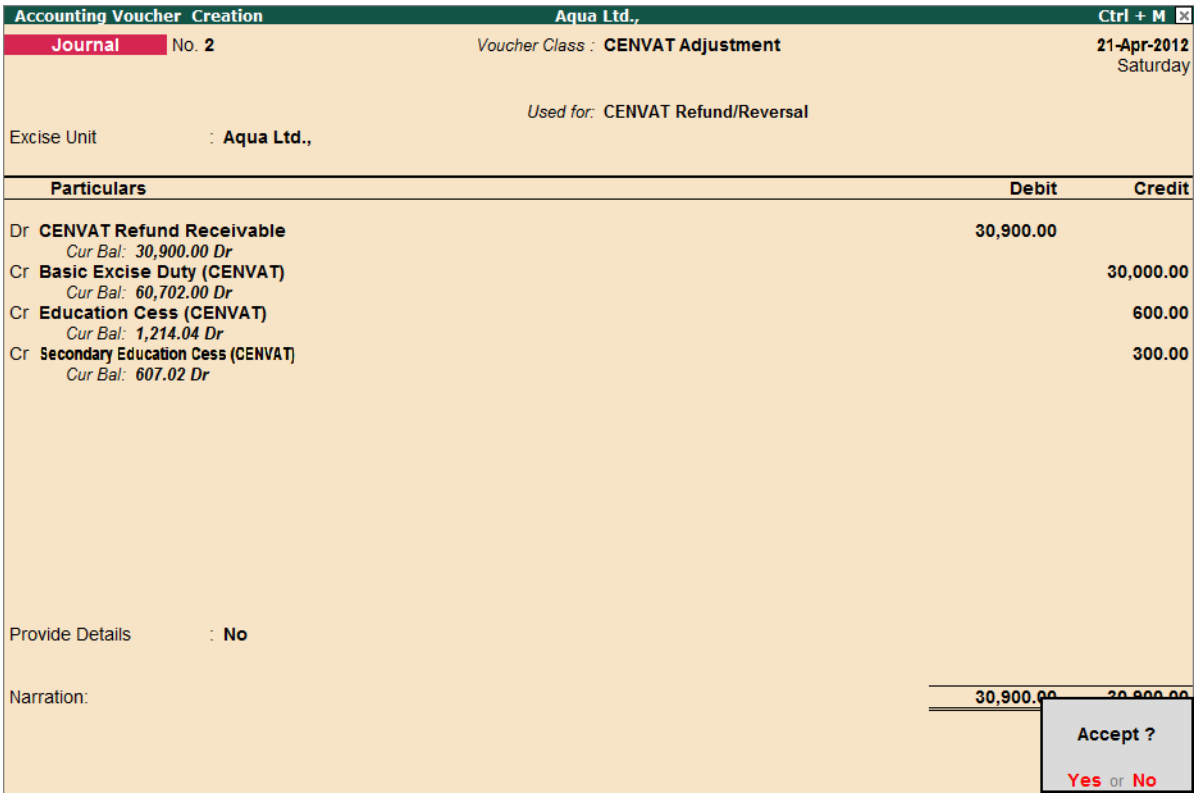


Figure 4.97 Completed CENVAT Refund/Reversal Journal Voucher

11. Press **Enter** to accept.

The **CENVAT Credit Reversal** entry will affect the following **Excise Reports**:

- In **Excise Computation** the CENVAT Credit will be reduced to the extent of Reversal.
- In **Form ER 1** the reversed CENVAT will be shown as utilisation of CENVAT Credit against row number **11 (Credit utilised for payment of Duty on goods)**.
- In **CENVAT Credit Summary** and **Availed** report, the reversal amount will be shown as utilisation.
- In **Abstract** the reversal of CENVAT Credit will appear under the column **Credit Utilised for Payment of Duty on Goods**.
- In **RG 23A Part II**, the CENVAT Credit will be captured under the **Debit columns** and balance will be shown at the end of the report.

4.17 Exempt Sales

Example 19:

on 21-4-2012, Aqua Ltd. sold 10000 Litres of AquaSure - 1Ltr @ Rs. 35 per Lire to Sunidhi Enterprises.

To record the above transaction:

1. Create the Party Ledger
2. Record the Transaction in Sales Voucher

1. Create the Party (importer) Ledger

- Enter the **Name** of the importer in the Name field. E.g. **Sunidhi Enterprises**
- Select the group **Sundry Debtors** in the **Under** field.
- Set **Maintain Balances Bill by Bill** to **Yes** and enter the Default Credit Period if any.
- Set **Inventory Values are affected** to **No**.
- In **Mailing Details** enter the importer contact details.
- Enable **Set/Alter Excise Details** to **Yes** to display the Excise Details sub screen.
- In **Excise Details** screen
  - In **Nature of Removal** field select **Exempt**
  - In **Notification** field enter the notification number under which the goods are exported.

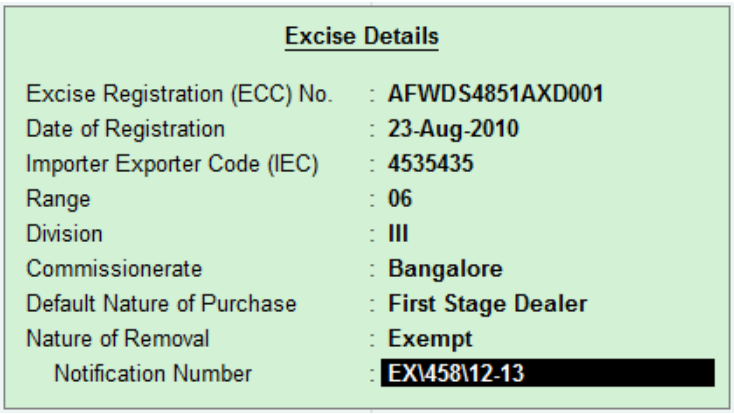


Figure 4.98 Excise Details Screen

- Press **Enter** to accept the **Excise Details** and **Ledger Creation**.

2. Record the Transaction in Sales Voucher

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

1. In **Voucher Type** sub form select **Ex – Sales** as the voucher type.
2. Ensure that the **Sales Voucher** is in **Item Invoice Mode**.
3. Enter the **Date** as **21-4-2012**
4. In **Ref** field enter the sales transaction Reference Number.
5. In **Excise Unit** field Tally.ERP 9 displays **Aqua Ltd**. as selected during voucher type creation.
6. **Excise Book Name** field displays the name of the excise invoice book (Aqua/Rule11/Book1/12-13) created for the Excise Unit.
7. **Serial No.** field displays the Rule 11 invoice Number e.g. **Aqua/110/12-13**
8. In **Party A/c Name** field select **Sunidhi Enterprises** from the List of Ledger Accounts.
9. In **Party Details** sub form, in Sl. No. in PLA/RG 23 field enter the PLA Entry number - **10** and accept the other default details.
10. In **Nature of Removal** field select the option **Exempt** from the list of Types of Removals

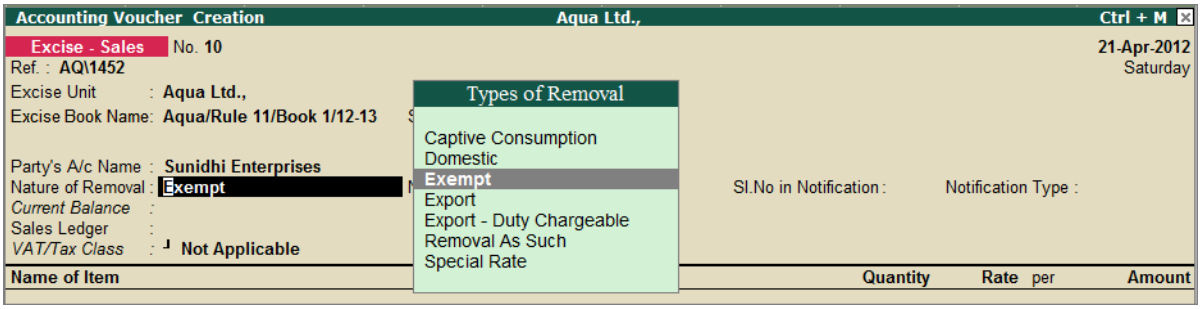


Figure 4.99 Selection of Nature of Removal

11. In **Notification Number** field enter the notification under which the goods are exported. If the Notification number is specified while creating the party ledger application will capture the details from party ledger.
12. In **Notification Serial Number** field enter the serial number of the notification
13. In **Sales Ledger** field select the sales ledger **Sale - Exempt** from the List of Ledger Accounts
14. In **VAT/Tax Class** field the VAT/Tax class selected in the sales ledger will be displayed automatically.
15. In **Name of Item** field select the Stock Item i.e. **AquaSure - 1 Ltr**
16. In **Quantity** field enter the quantity as **10000**. In **Rate** field enter the rate as **Rs. 35**. **Amount** will be calculated automatically.

The completed Sales invoice is displayed as shown:

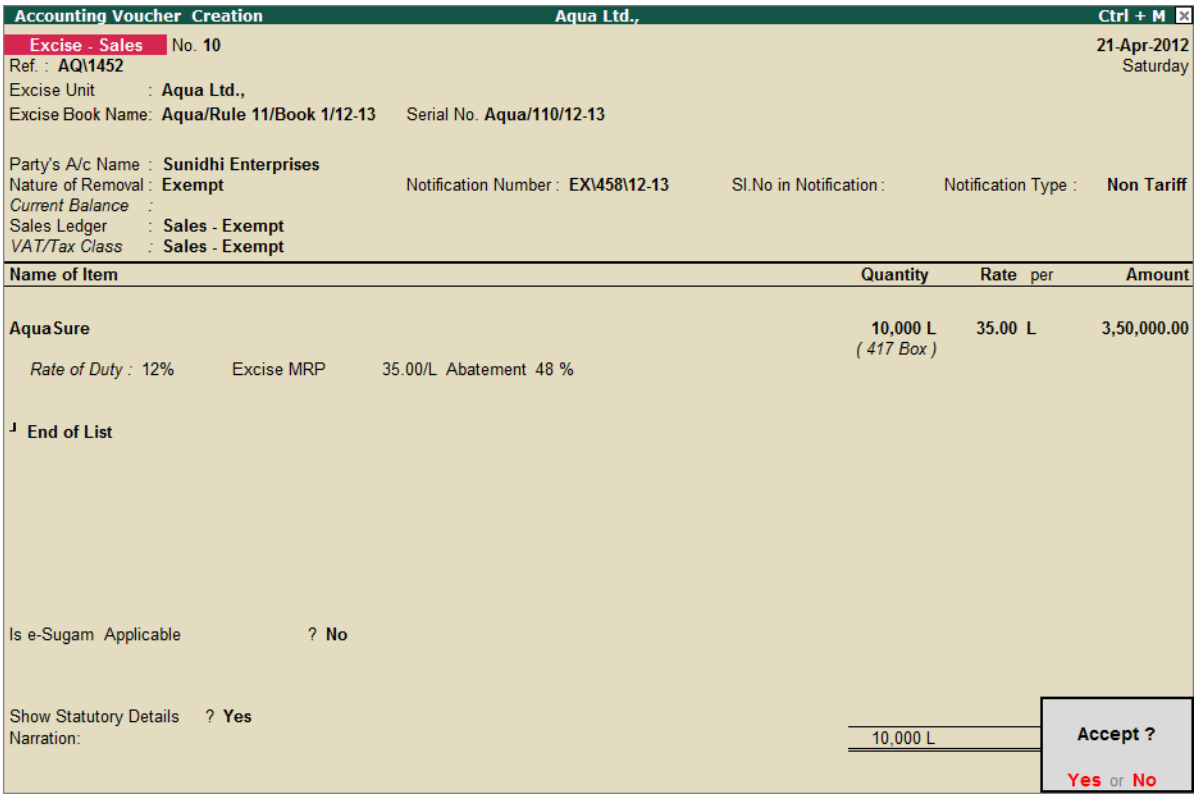


Figure 4.100 Completed Sales Invoice

17.Press **Enter** to accept.

Excise Duty Ledgers *are not selected as the party is claiming the* ***exemption*** *from duty payment.*

4.18 Accounting Amortisation Sales

According to Rule 6 of Central Excise Valuation (determination of price of excisable goods) Rules, 2000 the value of goods manufactured shall be deemed to be the aggregate of **production value** and the amount of **money value** of any additional consideration flowing directly or indirectly from the buyer -

- Value of materials, components, parts and similar items relatable to such goods;
- Value of tools, dies, moulds, drawings, blue prints, technical maps and charts and similar items used in the production of such goods;
- Value of material consumed, including packaging materials, in the production of such goods;
- Value of engineering, development, art work, design work and plans and sketches undertaken elsewhere than in the factory of production and necessary for the production of such goods.

are apportioned to the goods manufactured to calculate the Excise Duty.

Example: A **car manufacturer** gave an order to **Component Manufacturer** to produce **components** as per the **design & specification** given by it. Car manufacturer supplied tools, dies & moulds free of cost to enable the manufacture of automobile components. Tools, dies, moulds etc. have their own life span and will be used for estimated production during their useful life. Consequently, depending upon the expected useful life and/or expected number of units likely to be produced, value of tools, dies, moulds etc. supplied by the car manufacturer free of charge is **appropriately apportioned per unit of production** to calculate the Excise Duty.

Tally.ERP 9 supports recording of amortisation sales by apportioning the cost of any additional consideration flowing from buyer.

Example 20:

on 22-4-2012, Universal Distributors supplied specially designed stickers - 2000 nos with clear instruction that all the mineral water bottles manufactured and supplied by Aqua Ltd should have the Stickers supplied by them.

The cost of stickers supplied are Rs.2000(Rs. 1per sticker).

On 25-4-2012 Aqua Ltd sold 1,500 litres of AquaSure - 1Ltr (with specially designed stickers supplied by the customer) @ 35 per Litre and considered the cost of stickers supplied by the customer to calculate the Excise Duty.

To record the above transaction

1. Create Expense Ledger
2. Record the Transaction in Excise Sales Voucher

Step 1: Create Expense Ledger

To apportion the cost of the tools, dies, moulds, packing materials etc supplied by the Customer which are used in the manufacture of Finished goods create a ledger under Indirect Expenses

To create the Ledger,

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

- In **Name** field enter the name of the expenses ledger - **Stickers (Amortisation Exp.)**
- In **Under** field select **Indirect Expenses**
- Set the option **Inventory values are affected** to **No**
- In **Type of Ledger** field select **Not Applicable**
- Set the option **Use for Assessable Value Calculation** to **Yes**
  - In **Apportion for** field select **Excise** from the list of **Duty/Tax Type**
  - In **Method of Apportion** select **Based on Quantity** from **Method of Apportion** list

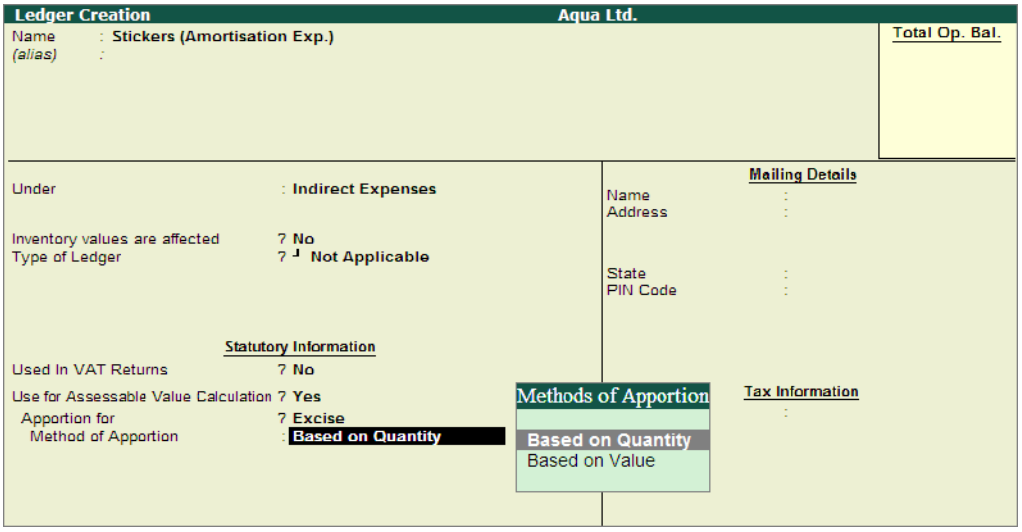


Figure 4.101 Selection of Method of Apportion

*You can select the **Method of Apportion - Based on Quantity** or **Based on Value** which ever is appropriate.*

*In this case Aqua Ltd. has selected **Based on Quantity**, as cost of stickers are appropriated to the quantity of item sold.*

- Press **Enter** to accept.

Step 2: Record the Transaction in Excise Sales Voucher

To create a Sales Voucher

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

1. In **Voucher Type** sub form select **Ex – Sales** as the voucher type.
2. Enter the **Date** as **25-4-2012**.
3. In **Ref** field enter the sales reference number
4. In **Excise Unit** field Tally.ERP 9 displays **Aqua Ltd.** as selected during voucher type creation.
5. **Excise Book Name** field displays the name of the excise invoice book (Aqua/Rule11/Book1/12-13) created for the Excise Unit.
6. **Serial No.** field displays the Rule 11 invoice Number e.g. **Aqua/111/12-13**.
7. In **Party A/c Name** field select **Universal Distributors** from the List of Ledger Accounts.
8. In **Party Details** sub form enter the Despatch Details & enter **11** in **Sl. No.PLA/RG 23 Number**
9. In **Nature of Removal** field select the option **Domestic** from the list of Types of Removals and skip **Notification Number** field.
10. In **Sales Ledger** field select the ledger **Sales @ 13.5%** from the List of Ledger Accounts.
11. **VAT/Tax Class** field automatically gets updated with the VAT/Tax class as selected in the sales ledger, which can be changed.
12. In **Name of Item** field select the Stock Item i.e. **AquaSure – 1 Ltr**.
13. In **Quantity** field enter the quantity as **1,500**.
14. In **Rate** field enter the rate as **Rs. 35**. **Amount** will be calculated and displayed automatically.
15. Press enter twice and select **Stickers (Amortisation Exp.)** ledger to amortise the stickers cost to the goods manufactured & sold to the customer. In Amount field mention **Rs. 1,500** (Rs. 1 per sticker- 1500 mineral water bottles are manufactured with specially designed stickers)

Cost of stickers *will be considered only to* ***calculate*** *the* ***Excise Duty***

16. Select Duty Ledger i.e. **Basic Excise Duty @ 12%**. Amount will be calculated and displayed automatically.

Excise Duty *is calculated on* ***Assessable Value*** *which is inclusive of* ***amortisation expenses*** *(30000 + 1500).*

17. Select **Education Cess @ 2%** and **Secondary Education Cess @ 1%** ledgers. **Amount** will be calculated and displayed automatically.
18. Select **Output VAT @ 13.5%** as the VAT duty ledger. Amount will be displayed automatically.

*To **calculate VAT** Tally.ERP 9 will not consider the **sticker cost**.*

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

The completed Excise Sales Voucher is displayed as shown

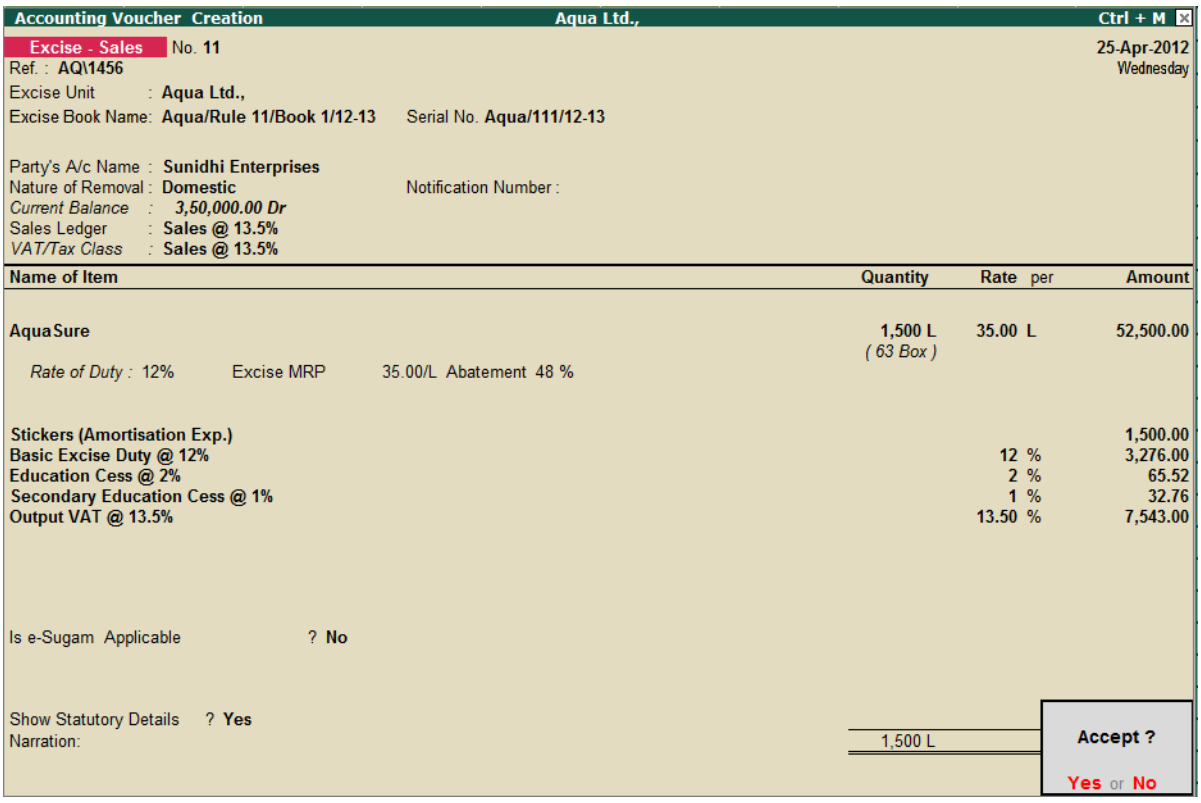


Figure 4.102 Completed Excise Sales Voucher

20. Press **Enter** to save.

The Rule 11 Invoice printed for amortisation sales appears as shown

Excise Invoice

(ISSUE OF INVOICE UNDER RULE 11 OF CENTRAL EXCISE RULES 2002)

Aqua Ltd.,
55, Koramangala Industrial Area, Bengaluru
Phone : 08055647825 / E-mail : sales@aqua.com

VAT TIN : **11004578123**
CST No. : **42514878245**
Excise Regn No.: **AAPCL2149RXM001**
Range : Koramangala I/II/6th Floor, A Wing, Kendriya Sadhan,Koramangala, Bangalore Urban 560034
Division : Division II / 02 / 7th Floor, C Wing, Kendriya Sadhan, Koramangala, Bangalore Urban 560034
Commissionerate : Bangalore I / 09 / PB No. 5400, Queen's Road,CR Building, Bangalore GPO, Bangalore Urban 560001

Buyer
Sunidhi Enterprises
100, 1st Main I Stage
KHB Colony Basveswarnagar
Bangalore

Excise Regn No.: **AFWDS4851AXD001**
Range : **06**
Division : **III**
Commissionerate : **Bangalore**
Notification No. : **EX\458\12-13**

Invoice No. **Aqua/111/12-13**	Dated **25-Apr-2012**
Buyer's Order No.	Dated
Delivery Note	Dated
Supplier's Ref. **AQ\1456**	Despatch Document No.
Despatched through	Destination
Date & Time of issue of Invoice **25-Apr-2012 at 16:15**	Motor Vehicle No.
Date & Time of Removal of Goods **25-Apr-2012 at 16:15**	Authenticated By ***for Aqua Ltd.,***
Mode/Terms of Payment	*Authorised Signatory*

Sl No.	Description of Goods	Tariff / HSN Classification	Quantity	Rate	per	Amount
1	AquaSure	22011010	1,500 L (63 Box)	35.00	L	52,500.00
	Stickers (Amortisation Exp.)					1,500.00
	Basic Excise Duty @ 12%			12	%	3,276.00
	Education Cess @ 2%			2	%	65.52
	Secondary Education Cess @ 1%			1	%	32.76
	Output VAT @ 13.5% (55,874.28)			13.50	%	7,543.00
	Total		**1,500 L**			**₹ 64,917.28**

Amount Chargeable (in words) : **INR Sixty Four Thousand Nine Hundred Seventeen and Twenty Eight paise Only**
VAT Amount (in words) **INR Seven Thousand Five Hundred Forty Three Only (₹ 7,543.00)**

Description of Goods	Assessable Value	Rate of BED	BED Amount	Rate of Ed Cess	Ed Cess Amount	Rate of Sec Ed Cess	Sec Ed Cess Amount
AquaSure (MRP: 35.00/L Abatement: 48%)	27,300.00	12 %	3,276.00	2 %	65.52	1 %	32.76
Total	**27,300.00**		**3,276.00**		**65.52**		**32.76**

Amount of Duty (in words) : **INR Three Thousand Two Hundred Seventy Six Only**
Amount of Cess (in words) : **INR Ninety Eight and Twenty Eight paise Only**

Serial No. in PLA/RG-23 : **11**

Declaration : We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.

for Aqua Ltd.,

Authorised Signatory

This is a Computer Generated Invoice

E. & O.E

Figure 4.103 Print Preview of Rule 11 Invoice

4.19 Sale of Cement

According to Budget 2012, Portland Cement has been notified under section 4A of the central Excise Act. To rationalize the excise duty levied from cement manufacturers, Central Government has prescribed a uniform rate of duty across cement manufacturing plants.

As per new duty rates announced in Budget 2012, Cement manufacturers have to calculate Excise duty on Ad valorem @ 6% of assessable value+ Fixed rate per MT.

Facility to calculate Excise duty on MRP (Ad Valorem + Ad Quantum) has been provided in Tally. ERP 9 from Release 3.3

To explain this context, let us consider Aqua Ltd., has now started manufacturing & trading with Cements.

Example 21:

On 26-4-2012, Aqua Ltd., sold 20,000 kgs of Aqua Cements to Shubh Distributors at the rate of Rs. 20 per kg.

To account this sales transaction, follow the steps below:

Step 1: Create Stock Item

To create the stock item - **Cement** follow the instructions below:

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

1. Enter '**Aqua Cements**' in the **Name** field.

2. Select '**Primary**' as the group in the field - **Under**.

3. Select **'kg'** as the Unit of Measurement in the **Units** field.

4. Select **MT** as the alternate unit (Use Alt+C and create the unit if you have'nt created the Unit of Measurement - MT i.e., Metric Tons)

5. Specify **1MT=1000 kg** in the 'where' field.

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

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

8. In the **Excise Details** Screen,

- **Excise Unit Name**: By default Tally.ERP 9 displays **Aqua Ltd.**, as Excise Unit Name.
- **Reporting UOM**: Select **Kg** as Reporting UOM. All the reports will display the Stock item details based on the reporting UOM selected.
- **Set/Alter Duty Details**: Set this field to **Yes** to view the Duty Details screen.
- In the **'Duty Details For:'** sub-screen,
  - In **Valuation Type** field select **MRP**(**Valorem + Quantum)** from the List of Valuation Type.
  - Fill in details like **Applicable From**, **MRP Rate** and **Abatement** in the '**Duty Details For**:' sub-screen.

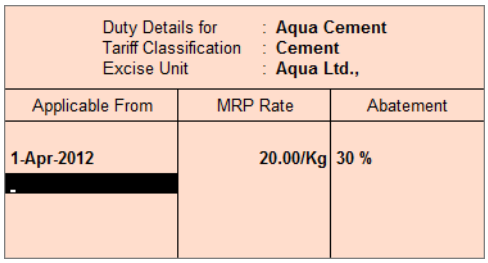


Figure 4.104 Duty Details for sub-screen

- Select the **Basic Excise Duty** in the Type of Duty filed from the List of Excise Duty classifications.
- In **Applicable From** field mention the Date from when the specified Rate of Duty is applicable.
- In **Rate of Duty** field mention **6%** in Valorem percentage and mention the Quantum Value as **0.12**

For Cement Quantum Value is on the Metric Tones. For Stock Item ACC Cement we have taken the Reporting UOM as KG, in Quantum Value field we have converted the Quantum Value for KG.

Rs. 120/ 1000 Kgs =0.12.

If the User has mentioned the Reporting UOM as MT can directly mention the Fixed Rate Rs. 120 in Quantum Value/per field.

- Select the **Education Cess** as the second duty in the Type of Duty filed from the List of Excise Duty classifications.
- In **Applicable From** field mention the Date from when the specified Rate of Duty is applicable.
- Specify the Rate of Duty as **2%**.
- Select the **Secondary Education Cess** as the third duty in the Type of Duty filed from the List of Excise Duty classifications.
- In **Applicable From** field mention the Date from when the specified Rate of Duty is applicable.
- Specify the Rate of Duty as **1%**.

The completed 'Duty Details For:' screen appears as shown:

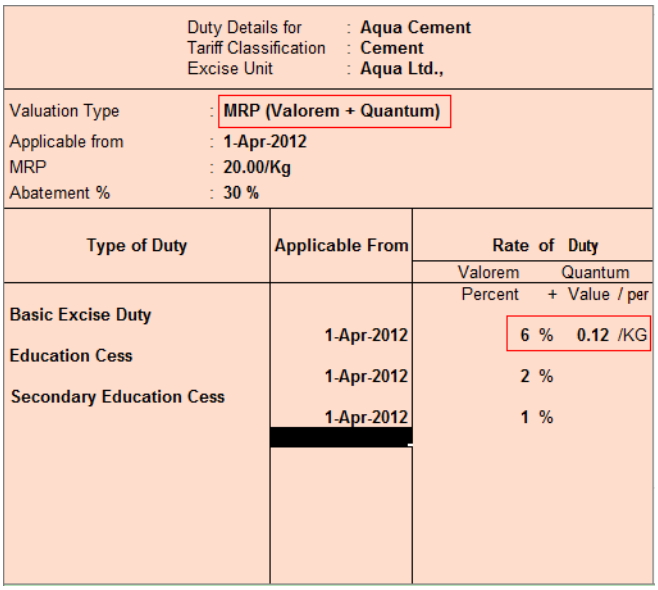


Figure 4.105 Duty Details for screen

- In **Excise Details** screen, under **Stock Item Type** field select **Finished Goods** from the List of Item Types.
- Enter opening balance if required.

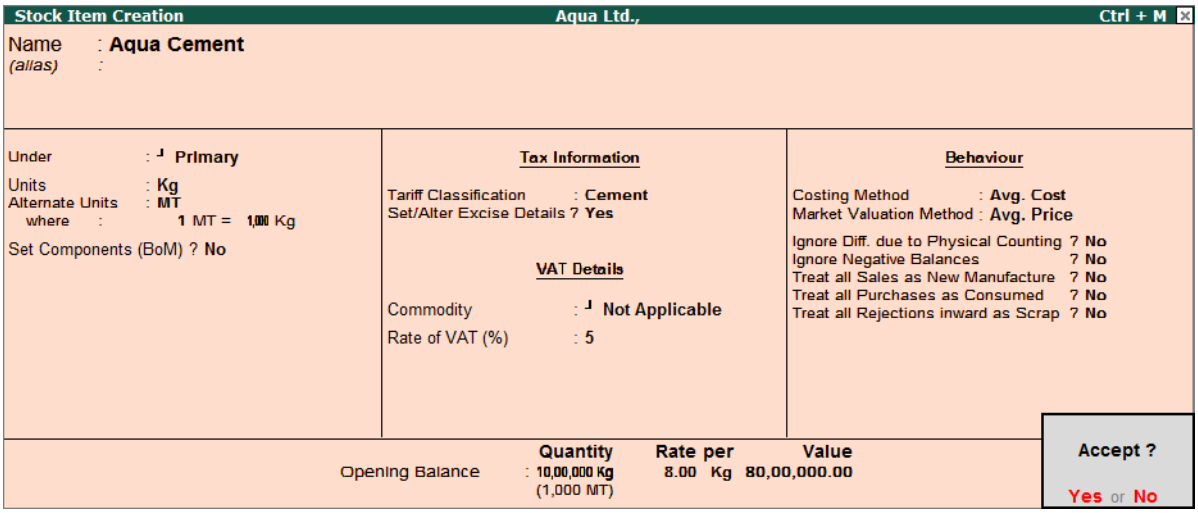


Figure 4.106 Completed Stock Item Creation screen

9. Press Enter to accept and save the **Stock Item Creation** screen.

Step 2: Create Excise Duty Ledgers to Account Ad Valorem Duty

To create **Basic Excise Duty @ 6%** Ledger,

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

1. Enter the Name of the excise duty ledger as **Basic Excise Duty @ 6%**.
2. Select **Duties & Taxes** as the group name in the Under field.
3. Select **Excise** from the Type of Duty/Tax list in the field Type of Duty/Tax.
4. In Excise Accounting Code field enter the accounting code of **Basic Excise Duty- 00380003**.
5. In Duty Head field select **Basic Excise Duty** from the List of Excise Duty Classification.
6. Set the option Inventory values are affected to **No**.
7. In percentage of Calculation field enter **6%** as the percentage of calculation.
8. In Method of Calculation field, select **On Assessable Value** as the method of calculation.
9. Select **Not Applicable** in Rounding Method field.

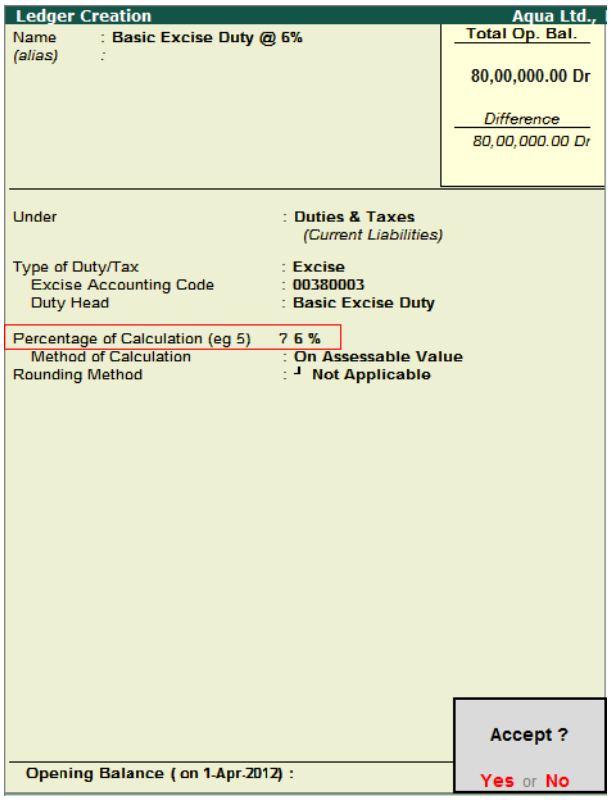


Figure 4.107 Basic Excise Duty Ledger Creation

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

Similarly, ledgers have to be created for **Education Cess** and **Secondary Education Cess**.

Step 3: Create Excise Duty Ledger to account Fixed Amount of Duty

To create **Basic Excise Duty (Fixed Amount)** Ledger,

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

1. Enter the Name of the excise duty ledger as **Basic Excise Duty (Fixed Amount).**
2. Select **Duties & Taxes** as the group name in the Under field.
3. Select **Excise** from the Type of Duty/Tax list in the field Type of Duty/Tax.
4. In **Excise Accounting Code** field enter the accounting code of Basic Excise Duty- **00380003**.
5. In Duty Head field select **Basic Excise Duty** from the List of Excise Duty Classification.
6. Set the option Inventory values are affected to **No**.
7. In Percentage of Calculation field enter **1%** as the percentage of calculation.

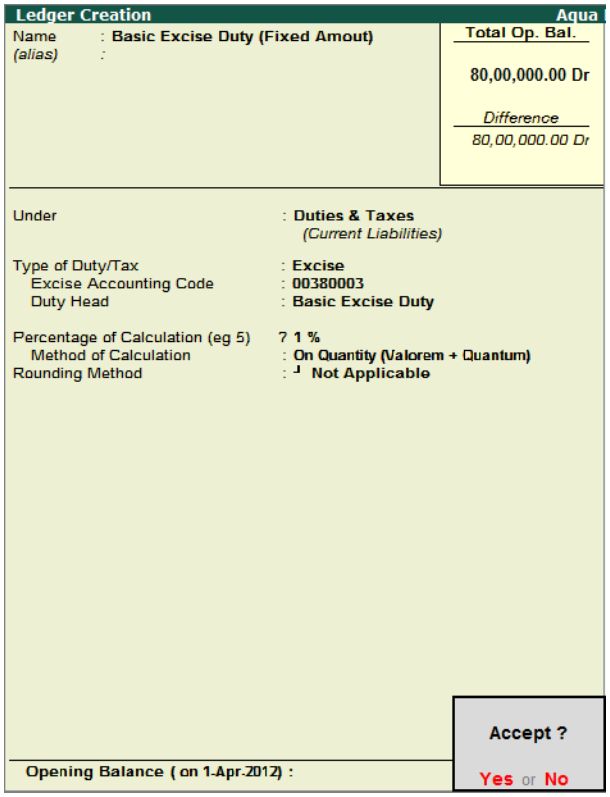


Figure 4.108 Basic Excise Duty (Fixed Amount) Ledger Creation

8. **Accept** and **Save** the Ledger.

Step 4: Record Transaction in Excise Sales Voucher

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

1. In Voucher Type sub form select **Excise – Sales** as the voucher type
2. Ensure that the Sales Voucher is in Item Invoice Mode.
3. Enter the Date as **26- 04 -2012**
4. Enter the Ref details as **AQ/1125**
5. In Excise Unit field Tally.ERP 9 displays **Aqua Ltd.,** as selected during voucher type creation.
6. Excise Book Name field displays the name of the excise invoice book (**Aqua/Rule11/Book1/12-13**) created for the Excise Unit.
7. Serial No. field displays the Rule 11 invoice Number e.g. **Aqua/113/12-13**
8. In Party A/c Name field select **Shubh Distributors** from the List of Ledger Accounts.
9. In Party Details sub form accept the default details.
10. In Nature of Removal field select **Domestic** from the list of Types of Removals.
11. Skip the Notification Number field
12. In Sales Ledger field select the ledger **Sales @ 5%** from the List of Ledger Accounts.
13. VAT/Tax Class field automatically gets updated with the VAT/Tax class as selected in the sales ledger, which can be changed.
14. In Name of Item field select **Aqua Cements**
15. Fill in the required details in Item allocation screen.
16. Enter quantity as **20,000 Kgs** and rate as **Rs.20/Kg**
17. Select Duty ledger i.e. **Basic Excise Duty @ 6%**. Amount will be calculated on 6% of the assessable Value automatically.
18. Select the ledger **Basic Excise Duty (Fixed Amount)** to calculate the duty based on Quantity as defined in the stock item master.
19. Select **Education Cess @ 2%** and **Secondary Education Cess @ 1%** ledgers. Amount will be calculated and displayed automatically.
20. Select the ledger - **Output VAT @ 5%**. The amount will be displayed automatically.
21. Enable the option - **Show Statutory Details**.
22. Click **Alt+F1: Detailed** button. A detailed view of the calculation of Excise and VAT is displayed.

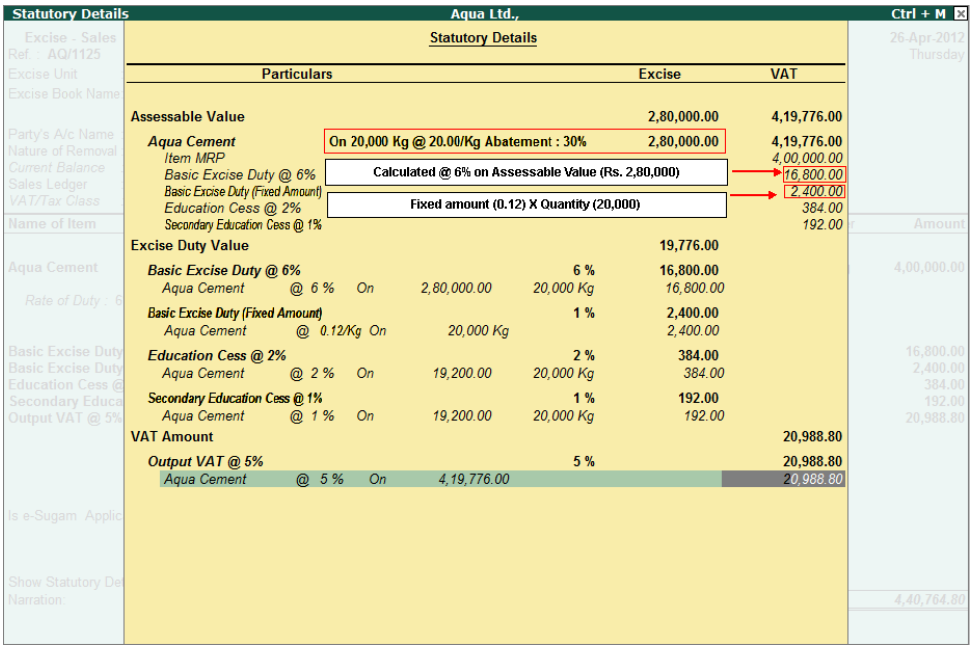


Figure 4.109 Statutory Details

23.Accept the default Bill allocation screen.

24.Enter Narration if required.

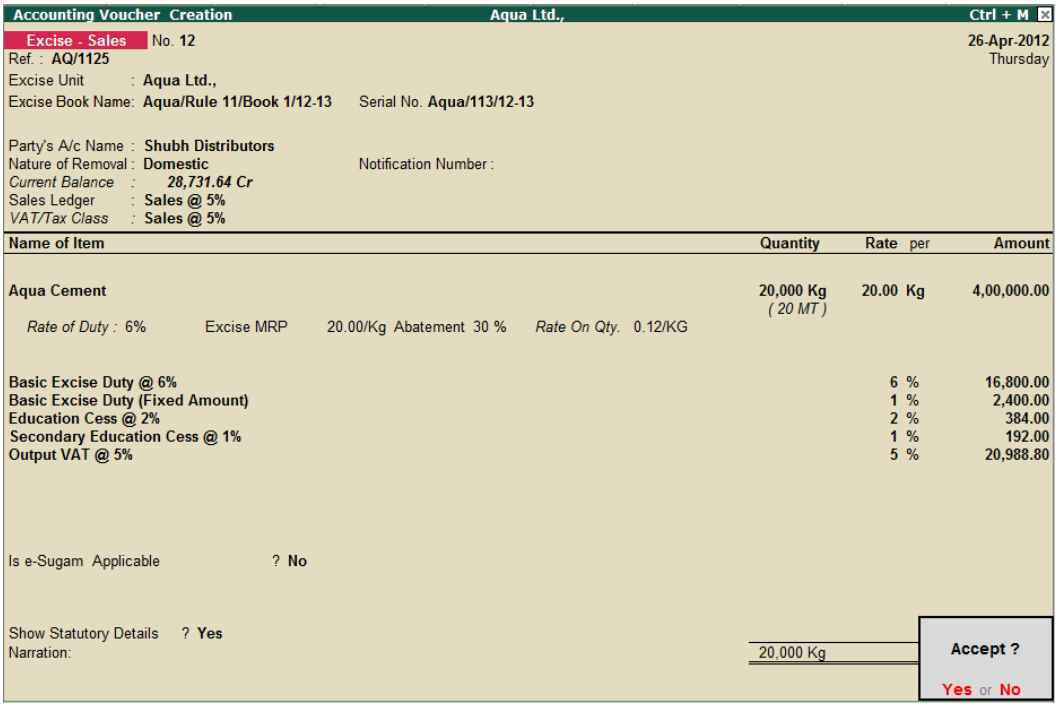


Figure 4.110 Completed Sales Voucher

25. Press Enter to accept and save the voucher.

4.20 Excise Stock Transfer

The transfer for Exciseable goods from the Manufacturing godown to a godown in the branch office is called 'Stock Transfer'.

Stock Transfer attracts Excise Duty and hence manufacturers are liable to pay Excise Duty whenever they transfer goods from one godown to another.

Let us see how stock transfer can be accounted for in Tally.ERP 9 by using a user defined voucher type - **Excise Stock Transfer**.

Example 22:

On 26-04-2012, Aqua Ltd., moved AquaKing 20L at Rs. 25 per unit from the Koramangala godown to their godown in Hebbal

Follow the steps given below to record an Excise Stock transfer transcation:

Step 1: Creating 'Excise Stock Transfer' Voucher Type

To create the voucher type - Excise Stock Transfer,

1. Go to **F11: Features (F2: Inventory Features)**
2. Enable the option - **Allow Job Order Processing?**

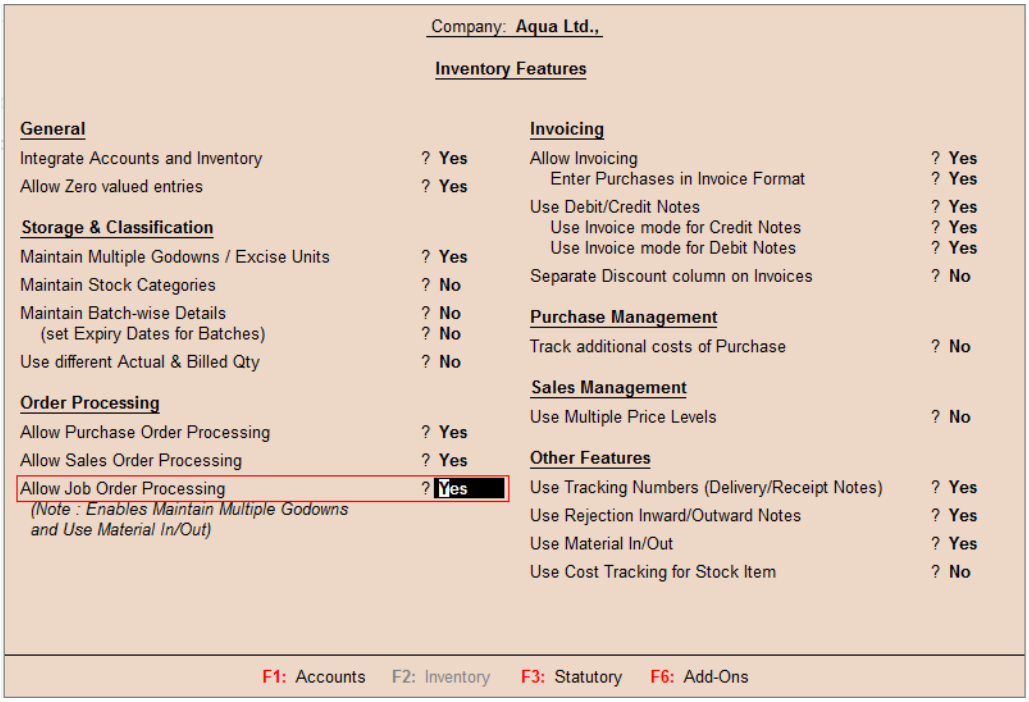


Figure 4.111 Enabling Job Order Processing

3. Go to **Gateway of Tally** > **Accounts Info.** > **Voucher Types > Create**
4. Enter the Name of Voucher as - **Excise Stock Transfer**.
5. Select the Voucher Type - **Material Out**.
6. Enable the option - **Use for Excise**.

*Do not enable the option - **Use for Job Work?***

7. Select **Aqua Ltd.,** as the default excise unit.
8. Set '**Use for Stock /Branch Transfer**' to Yes.

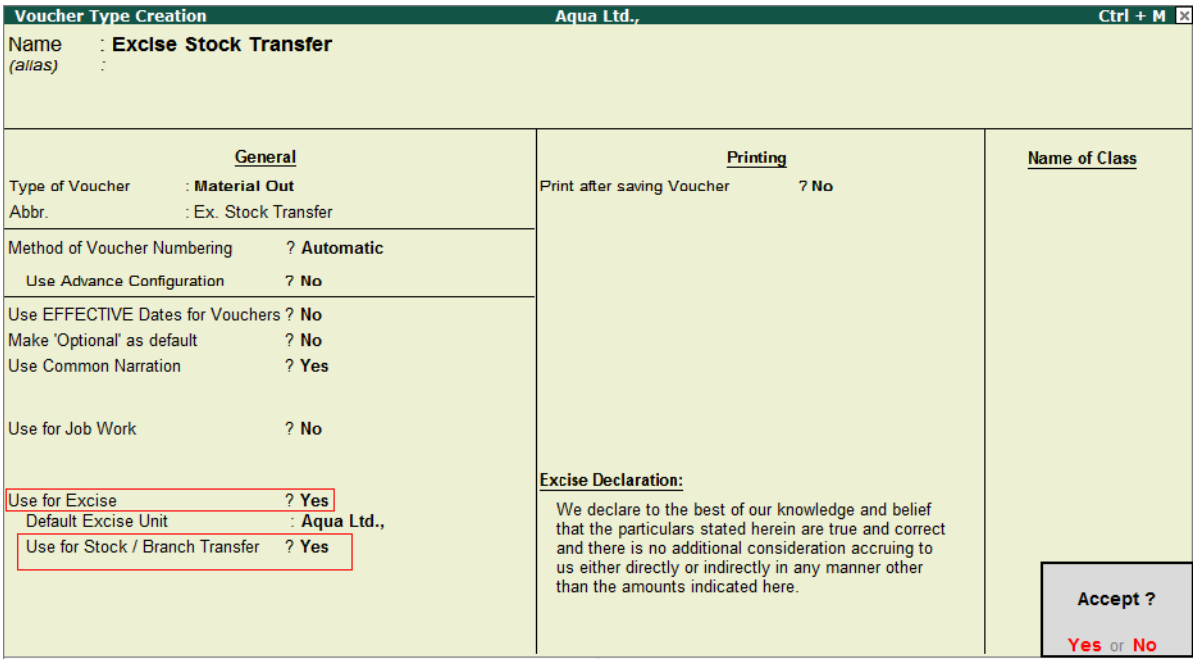


Figure 4.112 Excise Stock Transfer voucher creation

9. Press **Enter** to accept and save the voucher.

Step 2: Create a Branch Godown/ Branch Excise Unit

Let us now create a Branch Godown which is located in Hebbal.

To create a branch godown,

1. Go to **Gateway of Tally** > **Inventory Info.** > **Godowns / Excise Units** > **Create**.
2. Enter the Name as - **Hebbal Godow.**
3. Set the option - **Our stock with Third Party** to **Yes**.

The completed Godown Creation Screen appears as follows:

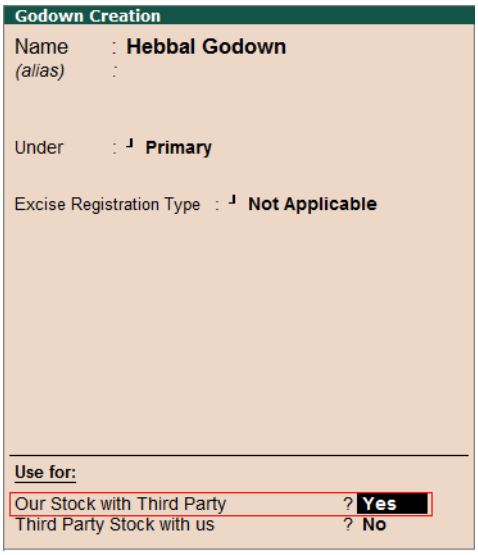


Figure 4.113 Branch Godown Creation Screen

4. Press **Enter** to save.

Step 3: Recording an Excise Stock Transfer

To record the Excise Stock Transfer Voucher,

1. Go to **Gateway of Tally** > **Inventory Vouchers** > **Ctrl+J Material Out**
2. Select Excise Stock Transfer Voucher Type from the **List of Voucher Types**.

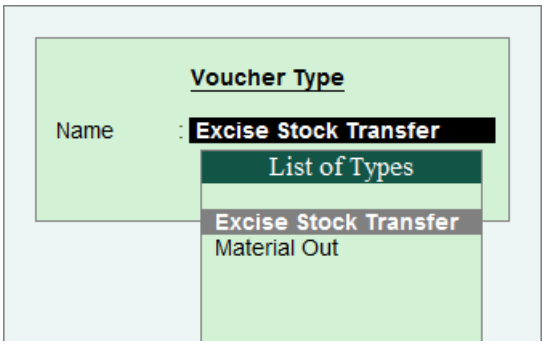


Figure 4.114 Selection of Voucher Class

3. Enter the date as **26-04-2012**.
4. Enter the Ref No. **AQ\122\12-13**
5. **Aqua Ltd.,** appears as the Excise Unit by default.
6. Excise Book name and Serial No will automatically get filled as defined in F11 Features.
7. In the field - **Party's A/c Name**, select **Hebbal Branch** created under **Sundry Debtors**.

8. Fill in the Party Details sub-screen that appears:

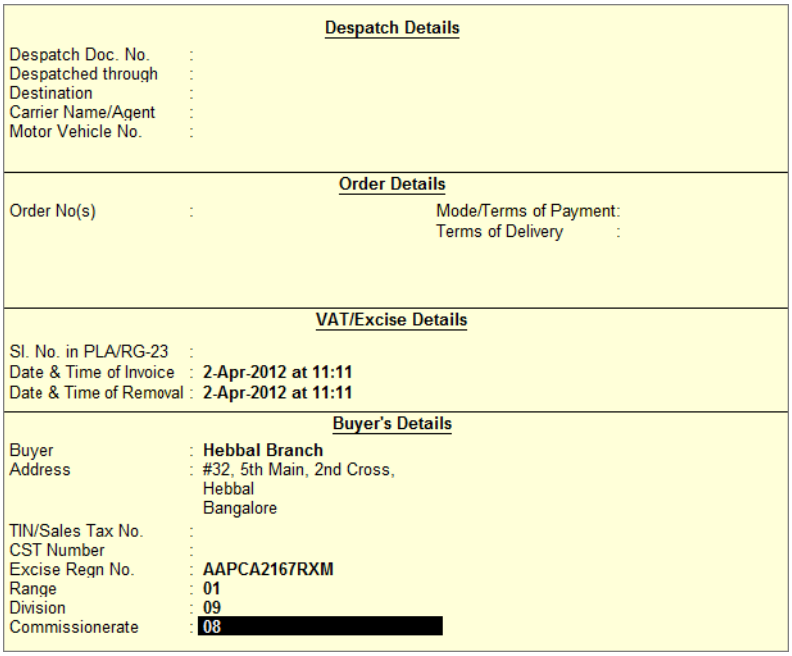


Figure 4.115 Party Details Subscreen

9. Select **Domestic** as the **Nature of Removal**.
10. Select **Hebbal Godown** as the **Destination Godown**.
11. Select the item - **AquaKing 20L** under the field '**Name of Item**'.
12. Fill in the item allocation screen as follows:

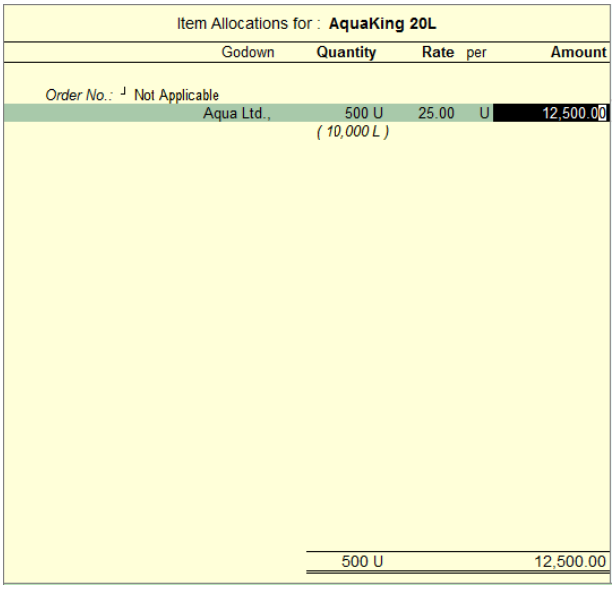


Figure 4.116 Item Allocation Screen for AquaKing 20L

13. Select the Ledger - **Basic Excise Duty@ 12%**, **Education Cess @ 2%** and **Secondary Education Cess @ 1%.**

14.Set the option '**Show Statutory Details**' to **Yes**.

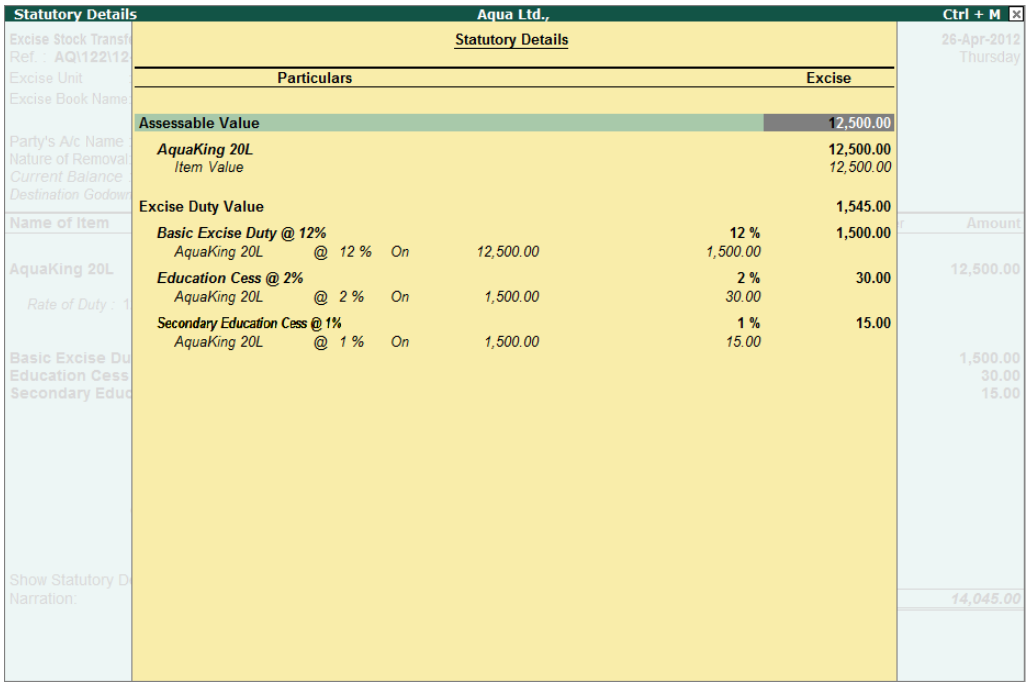


Figure 4.117 Statutory Details Screen

Complete the Excise Stock Transfer Voucher as shown:

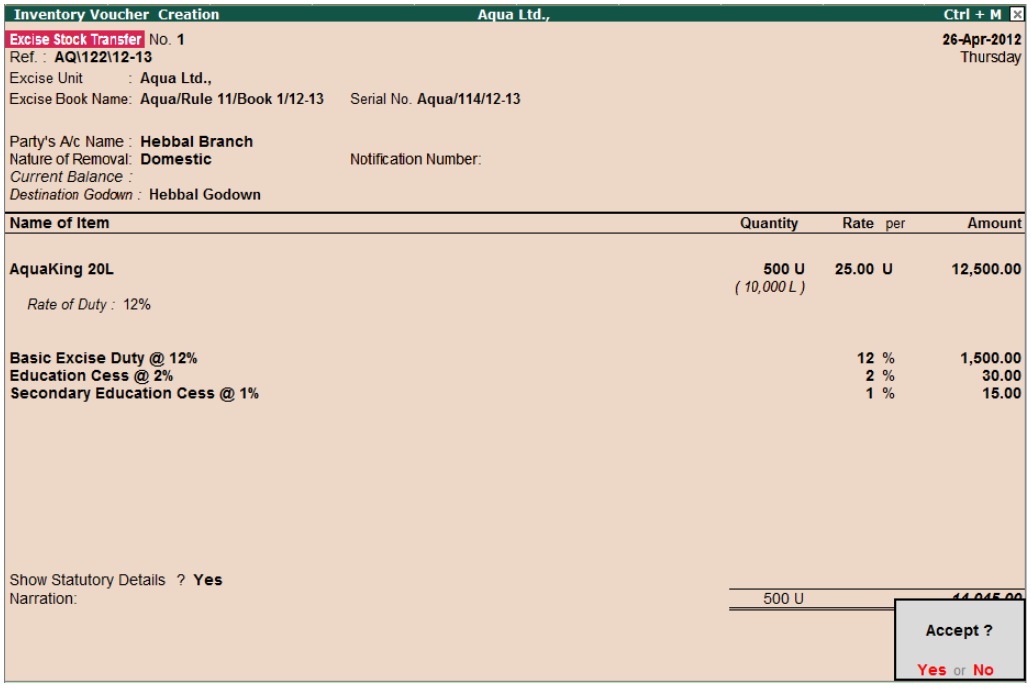


Figure 4.118 Completed Excise Stock Transfer Voucher

15.Press **Enter** to Save the voucher.

Step 4: Excise Computation

We can view the details of the stock transferred from Aqua Ltd., to Hongasandra Branch in Excise Computation Report.

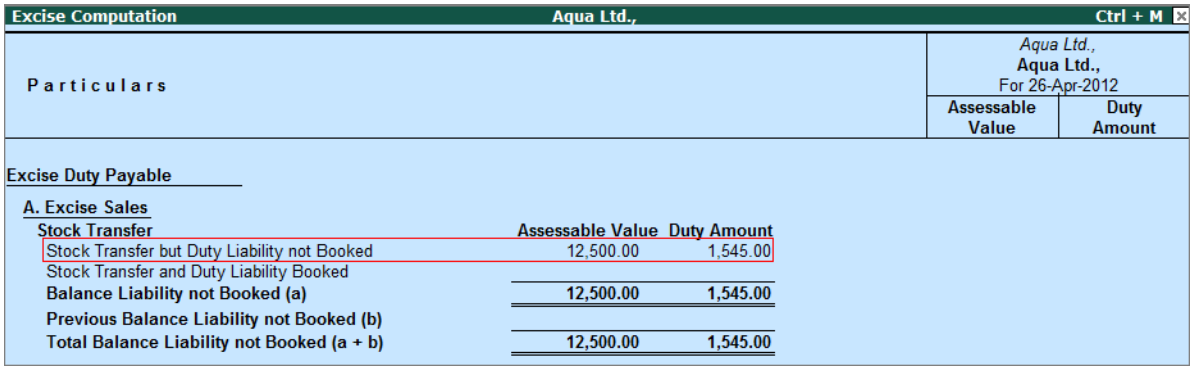


Figure 4.119 Excise Computation: Stock Transfer

The Aseessable value and the Duty Amount of the Stock Transferred are displayed under the section **Stock Transfer but Liability not booked**.

Step 5: Book the Duty Liability

Excise Duty is payable on the Excise Stock that is transferred. It is now required to raise the liability for Excise Duty Payable for the stock transferred.

Let us record a **Journal Voucher** using **CENVAT Adjustment** Voucher Class and raise the liability to pay Excise Duty.

Follow the instructions below to book the liability to pay Excise Duty for the Stock transferred:

1. Go to **Gateway of Tally** > **Accounting Vouchers** > **Journal Voucher**
2. Select CENVAT Adjustment as the **Voucher Class**.
3. Select the Excise Adjustment - '**Excise Duty on Movement of Stocks**' in the Used for field.

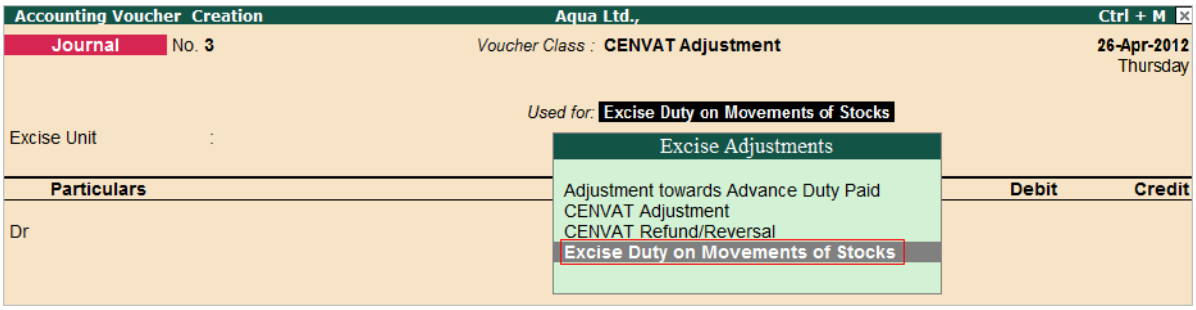


Figure 4.120 Selecting Excise Adjustments

4. Click the button **Alt+L: Excise Helper**.
5. Fill in the details in the **Excise Goods Duties Availing Excise Duties Payable** sub-screen that appears:
   - Enter the Excise Unit as **Aqua Ltd.,**

- Select the ledger - **Excise Duty Payable** as the Expenses Ledger
- Enter the appropriate period (**1-April- 2012 to 30-Apr-2012**).

Figure 4.121 Excise Goods Transfer Duties Availing Excise Duties Payable

6. A notification dialog box will appear with a message - **Proceed to Availing Debit Excise Duties on Movements of Stocks**. Press **Enter** or click on **Yes**.

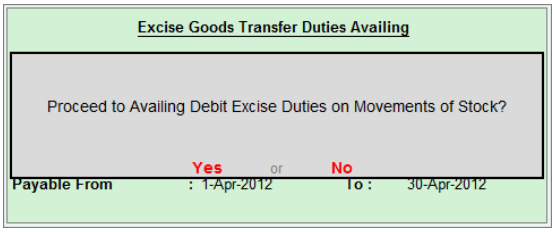


Figure 4.122 Notification

The completed Journal Voucher entry looks as follows:

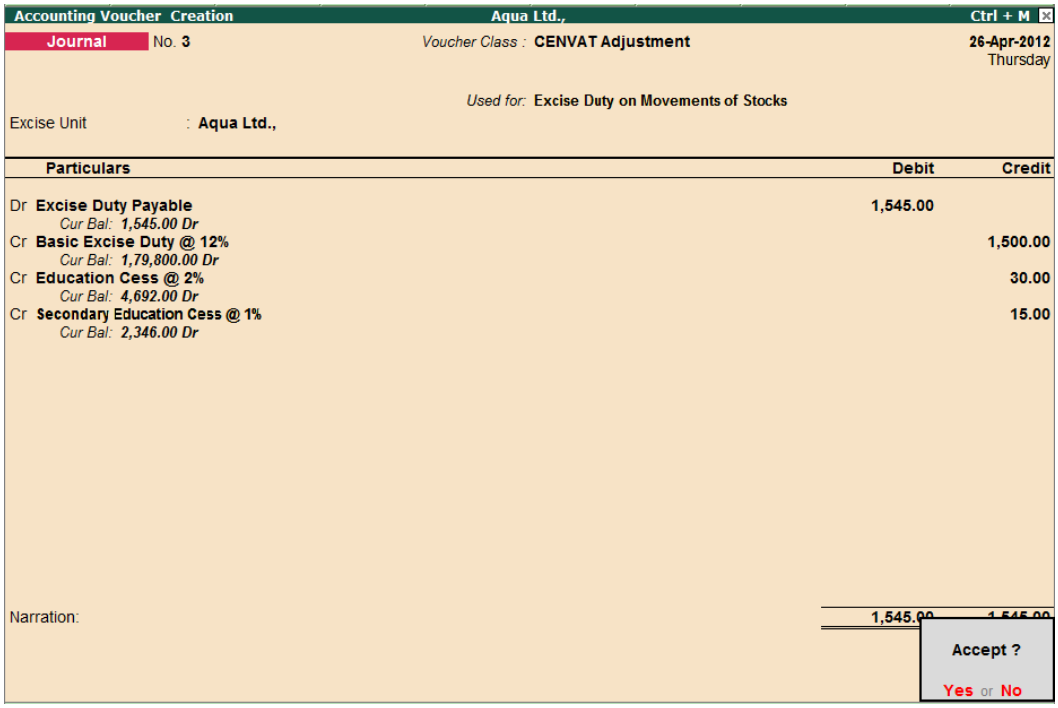
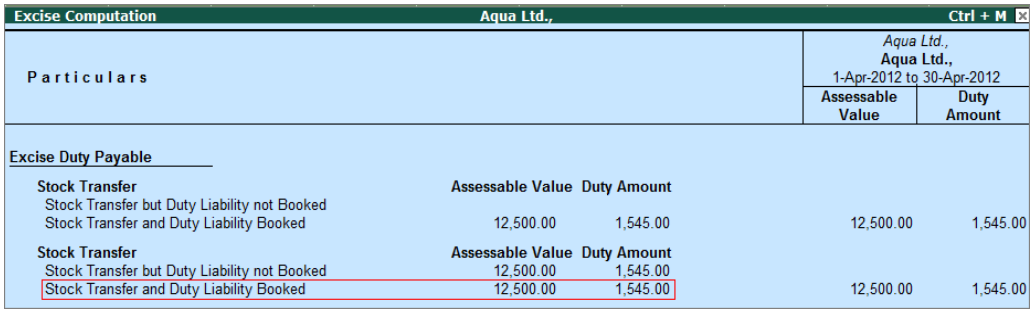


Figure 4.123 Completed Journal Voucher

7. Press **Enter** to accept the Voucher.

We can now observe that the details of stock transfer are displayed in the Stock Transfer and Duty Liability Booked section of the Excise Computation Report.



Excise Computation	Aqua Ltd.,			Ctrl + M
Particulars			*Aqua Ltd.,* **Aqua Ltd.,** 1-Apr-2012 to 30-Apr-2012	
			Assessable Value	Duty Amount
Excise Duty Payable				
Stock Transfer	**Assessable Value**	**Duty Amount**		
Stock Transfer but Duty Liability not Booked				
Stock Transfer and Duty Liability Booked	12,500.00	1,545.00	12,500.00	1,545.00
Stock Transfer	**Assessable Value**	**Duty Amount**		
Stock Transfer but Duty Liability not Booked	12,500.00	1,545.00		
Stock Transfer and Duty Liability Booked	12,500.00	1,545.00	12,500.00	1,545.00

Figure 4.124 Excise Computation: Stock Transfer and Duty Liability Booked

Excise Computation Report displays the details of the entire Stock transferred and the duty details of stock transferred for which the liability has been booked. If there is a part of the total Stock transfer Excise Duty which is yet to be booked, it is displayed in the section '**Balance Liability Not Booked'**.

*If the Stock Transfer Excise Duty is completely booked, the section - **'Balance Liability Not Booked'** does not appear in the Excise Computation Report.*

Let us understand this with an example.

Example 23:

Aqua Ltd., made an Excise stock transfer of 20,000 L of AquaPure 1 L@ Rs. 3.4 per Litre from Aqua Ltd., Main Godown to their Branch in Hebbal.

1. Record an Excise Stock Transfer Voucher on 26-06-2012, with the following details:
   - Ref : AQ\113\113
   - Party's A/c Name: Hebbal Branch
   - Nature of Removal: Domestic
   - Destination Godown: Hebbal Godown
   - Name of the Item: AquaPure 1 L
   - Quantity : 20,000 L
   - Rate: 3.46/L
2. Select the Excise Duty Ledgers: **Basic Excise Duty @ 12%**, **Education Cess @ 2%** and **Secondary Education Cess @ 1%**

The completed Excise Stock Transfer Voucher looks as follows:

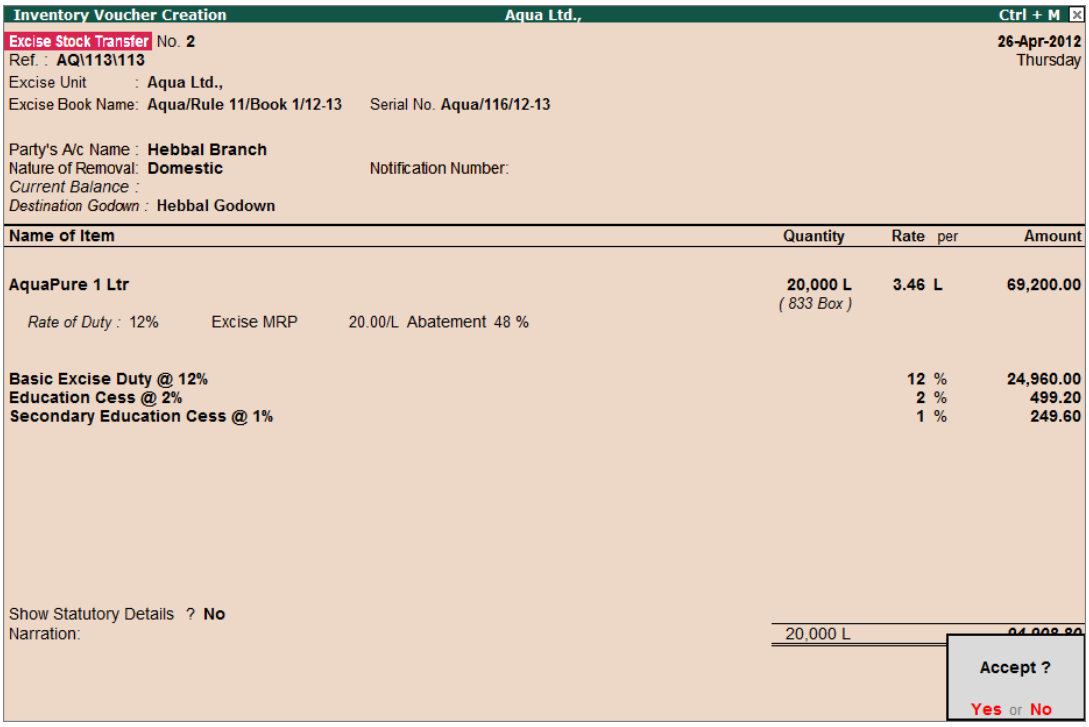


Figure 4.125 Completed Excise Stock Transfer Voucher

3. Press **Enter** to Accept the voucher.

Let us observe the Excise Computation Report.

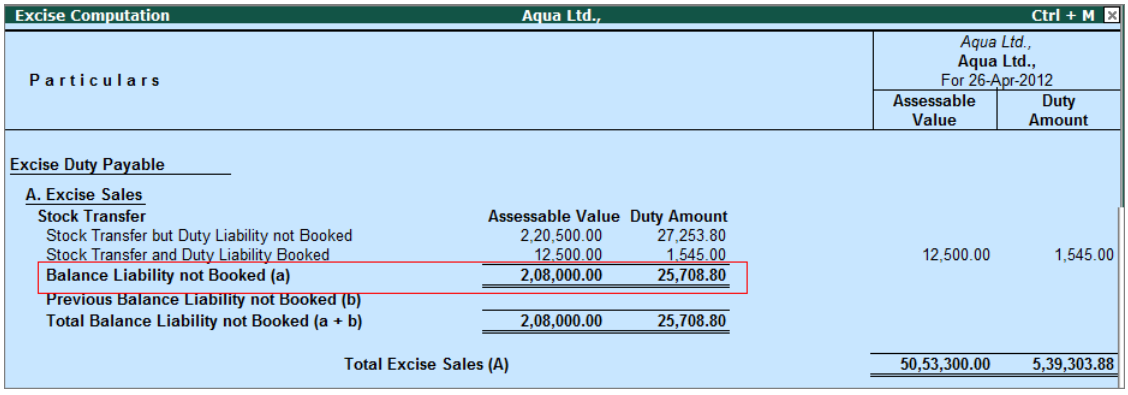


Figure 4.126 Excise Computation Report

The value of Stock transfer which for which liabilty has not been booked i,e.,an assessable value of Rs. 2,08,000 and Duty Amount of Rs. 25, 708 is diaplyed in the section **Balance Liability not booked.**

4.21 Creating a (Purchase Return) – Rule 11 invoice

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

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

Example 24:

On 26-4-2012 Aqua Ltd., returned the following goods purchased on 5-4-2012 against the Bill No-LM/243 as they were not as per the specification.

Stock Item	Quantity	Rate
Pet Bottles - 1 Ltr	2000	Rs. 1.00
Bottle Caps	2000	Rs. 0.25

To record Excise Purchase Returns,

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

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

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

1. In **Voucher Type** sub form select **Excise -** as the voucher type
2. Ensure that the **Voucher** is in **Item Invoice** Mode
3. Enter the **Date** as **26-4-2012**
4. Enter the **Ref** details as **AQ\5912**
5. In **Excise Unit** field Tally.ERP 9 displays **Aqua Ltd.**, as selected during voucher type creation
6. **Excise Book Name** field displays the name of the excise invoice book (Aqua/Rule11/Book1/12-13) created for the Excise Unit
7. **No.** field displays the Rule 11 invoice Number e.g. **Aqua/112/12-13**
8. In **Party A/c Name** field select **Lamcy Manufacturers** from the **List of Ledger Accounts**
9. In **Nature of Removal** field select the option **Domestic** from the list of Types of Removals
10. In **Purchase Ledger** field select the ledger **Purchase of Raw Materials** from the List of Ledger Accounts
11. **VAT/Tax Class** field automatically gets updated with the VAT/Tax class as selected in the Purchase ledger, which can be changed.
12. In **Name of Item** field select the Stock Item i.e. **Pet Bottles - 1Ltr**
13. In **Item Allocation** screen, in **Quantity** field enter the quantity as **2,000**

14. In **Rate** field enter the rate as **Rs. 1**. **Amount** will be calculated and displayed automatically.
15. In **Name of Item** field select the Stock Item i.e. **Bottle Caps**
16. In **Item Allocation** screen, enter the **Quantity** as **2,000** and **Rate** as **Rs.0.25**
17. Select Duty Ledger i.e. **Basic Excise Duty @ 12%**. **Amount** will be calculated and displayed automatically.
18. Select **Education Cess @ 2%** and **Secondary Education Cess @ 1%** ledgers. **Amount** will be calculated and displayed automatically
19. Select **Input VAT @ 5%** as the Vat duty ledger. **Amount** will be displayed automatically
20. Set the option **Show Statutory Details** to **Yes** to view Statutory Details screen
21. In **Statutory Details** screen press **Alt + F1: Detailed** to view details of duty calculation. Statutory Details screen appears as shown.

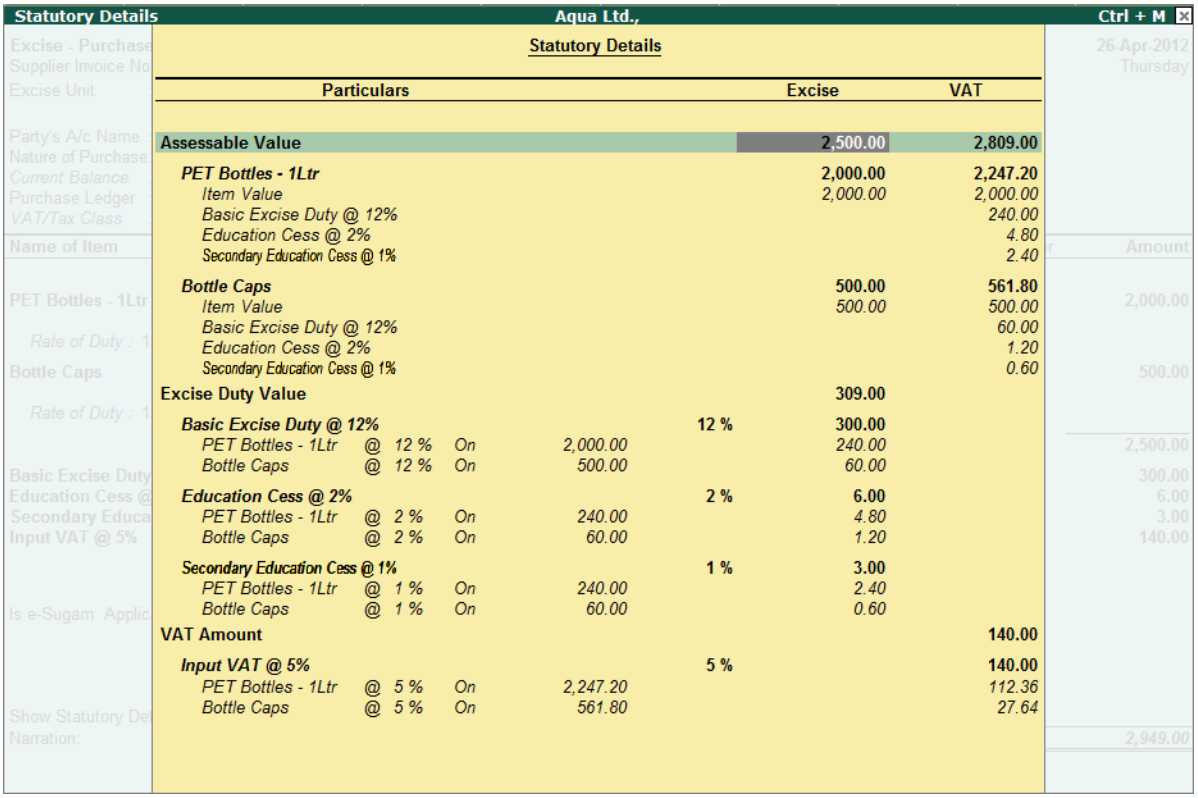


Figure 4.127 Statutory Details Screen

22.In **Bill-wise Details** screen select **Type of Ref** as **Agst Ref** and select **LM/243** dated **5-4-2012**.

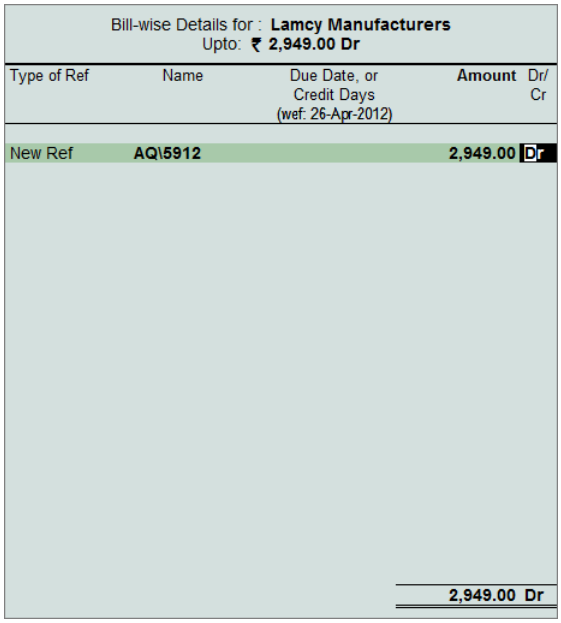


Figure 4.128 Bill-wise Details

The completed Purchase Return voucher is displayed as shown

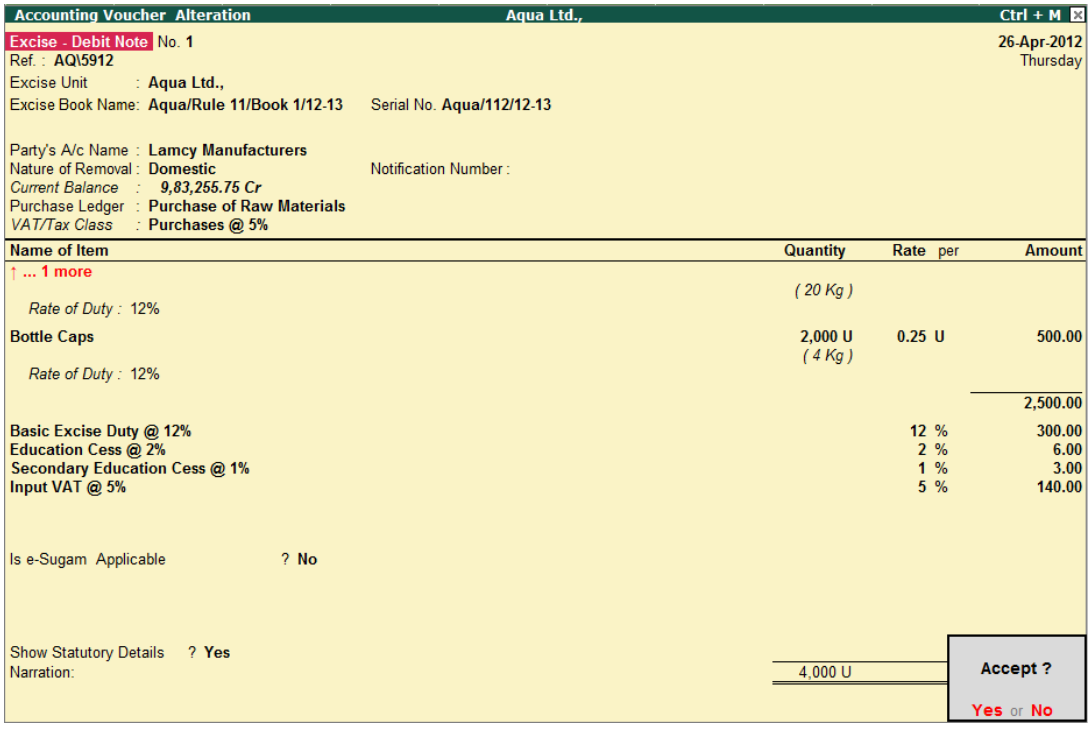


Figure 4.129 Voucher

23.Press **Enter** to accept.

Print preview of Rule 11 invoice generated for Purchase returns is displayed as shown:

EXCISE INVOICE

(ISSUE OF INVOICE UNDER RULE 11 OF CENTRAL EXCISE RULES 2002)

Aqua Ltd.,
55, Koramangala Industrial Area, Bengaluru
Phone : 08055647825 / E-mail : sales@aqua.com

VAT TIN : **11004578123**
CST No. : **42514878245**
Excise Regn No.: **AAPCL2149RXM001**
Range : Koramangala I/48/6th Floor, A Wing, Kendriya Sadhan,Koramangala, Bangalore Urban 560034
Division : Division II /I02/ 7th Floor, C Wing, Kendriya Sadhan, Koramangala, Bangalore Urban 560034
Commissionerate : Bangalore I/09/ PB No. 5400, Queen's Road, CR Building, Bangalore GPO, Bangalore Urban 560001

Buyer
Lamcy Manufacturers
Peenya Industrial Area
Bangalore

VAT TIN : **11004578123** CST No. : **42514878245**
Excise Regn No.: **ADESR4033FXM001**
Range : **Peenya**
Division : **Yeshwantpur**
Commissionerate : **Bangalore II**

Debit Note No. **Aqua/112/12-13**	Dated **26-Apr-2012**
Buyer's Order No.	Dated
Delivery Note **AQ\5912**	Dated **26-Apr-2012**
Supplier's Ref. **AQ\5912**	Despatch Document No.
Despatched through	Destination
Date & Time of issue of Invoice **26-Apr-2012 at 16:38**	Motor Vehicle No.
Date & Time of Removal of Goods **26-Apr-2012 at 16:38**	Authenticated By ***for Aqua Ltd.,***
Mode/Terms of Payment	*Authorised Signatory*

Sl No.	Description of Goods	Tariff / HSN Classification	Quantity	Rate	per	Amount
1	PET Bottles - 1Ltr	39233010	2,000 U (20 Kg)	1.00	U	2,000.00
2	Bottle Caps	39235010	2,000 U (4 Kg)	0.25	U	500.00
						2,500.00
	Basic Excise Duty @ 12%			12	%	300.00
	Education Cess @ 2%			2	%	6.00
	Secondary Education Cess @ 1%			1	%	3.00
	Input VAT @ 5% (2,809.00)			5	%	140.00
	Total		**4,000 U**			**₹ 2,949.00**

Amount Chargeable (in words) : **INR Two Thousand Nine Hundred Forty Nine Only**

Amount of Duty (in words) : **INR Three Hundred Only**
Amount of Cess (in words) : **INR Nine Only**

Serial No. in PLA/RG-23 : **13**

Declaration : We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.

Excise Declaration
We declare to the best of our knowledge and belief that the particulars stated herein are true and correct and there is no additional consideration accruing to us either directly or indirectly in any manner other than the amounts indicated here.

for Aqua Ltd.,

Authorised Signatory

E. & O.E

Figure 4.130 Print Preview of Rule 11 Invoice

4.22 Advance Payment of Excise Duty

Advance Excise Duty payment transactions can also be accounted in Tally.ERP 9. The advances paid to the government can be adjusted towards the duty payable for any period.

Example 25:

On 27-4-2012, Aqua Ltd., paid Rs. 10,000 to government as advance excise duty.

Record a payment voucher (to account Excise Duty Advance payment)

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

1. Enter the **Date** as **27-4-2012**.
2. In **Account** field select bank Ledger e.g. **SBI Bank** (Use Alt + C to create the Bank ledger)
3. Under **Particulars** field select the ledger - **Basic Excise Duty @ 12%** and press enter to view Excise Duty Allocation screen
4. In **Excise Duty Allocation** screen
   - In **Type of Ref** field select **Advance** as the **Method of Adjustment**
   - In **Name** field specify the bill name as **Adv - 001**
   - In **Excise Unit** field select the Excise unit which is making the advance payment of tax. e.g **Aqua Ltd**.
   - In **Amount** field enter the amount which is paid as advance **Rs. 10,000**

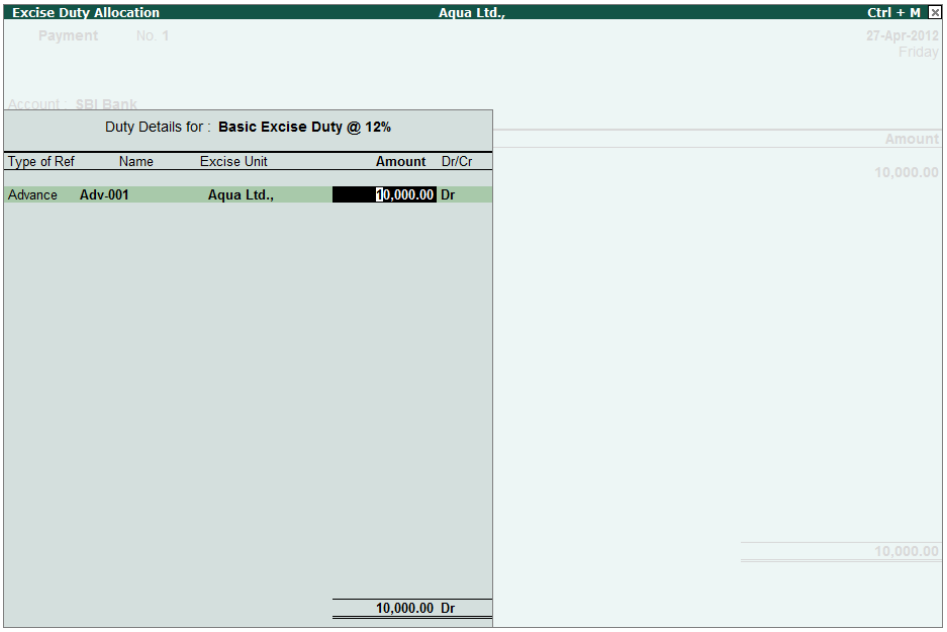


Figure 4.131 Excise Duty Allocation Screen

5. Set the option **Provide Details** to **Yes** to view Payment Details screen
6. In the **Payment Details** screen, enter
   - In **Period From** and **To** field enter the period as **1-4-2012** to **30-4-2012**
   - In **Excise Unit Name** field select **Aqua Ltd**. from the List of Excise Units

- In **Challan No.** field enter the Bank Challan no. - **587964** used to pay the duty amount
- In **Challan Date** field enter the date – **27-4-2012** on which the duty is paid
- In **Bank Name** field enter the Name of the Bank – **SBI,** through which the payment is made.
- In **BSR Code** field enter the BSR Code of the branch - **0078528**
- In **Cheque/Draft/Pay Order No.** field enter the Cheque Number – **688541**
- In **Cheque Date** field enter the cheque date as **27-4-2012**

The completed Payment Details screen is displayed as shown:

Figure 4.132 Completed Payment Details

7. In **Bank Allocations** screen, enter the appropriate **Favouring Name** and accept the other default details.

The completed payment voucher is displayed as shown:

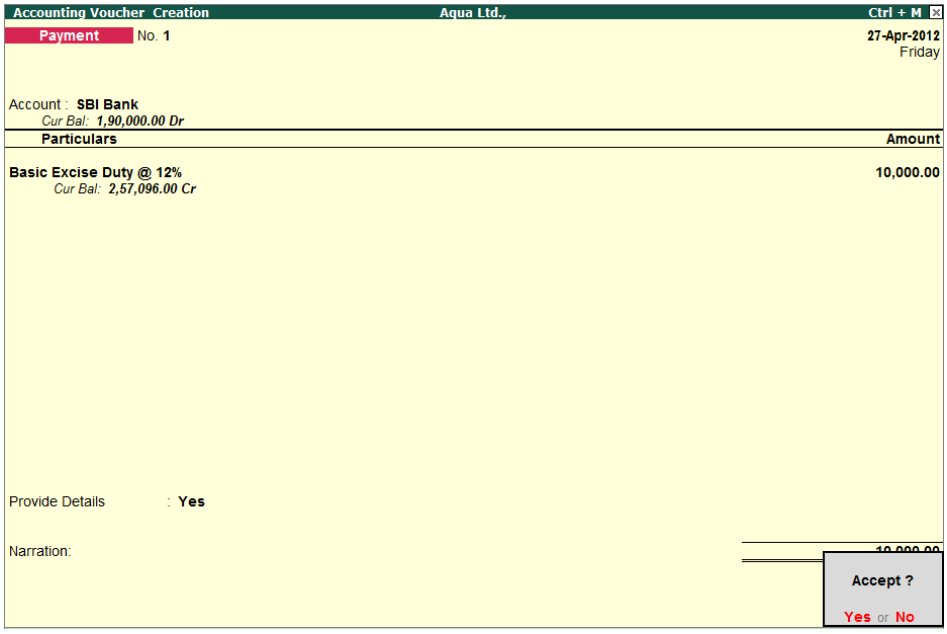


Figure 4.133 Completed Payment Voucher

8. Press **Enter** to accept.

To view the Advance Payment entries

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > PLA Register**

PLA Register — **Aqua Ltd.,** — Ctrl + M

Excise Unit Name : **Aqua Ltd.,** — 1-Apr-2012 to 30-Apr-2012

Particulars of Credit / Debit Document Description of Documents with name of treasury where necessary	Document No. / Date	Central Excise Tariff Sub-heading Number	ECC No. of the Buyer	Basic Excise Duty			Education Cess		
				Credit	Debit	Balance	Credit	Debit	Balance
									1 more ... →
Excise - Sales	Aqua/101/12-13 / 11-Apr-2012	22011010	AACCL0014CXD001		1,24,800.00 Dr	1,24,800.00 Dr		2,496.00 Dr	2,496.00 Dr
Excise - Sales	Aqua/102/12-13 / 13-Apr-2012	22011010	AACCL0014CXD001		48,160.00 Dr	1,72,960.00 Dr		963.20 Dr	3,459.20 Dr
Excise - Sales	Aqua/103/12-13 / 14-Apr-2012	22011010	AACCL0014CXD001		11,520.00 Dr	1,84,480.00 Dr		230.40 Dr	3,689.60 Dr
Excise - Sales	Aqua/104/12-13 / 14-Apr-2012	22011010	AACCL0014CXD001		8,000.00 Dr	1,92,480.00 Dr		160.00 Dr	3,849.60 Dr
Excise - Sales	Aqua/105/12-13 / 16-Apr-2012	39233010	ADESR4033FXM001		18,000.00 Dr	2,10,480.00 Dr		360.00 Dr	4,209.60 Dr
Excise - Sales	Aqua/106/12-13 / 16-Apr-2012		234465345			2,10,480.00 Dr			4,209.60 Dr
Excise - Sales	Aqua/107/12-13 / 18-Apr-2012	22011010	234465345		9,360.00 Dr	2,19,840.00 Dr		187.20 Dr	4,396.80 Dr
Excise - Sales	Aqua/109/12-13 / 18-Apr-2012	22011010			43,680.00 Dr	2,63,520.00 Dr		873.60 Dr	5,270.40 Dr
Excise - Sales	Aqua/111/12-13 / 25-Apr-2012	22011010	AFWDS4851AXD001		3,276.00 Dr	2,66,796.00 Dr		65.52 Dr	5,335.92 Dr
Excise - Debit Note	Aqua/112/12-13 / 26-Apr-2012	39233010	ADESR4033FXM001		300.00 Dr	2,67,096.00 Dr		6.00 Dr	5,341.92 Dr
Excise - Sales	Aqua/113/12-13 / 26-Apr-2012	2523 00 00	AESRD7485AXM002		19,200.00 Dr	2,86,296.00 Dr		384.00 Dr	5,725.92 Dr
Payment	1 / 27-Apr-2012			10,000.00 Cr		2,76,296.00 Dr			5,725.92 Dr

Figure 4.134 PLA Register

The Advance paid will be adjusted against the duty payable (if any) and the balance advance amount will be displayed with the negative sign.

Advance Excise Duty Paid details will be displayed even in Excise Computation report also

Excise Computation — **Aqua Ltd.,** — Ctrl + M

Particulars		*Aqua Ltd.,* **Aqua Ltd.,** 1-Apr-2012 to 30-Apr-2012	
		Assessable Value	Duty Amount
Excise Duty Payable			
A. Excise Sales			
Regular Rate		37,98,800.00	4,56,347.68
Special Rate		1,00,000.00	8,240.00
Exempt		3,50,000.00	
Export - Duty Chargeable		3,64,000.00	44,990.40
Export		2,00,000.00	
Captive Consumption		78,000.00	9,640.80
Removal as such		1,50,000.00	18,540.00
	Total Excise Sales (A)	**50,40,800.00**	**5,37,758.88**
B. Payable from previous period			
	Total Excise Duty Payable (A+B)		**5,37,758.88**
	Total Excise duty paid / Adjusted (C)		
	Balance Excise Duty Payable ((A+B)-C)		**5,37,758.88**
Balance Input Credit			
CENVAT Credit on Inputs			1,15,362.06
CENVAT Credit on Capital Goods			6,180.00
Excise Duty Advance Paid			10,000.00
	Total Available CENVAT credit		**1,31,542.06**

Figure 4.135 Excise Computation Report

4.23 Creating a Journal Voucher – Adjustment of Advances against the Duty Payable

Example 26:

On 27-4-2012, Aqua Ltd., adjusted the advance duty paid of Rs. 10,000 towards the bill AQ/785/12-13.

Record the transaction in Journal Voucher

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

1. In **Change Voucher Type** screen select the **Class** as **CENVAT Adjustment**

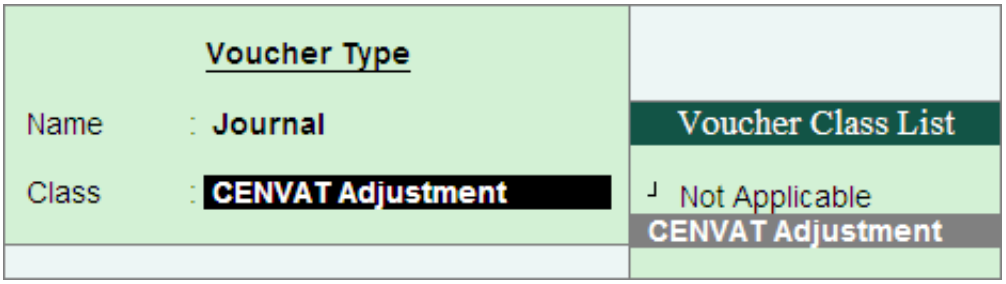


Figure 4.136 Selection of Voucher Class

2. Enter the **Date** as **27-4-2012**
3. In **Used for** field select **Adjustment towards Advance Duty Paid** as the Excise Adjustment

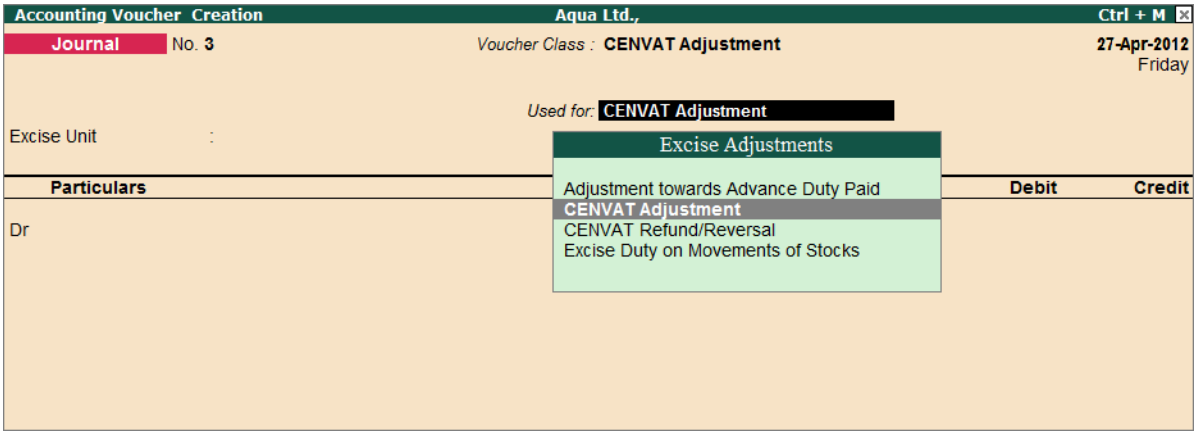


Figure 4.137 Selection of Excise Adjustment

4. In **Excise Unit** field select **Aqua Ltd**.
5. In **Debit** field select the ledger - **Basic Excise Duty @ 12%** (to adjust against the advances) and press enter to view **Excise Duty Allocation** screen
6. In the **Excise Duty Allocation** screen,
   - In **Type of Ref** field by default **Agst Ref** will be defaulted automatically.

- In **Name** field select the bill - **AQ/785/12-13** (sales bill)

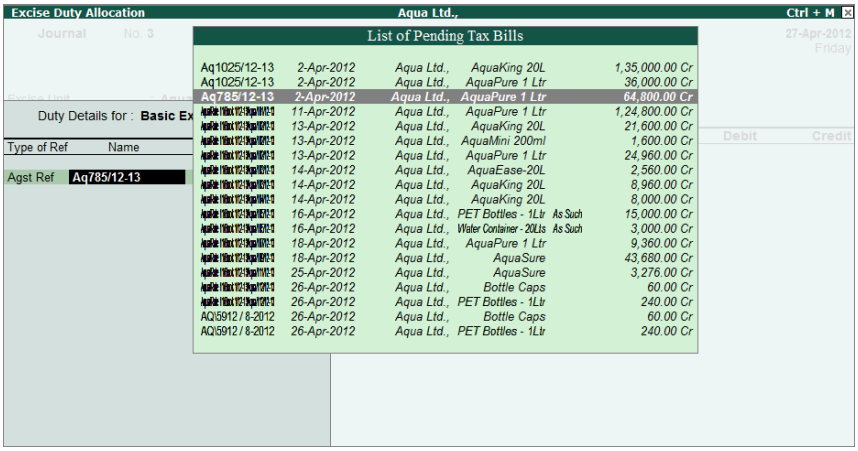


Figure 4.138 Selection of Sales Bill

- In **Amount** field enter **Rs. 10,000**

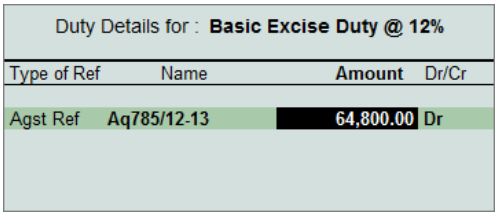


Figure 4.139 Completed Duty Details Screen

*Advance of **Rs. 10,000** is paid towards **Basic Excise Duty**. In the above case we are adjusting the entire advance amount towards the sales bill.*

7. In **Credit** field select the **Excise Duty Ledger- @ 12%** (adjust the advances) and press enter to view ExciseMfgr AdvAdjustements screen
8. In the **ExciseMfgr AdvAdjustements** screen
   - The **Bill Type** filed will be defaulted to **Agst Ref**
   - In **Bill Name** field select the **Advance paid Tax Bill** from the List of Advanced Tax Bill

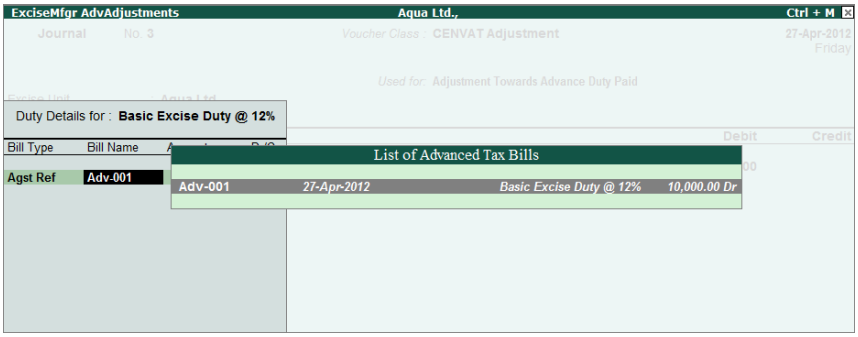


Figure 4.140 Selection of Advance Paid Tax Bill

- In **Amount** field **Rs. 10,000** will be defaulted. Accept the default amount as the entire amount of advance paid is adjusted towards Duty payable.

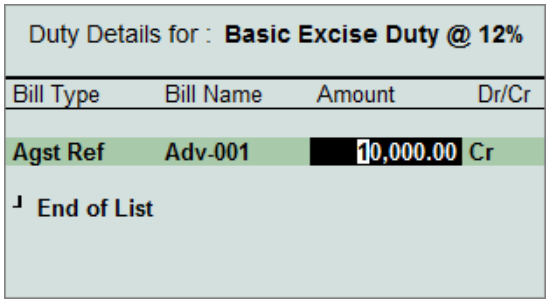


Figure 4.141 Completed Excise Advance Adjustment Screen

9. Set the option **Provide Details** to **Yes**.
10. In **Adjustment Details** screen enter the **From** and **To** date for which period the advance excise duty paid is adjusted

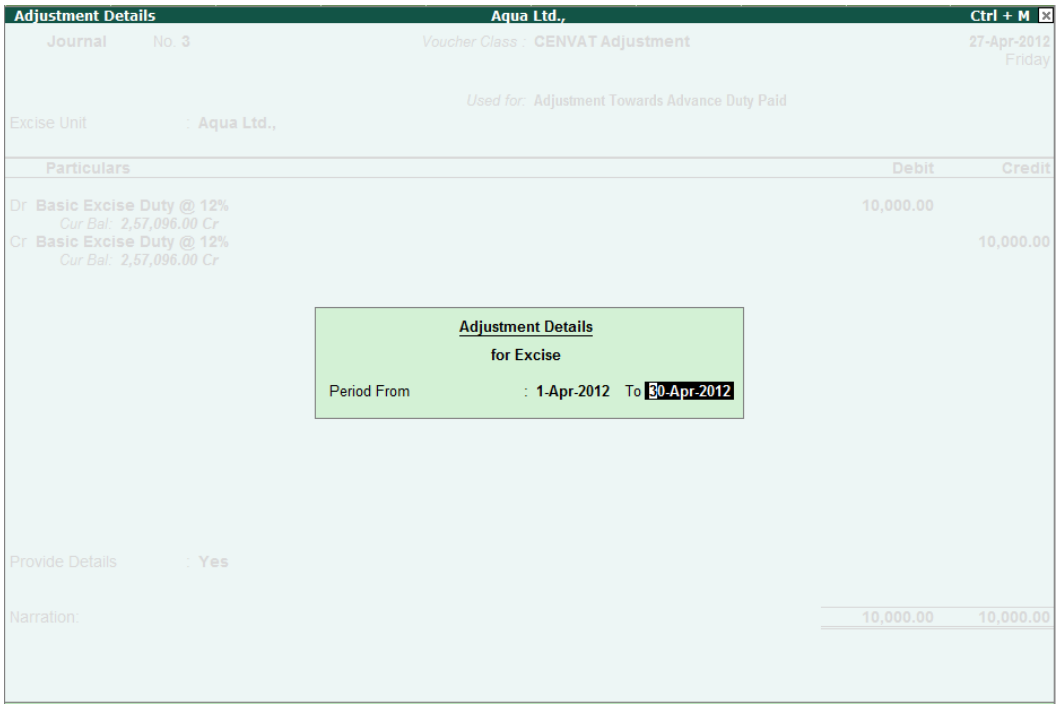


Figure 4.142 Adjustment Details Screen

The completed Advance Adjustment Journal Voucher is displayed as shown:

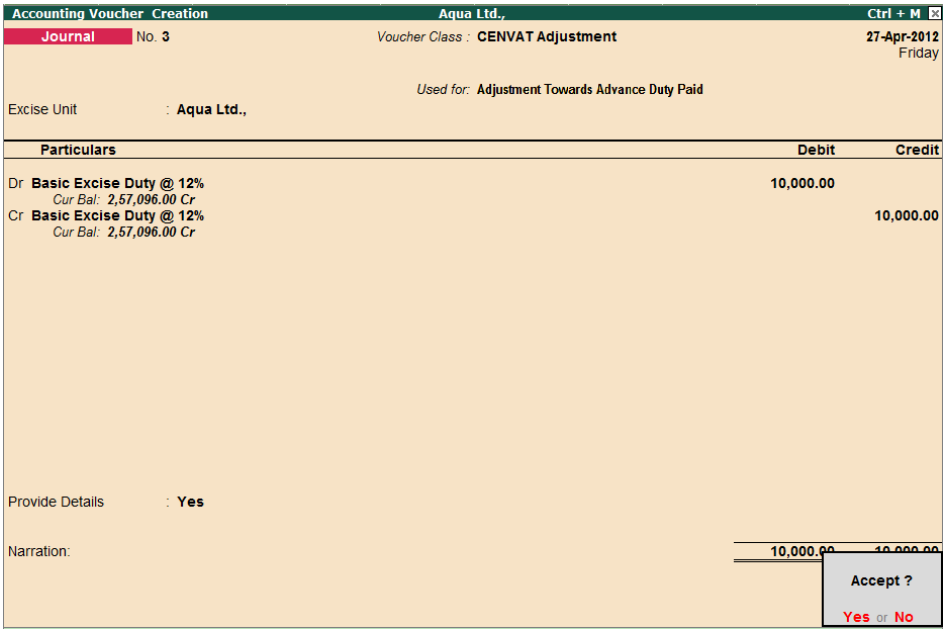


Figure 4.143 Completed Journal Voucher

11.Press **Enter** to accept.

Adjusted and Balance advance duty paid (if any) details will be displayed in the Excise Computation report

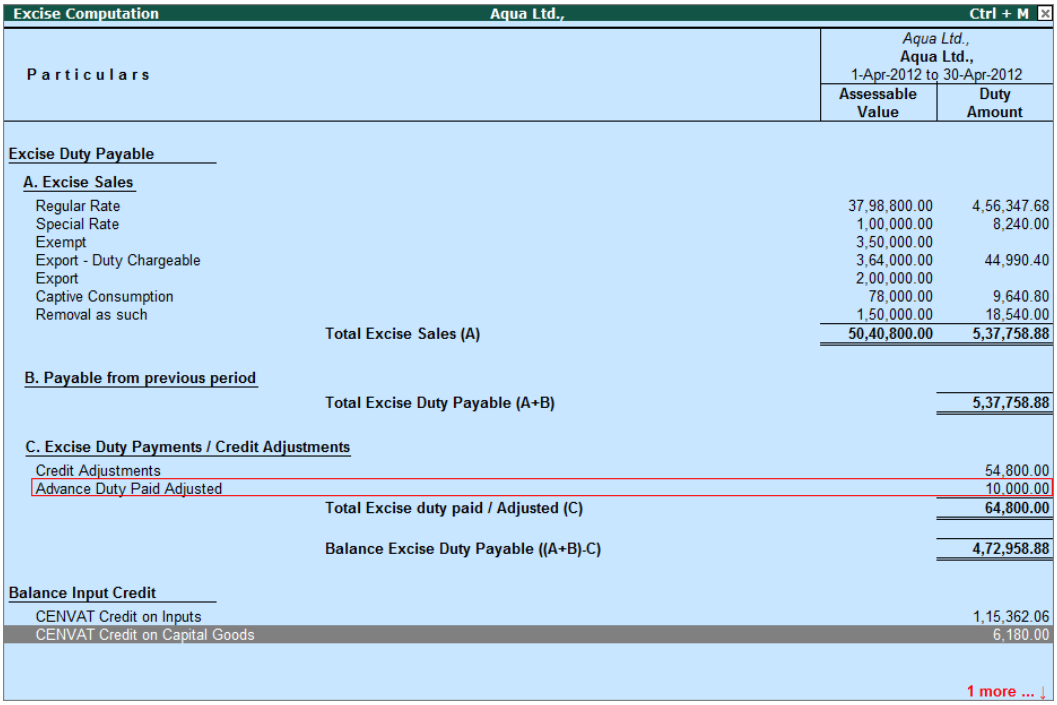


Figure 4.144 Excise Computation Report

4.24 Creating a Journal Voucher – CENVAT Credit Adjustment

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

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

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

In Tally.ERP 9 to record the adjustment, **CENVAT Duty** and **Excise Duty** accounts are **Credited** and **Debited**, respectively to nullify their balances and the net balance in the Excise Duty ledgers will be paid to the Government.

Example 27:

On 30-4-2012 Aqua Ltd. Adjusted the CENVAT credit against the Excise Duty payable for the month of April.

Record the transaction in Journal Voucher (Using Helper)

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

1. In **Voucher Type** sub form select **CENVAT Adjustment** in **Class** field
2. Enter the **Date** as **30-4-2012**
3. In **Used for** field select **CENVAT Adjustment** from the list of Excise Adjustments

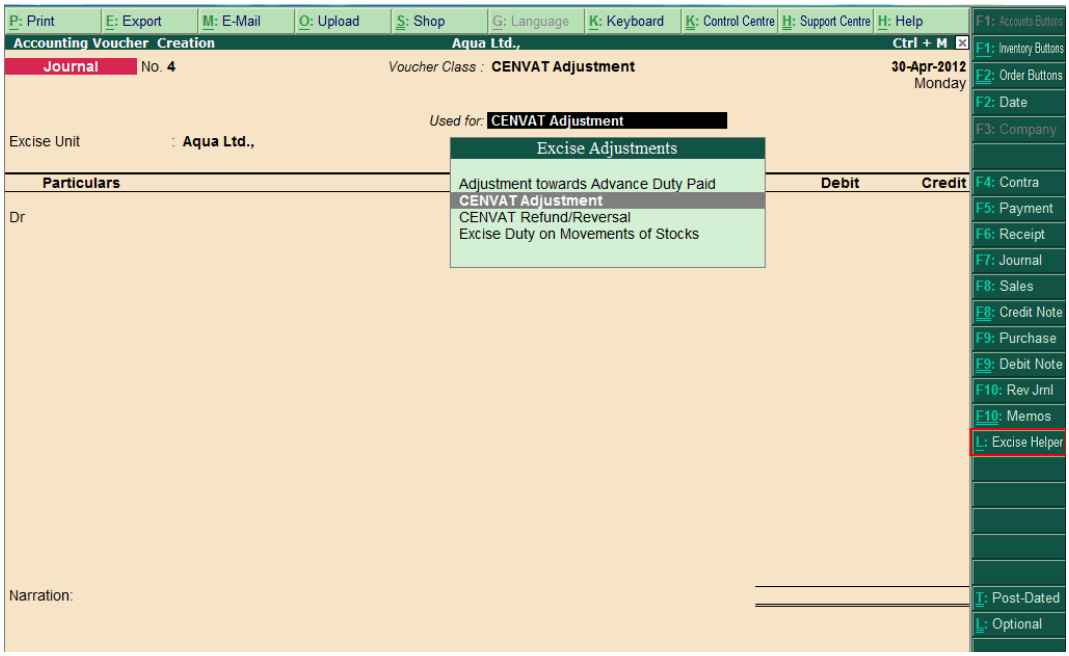


Figure 4.145 Selection of Excise Adjustment

4. Press **Alt+L** or click on **L: Excise Helper** button to view Excise Duties Adjustments screen
5. In **Excise Duties Adjustments** screen
   - In **Excise Unit** field select **Aqua Ltd.** from the List of Excise Units.

     On selecting **Excise Unit** the CENVAT credit available details will be displayed in **CENVAT Available** column
   - In **Payable From** and **To** field mention the period for which the payment is done.
     - **Payable From**: 1-4-2012
     - **To**: 30-4-2012

     On specifying the **Payable From** and **To** date the excise duty payable for the period specified will be displayed in **Duty Payable** column

Excise Duties Adjustments

Excise Unit : **Aqua Ltd.,**
Payable From : **1-Apr-2012** To : **30-Apr-2012**

Duty Head	Duty Payable	CENVAT Available	Adjustment Amount
Basic Excise Duty	4,57,596.00	1,18,002.00	
Education Cess	10,447.92	2,360.04	
Secondary Education Cess	5,223.96	1,180.02	
Total	4,73,267.88	1,21,542.06	

Figure 4.146 Excise Duties Adjustments Screen

- *Rs. **1,18,002** is the CENVAT Credit (amount) available for adjustment towards excise duty payable*
- *Rs. **2360.04** is the CENVAT Credit (Education Cess amount) available for adjustment towards excise duty payable. Credit of Education Cess on Excisable goods and imported goods can be utilised only for payment of education cess on final products.*
- *Rs. **1180.02** is the CENVAT Credit (Secondary Education Cess amount) available for adjustment towards excise duty payable. Credit of SHE Cess on Excisable goods and imported goods can be utilised only for payment of secondary education cess on final products.*

User can adjust **full / partial amount of CENVAT Credit available** towards **duty payable** for the period. The amount of CENVAT credit adjusted towards duty payable needs to be specified in **Adjustment Amount** column.

- In **Adjustment Amount** column specify the amount that is adjusted
  - Basic Excise Duty - Rs. 1,18,002
  - Education Cess – Rs. 2360.04
  - Secondary Education Cess – Rs. 1180.02

In this case Aqua Ltd. has **excess duty payable** than the **CENVAT Credit** available for the month of April. We are adjusting the complete amount of CENVAT Credit towards the duty payable.

- Press **Enter** to save the Excise Duties Adjustments. Tally.ERP 9 displays **Proceed to Adjust Excise Duties** screen for confirmation to adjust excise duties.

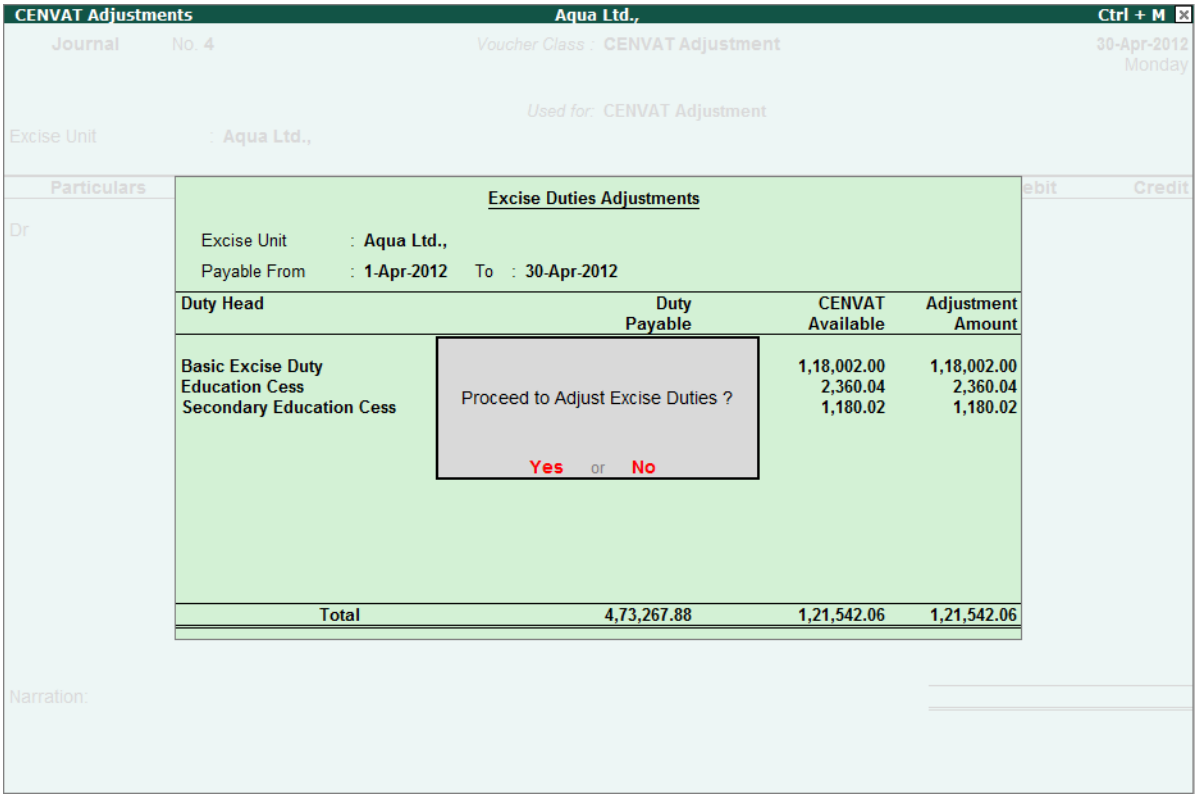


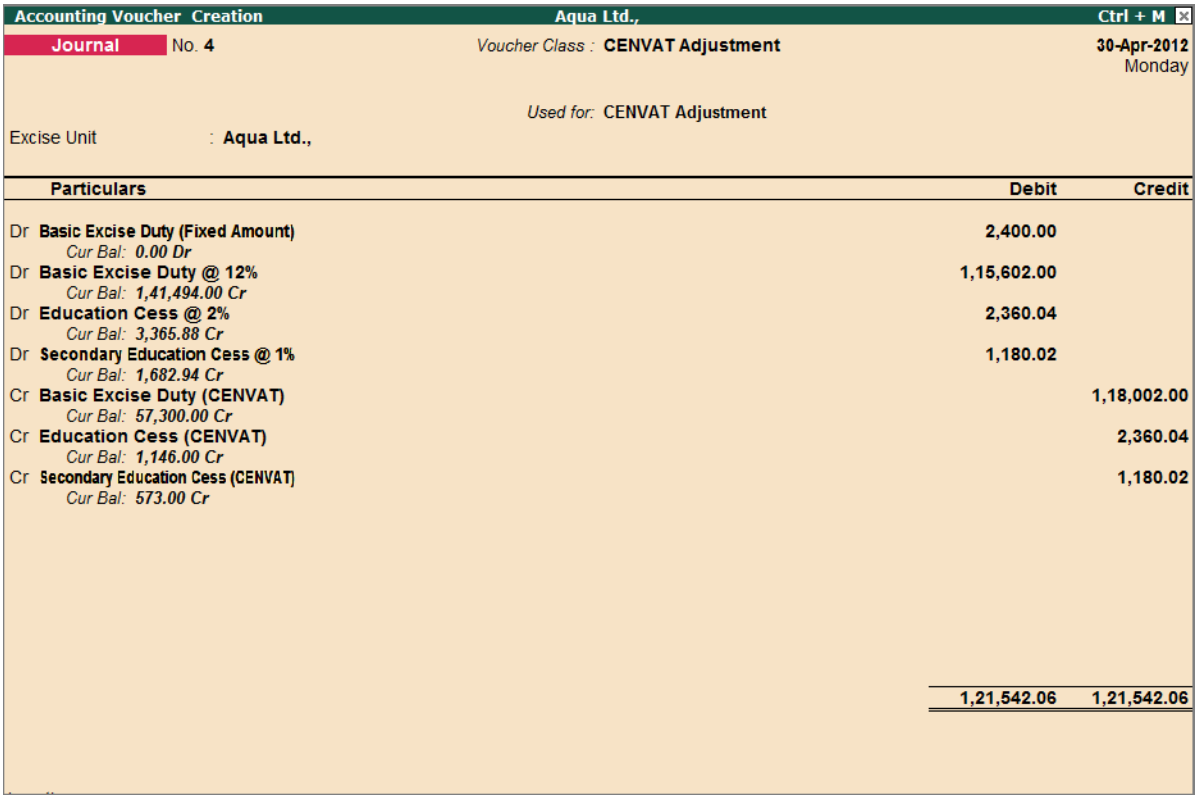
Figure 4.147 Completed Excise Duties Adjustments Screen

- Press **Enter** to save the Excise Duties Adjustments.

Currently Tally.ERP 9 allows the adjustment of credit and liability of same nature of duty example: BED credit can be adjusted towards BED.

- *CENVAT Adjustment between the duties i.e. BED Credit adjustment towards NCCD etc. and*
- *Adjustment of service input credit towards excise duty and vice versa are not supported.*

6. On saving the **Excise Duties Adjustments**, Journal Voucher displays the adjusted ledgers with the amount adjusted automatically.



Accounting Voucher Creation — Aqua Ltd., — Ctrl + M

Journal — No. 4 — Voucher Class : CENVAT Adjustment — 30-Apr-2012 Monday

Used for: CENVAT Adjustment

Excise Unit : Aqua Ltd.,

Particulars	Debit	Credit
Dr Basic Excise Duty (Fixed Amount)	2,400.00	
Cur Bal: 0.00 Dr		
Dr Basic Excise Duty @ 12%	1,15,602.00	
Cur Bal: 1,41,494.00 Cr		
Dr Education Cess @ 2%	2,360.04	
Cur Bal: 3,365.88 Cr		
Dr Secondary Education Cess @ 1%	1,180.02	
Cur Bal: 1,682.94 Cr		
Cr Basic Excise Duty (CENVAT)		1,18,002.00
Cur Bal: 57,300.00 Cr		
Cr Education Cess (CENVAT)		2,360.04
Cur Bal: 1,146.00 Cr		
Cr Secondary Education Cess (CENVAT)		1,180.02
Cur Bal: 573.00 Cr		
	1,21,542.06	1,21,542.06

Figure 4.148 Auto filled CENVAT Credit Adjustment Journal Voucher

Completed CENVAT Credit Adjustment Journal Voucher is displayed as shown:

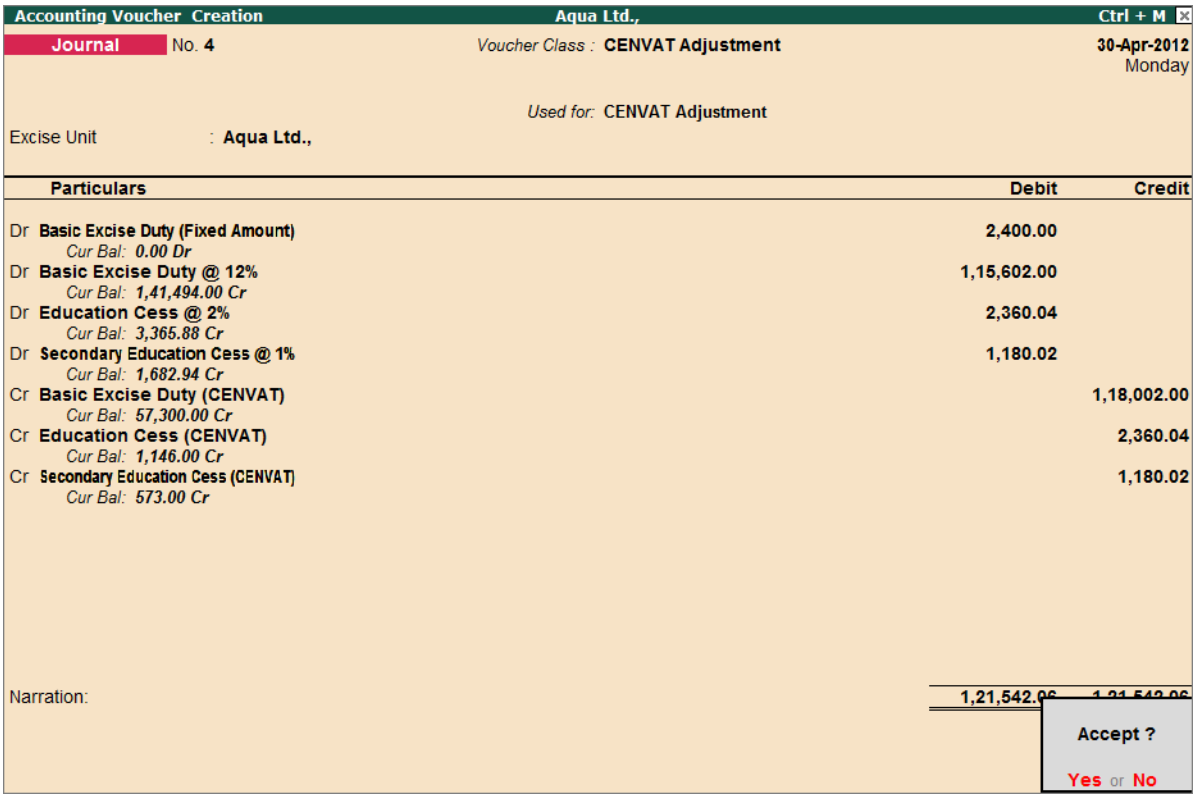


Figure 4.149 Completed CENVAT Adjustment Journal Voucher

7. Press **Enter** to accept.

*Tally.ERP 9 also **allows** to record **CENVAT Credit Adjustment** entry **manually**.*

4.25 Creating a Payment Voucher – GAR 7 Payment (Without using Auto Fill)

Example 28:

*On 3-5-2012 Aqua Ltd. paid Excise duty of **Rs.61268.25** for the month of April to the government.*

Basic Excise Duty - Rs. 59193

Education Cess - Rs. 1383.50

Secondary Education Cess - Rs.691.75

To create a **Payment Voucher**

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

Setup

In **F12: Configure (Payment Configuration)**

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

1. Enter the **Date** as **3-5-2012**
2. Press **Alt + S** or click on **S: Stat Payment** to view Statutory Payment screen

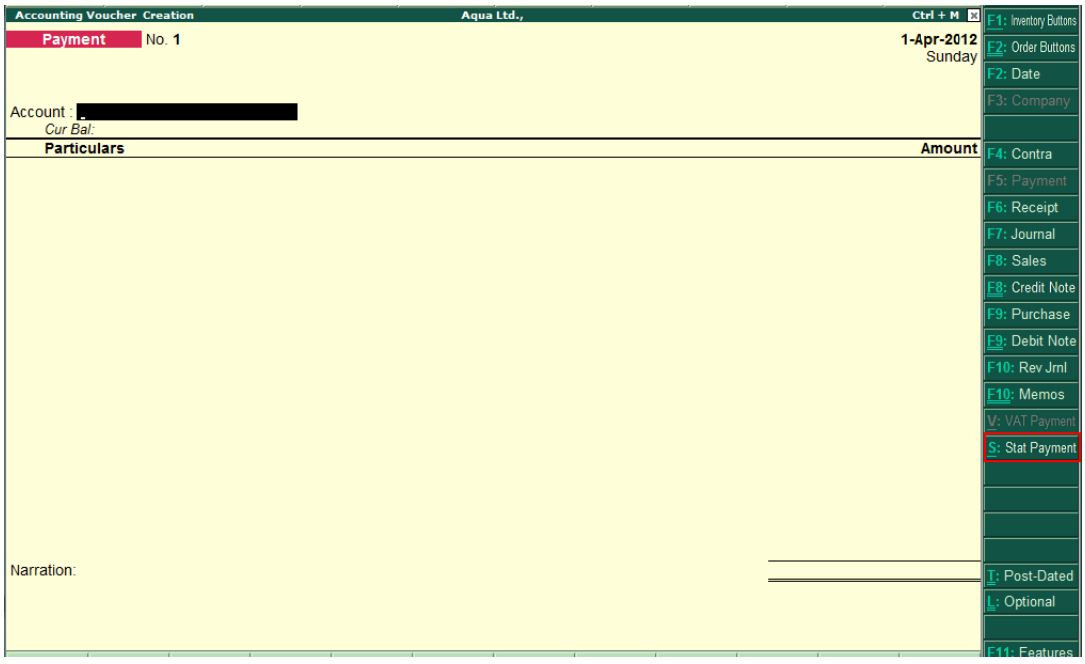


Figure 4.150 Selection of Stat Payment Button

3. In **Statutory Payment** screen
   - **Type of Duty/Tax**: In this field select the Tax/Duty Type towards which tax payment entry is being recorded. Here we are recording **excise** duty payment entry, hence select **Excise** from the Type of Duty/Tax

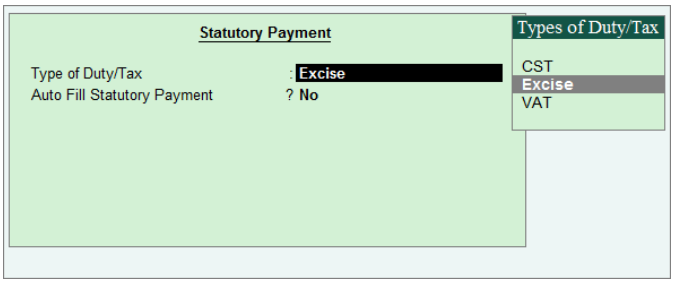


Figure 4.151 Selection of Type of Duty/Tax

*The **Types of Duty/Tax** will be displayed based on the statutory features enabled in **F11: Features** for the company*

4. **Auto Fill Statutory Payment**: Set this option to **YES** to auto calculate and fill the duty payable to the Government. Set this option to **NO**, if the user wants to manually select the duty ledger and duty bills. Aqua Ltd. does not want the duty details to be auto filled to the payment voucher, hence the option **Auto Fill Statutory Payments** is set to **No**.

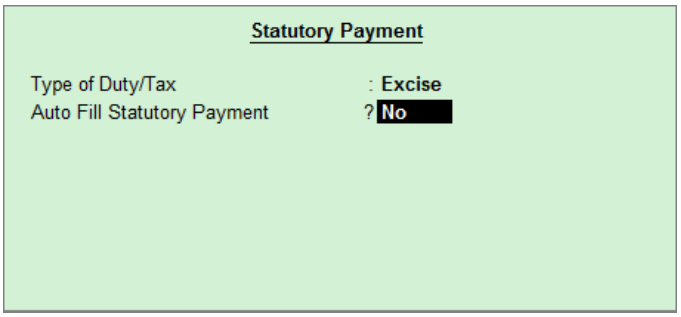


Figure 4.152 Completed Statutory Payment Screen

5. Press **Enter** to accept the Statutory Payment screen.
6. In **Account** field select Bank Ledger e.g. **SBI Bank**
7. Under **Particulars** select the ledger - **Basic Excise Duty @ 6%** and press enter to view **Excise Duty Allocation** screen.

8. In **Excise Duty Allocation** screen select the required bills for payment of tax.

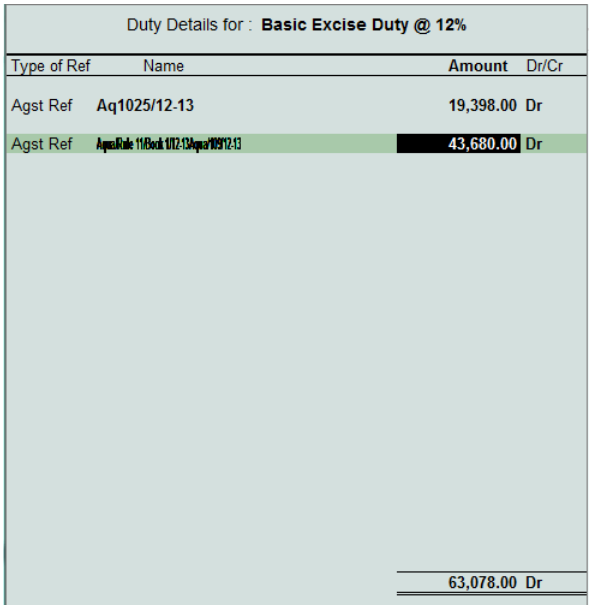


Figure 4.153 Duty Details Screen

9. **Amount** will be updated to the Payment voucher based on the **pending bills** selected in the **Excise Duty Allocation** screen.
10. Under **Particulars** select Excise Duty ledger - **Education Cess @ 2%** and **Secondary Education Cess @ 1%**. In **Excise Duty Allocation** screen select the pending bills - **AQ/1025/10-11** and **AQ/785/12-13**for the Payment of tax.
11. Set the option **Provide Details** to **Yes** to view Payment Details screen.

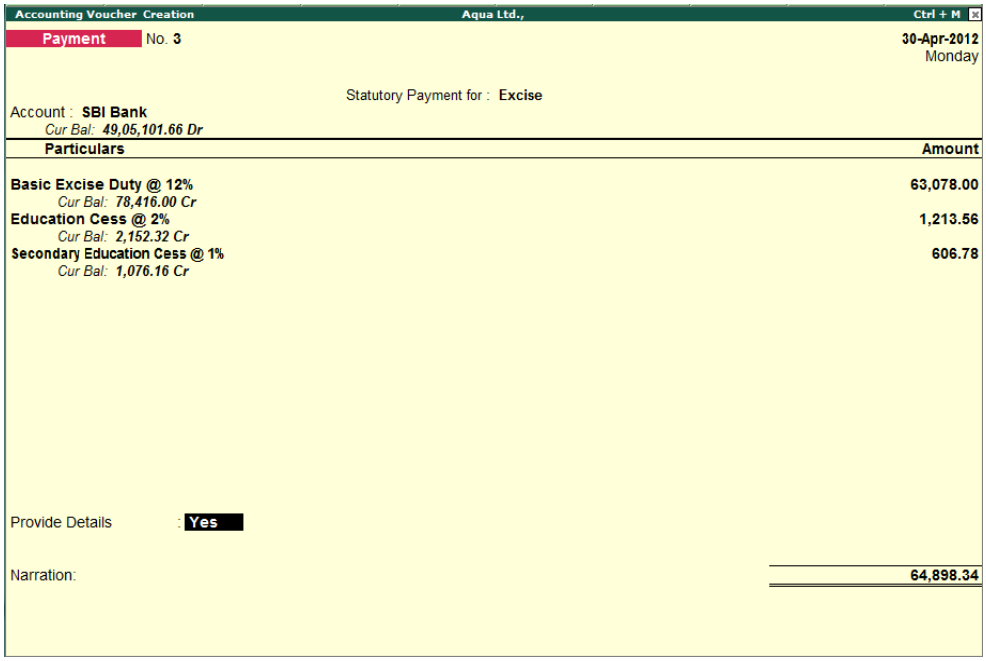


Figure 4.154 Enabling Provide Details Option

12.In **Payment Details** screen

- In **Period From** and **To** field enter the period as **1-4-2012 to 30-4-2012**
- In **Excise Unit Name** field select **Aqua Ltd.,** from the List of Excise Units
- In **Challan No.** field enter the **Bank Challan no. - 456423** used to pay the duty amount
- In **Challan Date** field enter the **date 3-5-2012** on which the duty is paid
- In **Bank Name** field enter the **Name of the Bank - SBI Bank** through which the payment is made.
- In **BSR Code** filed enter the BSR code of the bank
- In **Cheque/Draft/Pay Order No.** field enter the Cheque Number - **552423**
- In **Cheque Date** field enter the cheque date as **3-5-2012**

Figure 4.155 Payment Details

13.In **Bank Allocations** screen, in **Favouring Name** field enter the appropriate Name and in other fields accept the default details.

14.The completed Payment Voucher appears as shown

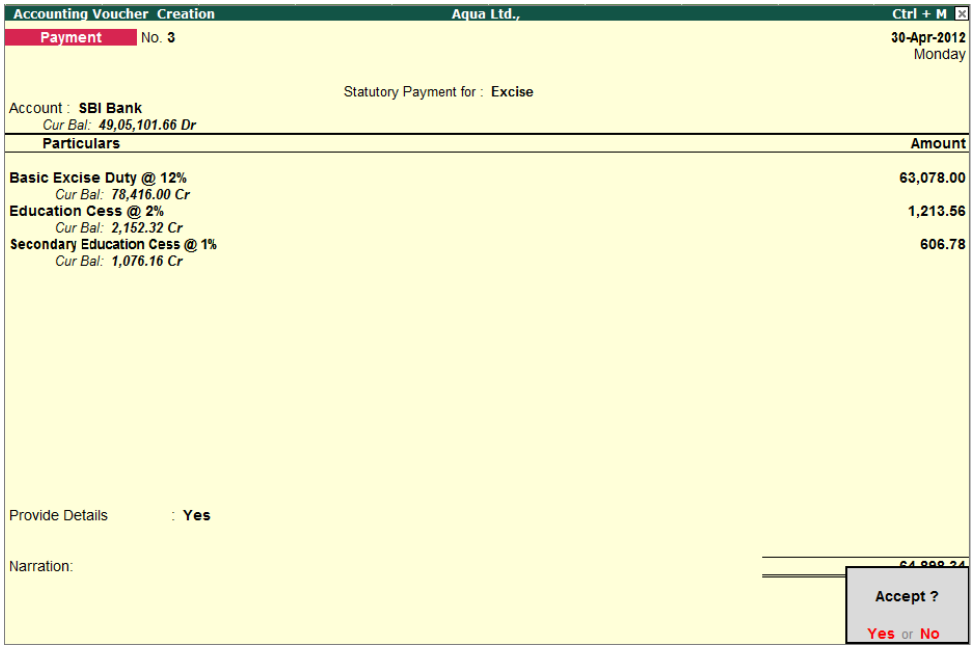


Figure 4.156 Payment Voucher

15.Press **Enter** to accept.

*G.A.R.-7 **Payment** entry can also be recorded in **Single Entry** or **Double Entry** mode without using **S: Stat Payment** button/option.*

Printing G.A.R.–7 Challan

Press **Page Up** from the payment voucher to view the payment voucher entered on **3-5-2012** Press **Alt +P** or click on **P: Print** button to view the **Voucher Printing** Screen

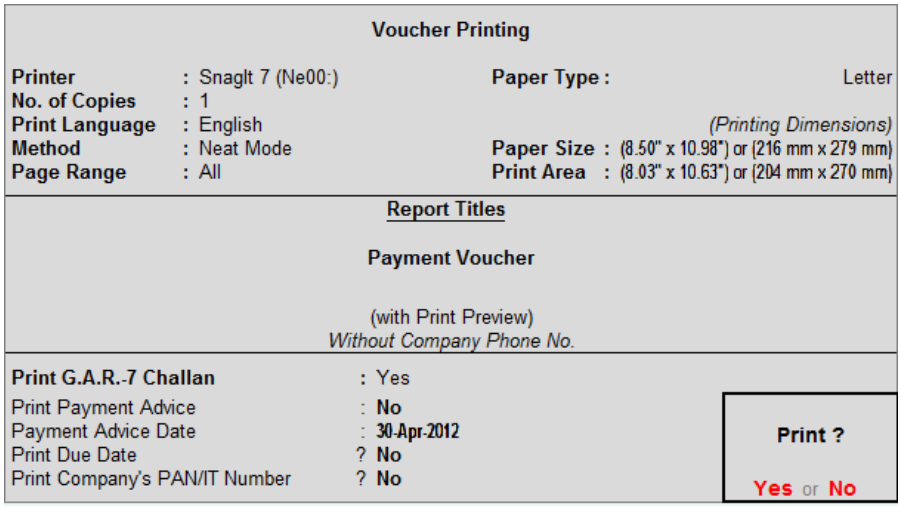


Figure 4.157 Voucher Printing

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

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

The print preview of G.A.R. -7 Challan is displayed as shown

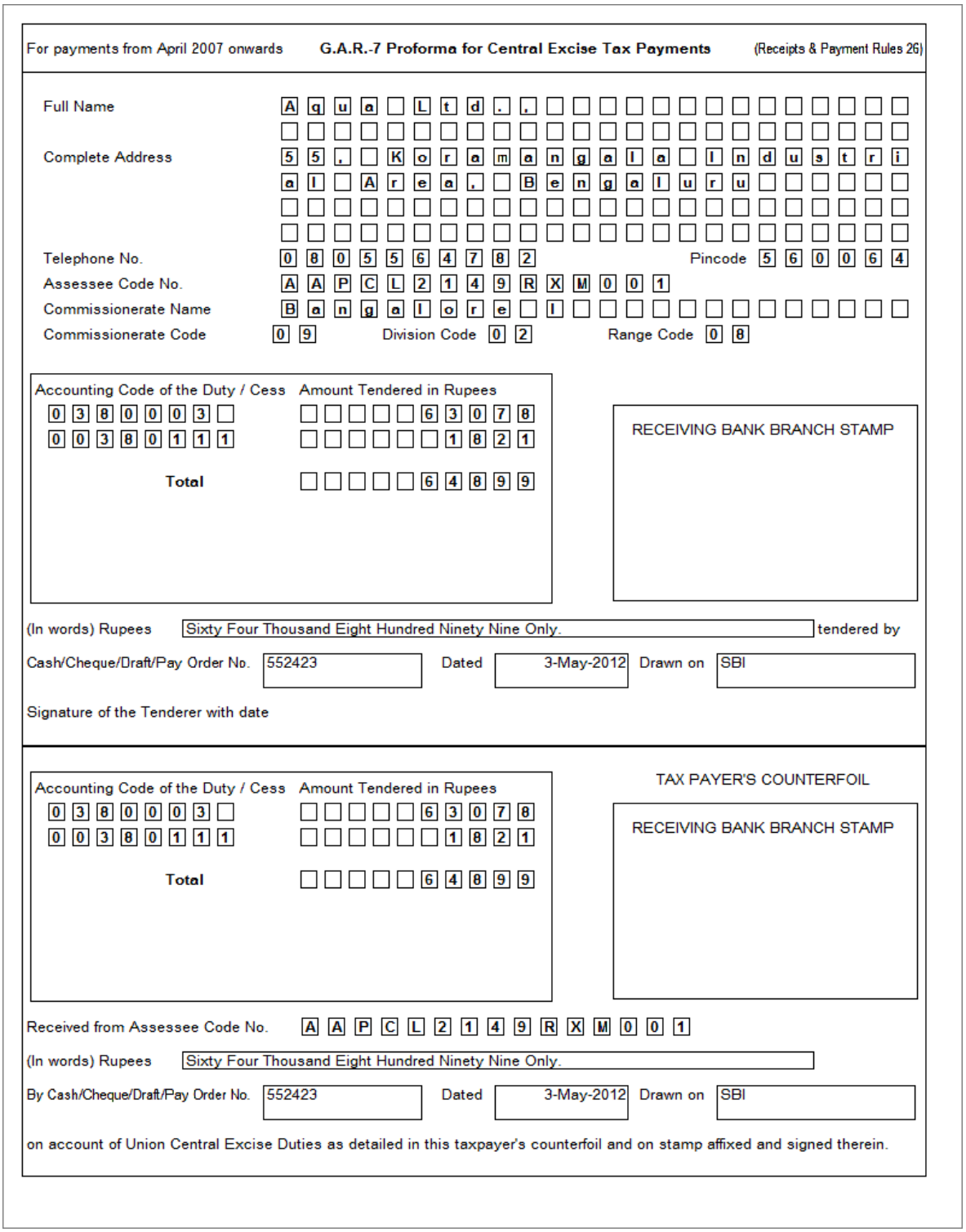


Figure 4.158 Print Preview – G.A.R.– 7

4.26 Creating a Payment Voucher – GAR 7 Payment (using Auto fill)

Example 29:

On 6-5-2012 Aqua Ltd. paid Excise duty for the month of April to government.

To create a Payment Voucher

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

1. Enter the **Date** as **6-5-2012**
2. Press **Alt + S** or click on **S: Stat Payment** to view Statutory Payment screen
3. In **Statutory Payments** screen
   - **Type of Duty/Tax**: In this field select the Tax/Duty Type towards which tax payment entry is being recorded. Here we are recording **excise** duty payment entry, hence select **Excise** from the Type of Duty/Tax

*The **Types of Duty/Tax** will be displayed based on the statutory features enabled in **F11: Features** for the company*

   - **Auto Fill Statutory Payment**: Set this option to **YES** to auto calculate and fill the duty payable to the Government. Set this option to **NO**, if the user wants to manually select the duty ledger and duty bills. Aqua Ltd. wants the duty details to be auto filled to the payment voucher, hence the option **Auto Fill Statutory Payments** is set to **Yes**.
   - On setting the option **Auto Fill Statutory Payments** to **Yes**, based on the **Duty/Tax Type** selected Tally.ERP 9 displays the appropriate statutory payment fields to fill the details.
     - In **Period From** and **To** field enter the period as **1-4-2012** to **30-4-2012**

- In **Excise Unit Name** field select **Aqua Ltd.** from the **List of Excise Units**

Figure 4.159 Payment Voucher – Excise Helper

4. Press **Enter** to save the **Statutory Payments** screen.
5. On saving the **Statutory Payments** screen, based on the period specified and the excise unit selected the duty details will be automatically displayed in the payment voucher.

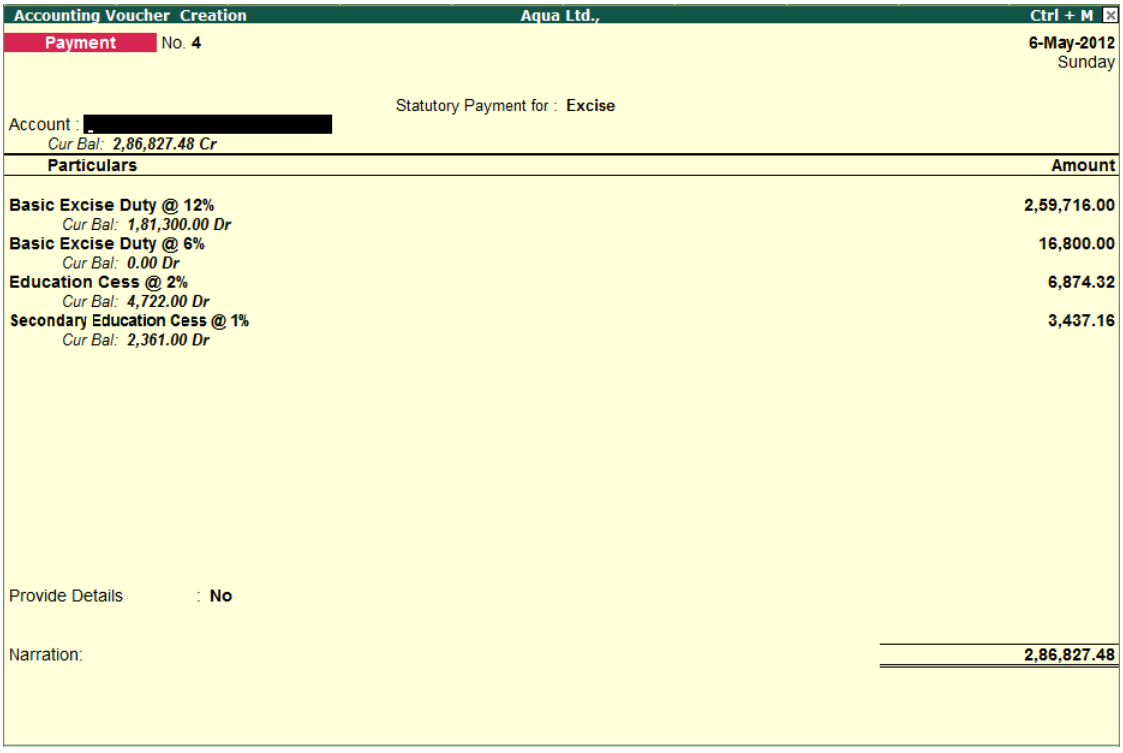


Figure 4.160 Auto Filled Payment Voucher

6. In **Accounts** field, select the Bank Ledger - **SBI Bank** form the **List of Ledger Accounts**

7. Set the option **Provide Details** to **Yes** to specify the duty payment details.
8. In **Payment Details** (for Excise) screen
   - **Period From** and **To**: The period details will be displayed automatically based on the period specified in **Statutory Payments** screen
   - **Excise Unit Name**: Unit Name will be displayed automatically based on the excise unit specified in Statutory Payments screen
   - **Challan No.**: In this field enter the **Bank Challan no. - 456578** used to pay the duty amount
   - **Challan Date**: Enter the date - **6-5-2012** on which the duty is paid
   - **Bank Name**: In this field specify the Bank Name - **SBI Bank** through which the payment is made.
   - **BSR Code**: In this field mention the BSR Code of the Branch - **0078296**
   - **Cheque/Draft/Pay Order No.**: Enter the Cheque Number - **552568**
   - In **Cheque Date** field enter the cheque date as **6-5-2012**

Figure 4.161 Payment Details Screen

9. Press **Enter** to accept the Payment Details.

The completed G.A.R.-7 Payment voucher is displayed as shown:

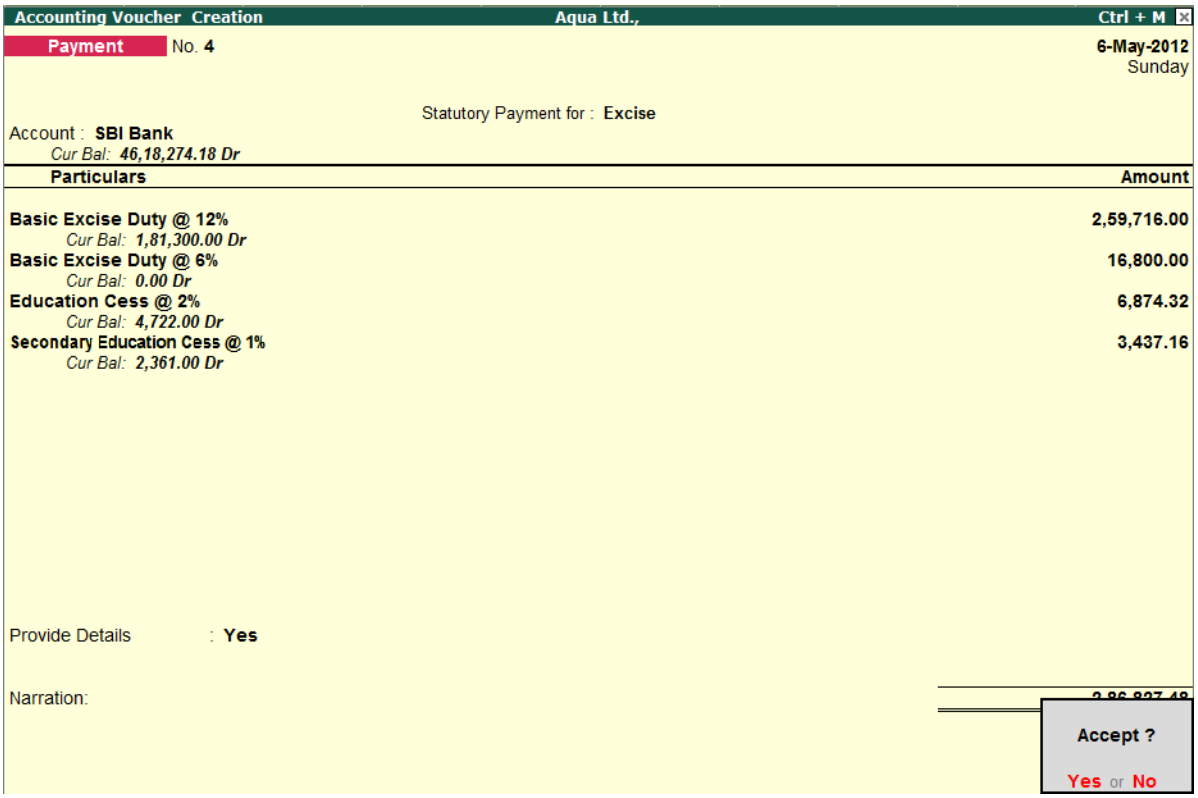


Figure 4.162 Completed Payment Voucher

10.Press **Enter** to save.

Lesson 5: Excise Reports

5.1 Excise Reports

To view the Excise for manufacturer Reports

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer**

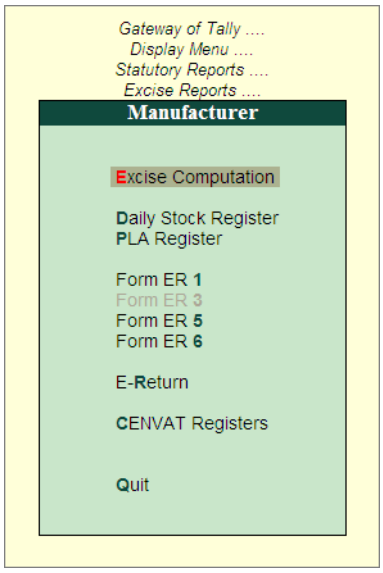


Figure 5.1 Excise Reports

The **Excise Reports** are

- Excise Computation
- Daily Stock Register
- PLA Register
- Form ER 1
- Form ER 5
- Form ER 6
- E-Return
- CENVAT Registers

5.2 Excise Computation

Excise Computation report displays complete information about excise transactions for a period.

Tally.ERP 9 provides a clear-cut presentation on how Excise is computed for a given period. It also provides a bird's eye view of all transaction related to Excise.

To view Excise Computation report

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > Excise Computation**

- Select the Excise Unit – **Aqua Ltd.,**

If you have more than one manufacturing unit select the appropriate Excise Unit from the List of Excise Units for which you want to view the Excise Computation report

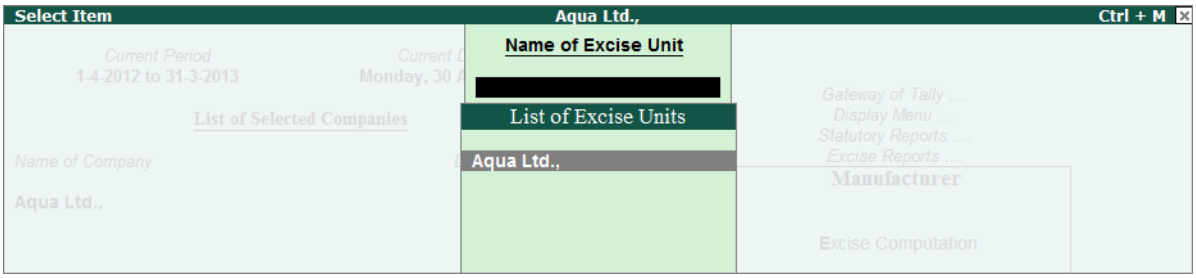
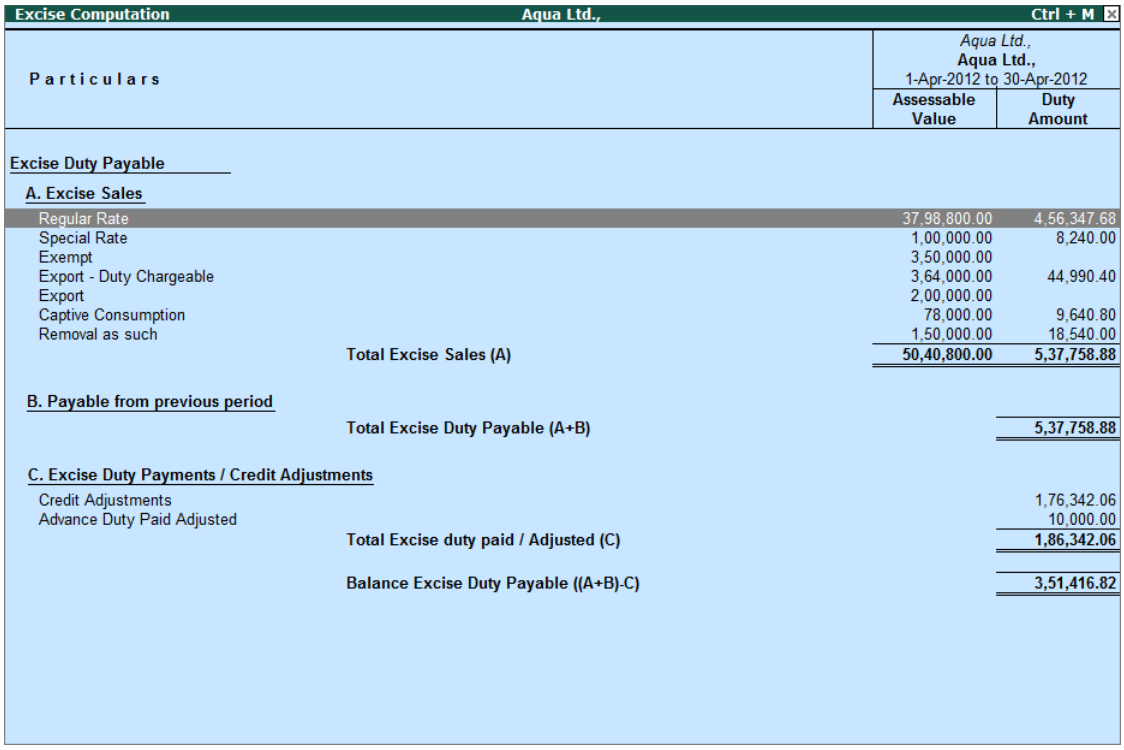


Figure 5.2 Select Item Screen

Excise Computation report appears as shown



Particulars	Aqua Ltd., Aqua Ltd., 1-Apr-2012 to 30-Apr-2012	
	Assessable Value	Duty Amount
Excise Duty Payable		
A. Excise Sales		
Regular Rate	37,98,800.00	4,56,347.68
Special Rate	1,00,000.00	8,240.00
Exempt	3,50,000.00	
Export - Duty Chargeable	3,64,000.00	44,990.40
Export	2,00,000.00	
Captive Consumption	78,000.00	9,640.80
Removal as such	1,50,000.00	18,540.00
Total Excise Sales (A)	**50,40,800.00**	**5,37,758.88**
B. Payable from previous period		
Total Excise Duty Payable (A+B)		**5,37,758.88**
C. Excise Duty Payments / Credit Adjustments		
Credit Adjustments		1,76,342.06
Advance Duty Paid Adjusted		10,000.00
Total Excise duty paid / Adjusted (C)		**1,86,342.06**
Balance Excise Duty Payable ((A+B)-C)		**3,51,416.82**

Figure 5.3 Excise Computation

5.3 Daily Stock Register

Daily Stock Register is a record of stock maintained on daily basis. A daily stock has to be maintained by every assessee. This report contains details about Description of goods manufactured/ produced, opening balance, Quantity manufactured or produced, Total quantity, Quantity removed, Assessable value, Amount of duty payable and details regarding amount of Duty actually paid.

To view D**aily Stock Register**

Go to **Gateway of Tally > Display > Statutory Reports> Excise Reports > Manufacturer > Daily Stock Register**

You can view Daily Stock Register for **One Item** or **Multi Item**

Figure 5.4 Daily Stock Register

1. Daily Stock register for One Item- Select the option One Item

In **Select Excise Unit** screen

- **Name of Excise Unit**: By default Tally.ERP 9 displays Aqua Ltd.

If you have more than one manufacturing unit select the appropriate Excise Unit from the List of Excise Units for which you want to view the Daily Stock Register

- **Name of Tariff**: In this field select the Tariff to view the stock items/item grouped under the selected tariff. Select **Water** as Tariff.
- **Name of Item**: Select **AquaPure - 1Ltr** from the List of Excise Stock Items.

Figure 5.5 Select Excise Unit screen

You can select appropriate Stock item from the List of Excise Stock items to view the Daily Stock Register

The **Daily Stock Register** appears as shown:

Daily Stock Register — **Aqua Ltd.,** — Ctrl + M

Unit Name : **Aqua Ltd.,** — 1-Apr-2012 to 30-Apr-2012
Stock Item : **AquaPure 1 Ltr**
Units : L Excise Tariff Classification : **Water - 22011010**

Date	Document Reference	Opening Balance	Quantity Manufactu-red	Total Quantity	Issued for Further Production u/n 67 / 95	Issued for repacking	Issued for Exempt / Export under Bond	Quantity Issued for Sales	Assessable Value
									5 more ... →
9-Apr-2012	Manufacturing Journal / 1		2,00,000	2,00,000					
10-Apr-2012	Excsie-Stock Journal / 1	2,00,000	20,000	2,20,000					
11-Apr-2012	Excise - Sales / Aqua/101/12-13	2,20,000		2,20,000				1,00,000	10,40,000.00
13-Apr-2012	Excise - Sales / Aqua/102/12-13	1,20,000		1,20,000				20,000	2,08,000.00
18-Apr-2012	Excise - Sales / Aqua/107/12-13	1,00,000		1,00,000	7,500				78,000.00
18-Apr-2012	Excise - Sales / Aqua/108/12-13	92,500		92,500			10,000		1,04,000.00
	Total		2,20,000	2,20,000	7,500		10,000	1,20,000	14,30,000.00

Figure 5.6 Daily Stock Register

From this report you can select any document reference to drill down to view the Inventory voucher alteration (secondary) screen.

2. Multi Item Daily Stock register - Select the option Multi Item

In **Select Excise Unit** screen

- **Name of Excise Unit**: By default Tally.ERP 9 displays Aqua Ltd.

If you have more than one manufacturing unit select the appropriate Excise Unit from the List of Excise Units for which you want to view the Daily Stock Register

- **Name of Tariff**: In this field select the Tariff to print the Daily Stock Register report for the stock items grouped under the selected tariff. Select **Water** as Tariff.

I

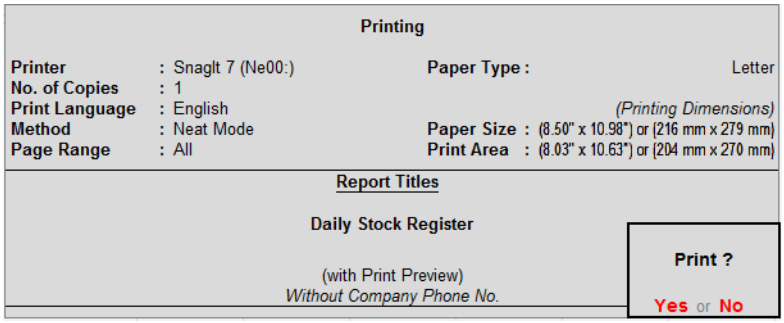


Figure 5.7 Report Generation Screen -Daily Stock Register

Ensure **Alt+I: With Preview** is selected to view the print preview of **Multi Item Daily Stock Register**

The **Print Preview** of **Multi Item Daily Stock Register** is displayed as shown.

Depending on the number of stock items grouped under the **Tariff** selected for printing, details of each item will be printed in separate pages.

Page 1: AquaEase - 20Ltr

Aqua Ltd.,
55, Koramangala Industrial Area
Bengaluru

Aqua Cement
Daily Stock Register
1-Apr-2012 to 30-Apr-2012

Units : KG Excise Tariff Classification : Cement - 2523 00 00 Page 1

Date	Document Reference	Opening Balance	Quantity Manufactured	Total Quantity	Issued for Further Production u/n 67 / 95	Issued for repacking	Issued for Exempt / Export under Bond	Quantity Issued for Sales	Assessable Value	Excise Duty	Education Cess	Secondary Education Cess	Balance Quantity	Excise Notification	Remarks
26-Apr-2012	[illegible]	1,00,000		1,00,000				20,000	2,80,000.00	19,200.00	384.00	192.00	80,000		
	Total	1,00,000		1,00,000				20,000	2,80,000.00	19,200.00	384.00	192.00	80,000		

Figure 5.8 Daily Stock Register - Page 1

Page 2: AquaKing - 20Ltrs

Aqua Ltd.,
55, Koramangala Industrial Area
Bengaluru

AquaEase-20L
Daily Stock Register
1-Apr-2012 to 30-Apr-2012

Units : L Excise Tariff Classification : Water - 22011010 Page 2

Date	Document Reference	Opening Balance	Quantity Manufactured	Total Quantity	Issued for Further Production u/n 67 / 95	Issued for repacking	Issued for Exempt / Export under Bond	Quantity Issued for Sales	Assessable Value	Excise Duty	Education Cess	Secondary Education Cess	Balance Quantity	Excise Notification	Remarks
9-Apr-2012	[illegible]		20,000	20,000									20,000		
14-Apr-2012	[illegible]	20,000		20,000				4,000	21,333.33	2,560.00	51.20	25.60	16,000		
16-Apr-2012	[illegible]	16,000		16,000	4,000				20,000.00				12,000	Aqua/06/12-13	
	Total		**20,000**	**20,000**	**4,000**			**4,000**	**41,333.33**	**2,560.00**	**51.20**	**25.60**	**12,000**		

Figure 5.9 Daily Stock Register - Page 2

5.4 PLA Register

Personal Ledger Account (PLA) is an account current through which Assessee pays Excise Duty to the Government. The PLA register is credited when the duty is liable to pay and when the Duty is discharged (by CENVAT Credit /Payment) the PLA register will be debited. The Duty Payable if any will be displayed as Balance. PLA and CENVAT Credit should be used only for payment of excise duty and not for any other payments like rent, fines, penalties etc.

To view the **PLA Register**

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > PLA Register**

In **Select Item** screen

- Select the Excise Unit – **Aqua Ltd.** from the List of Excise Units

If you have more than one manufacturing unit select the appropriate Excise Unit from the List of Excise Units for which you want to view the PLA Register.

The **PLA Register** appears as shown:

PLA Register — Aqua Ltd., — Ctrl + M

Excise Unit Name : **Aqua Ltd.,** — 1-Apr-2012 to 30-Apr-2012

Particulars of Credit / Debit Document Description of Documents with name of treasury where necessary	Document No. / Date	Central Excise Tariff Sub-heading Number	ECC No. of the Buyer	Basic Excise Duty			Education Cess		
				Credit	Debit	Balance	Credit	Debit	Balance
									1 more ... →
Excise - Sales	Aqua/101/12-13 / 11-Apr-2012	22011010	AACCL0014CXD001		1,24,800.00 Dr	1,24,800.00 Dr		2,496.00 Dr	2,496.00 Dr
Excise - Sales	Aqua/102/12-13 / 13-Apr-2012	22011010	AACCL0014CXD001		48,160.00 Dr	1,72,960.00 Dr		963.20 Dr	3,459.20 Dr
Excise - Sales	Aqua/103/12-13 / 14-Apr-2012	22011010	AACCL0014CXD001		11,520.00 Dr	1,84,480.00 Dr		230.40 Dr	3,689.60 Dr
Excise - Sales	Aqua/104/12-13 / 14-Apr-2012	22011010	AACCL0014CXD001		8,000.00 Dr	1,92,480.00 Dr		160.00 Dr	3,849.60 Dr
Excise - Sales	Aqua/105/12-13 / 16-Apr-2012	39233010	ADESR4033FXM001		18,000.00 Dr	2,10,480.00 Dr		360.00 Dr	4,209.60 Dr
Excise - Sales	Aqua/106/12-13 / 16-Apr-2012		234465345			2,10,480.00 Dr			4,209.60 Dr
Excise - Sales	Aqua/107/12-13 / 18-Apr-2012	22011010	234465345		9,360.00 Dr	2,19,840.00 Dr		187.20 Dr	4,396.80 Dr
Excise - Sales	Aqua/109/12-13 / 18-Apr-2012	22011010			43,680.00 Dr	2,63,520.00 Dr		873.60 Dr	5,270.40 Dr
Excise - Sales	Aqua/111/12-13 / 25-Apr-2012	22011010	AFWDS4851AXD001		3,276.00 Dr	2,66,796.00 Dr		65.52 Dr	5,335.92 Dr
Excise - Debit Note	Aqua/112/12-13 / 26-Apr-2012	39233010	ADESR4033FXM001		300.00 Dr	2,67,096.00 Dr		6.00 Dr	5,341.92 Dr
Excise - Sales	Aqua/113/12-13 / 26-Apr-2012	2523 00 00	AESRD7485AXM002		19,200.00 Dr	2,86,296.00 Dr		384.00 Dr	5,725.92 Dr
Payment	1 / 27-Apr-2012			10,000.00 Cr		2,76,296.00 Dr			5,725.92 Dr
Journal	4 / 30-Apr-2012	39233010		1,18,002.00 Cr		1,58,294.00 Dr	2,360.04 Cr		3,365.88 Dr

Figure 5.10 PLA Register

5.5 Form ER 1

Form ER 1 is a monthly return for production, removal of Goods, other relevant particulars and CENVAT Credit. All the Excise Manufacturing (Regular/Large Tax payer) Units should file returns in **Form ER 1**. You can generate **Form ER 1** in Tally.ERP 9. To view Form ER 1

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > Form ER 1**

- Press **Backspace** to select the Excise Unit and to set **From Date** and **To Date** to take the print of **Form ER 1** for appropriate period

The **Excise ER1 Print Configuration** screen appears as shown:

Printing

Printer	: SnagIt 7 (Ne00:)	**Paper Type :**	Letter
No. of Copies	: 1		
Print Language	: English		*(Printing Dimensions)*
Method	: Neat Mode	**Paper Size :**	(8.50" x 10.98") or (216 mm x 279 mm)
Page Range	: All	**Print Area :**	(8.03" x 10.63") or (204 mm x 270 mm)

Report Titles

Form ER 1

(with Print Preview)
Without Company Phone No.

Excise Unit	:	**Aqua Ltd.,**
From (blank for beginning)	:	**1-4-2012**
To (blank for end)	:	**30-4-2012**
Include Export/Exempt Quantity	?	**Yes**
Include Export/Exempt Assessable Value	?	**Yes**
Show Export and Captive Consumption	?	**Yes**
Show All Items	?	**Yes**
Place	:	**Bangalore**
Date	:	**30-4-2012**
Assessee Name	:	**AQUA LTD**

Print ?

Yes or No

Figure 5.11 Print Configuration

The **Print Preview of Form ER 1** appears as shown

ANNEXURE-12

Monthly return for production and removal of goods and other relevant particulars and CENVAT credit
Form E.R.-1

Original/Duplicate

[See rule 12 of the Central Excise Rules, 2002 and rule 9(7) of CENVAT Credit Rules,2004]

	MM	YYYY
Return of excisable goods and availment of CENVAT credit for the Month	04	2012

Large Taxpayer Unit opted for (name of the city)*:-

1. Registration number :- **AAPCL2149RXM001**
2. Name of the Assessee :- **Aqua Ltd.,**
3. Details of the manufacture, clearance and duty payable:-

CETSH NO. (1)	Description of goods (2)	Unit of quantity (3)	Opening balance (3A)	Quantity manufactured (4)	Quantity cleared (5)	Closing balance (5A)	Assessable Value (Rs.) (6)
2523 00 00	Cement	KG	1,00,000		20,000	80,000	2,80,000.00
22011010	Water	L		4,02,000	2,77,800	1,24,200	21,13,300.00
	Total		**1,00,000**	**4,02,000**	**2,97,800**	**2,04,200**	**23,93,300.00**

Duty (7)	Notification availed (8)	Serial number in Notification (9)	Rate of duty (adv) (10)	Rate of duty (specific) (11)	Duty Payable (12)	Provisional assessment number (if any) (13)
Basic Excise Duty					2,03,680.00	
Education Cess					4,073.60	
Secondary Education Cess					2,036.80	
Basic Excise Duty	Aqua106/12-13				9,360.00	
Education Cess	Aqua106/12-13				187.20	
Secondary Education Cess	Aqua106/12-13				93.60	
Basic Excise Duty	EB\20\2012-23	20			8,000.00	
Education Cess	EB\20\2012-23	20			160.00	
Secondary Education Cess	EB\20\2012-23	20			80.00	
Basic Excise Duty	EX\458\12-13				3,276.00	
Education Cess	EX\458\12-13				65.52	
Secondary Education Cess	EX\458\12-13				32.76	
Basic Excise Duty					2,35,800.00	
Education Cess					4,716.00	
Secondary Education Cess					2,358.00	
Basic Excise Duty	NA/045/12-13				43,680.00	
Education Cess	NA/045/12-13				873.60	
Secondary Education Cess	NA/045/12-13				436.80	

4. Clearance details of inter unit transfer of intermediate goods without payment of duty under sub-rule (1) of rule 12BB*:-

Registration number of the recipient unit (1)	Name and address of the recipient premises (2)	CETSH NO (3)	Description of goods sent (4)	Unit of Quantity (5)	Quantity cleared (6)

5. Receipt details of intermediate goods received from other premises under sub-rule (1) of rule 12BB*:-

Registration number of sender premises (1)	Name and address of the sender premises (2)	CETSH NO (3)	Description of goods received (4)	Unit of Quantity (5)	Quantity received (6)

6. Details of duty paid on excisable goods:-

Duty Code	Credit Account (Rs.)	Account Current (Rs.)	Challan		BSR code	Total duty paid (2 +3)
			No.	Date		
(1)	(2)	(3)	(4A)	(4B)	(5)	(6)
Basic Excise Duty	1,18,002.00	64,800.00	587964	27-Apr-2012	0078528	1,82,802.00
Education Cess	2,360.04					2,360.04
Secondary Education Cess	1,180.02					1,180.02

Figure 5.12 Form ER 1– Page 1

7. Abstract of ACCOUNT-CURRENT (Cash payment):-

Summary particulars	Amount in Rs.
(1)	(2)
Opening Balance	
Add: TR-6/GAR-7 Challan payments made in the month (in aggregate)	10,000.00
Add*: Adjustment of the excess duty paid during previous period under sub-rule(2) of rule 12BB (in case of LT)	
Total amount available	10,000.00
Less: Utilization towards Payment of duties on excisable goods during the month [vide Details furnished under col.no. 3 in Sl.No. (6) of the Return]	64,800.00
Less: Utilization towards Other Payments made during the month [vide Details furnished under Sl.No. (9) of the Return]	
Closing balance	(-)54,800.00

8. Details of CENVAT credit taken and utilised:-

Sl. No.	Details of credit	CENVAT (Rs.)	AED (TTA) (Rs.)	NCCD (Rs.)	ADE levied under clause 85 of Finance Act, 2005 (Rs.)	Additional duty of cus -toms levied under section 3 (5) of the Customs Tariff Act, 1975	Education Cess on excisable goods (Rs.)	Secondary and Higher Education Cess on Excisable goods (Rs.)	Service Tax (Rs.)	Education Cess on taxable services (Rs.)	Secondary and Higher Education Cess on taxable services (Rs.)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	Opening balance	57,300.00					1,146.00	573.00			
2	Credit taken on inputs on invoices issued by manufac-turers	81,750.00					1,635.00	817.50			
3	Credit taken on inputs on invoices issued by Ist or IInd stage dealers	2,952.00					59.04	29.52			
4	Credit taken on imported inputs										
5	Credit taken on capital goods on invoices issued by manufac-turers or by Ist or IInd stage dealers	6,000.00					120.00	60.00			

Figure 5.13 Form ER 1 – Page 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
6	Credit taken on imported capital goods										
7	Credit taken on input services										
8	Credit taken from inter-unit transfer of credit by a large taxpayer										
9	Credit taken under sub-rule (2) of rule 12BB of Central Excise Rules, 2002*										
10	Total credit available	1,48,002.00					2,960.04	1,480.02			
11	Credit utilised for payment of duty on goods	1,48,002.00					2,960.04	1,480.02			
12	Credit utilised when inputs or capital goods are removed as such										
13	Credit utilised for payment of amount in terms of Rule 6 of CENVAT Credit Rules, 2004.										
14	Credit utilised for other payment										
15	Credit utilised for payment of tax on services										
16	Credit utilised towards inter unit transfer of credit by a large taxpayer*										
17	Closing balance										

Figure 5.14 Form ER 1 – Page 3

9. Details of other payments made:-

Payments	Amount paid (Rs.)		Challan		BSR code	Source document	
	Account current	Credit Account	No.	Date		No.	date
(1)	(2A)	(2B)	(3A)	(3B)	(4)	(5A)	(5B)
Arrears of duty under rule 8							
Other arrears of duty							
Interest payment under rule 8							
Other interest payments							
Misc. payments							
[Total]							

10. Self-Assessment Memorandum:-

(a) I hereby declare that the information given in this return is true, correct and complete in every respect and that I am authorised to sign on behalf of the assessee.

(b) During the month, total Rs. 10,000.00 was deposited vide TR-6 Challans (copies enclosed).

(c) During the month, invoices bearing Sl.No. **Aqua/101/12-13 to Aqua/113/12-13 of Aqua/Rule 11/Book 1/12-13 were issued.**

(d) During the month, transfer challans under rule 12BB of the Central Excise Rules, 2002 bearing S.No._____to____, and transfer challan under rule 12A of the CENVAT Credit Rules, 2004 bearing S.No._____to_____were issued.*

(Authorised signatory)

Place : **Bangalore**

Date :

*Applicable only for large taxpayers defined under Rule 2(ea) of the Central Excise Rule,2002 and who has opted to operate as Large Taxpayer.

ACKNOWLEDGMENT

	MM	YYYY
Return of excisable goods and availment of CENVAT credit for the month of	04	2012

	DD	MM	YYYY
Date of Receipt			

Figure 5.15 Form ER 1 – Page 4

5.6 Form ER 5

Form ER - 5 is an annual return of information relating to Principal Inputs (Quantity) used in the manufacture of Finished Goods. Form ER – 5 can be generated from Tally.ERP 9

To view **Form ER – 5**

Go to **Gateway of Tally > Display >Statutory Reports> Excise Reports> Manufacturer> Form ER 5**

In **Print Report** screen

- **Excise Unit**: In this field select the appropriate Excise Unit for which you want to generate form ER 5
- **From** and **To**: In this field specify the relevant period for which the form to be generated.
- Specify **Place**, **Date** and **Assessee Name**

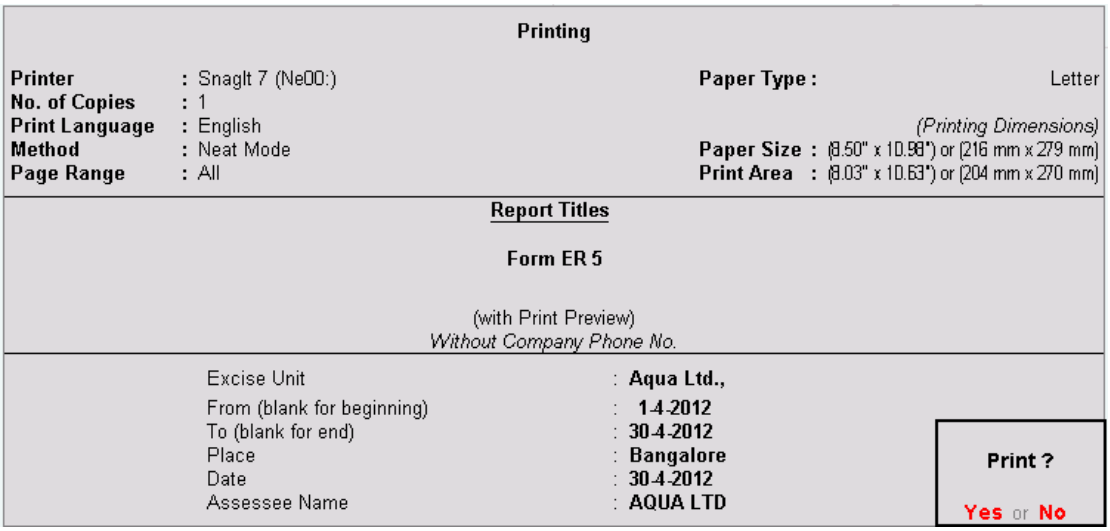


Figure 5.16 Report Configuration Screen

The Print Preview of Form ER 5 is displayed as shown:

FORMER - 5

[Sub-rule (1) of rule 9A of CENVAT Credit Rules,2004]

1. Name of the Manufacturer : Aqua Ltd.,
2. PAN based Registration Number : AAPCL2149RXM001
3. Annual Declaration
   (i) New Declaration :
   (ii) Amendments to declaration already filed :
   (Please tick the appropriate box)
4. Declaration for the Financial Year : 2012

Sr.No.	Description of Principal Inputs	Central Excise Tariff Sub-Heading No. of Principal inputs	Quantity Code	Description of finished goods in which principal input mentioned in column (2) is used	Central Excise Tariff Sub-Heading No.of finished goods	Quantity Code	Quantity of Principal input mentioned in column (2) required for use in the manufacture of unit quantity of finished goods mentioned in column (5)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Bottle Caps	39235010	KG				
				AquaPure 1 Ltr	22011010	L	2,60,000
				AquaSure	22011010	L	60,000
2	Low Density Polyethylene	39011010	KG				
				AquaMini 200ml	22011010	L	10,000
3	Natural Water	22011010	L				
				AquaPure 1 Ltr	22011010	L	2,60,000
				AquaMini 200ml	22011010	L	2,000
				AquaKing 20L	22011010	L	1,20,000
				AquaEase-20L	22011010	L	20,000
				AquaSure	22011010	L	60,000
4	PET Bottles - 1Ltr	39233010	KG				
				AquaPure 1 Ltr	22011010	L	2,60,000
				AquaSure	22011010	L	60,000
5	Water Container - 20Lts	39233010	KG				
				AquaKing 20L	22011010	L	6,000
				AquaEase-20L	22011010	L	1,000

NOTE :-

Please indicate the abbreviation referred to in Instruction No.7 mentioned in Form E.R.-1 and Form E.R.-3 specified in the Government of India, Ministry of Finance (Department of Revenue) vide No.25/2004 -Central Excise (N.T.), dated the 27th September,2004 published vide G.S.R.No.643(E) dated the 25th September,2004.

5. (i) I/We AQUA LTD hereby declare that the information given above is true, correct and complete in every respect to the best of my/our knowledge and belief.

(ii) I/We/am/are authorized to sign this return.

(Name in capital letters and Signature of the Authorized Signatory)

Place : **Bangalore**
Date : **30-Apr-2012**

Figure 5.17 Print Preview of Form ER 5

5.7 Form ER 6

Form ER 6 is an **monthly** return of information relating to Principal Inputs used in the manufacture of Finished Goods. This Return contains the details of Opening balance, Receipts and consumption of Principal inputs and quantity of finished goods manufactured.

To view the **Form ER 6**

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > Form ER 6**

In Print Report screen

- **Excise Unit**: In this field select the appropriate Excise Unit for which you want to generate form ER 6
- **From and To**: In this field specify the relevant period for which the form to be generated.
- Specify **Place**, **Date** and **Assessee Name**

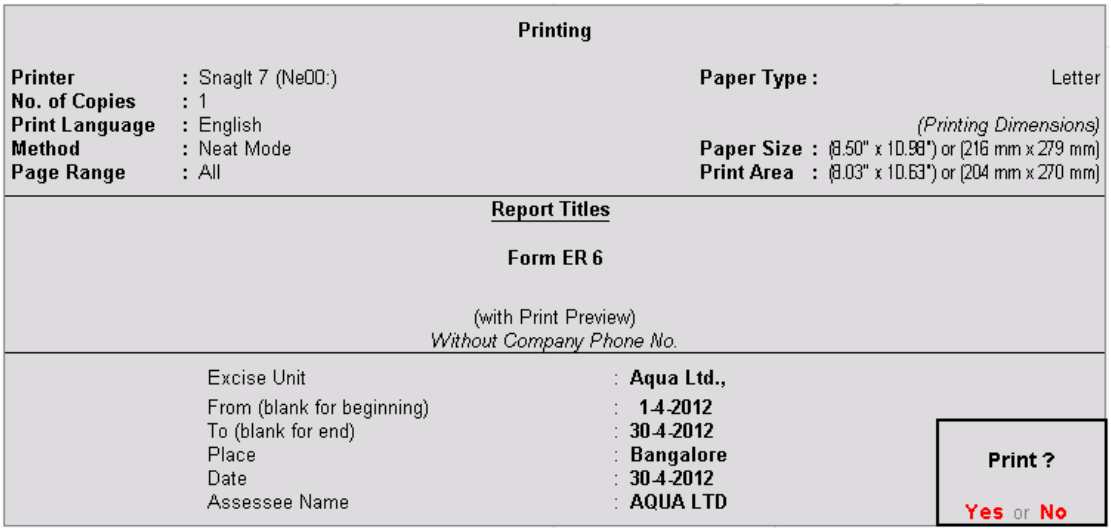


Figure 5.18 Print Configuration Screen

The print preview of From ER 6 is displayed as shown:

FORMER - 5

[Sub-rule (1) of rule 9A of CENVAT Credit Rules,2004]

1. Name of the Manufacturer : Aqua Ltd.,
2. PAN based Registration Number : AAPCL2149RXM001
3. Annual Declaration
   (i) New Declaration :
   (ii) Amendments to declaration already filed :
   (Please tick the appropriate box)
4. Declaration for the Financial Year : 2012

Sr.No.	Description of Principal Inputs	Central Excise Tariff Sub-Heading No. of Principal inputs	Quantity Code	Description of finished goods in which principal input mentioned in column (2) is used	Central Excise Tariff Sub-Heading No.of finished goods	Quantity Code	Quantity of Principal input mentioned in column (2) required for use in the manufacture of unit quantity of finished goods mentioned in column (5)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Bottle Caps	39235010	KG				
				AquaPure 1 Ltr	22011010	L	2,60,000
				AquaSure	22011010	L	60,000
2	Low Density Polyethylene	39011010	KG				
				AquaMini 200ml	22011010	L	10,000
3	Natural Water	22011010	L				
				AquaPure 1 Ltr	22011010	L	2,60,000
				AquaMini 200ml	22011010	L	2,000
				AquaKing 20L	22011010	L	1,20,000
				AquaEase-20L	22011010	L	20,000
				AquaSure	22011010	L	60,000
4	PET Bottles - 1Ltr	39233010	KG				
				AquaPure 1 Ltr	22011010	L	2,60,000
				AquaSure	22011010	L	60,000
5	Water Container - 20Lts	39233010	KG				
				AquaKing 20L	22011010	L	6,000
				AquaEase-20L	22011010	L	1,000

NOTE :-

Please indicate the abbreviation referred to in Instruction No.7 mentioned in Form E.R.-1 and Form E.R.-3 specified in the Government of India, Ministry of Finance (Department of Revenue) vide No.25/2004 -Central Excise (N.T.), dated the 27th September,2004 published vide G.S.R.No.643(E) dated the 25th September,2004.

5. (i) I/We AQUA LTD hereby declare that the information given above is true, correct and complete in every respect to the best of my/our knowledge and belief.

(ii) I/We am/are authorized to sign this return.

(Name in capital letters and Signature of the Authorized Signatory)

Place : Bangalore
Date : 30-Apr-2012

Figure 5.19 Print Preview of ER 6 - Page I

ACKNOWLEDGMENT

	MM	YYYY
Return of excisable goods and availment of CENVAT credit for the month of	04	2011

	DD	MM	YYYY
Date of Receipt			

Figure 5.20 Print Preview of ER 6 - Page II

5.8 E-Return

The Central Board of Excise and Customs has issued a notification making e-filing mandatory for assessees with effect form 1-4-2010. As per the Notification, all the registered Excise Manufacturers who have paid total duty of rupees ten lakhs or more including the amount of duty paid by utilization of CENVAT credit in the preceding financial year to file the monthly return, electronically under sub-rule (1) of Rule 12 of the Central Excise Rules, 2002.

To assist and manage e-filing, Central Board of Excise & Customs has set up an e-governance portal – **Automation of Central Excise and Service Tax (ACES)** [http://aces.gov.in]

5.8.1 E-Filling of Form ER 1

Currently, ACES application allows filing Monthly/Quarterly Return for the Registered Manufacturers online who are accessing the ACES site through PCs / Internet Browsers.

To make E- filing easy for the Excise Manufacturers to file returns in Automation Of Central Excise And Service Tax (ACES), department has given the options of off line filing using **Excel utility** or **XML schema**.

XML Schema *is a language for describing the structure and constraining the contents of XML documents*

Assessees who are not maintaining the records in computerised system, can down load the Excel utility and enter the details manually, validate and upload the Excel utility.

Assessees who have computerized systems in place and can generate their return from their existing application, department has given the process to prepare return in XML format validate and upload the ER 1 return. Benefits of using the XML schema is that if user is having huge data to upload instead of entering manually they can use their application for generating XML schema.

5.8.2 Generating ER 1 E-Returns fromTally.ERP9

Meeting all the requirements of E-Returns, Tally.ERP 9 now provides the option to generate monthly return with a click of a button.

To generate ER 1 E-Returns

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > E-Return** > Press **Enter** to view **Exporting ER 1 E-Return** screen

Press **Backspace** to provide **Returns Period**, **Place**, **Date** of generating E-Returns and other details

- **Excise Unit**: As Tally.ERP 9 allows creating and maintaining accounts of multiple units in a single company and allows to generate Excise Unit-wise e-returns. Excise Unit field is pro-

vided to select the Excise unit for which E-Return to be generated. Example: ABC Company.

- **Language**: Language is fixed to Restricted (ASCII Only) and the application will not allow to move the cursor to change the language.
- **Format**: Format is fixed to XML (Data Interchange). Currently, the ACES application supports the uploading of E-Returns generated in XML format from computerised systems. Hence, the XML (Data Interchange) is defaulted and application does not allow to change the export format.
- **Export Location**: By default, it displays the path where Tally.ERP 9 is installed. In Export Location field enter the details of the path to where the XML file to be exported.

*Ensure a copy of **ACES_ER1.xsd** file is copied to the folder (Tally.ERP 9 folder) to which the E-Return is getting exported. ACES_ER1.xsd file is required because on exporting the XML E-Return from Tally.ERP 9, the ACES_ER1.xsd validates the data structure of the E-Returns generated automatically.*

If the ER1 E-Return generated form Tally.ERP 9 is not validated ACES_ER1.xsd, while uploading such ER1 E-Returns ACES application displays the error & will not allow to upload the file.

- **Output File Name**: Tally.ERP 9 by default displays the Output File Name in the Format as specified under E-Return Requirements.

  The E-Return Requirement has clearly indicated that the E-Return File Format should - **15 Digit ECC Number_ Month Date Year Hour Minutes Seconds AM/PM.xml**

  Example: **AAPCL2149RXM001_04202011160622PM.xml**

*Tally.ERP 9 allows the user to change the **Output File Name** while generating the e-return in **XML** format.*

*But to upload the E-Returns, assessee has to follow the **file name structure** as specified under **E-Returns Requirement**. If the File name structure is different then, the ACES application will not allow the Assessee to upload the Returns.*

- **From**: In this field enter the period (1-4-2012) from where the return to be generated.
- **To**: In this field enter the till (30-4-2012) date to generate the return.

*By default the period in **From** and **To** date filed will be displayed based on the last date of the entry in the books of accounts.*

- **Place**: In this field enter the place of generating the return.
- **Date**: In this field enter the Date on which e-Return is generated
- **Remarks**: In this field enter the details as Monthly Return for 1-4-2012 to 30-4-2012

***From** and **To** period, **Place**, **Date** and **Remarks** are **Mandatory** fields. If the Assessee generates the returns without or incomplete details, the e-return generated will show the errors for the missing details.*

- **Validation**: This field will be displayed in Exporting ER1 E-Return screen only when the **HSN code** defined in Tariff Classification is not correct, If the finished goods cleared (sold) have **Negative Stock**, Stock Items without valid **Reporting UOM** and Excise sales recorded with Notification Number but the Notification Type is not defined.

*To correct the HSN Code, Negative Stock, Reporting UOM refer - **Getting Started with E R - 1 E-Returns***

The completed Exporting ER1 E-Return is displayed as shown:

Figure 5.21 Completed Exporting ER1 E-Return

- Press **Enter** to export the file.

The exported file will be placed in the Tally.ERP 9 Directory with the file name as specified above and ready for upload.

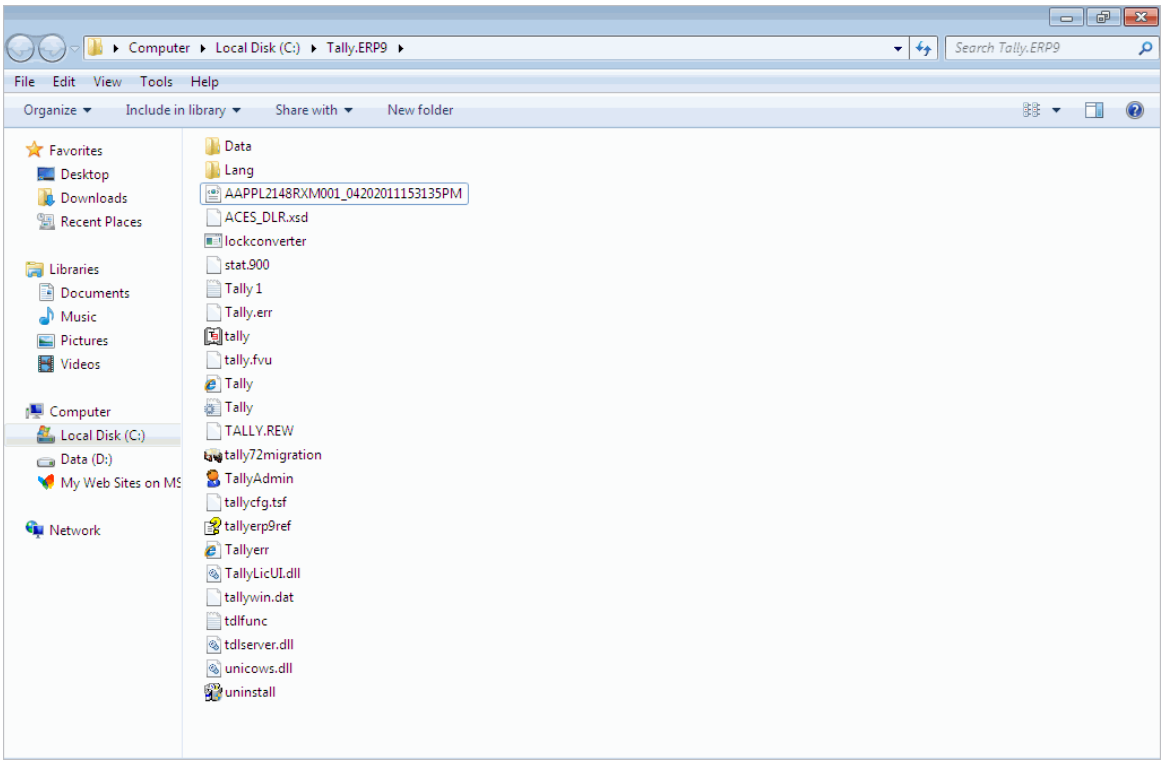


Figure 5.22 Exported XML file in Tally Folder

5.9 CENVAT Registers

5.9.1 Credit Summary

Credit Summary displays **Opening Balance, Credit for the Month, Utilised** and **Closing Balance** of CENVAT Credit.

To view **Credit Summary**

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > CENVAT Registers > Credit Summary**

In the **Select Excise Unit** screen

- **Name of Excise Unit**: By default Tally.ERP 9 displays **Aqua Ltd.**

  If you have more than one manufacturing unit select the appropriate Excise Unit from the List of Excise Units for which you want to view the Credit Summary report.
- **Tariff No.**: Select **Plastic Bottles** from the **List of Tariff No.**
- **Stock item Type**: Select **Principal Input** from the **List of Item Types**
- **Stock Item Name**: Select **All Items** from the List of Stock Items

You can select **Principal Input** or **Capital Goods** from the Type of Stock items to view the **Credit Summary** report. Press **Alt+F1** or click on **F1: Detailed** button to view the report in detailed mode.

The **Credit Summary** appears as shown

CENVAT Credit Summary — Aqua Ltd.,

Unit Name : **Aqua Ltd.,**

Excise Tariff Classification : **Plastic Bottles** Stock Item Type : **Principal Input** Stock Item : **All Items**

Month	Particulars	Basic Excise Duty	Education Cess
April-2012	*Opening Balance*	46,800.00 Dr	936.00 Dr
	Credit for the Month	68,952.00 Dr	1,379.04 Dr
	Utilised for Duty	1,15,752.00 Cr	2,315.04 Cr
	Utilised for Service Tax		
	Closing Balance		
May-2012	*Opening Balance*		
	Credit for the Month		
	Utilised for Duty		
	Utilised for Service Tax		
	Closing Balance		
June-2012	*Opening Balance*		
	Credit for the Month		
	Utilised for Duty		
	Utilised for Service Tax		
	Closing Balance		
July-2012	*Opening Balance*		
	Credit for the Month		
	Utilised for Duty		
	Utilised for Service Tax		
	Closing Balance		
August-2012	*Opening Balance*		
	Credit for the Month		

Figure 5.23 Credit Summary Report

5.9.2 Credit Availed

CENVAT Credit Availed report displays the details of CENVAT credit availed of Principal Input or Capital Goods.

To view **CENVAT Credit Availed** report

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > CENVAT Registers > Credit Availed**

In Selected **Excise Unit** screen

- **Name of Excise Unit**: By default Tally.ERP 9 displays **Aqua Ltd.**

If you have more than one manufacturing unit select the appropriate Excise Unit from the List of Excise Units for which you want to view the CENVAT Credit Availed report.

- **Tariff No.**: Select **Pet Bottle Caps** from the **List of Tariff No.**
- **Stock item Type**: Select **Principal Input** from the List of Item Types
- **Stock Item Name**: Select **All Items** from the List of Stock Items

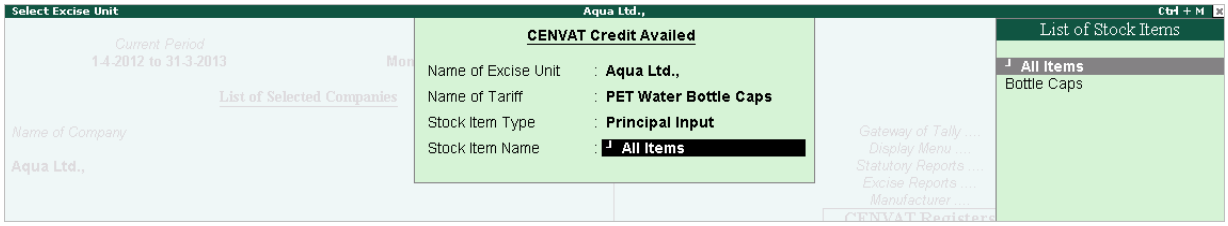


Figure 5.24 Select Excise Unit screen

CENVAT Credit Availed report appears as shown

CENVAT Credit Availed — Aqua Ltd., — Ctrl + M

Unit Name : **Aqua Ltd.,** — 1-Apr-2012 to 30-Apr-2012

Stock Item Type : **Principal Input**

Date of Entry	Invoice / Adj Reference	Type of Document	Supplier Name	Supplier ECC No.	Assessable Value	Basic Excise Duty	Education Cess	Secondary Education Cess
5-Apr-2012	LM/243 / 2-2012	Excise - Purchases	**Lamcy Manufacturers**	ADESR4033FXM001	**75,000.00**	9,000.00	180.00	90.00
21-Apr-2012	LM\5446 / 7-2012	Excise - Purchases	**Lamcy Manufacturers**	ADESR4033FXM001	**50,000.00**	6,000.00	120.00	60.00
			Total CENVAT			**15,000.00**	**300.00**	**150.00**
			Total Adjusted			**15,000.00**	**300.00**	**150.00**
			Balance					

Figure 5.25 CENVAT Credit Availed Report

5.9.3 RG 23 Part I

Form **RG 23 Part I** is a **Quantitative** account of **inputs/ capital goods** on which CENVAT credit is availed

Form RG 23 Part I report captures details of **Receipt of inputs/Capital goods, Inputs issued for the manufacture of finished goods/capital goods issued for manufacturer, Inputs/Capital goods issued for Clearance as such and Closing Stock of Inputs/Capital goods.**

To view Form RG 23A Part I report

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > CENVAT Registers > RG 23 Part I**

In **Select Excise Unit** screen

- **Name of Excise Unit**: By default Tally.ERP 9 displays Aqua Ltd.

  If you have more than one manufacturing unit select the appropriate Excise Unit from the List of Excise Units for which you want to view the RG23 Part I report.

- **Name of Item**: Select Principal Input from the Type of Stock Items.

  You can select **Principal Input or Capital Goods** from the Type of Stock items to view RG 23 Part I report.

On selecting Principal Unit Tally.ERP 9 displays RG 23A Part I and for Capital Goods it displays the RG 23C Part I.

Form R.G. 23A Part I (for Principal Inputs) is displayed as shown below

FORM R.G.23A PART I — Aqua Ltd.,

Unit Name : **Aqua Ltd.,** 1-A

Stock Item Name : **PET Bottles - 1Ltr** Stock Item Type : **Principal Input**

Date	Opening Balance	Receipt of Input					Issued for Manufacture of final product		Issued for Clearance as such	
		Sr.No. of Input Credit Register (Cross reference)	Name of Supplier	Value of Goods	Duty Paid	Quantity	Requisition Number	Quantity	Invoice No and Date	Quantity
1	2	3A	3B	3C	3D	3E	4A	4B	5A	5B
1-Apr -2012			Lamcy Manufacturers	1,50,000.00	18,540.00	1,00,000 U				
1-Apr -2012	1,00,000 U		*ADESR4033FXM001 Bangalore II Yeshwantpur Peenya* Shubh Distributors	2,40,000.00	29,664.00	2,00,000 U				
5-Apr -2012	3,00,000 U	2	*AESRD7485AXM002 Bangalore-I Division II Rajaji Nagar* Lamcy Manufacturers	3,00,000.00	37,080.00	3,00,000 U				
9-Apr -2012	6,00,000 U		*ADESR4033FXM001 Bangalore II Yeshwantpur Peenya*					2,00,000 U		
10-Apr -2012	4,00,000 U							60,000 U		
16-Apr -2012	3,40,000 U								5 /16-Apr -2012	25,000
21-Apr -2012	3,15,000 U	7	Lamcy Manufacturers	2,00,000.00	24,720.00	2,00,000 U				

Figure 5.26 RG 23 Part I - Principal Inputs

Form R.G. 23C Part I (for Capital Goods) is displayed as shown below:

FORM R.G.23C PART I — Aqua Ltd.,

Unit Name : **Aqua Ltd.,**

Stock Item Name : **Machinery** Stock Item Type : **Capital Goods**

Date	Opening Balance	Receipt of Capital Goods					Issued for factory for		Issued for Cleara as such	
		Sr.No. of Capital Goods Credit Register (Cross reference)	Name of Supplier	Value of Goods	Duty Paid	Quantity	Requisition Number	Quantity	Invoice No and Date	Qua
1	2	3A	3B	3C	3D	3E	4A	4B	5A	5
9-Apr-2012		TI/6894	Tricon Industries *456676453 Indiranagar Vidyanarayanpura Vidyanarayanpura*	1,00,000.00	6,180.00	1 U				

Figure 5.27 RG 23 Part I - Capital Goods

5.9.4 RG 23 Part II

RG 23A Part II report displays the details of **Fresh Credit allowed documents, Fresh Credit Allowed Amount, Total Credit Available, Credit Adjusted** with **Opening** and **Balance Credit** of **Principal Inputs** (RG 23A Part II)/**Capital Goods** (RG 23A Part II) for the **Period** selected.

To view RG 23A Part II

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > CENVAT Registers > RG 23 Part II**

In **Select Excise Unit** screen

- **Name of Excise Unit**: By default Tally.ERP 9 displays **Aqua Ltd**.

If you have more than one manufacturing unit select the appropriate Excise Unit from the List of Excise Units for which you want to view the RG23 Part II report.

- **Name of Item**: Select **Principal Input** from the Type of Stock Items.

You can select **Principal Input** or **Capital Goods** from the Type of Stock items to view RG 23 Part II report.

On selecting **Principal Unit** Tally.ERP 9 displays **RG 23A Part II** and for **Capital Goods** it displays the **RG 23C Part II**

Form R.G. 23A Part II (for Principal Inputs) is displayed as shown below

FORM R.G.23A PART II — Aqua Ltd., — Ctrl + M

Unit Name : **Aqua Ltd.,** 1-Apr-2012 to 30-Apr-2012

Stock Item Type : **Principal Input**

Sl. No.	Name of Supplier	Date	Opening Balance of Duty in Credit				Fresh Credit Allowed		
			CENVAT	Education Cess	Secondary Education Cess	Additional-Duties	Invoice No./Bill of Entry No. & Date	C.E.RegNo /IEC Code No. of this Supplier & Range /Customs house from where received	Folio & Entry No. in Part I
		Opening	57,300.00	1,146.00	573.00				
								4 more ... →	
1	Lamcy Manufacturers	5-Apr-2012	57,300.00	1,146.00	573.00		LM/243 / 2-2012 / 5-Apr-2012	ADESR4033FXM001	2
2	Shubh Distributors	6-Apr-2012	1,09,050.00	2,181.00	1,090.50		SD/4578	Peenya AESRD7485AXM0-02	SD/4578
3	Shubh Distributors	6-Apr-2012	1,10,514.00	2,210.28	1,105.14		SD/4578 / 4-2012 / 6-Apr-2012	Rajaji Nagar AESRD7485AXM0-02	4
4	Lamcy Manufacturers	21-Apr-2012	1,12,002.00	2,240.04	1,120.02		LM\5446 / 7-2012 / 21-Apr-2012	Rajaji Nagar ADESR4033FXM001	7
5		21-Apr-2012	1,42,002.00	2,840.04	1,420.02			Peenya	
6		30-Apr-2012	1,12,002.00	2,240.04	1,120.02				

Figure 5.28 RG 23A Part II

Form R.G. 23C Part II (for Capital Goods) is displayed as shown below

FORM R.G.23C PART II — Aqua Ltd., — Ctrl + M

Unit Name : **Aqua Ltd.,** 1-Apr-2012 to 30-Apr-2012

Stock Item Type : **Capital Goods**

Sl. No.	Name of Supplier	Date	Opening Balance of Duty in Credit				Fresh Credit Allowed		
			CENVAT	Education Cess	Secondary Education Cess	Additional-Duties	Invoice No./Bill of Entry No. & Date	C.E.RegNo /IEC Code No. of this Supplier & Range /Customs house from where received	Folio & Entry No. in Part I
								4 more ... →	
1	Tricon Industries	9-Apr-2012					TI/6894	456676453	TI/6894
2		30-Apr-2012	6,000.00	120.00	60.00			Vidyanarayanpura	

Figure 5.29 RG 23C Part II

5.9.5 Annexure 10

It is a **monthly return** under **Rule 7** of the **CENVAT Credit Rules, 2001**. This report displays the details of CENVAT credit availed for the **Main Item in the Document**.

This annexure is omitted (w.e.f 1-10-2003) by M.F. (D.R.) Notification No.70/2003-C.E. (N.T.), dated 15-9-2003. But most of the assesses still submit their monthly returns in Annexure 10. On Customers requirement Annexure 10 is provided in Tally.ERP 9

To view **Annexure 10**

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > CENVAT Registers > Annexure 10**

In **Select Excise Unit** screen

- **Name of Excise Unit**: By default Tally.ERP 9 displays Aqua Lad.

  If you have more than one manufacturing unit select the appropriate Excise Unit from the List of Excise Units for which you want to view the Annexure 10.
- **Name of Item**: Select Principal Input from the Type of Stock Items.

*You can select **Principal Input** or **Capital Goods** from the Type of Stock items to view Annexure 10.*

Annexure 10 is displayed as shown below

Annexure - 10 — Aqua Ltd., — Ctrl + M

Unit Name : Aqua Ltd., 1-Apr-2012 to 30-Apr-2012

Stock Item Type : Principal Input

Type of Document	No. and Date of Document	Name of the Supplier	C.E.No. of the Supplier	Date on Which Principal Input received	Value	CENVAT	Education Cess	Secondary Education Cess
								1 more ... →
Excise - Purchases	LM/243 / 2-2012 5-Apr-2012	Lamcy Manufacturers (Manufacturer)	ADESR4033FXM001	5-Apr-2012	4,31,250.00	51,750.00	1,035.00	517.50
Debit Note	SD/4578	Shubh Distributors (First Stage Dealer)	AESRD7485AXM002	6-Apr-2012	12,200.00	1,464.00	29.28	14.64
Excise - Purchases	SD/4578 / 4-2012 6-Apr-2012	Shubh Distributors (First Stage Dealer)	AESRD7485AXM002	6-Apr-2012	12,400.00	1,488.00	29.76	14.88
Excise - Purchases	LM\5446 / 7-2012 21-Apr-2012	Lamcy Manufacturers (Manufacturer)	ADESR4033FXM001	21-Apr-2012	2,50,000.00	30,000.00	600.00	300.00
		Total				84,702.00	1,694.04	847.02

Figure 5.30 Annexure 10

5.9.6 Abstract

This report display the details of Credit Availed on Inputs/capital goods/inputs services, Credit Utilised for Payment of Duty on Goods/Services, Credit Utilised When the Goods are removed as such with Opening and Closing Balance of Credit.

To view the Abstract report

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > CENVAT Registers > Abstract**

The **Abstract** report of **Principal Inputs** will be displayed as shown

ABSTRACT — Aqua Ltd., — Ctrl + M

Unit Name : **Aqua Ltd.,** 1-Apr-2012 to 30-Apr-2012

Stock Item Type : **Principal Input**

	Opening Balance	Credit Availed on Principal Input	Other Credit	Credit Availed on Input Services	Total Credit Availed	Credit Utilised for Payment of Duty on goods	Credit Utilised when Inputs goods are removed as such	Credit Utilised Payment of Duty on Services	Closing Balance
CENVAT	57,300.00	84,702.00			1,42,002.00	1,42,002.00			
Education Cess	1,146.00	1,694.04			2,840.04	2,840.04			
Secondary Education Cess	573.00	847.02			1,420.02	1,420.02			
Service Tax									
Cess on Taxable Services									
T o t a l	**59,019.00**	**87,243.06**			**1,46,262.06**	**1,46,262.06**			

Figure 5.31 Abstract – Principal Inputs

The **Abstract** report of **Capital Goods** will be displayed as shown

ABSTRACT — Aqua Ltd., — Ctrl + M

Unit Name : **Aqua Ltd.,** 1-Apr-2012 to 30-Apr-2012

Stock Item Type : **Capital Goods**

	Opening Balance	Credit Availed on Capital Goods	Other Credit	Credit Availed on Input Services	Total Credit Availed	Credit Utilised for Payment of Duty on goods	Credit Utilised when Inputs goods are removed as such	Credit Utilised Payment of Duty on Services	Closing Balance
CENVAT		6,000.00			6,000.00	6,000.00			
Education Cess		120.00			120.00	120.00			
Secondary Education Cess		60.00			60.00	60.00			
Service Tax									
Cess on Taxable Services									
Total		**6,180.00**				**6,180.00**			

Figure 5.32 Abstract – Capital Goods