

# **POWER OF SIMPLICITY**

# Implementation of Service Tax in Tally.ERP 9

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# Introduction

Service Tax is a destination based consumption tax in the form of Value Added Tax. Service Tax is an indirect tax imposed on specified services (taxable services) provided by a service provider (Company, Individual, Firm etc.).

Service Tax was first brought into force with effect from 1 July 1994. All service providers in India, except those in the state of Jammu and Kashmir, are required to pay a Service Tax in India.

Initially only three services were brought under the net of Service Tax and the tax rate was 5%. Gradually more services came under the ambit of Service Tax. In accordance with the Annual Budget 2012-13, the current Service tax rate has been increased from 10% to 12%.

# Scope & Applicability

# Scope

Initially, Service Tax was chargeable on Realisation basis i.e. receipt of the consideration for the services provided / to be provided (advance receipts). With effect from **1** April 2011, the Point of Taxation Rule was introduced for effective collection of Service Tax.

**Point of Taxation** refers to the point in time when a service shall be deemed to be provided. According to this rule, point of taxation shall be on the –

- Date of Issue of Invoice
- Date of receipt of Payment, whichever is earlier.

The liability of tax is on the service provider (in some cases service receiver), i.e. person who is providing the service is liable to pay tax to the Government.

**Example**: **Royal Agency** provided Advertising services of Rs. 1,00,000 to SysImage. On the service amount of Rs.1,00,000, Royal Agency is liable to pay a tax of Rs. 12,360 @ 12.36% (12% on Service Tax, 2% of Education Cess, 1% of Secondary Education Cess)



Though the **tax liability** is on **service provider**, the tax can be collected by the service provider from the **service receiver**.

The service provider does not have to pay Service Tax on the total bill amount but only on the **payment received**.





# Applicability

Service Tax is applicable on taxable services

- 1. Provided and taxable in the hands of service provider
- 2. Received and taxable in the hands of service receiver: Generally it is the service provider who is liable to collect Service Tax from his customer/client and pay the same to the Government. But section 68(2) empowers the Government to notify the services with regard to which the service receiver would be held liable to pay Service Tax to the Government. For the below mentioned services the service receiver is liable to pay Service Tax (as per Notification 36/ 2004 ST dated 31.12.2004 as amended from time to time)
  - **Goods Transport Agency service**
  - Business auxiliary service of distribution of mutual fund by a mutual fund distributor or agent
  - Sponsorship service provided to any body corporate/firm
  - **D** Taxable services received by any person in India from abroad
  - Insurance auxiliary service by an insurance agent

With effect from 1 July 2012, **Negative list-based System of Tax on Services** was introduced which provides;

- A list of services which will not be subject to Service Tax (Negative List)
- All services, other than those mentioned in the Negative List, will fall under the purview of Taxable services

The definition of taxable service is different for each class of services, e.g. in case of Stock Broker agency, any service provided to a investor by buy or sell securities listed on a recognised stock exchange will be a *Taxable service*.

# Registration

As per section 69 of the Finance Act 1994, every person liable for paying Service Tax has to register as set out in the rules.

According to Rule 4 of the Service Tax Rules, 1994, the following deals with the manner and time for registration.

- Application for registration to the concerned superintendent in form ST -1 with in 30 days from the date on which Service Tax is levied or 30 days from the commencement of business providing a taxable service, whichever is later.
- Assessee providing Service from more than one Premises or Office, has to make separate applications for each of such premises or Offices.

If the assessee has **Centralised Billing System** or **Centralised Accounting System**, then the assessee can obtain **Centralised Registration** covering all the premises or offices.



 In case of transfer of business from a Registered Assessee to a new person, the Transferee has to obtain a fresh Registration Certificate.



For every Registered Assessee there is a provision under **Service Tax Rules** to **Surrender Registration Certificate** to Superintendent of Central Excise when he **ceases to provide taxable services** for which he is registered.

## Registration requirement for Small Service Provider (SSP)

A person who is eligible for availing exemption under **notification no. 6/2005** is required to apply for Service Tax registration **within 30 days** from the date when his **turnover of services** exceeds **rupees 3 lakhs**.

## Input Service Distributor (ISD) Registration

**Service Provider** having **multiple offices** other than from where the **services are provided** and wants to distribute the input services and CENVAT credit thereon to another location which is liable for payment of Service Tax, a separate Registration (in the manner as that of service provider) will be required for each such office.

# Service Tax Assessee Code (Service Tax Registration Number)

Service Tax Assessee Code is a **PAN** based **15** digit alpha numeric numbers e.g. **ASDCE1588ST001**.

The first part denotes (10 characters – alpha numeric) **Permanent Account Number** issued by Income Tax authorities to the concerned person to whom the Service Tax Registration Number is to be allotted. Second part comprises of a fixed **2 character alpha code** – **ST** (Service Tax). This is followed by **3-Character numeric code** representing the registered **Premises or Office** of the service provider

The Service Tax Registration Number has to be quoted on **GAR–7 Challans** covering deposit of Service Tax, Cess and other dues to the Government.



# Valuation of Taxable Service

Valuation of the services provides the methodology of arriving at the service amount on which the applicable Service Tax to be charged.

Value of the taxable service is determined as under

- Consideration fully in Money: The gross amount charged by the service provider for such services provided/to be provided
- **Consideration not in Money**: The **Equivalent Value** of the Non-monetary consideration.
- Consideration partly in money and partly in other form: Amount charged monetarily and the Equivalent value of the Non-monetary consideration
- Consideration not Ascertained: Valuation based on the Valuation Rules (as per section 67, Service Tax (Determination of value) rules, 2006
- Consideration Inclusive of Tax: Value of taxable service will be such amount, in addition of Service Tax payable is equal to Gross amount charged.

**Example**: **Royal Agency** provides taxable service for Rs. 1,34,832 inclusive of Service Tax @ 12.36%. The taxable service value shall be computed as shown

# Taxable Service Value (1,20,000) = 1,34,832 X (100/112.36)

# **Charge of Service Tax**

As per Section 66 of Finance Act, 1994, **Service Tax** is charged at **12%** of the value of taxable services. In addition to this, **2% Education Cess** and **1% Higher Education Cess** is payable on taxable services. Thus, total Service Tax is **12.36%** and it will be collected in such manner as prescribed.

# **Exemption from Service Tax**

In some cases, the Central government can grant exemption on Service Tax, by issuing a notification u/s 93 of Finance Act, 1944. The Service Tax Exemption provided may be

- **D** Partial or Total Service Tax
- **Conditional** or **unconditional**

Following are the general Exemptions from Service Tax

- □ Small Service Providers (whose turnover is less than Ten Lakhs)
- Export of Services
- Service to UN Agencies
- Services provided within Special Economic Zone (SEZ)
- Services provided to foreign diplomatic missions, family members of diplomatic missions etc.
- Services provided by RBI
- Goods and materials supplied while provided services





# **Taxable Percentage**

As per the Service Tax Amendment w.e.f 1 July 2012, Abatement is being replaced by **Taxable Percentage**.

**Taxable Percentage** refers to a certain percentage of the **Service amount** that is chargeable to Service Tax. Whereas Abatement is a deduction allowed (by the Government) on the value to be considered for Service Tax.

**Example**: Taaza Caterers received services - Transportation of goods by rail worth Rs. 1,00,000 and the Taxable Percentage is 30%. So, only 30% of the Service Amount is applicable for charging Service Tax i.e. Rs. 30,000 (30% of Rs. 1,00,000).

# Pure Agent

Pure agent means a person who

- Enters into a contract with the recipient of service to act only as his agent to incur expenditure or costs in the course of providing taxable services
- Has no intention to hold the title to goods or services provided (to service recipient) as pure agent
- Does not use the procured goods or services
- **B** Receives only the actual amount incurred to procure the services or goods.

**Example**: **Royal Agency** entered with an agreement with **Isac Computers** to procure advertising services by acting as a **Pure agent**. Royal Agency procured the advertising services from **ADMAG**.

In the above example

- Royal Agency is a pure agent
- Isac Computers is the recipient of service
- ADMAG is the service provider

Expenses or cost incurred by the service provider acting as a pure agent can be deducted from the total service charge to get the taxable amount.



# **Adjusting Credit**

While you pay Service Tax on sale of services that come under the Service Tax Category, you can adjust Service Tax credit on purchase of services. This is called **Adjusting Credit against Service Tax**. The difference between the Service Tax that you have to pay for selling services and the Service Tax credit on purchases that can be adjusted is the payable Service Tax.

Service Tax (sales) that is adjustable against Service Tax credit (purchases) is also called **availing input credit**.



Figure Adjusting Input Credit



# **Time and Mode of Payment**

# 1. By individuals, proprietary firms and partnership firms

Payable on the Amount received during the Quarter	Payable By
1st April to 30th June	5th July
1st July to 30th September	5th October
1st October to 31st December	5th January
1st January to 31st March	31st March

# 2. By Others

Payable on the Amount received during the Month	Payable By
On amount received during each month except March	5th of following month
on amount received during March	31st March

Service Tax shall be paid to the Government account through any designated branches of the authorised banks, along with G.A.R - 7 Challans.

# **Returns & Time lines**

Service Tax returns are to be filed half yearly in the prescribed Form ST-3 or Form ST - 3A.

1. Form ST-3 - For all the registered assessee, including Input Service Distributors,

The returns have to be submitted, along with copies of all G.A.R - 7 Challans within 25 days of the expiry of the fiscal half-year

- □ For half year 1st April to 30th September by 25th October
- □ For half year 1st October to 31st March by 25th April.
- Form ST-3A -The assessee who is making provisional assessment for any month/quarter should submit a memorandum in Form ST-3A by providing the details of difference between the provisional amount of Service Tax deposited and actual amount of Service Tax payable for each month along with the half yearly return in Form ST-3.



# Service Tax Features in Tally.ERP 9

Tally.ERP 9's simple yet powerful Service Tax feature enables you to record transactions related to Service Tax with ease. The Service Tax functionality in Tally.ERP9 has the following features:

- Simple and user-friendly
- Flexibility to have common/Tax head specific tax ledger to account both Input Credit and Output Tax
- Flexibility to create common Purchase (expenses)/ sales (Income) ledger to account purchase and sale of services of all categories - Taxable, Exempt and Negative List.
- **B** Record Service Tax transactions in Journal, Payment, Purchase or Sales Voucher
- Service Tax Billing (for professionals) through Receipt Voucher and print Receipt -Cum-Challan
- Record multiple services in a single voucher
- Account service bill Inclusive of Service Tax
- Account Services Partly Subject to Service Tax (Works Contract)
- Record Cash Purchases and Sales and print the invoice in the name of the party.
- Manage Advance Receipts and adjust the advances towards the service bill
- Record purchase of services from Goods Transport Agency (GTA) and calculate the Service Tax payable.
- Record Import of services and calculate the Service Tax payable
- Record Exempt, Export, Pure Agent and services with Taxable Percentage
- Supports Service Tax Calculation at Lower Rate
- Manage Advance Service Tax payments to Government and adjust the tax payable towards the advance
- Support for Amount deducted as TDS on Services Received are considered as realised
- Supports Service Tax Calculation in Sales / Purchase Orders
- Supports Service Consideration Adjustments in Journal Vouchers
- D Adjust Full / Partial Service Tax input credit towards Service Tax payable
- Adjust CENVAT credit towards Service Tax payable
- Provision to Reverse the Utilised Input Credit
- Provision to account Service Tax Opening Balance
- Reversal of Service amount with Service Tax (before realisation)
- Record Rule 6(3) and 6(4A) Adjustments
- Provision to account the Refund of service Input Credit
- Facility to Print G.A.R. 7 Challan
- Generate Service Tax Payables report based on Bill date wise or Receipt Date wise
- □ Separate Service Tax Payables report for Tax on Service Received and Import of Services
- Track the Input Credit utilised before making the payment to the service provider
- Maintain Input Credit Summary report
- Generate ST-3 Form both physical and E-filing



# Lesson 1: Enabling Service Tax in Tally.ERP 9

# 1.1 Enabling Service Tax in Tally.ERP 9

It is one time configuration for Service Tax features to be enabled in Tally.ERP 9. Follow the steps given below to configure **Service Tax** for a new company **Crystal Services (P) Ltd**.

- 1. Create Company
- 2. Enable Service Tax



To enable Service Tax for Companies which are already created in Tally.ERP 9, follow the instruction provided under the head **Enable Service Tax**.

**Crystal Services (P) Ltd.**, is a company engaged in providing multiple services to their clients. The services provided by Crystal Services (P) Ltd., fall within the ambit of tax net and are taxable **@ 12.36%**.

## Step 1: Create Company

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

In the Company Creation Screen,

- Specify Crystal Services (P) Ltd., as the Company Name and Address details
- Select India in the Statutory Compliance for field
- Specify the State, Pin code & Accounts with or without Inventory details



Company Creation			Ctrl + M
Directory N a m e	: C:\Tally.ERP 9\Data : Crystal Services (P) Ltd.		
Maili	ng & Contact Details		Company Details
Mailing Name Address	: Crystal Services (P) Ltd. : #56/1 M.G. Road Bangalore	Currency Symbol Maintain Financial Year from Books beginning from	Accounts with Inventory 1.4-2012 1.4-2012
Statutory compliance for State PIN Code Telephone No. Mobile No. E-Mail	: India : Karnataka : 560085 : 22589651 : 9985745142 : sales@crystal.com	TallyVault Password (if any) Repeat Password (WARNING: forgetting your T Use Security Control (Enable Security to avail Tally	Security Control
Au	to Backup Details		
Enable Auto Backup	: Yes		
	<u>E</u>	Base Currency Information	
Base Currency Symbol Formal Name Number of Decimal Places Is Symbol SUFFIXED to Ar Symbol for Decimal Portion	: ₹ : INR : 2 mounts? No 1 : paise	S F C	Show Amounts in Millions ? No Put a SPACE between Amount and Symbol ? Yes Decimal Places for Printing Amounts in W Accept ? Yes or No

# The completed **Company Creation** screen displays as shown:

Figure 1.1 Company Creation Screen

Press Enter to Save



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

# Step 2: Enable Service Tax

Enable Service Tax feature in F11: Features

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

Set Enable Service Tax to Yes



#### Enable Set/Alter Service Tax Details to Yes



Figure 1.2 F11: Statutory & Taxation Features

The Company Service Tax Details sub-form appears as shown

Company Service Tax Details					
Service Tax Registration No.	:	Assessee Code :			
Date of Registration	:	Premises Code No. :			
Type of Organisation	:	Is Large Tax Payer ? No			
Enable Service Tax Round Off	: Yes	Large Tax Payer Unit :			
Range	Division	Commissionerate			
Code :	Code :	Code :			
Name :	Name :	Name :			
(Note: All the above details will be used in Challan, Forms & Returns)					

Figure 1.3 Company Service Tax Details Screen

- In Company Service Tax Details screen enter the following details:
- 1. Service Tax Registration No.: In this field, enter the Service Tax Registration Number of the company allotted by the department. (before the circular No. 35/3/2001-ST dated 27-08-2001)
- 2. Date of Registration: Specify the Date of Service Tax registration of the company. e.g. 15-03-2002



- 3. Type of Organisation: In this field, select the appropriate organisation type from the List of Organisations. e.g. Registered Private Ltd. Company
- 4. Enable Service Tax Round Off: By default, this option will be set to Yes. If this option is Yes, Service Tax will get Rounded off to nearest Rupee and such round off will happen for each Tax head. Set this option to NO if rounding off is not necessary.

In this case, Crystal Services (P) Ltd. does not want to round off the Service Tax amount, hence this option is set to **No**.



If the option **Enable Service Tax Round Off** is enabled (**set to yes**) and for a service bill, the tax is calculated as shown below then, each Tax head gets rounded off.

- □ Service Tax of **1012.85** to **1013**
- □ Education Cess of 20.53 to 21
- □ Secondary Education Cess of **10.12** to **10**

If the option **Enable Service Tax Round Off** is disabled (**set to No**) and for a service bill the tax is calculated as shown below then each Tax head will not get rounded off.

- □ Service Tax of 1012.85
- □ Education Cess of 20.53
- □ Secondary Education Cess of **10.12**

While creating the Company if you had enabled the option **Enable Service Tax Round Off and** recorded few transactions in the books of accounts. Later because of accounting requirements if you change the settings to **Enable Service Tax Round Off** (set to **No**)

On altering the existing Service Tax transactions, the application will automatically change the **present rounded off values** into **values with decimals**.

- 5. Assessee Code: In this field, enter the Service Tax Assessee Code of the company. e.g. ASDCE1588PST001.
- 6. **Premises Code No.**: In this field, enter company's **Premises code** allotted by Department. e.g. **SC0500012**



**Premises code** is the identification number provided to the **premises of the Service Tax payers**. Premises code is issued to an assessee under S.No. 5 of the certificate for Registration (ST-2).





7. Is Large Tax Payer: This will be set to YES/NO based on the amount of tax paid by the assessee. Set this option to No.



**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** 

8. Large Tax Payer Unit: Enter the name of the unit where the large tax payers pay Service Tax. Tally.ERP 9 skips Large Tax Payer Unit when the option Is Large Tax Payer is set to **No**.



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

- 9. Under Range, enter Code and Name of the range under which your company falls
- 10.Under Division, enter the Division Code and Name under which your company falls.
- 11.Under **Commissionerate**, enter **Code** and **Name** of the Commissionerate of Service Tax, Department, under which the address of your Company's registered office is located.

The completed **Company Service Tax Details** screen appears as shown

Company Service Tax Details						
Service Tax Registration No. : ASDCE1588PST001		Assessee Code	: ASDCE1588PST001			
Date of Registration	: 15-Mar-2002	Premises Code No.	: SC0500012			
Type of Organisation	: Registered Private Ltd Company	Is Large Tax Payer	? No			
Enable Service Tax Round Off	: No	Large Tax Payer Unit	:			
Range Division		<u>Commissionerate</u>				
Code : 06	Code : 02	Code	: 09			
Name : Bommanahalli	Name : Division II	Name	: Bangalore I_			
(Note: All the above details will be used in Challan, Forms & Returns)						

Figure 1.4 Completed Company Service Tax Details Screen

- 12. Accept the Company Service Tax Details screen.
- 13. In the **PAN / Income -Tax No.** field, enter the **Permanent Account Number (PAN)** of the company.



Company: Crystal Services (P) Ltd.					
Statutory & Taxation					
Enable Excise Set/Alter Excise Details (Note : 'Enable Maintain Multiple Godowns' for Multiple Excise Units) Follow Excise rules for Invoicing Enable Value Added Tax (VAT) Set/Alter VAT Details Enable Service Tax Set/Alter Service Tax Details	? No ? No ? No ? No ? Yes ? Yes	Enable Tax Deducted at Source (TDS) Set/Alter TDS Details Enable Tax Collected at Source (TCS) Set/Alter TCS Details Enable Fringe Benefit Tax (FBT) Set/Alter FBT Details Enable MCA Reports	? No ? No ? No ? No ? No ? No		
Tax Information         Local Sales Tax Number :         Inter-state Sales Tax Number :         PAN / Income - Tax No. : ASDCE1588P					
	E2. Investory	F2: Statutes - F0: Add Oct	Accept ?		
FI. Accounts	12. inventory	15. Otatutory 10. Add-Ons	Yes or No		

# The completed Statutory & Taxation screen is displayed as shown

Figure 1.5 Completed Statutory & Taxation Features Screen

14.Press Enter to Save.



# Lesson 2: Service Tax Transactions

This lesson is divided into Two parts

- 1. Part I Recording Basic Service Tax Transactions
- 2. Part II Recording Advanced Service Tax Transactions

# Part – I



# **Recording Basic Service Tax Transactions**

In this section, we shall emphasis on understanding how Tally.ERP 9's Service Tax feature can be used to record basic Service Tax transactions to generate G.A.R.7 Challan.

Let us take the example of **Crystal Services (P) Ltd.** (created and Service Tax feature enabled, as discussed in the earlier chapter) to record Service Tax transactions such as

- Purchase of Services
- Sale of Services
  - Taxable Services
  - Services included under Negative List
  - Exempted Services
- Adjustment of Input Service Tax Credit towards Service Tax Payable
- Payment of Service Tax and Generate G.A.R 7 Challan

In Tally.ERP 9, you can account transactions involving Service Tax with the help of **Payment/ Receipt Voucher, Journal Voucher** or **Purchase /Sales Voucher (Voucher /Account Invoice/ Item Invoice mode)**, as required.

# **Transactions Involving Service Tax**

# 2.1 Purchase of Services

Under this, we will learn to account purchase of services and Service Tax payable to the party.

As per Amendment in the CENVAT Credit (Third Amendment) Rules, 2011, Service Tax Input Credit against the purchase bills can be availed even if the payment is not made to the Service provider w.e.f 1-4-2011 (applicable only for the service bills raised after 1-4-2011). However if the payment is not made to the service provider within 3 months, the Service tax credit availed/utilised has to be reversed.

## Example 1:

On August 1, 2012 Crystal Services (P) Ltd. received a purchase invoice (No.MA/4796) for Advertising services rendered by Ram Agency for Rs. 60,000 with Service Tax @ 12.36% (Total invoice amount **Rs. 67,416**)

To account the above transaction follow the steps given below

- 1. Create Masters
- i. Purchase Ledger
- ii. Service Provider (supplier) Ledger
- iii. Tax Ledger
- 2. Record the Transaction in Purchase Voucher

All services purchased can be recorded in a **Purchase Voucher** (Account Invoice Mode). In case of **Non-Service Organisations** where the services purchased are considered as **Expenses** the same can be recorded in a **Journal Voucher**.

#### 1. Create Masters

i. Purchase Ledger

Ledger	Under	Is Service Tax Applicable	Default Service Category
Purchase - Advertisement Services	Purchase Accounts	Yes	Taxable Service

# To Create Purchase Ledger

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

- □ In the Name field, enter Purchase Advertisement Services as the Ledger Name
- Select Purchase Accounts in Under field
- Set Inventory values are affected to No
- Set the option **Is Service Tax Applicable** to **Yes**
- In the Default Service Category field, select Taxable Service from the List of Service Categories



All the **Services** subject to **service Tax** have to be associated with the **Service Category - Taxable Service**.

Ledger Creation	Crystal Services (P) Ltd.	Ctrl + M 🛛
Name : Purchase - Advertisement Services	Total Op. Bal.	List of Service Categories
		1 96 more
		Services Provided by Electricity Exchange
		Services Related to 2 Types of Copyrights on Cinematographic Films and Sound Recording
		Servicing of Motor Vehicles
		Share Transfer Agent
		Shin Management Service
		Short Term Accommodation Service (Hotel Inn. Etc.)
		Site Preparation and Clearance
Under : Purchase Account	ts in the second se	Sound Recording Service
		Sponsorship Service
Inventory values are affected 7 No		Steamer Agent
······, ·····		Stock Broker
		Storage and Warehouse Service
		Supply of Tangible Goods Service
		Survey and Exploration of Mineral
Statutory Information		Survey and Map Making
Is Service Tax Applicable 7 Yes		Taxable Service
Default Service Lategory : Taxable Service		Technical Testing and Analysis Services
		Telecommunication Service
		Telegraph Service
		Telephone Services
		Telex Services
		Test, Inspection, Certification
		Tour Operator
		Transport by Cruise Ships
		Transport of Coastal Goods and Goods Transported Through National Water Ways and Inland Water
		Transport of Goods by Air
		Transport of Goods by Pipeline
		Transport of Goods by Rail Service
		Transport of Goods by Road
		Travel Agents (Other Than Air/Rail Travel Agents)
		TV Or Radio Programme Production
		Under Writers
		Video Tape Production
Opening Balance ( op 1 Apr 2017) :		Works Contract Service
Opening balance ( on 1-Apr-2012) :	•	

Figure 2.1 Selection of Service Category





The option **Any** can be selected from the **List of Service Categories**, where the user doesn't want to define the **Service Category** during **Ledger Creation**. This allows the user to use an **Purchase/Expense Ledger** (as a common ledger) to account **multiple Service Categories**.

The completed **Purchase Ledger** is displayed as shown:

Ledger Creation	Crystal Servi
Name Purchase - Advertisement Services	Total Op. Bal.
Under : Purchase Accounts	
Inventory values are affected 2 No	
inventory values are allected in the	
Statutory Information	
Is Service Tax Applicable 7 Yes	
Default Service Category : Taxable Service	
	Accept ?
Opening Balance ( op 1 Apr 2017) :	
Opening balance ( on 1-Apr-2012) :	Yes or No

Figure 2.2 Completed Service Purchase Ledger Creation Screen

Press Enter to save.

# ii. Service Provider (supplier) Ledger

Ledger	Under	ls Service Provider/ Receiver	Set/Alter Service Tax Details
Ram Agency	Sundry Creditors	Yes	Yes

To Create Service Provider (supplier) ledger

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

## Setup:

Before creating the Service Provider (supplier) ledger, enable the following options in F12: Configure (Ledger Configuration)

- Set Allow ADVANCED entries in Masters to Yes
- Set Use ADDRESSES for Ledger Accounts to Yes

In the Ledger Creation screen,

- □ In the Name field, enter Ram Agency as the Ledger Name
- □ In the **Under** field, select **Sundry Creditors** as the Group
- Set the option Maintain Balances bill-by-bill to Yes
- **D** Specify the **Default Credit Period**, if required
- Set Is Service Provider/Receiver to Yes



In day-to-day business scenario a **party** can **provide services** as well as **receive services**. In such cases, same party ledger can be used to account both sale and purchase of services.

- Set the option Set/Alter Service Tax Details to Yes and press Enter to view Service Tax Details screen
- In Service Tax Details screen enter
  - Registration Number: Enter 15 digits Service Tax Registration Number of the Service Provider. E.g. ACDDL6585DST001



Service Tax Registration Number is a **PAN Based Number**. For more information refer the topic - **Service Tax Assessee Code** 

Date of Registration: Enter the Registration Date. E.g. 13-9-2000



 Is Associated Enterprise: Set this option to Yes if the sale made is to the associate enterprise



This field is provided to identify the **service provider/receiver** as **associated enterprise** or **not**. If the party is associated enterprise set this option to **Yes**. If not, retain **No** in this field

• **Type of Classification**: In this field, select the classification, if applicable. For Ram Agency **Not Applicable** is selected.



- *i.* **Not Applicable**: Select this option when the service purchased/sold is a taxable service and eligible to avail input credit
- *ii.* **Exempt**: Select this option when the Service Provider/Receiver is exempt from Service Tax.
- iii. Export: Select this option when the services are Exported
- iv. Import: Select this option when the services are Imported
- *v.* **Negative List:** Select this option when the services are stated in the Negative List
- vi. **Pure Agent**: Select this option when the Service provider/Receiver acts as a pure agent
- vii. **Tax On Service Received**: Select this option to record the transportation services purchased from the Goods transport Operators (GTOs) and to calculate tax on services received. The liability of tax on services purchased from the GTO is on the service receiver

The **Type of Classification** selected in the **Service Provider/Receiver** will determine the **Type of Service** which can be overridden during voucher entry.

The completed Service Tax Details screen is displayed as shown



Figure 2.3 Service Tax Details Screen

Enter the Mailing Details and Tax Information



Ledger Creation	Crysta	l Services (P) Ltd.	
Name : Ram Agency			Total Op. Bal
			Mailing Details
Under Maintain balances bill-by-bill Default Credit Period Inventory values are affected	: Sundry Creditors (Current Liabilities) 7 Yes : 7 No	Name Address State PIN Code	: Ram Agency : #56, Raheja Arcade 5th Main Koramangala Bangelore : Karnataka : 560047
Etc.			
<u></u>			
Is Service Provider/Receiver Set/Alter Service Tax Details	7 Yes 7 Yes	PAN / IT No. Sales Tax No. CST No.	Tax Information : ACDDL6585D : :
			Accept ?
	Opening Balance ( on 1-Apr-20	112) :	Yes or No

#### The completed **Service Provider Ledger** is displayed as shown:

Figure 2.4 Completed Ledger Creation Screen

Press Enter to save.

#### iii. Tax Ledgers

On all the taxable services, three heads of taxes are applicable. They are, Service Tax @ 12%, Education Cess @ 2% and Secondary & Higher Education Cess @ 1%.

In Tally.ERP 9, you can create the Tax Ledger in three ways.

## 1. Common Service Tax Ledger

Single Tax ledger to account both **Input service Credit** and **Output Service Tax** of all the service Categories.

Example: Service Tax Ledger (to account tax of all the tax heads)

## 2. Tax Head based Tax Ledgers

Three separate ledger to account both **Input service Credit** and **Output Service Tax** of all the service Categories based on the Tax Heads

- □ Service Tax @ 12%
- Education Cess @ 2%
- **Secondary Education Cess @ 1%**



## 3. Input or Output Tax Ledgers

## a. Common Input and Output Tax Ledgers

Two separate Tax ledgers - one to account **Input Service Credit** and another for **Output Service Tax** for all the service categories.

#### b. Input and Output Tax Head based on Tax Ledgers

- Three separate Input Credit ledger to account Input Credit of Service Tax, Education Cess and Secondary Education Cess
- Three separate Output ledgers to account Output Tax of Service Tax, Education Cess and Secondary Education Cess.



You can create the **Input Tax ledger** under the group **Duties & Taxes** or **Current Assets**. The Ledgers created under Current assets should be used only to account service input credit.

Crystal Services (P) Ltd. wants to account the different components of service Tax by creating separate ledgers, so that they can adjust the CENVAT credit towards the Service tax and vice versa.

Ledger	Under	Type of Duty/Tax	Tax Head
Service Tax @ 12%	Duties & Taxes	Service Tax	Service Tax
Education Cess @ 2%	Duties & Taxes	Service Tax	Education Cess
Secondary Education Cess @ 1%	Duties & Taxes	Service Tax	Secondary Education Cess

## 1. Ledger – Service Tax @ 12%

This ledger allows to account **Input service Credit** and **Output Service Tax** of tax head **Service Tax**, on all service categories.

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

- In the Name field, enter the name of the tax ledger you wish to create, for e.g., Service Tax
   @ 12%.
- □ In the **Under** field, select **Duties & Taxes** as Group.
- □ In the **Type of Duty/Tax** field, select **Service Tax** from Type of Duty/Tax list.



# □ In the Tax Head field, select Service Tax

Ledger Creation	1	Crystal Serv	rices (P) Ltd.		
Name : Service Tax @ 12	%				Total Op. Bal.
Under Type of Duty/Tax Tax Head Inventory values are affected	: Duties & Taxes (Current Liabilities) : Service Tax : 7 No	J Any Educatio Seconda Service	Tax Head n Cess ny Education Cess Tax	Mailing Details	

Figure 2.5 Selection of Tax Head



The option **Service Tax** allows to use the tax ledger to account only **Service Tax** on taxable Services.

#### Set the option Inventory values are affected to No

The completed Service Tax Ledger is displayed as shown

Ledger Creation	Crv	stal Services (P) Ltd.		
Name : Service Tax @ 1	2%			Total Op. Bal.
Under	: Duties & Taxes		Mailing Details	
	(Current Liabilities)	Address	-	
Type of Duty/Tax	: Service Tax			
Inventory values are affected	: Service Tax 7 No	State	:	
		PIN Code	:	
		PAN / IT No	Tax Information	
		CST No.		
				Assent 2
				Accept ?
	Opening Balance ( on 1-A	pr-2012) :		Yes or No

Figure 2.6 Completed Service Tax Ledger Creation Screen

□ Press Enter to save.



Crystal Services (P) Ltd. follows the system of maintaining **different tax ledgers** based on the **Tax Head**.



## 2. Ledger – Education Cess @ 2%

This ledger allows to account both **Input service Credit** and **Output Service Tax** of tax head **Education Cess**, on all service categories.

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

- □ In the Name field, enter the name of the tax ledger, for e.g., Education Cess @ 2%.
- □ In the **Under** field, select **Duties & Taxes** as group.
- □ In the **Type of Duty/Tax** field, select **Service Tax** from Type of Duty/Tax list.
- In the Tax Head field, select Education Cess



The option **Education Cess** allows to use the tax ledger to account only **Education Cess** on taxable Services.

#### • Set the option **Inventory values are affected** to **No**

Ledger Creation	Cry	stal Services (P) Ltd.		
Name : Education Cess @	D 2%			Total Op. Bal.
1 de des			Mailing Details	
Under	Current Liebilities	Name	:	
	(Current Liabilities)	Address	1	
Type of Duty/Tax	: Service Tax			
Tax Head	: Education Cess			
Inventory values are affected	7 No	State	:	
		PIN Code	:	
			Tax Information	
		PAN / IT No.	:	
		Salaa Tay Na		
		CST No	1.00	
		001110.		
				Accent 2
				Accept 1
	Opening Balance ( on 1.Ar	or-2012) :		Vec or No
		•		162 OL NO

Figure 2.7 Completed Education Cess Ledger Creation Screen

Press Enter to save.





# 3. Ledger – Secondary Education Cess @ 1%

This ledger allows to account **Input Service Credit** and **Output Service Tax** of tax head **Secondary Education Cess**, on all service categories.

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

- In the Name field, enter the Name of the Tax ledger you wish to create, for e.g., Secondary Education Cess @ 1%.
- □ In the **Under** field, select **Duties & Taxes** as group.
- □ In the Type of Duty/Tax field, select Service Tax from Type of Duty/Tax list.
- In the Tax Head field, select Secondary Education Cess



The option **Secondary Education Cess** allows to use the tax ledger to account only **Secondary Education Cess** on taxable Services.

Set the option Inventory values are affected to No

The completed Secondary Education Cess ledger is displayed as shown

Ledger Creation Crystal Services (P) Ltd.				
Name : Secondary Educa		Total Op. Bal.		
-	-			
Linder	Dution & Taxon		Mailing Details	
Under	Current Liphilition	Name	1	
	(Current Liabilities)	Address	:	
Type of Duty/Tax	: Service Tax			
Tax Head	: Secondary Education Cess			
Inventory values are affected	7 No	State	:	
		PIN Code	1	
			Tax Information	
		RAN / IT NO		
		Sales Tax No.	:	
		CST No.		
				Accept ?
Opening Balance ( on 1-Apr-2012) :				

Figure 2.8 Completed Secondary Education Cess Ledger Creation Screen

Press Enter to save.



# 2. Record the transaction in Purchase Voucher (Account Invoice Mode)

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

# Set up

In F12: Purchase Invoice Configuration, set the following options to No

- use Common Ledger A/c for Item Allocation
- use Defaults for Bill Allocations
- 1. Press Alt+I or click on I: Account Invoice if the voucher is in Item invoice mode
- 2. Press F2 and change the date to 01-08-2012
- 3. In the Supplier Invoice No. field, enter the invoice reference number, if any
- 4. In the Party's A/c Name field, select the service provider e.g. Ram Agency
- 5. Under Particulars, select the Service (Purchases) Ledger e.g. Purchase Advertisement Services and press Enter to view Service Tax Details screen
- 6. In Service Tax Details screen
  - Type of Ref.: Select New Ref from the method of Adjustment. Tally.ERP 9 displays Two Methods of Adj viz., New Ref and Agst Ref. New Ref is selected for new Financial Transactions. Whereas, Agst Ref is selected to set off the advance payments made.
  - Name: This field displays the Reference Number for the Service Tax calculation. The default Reference Number displayed, is a combination of abbreviation of Purchase, Voucher Number and Line Number Example: Purc/1-1 which can be changed by the user. Service input credits are tracked by this Reference Numbers.



If the invoice no is mentioned in the **Supplier Invoice No.** field, then Tally.ERP 9 captures **invoice number** instead of **voucher number** in **Reference Number** displayed in **Name** field.

- Type of Service: Based on the Type of Classification selected in the Service Provider, Type of Service will be defaulted (displayed). By default, Input Credit is displayed and Tally.ERP 9 skips the field.
- Category: Based on the service Category selected in the Purchase Ledger, category will be defaulted (displayed). By default, Taxable Service is displayed and Tally.ERP 9 skips the field.
- Service Amount: In this field, enter the Service Amount, wherein you can ascertain Service Amount in the invoice issued by the service provider. Enter Rs. 60,000. On providing the service amount Service tax gets calculated.



#### In Type of Service field

- i. Exempt is defaulted for the Type of Classification Exempt
- ii. Import is defaulted for the Type of Classification Import
- *iii.* Input Credit is defaulted for the Type of Classification set to Not Applicable
- *iv.* Negative List is defaulted for the Type of Classification Negative List
- v. Pure Agent is defaulted for the Type of Classification Pure Agent
- vi. **Tax on Service Received** is defaulted for the transportation services purchased from the Goods transport Operators (GTOs)

The default Type of service can be overridden. Press **Back Space** key to move to **Type of Service** field and select the applicable Type of service. The type of service selected in the voucher entry will determine the Type of service.

Amount (Incl. of Tax): In this field, the cumulative (collective) amount of Service amount and Tax will be displayed.



In cases where the invoice received from the service provider is inclusive of tax, you can enter the invoice amount in the **Amount (Incl. of Tax)** field. Tally.ERP 9 back calculates the amount to arrive at the Service amount and Tax portion. The service amount will be displayed in **Service Amount** field and **Tax** details against the **Tax Head**.

The completed Service Tax Details screen appears as shown



Figure 2.9 Completed Service Tax Details screen



- 7. Under **Particulars**, select Service Tax ledger e.g. **Service Tax @ 12%**. Service Tax amount will be calculated and displayed automatically.
- 8. Under **Particulars**, select Education Cess ledger e.g. **Education Cess** @ 2%. Education Cess amount will be calculated and displayed automatically.
- 9. Under **Particulars**, select Secondary Education Cess ledger e.g. **Secondary Education Cess** @ 1%. Secondary Education Cess amount will be calculated and displayed automatically.

10.In Bill-wise Details screen

- In Type of Ref field select New Ref
- In Name field enter the Bill name MA/4796
- Amount will be defaulted automatically

	Bill-wise Det Upto:	ails for : Ram Agency ₹ 67,416.00 Cr	
Type of Ref	Name	Due Date, or Credit Days (wef: 1-Aug-2012)	Amount Dr/ Cr
New Ref	MA/4796		67,416.00 Cr
			67,416.00 Cr

Figure 2.10 Bill-wise Details Screen



Accounting Voucher Creation	Crystal Services (P) Ltd.		Ctrl + M 🗙
Purchase No. 1 Supplier Invoice No. :	Date :		1-Aug-2012 Wednesday
Party's A/c Name : Ram Agency Current Balance :			
Particulars		Rate p	er Amount
Purchase - Advertisement Services Service Tax @ 12% Education Cess @ 2% Secondary Education Cess @ 1%			60,000.00 7,200.00 144.00 72.00
ls e-Sugam Applicable ? N	lo		
Narration:	=		Accept ?
			Yes or No

The completed **Purchase Voucher** is displayed as shown

Figure 2.11 Completed Service Purchase Voucher

11.Press Enter to save.

#### Input Credit - Summary report

Input Credit - Summary report displays the Service Tax Credit for the services purchased, for which the payment is not made. This change has been made as per the Budget 2011. Tally.ERP 9 will display the Input credit for all the purchase bills recorded after 1-4-2011.

To view the report

# Go to Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Input Credit > Summary

The Input Credit Summary report appears as shown

Input Cred	lit Summary	-	Crystal Services (P) Lt	d.				Ctrl + M ×
Type of Bills	: Paid Bills						1-Aug-2012 to	31-Aug-2012
Date R	lef. No.	Party's Name	Category	Bill Amount	Total Tax	Paid Amount	Total Input Credit	Balance Input Credit
1-Aug-2012 P	/urc/1-1	Ram Agency	Taxable Service	67,416.00	7,416.00		7,416.00	7,416.00

Figure 2.12 Input Credit Summary Report

Report displays the Invoice details, Party's Name, Service Category, Bill Amount, Total Tax, Paid Amount, Total Input Credit and Balance Input Credit.



# 2.2 Sale of Services

According to the Negative List based System of Tax, services can be classified into:

- Taxable
- Included under Negative List
- Exempted

# 2.2.1 Sale of Taxable Services

All services which do not fall under the Negative list are covered within the definition of supply of services. These services are called **Taxable Services**. Under this, we will learn to account the sale of Taxable Services and Service Tax chargeable to the customer.

# Example 2:

On August 5, 2012 Crystal Services (P) Ltd. raised a sales invoice (No.CS/5621) for Event Management Services rendered to Siesta Advertisers for Rs.7,50,000 with Service Tax @ 12.36% (Total invoice amount **Rs. 8,42,700**)

To account the above transaction follow the steps given below

- 1. Create Masters
- i. Sales Ledger
- ii. Customer Ledger
- 2. Record the Transaction in a Sales Voucher
- 1. Create Masters
- i. Sales Ledger

Ledger	Under	Is Service Tax Applicable	Default Service Category
Sale - Event Mgt Services	Sales Accounts	Yes	Taxable Service

# **To Create Sales Ledger**

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

- □ In the Name field, enter Sales Event Mgt Services as the Ledger Name
- Select Sales Accounts in Under field
- Set Inventory values are affected to No
- Set the option **Is Service Tax Applicable** to **Yes**



# In the Default Service Category field, select Taxable Service from the List of Service Categories.



All the **Services** subject to **Service Tax** have to be associated with the **Service Category - Taxable Service**.

The option **Any** can be selected from the **List of Service Categories**, where the user doesn't want to define the **Service Category** during **Ledger creation**. This allows the user to use an **Sales/Income Ledger** (as a common ledger) to account **multiple Service Categories**.

Ledger Creation	Crystal Services (P) Ltd.	Ctrl + M 🗙
Name : Sale - Event Mgt Services		List of Service Categories
		The services and the services of the services of the services of the services and the services and the services of the service of the se
Under : Sales Accounts	Name Address	Site Preparation and Clearance Sound Recording Service
Inventory values are affected 7 No		Steamer Agent
Statutory Information	State PIN Code	Stock Broker Storage and Warehouse Service Supply of Tangible Goods Service Survey and Exploration of Mineral Survey and Mao Making
Is Service Tax Applicable 7 Yes Default Service Category Taxable Service		Taxable Service
Default Service Category . Toxable Service	PAN / IT No.	Technical Testing and Analysis Services Telecommunication Service Telegraph Service
	Sales Tax No.	Telephone Services
	CST NO.	Test, Inspection, Certification
		Transport by Cruise Ships
		Transport of Coastal Goods and Goods Transported Through National Water Ways and Inland Water
		Transport of Goods by Air Transport of Goods by Pineline
		Transport of Goods by Rail Service
		Transport of Goods by Road
		Travel Agents (Other Than Air/Rail Travel Agents)
		Under Writers
		Video Tape Production
Opening Balance (	on 1-Apr-2012) :	Works Contract Service

Figure 2.13 Selection of Service Category


Ledger Creation	Crystal Services (P) Ltd.	
Name : Sale - Event Mgt Services		Total Op. Bal.
, i i i i i i i i i i i i i i i i i i i		
Under : Sales Accounts	Manna Details	
	Address	
Investment of the stand of the		
Inventory values are affected 7 No		
	State :	
	PIN Code :	
Statutory Information		
Is Service Tax Applicable 7 Yes		
Default Service Category . Taxable Service	Tax Information	
	PAN / IT No	
	Sales Tax No. :	
	CST No. :	
		Accept ?
Opening Balance (	on 1 Apr 2017) :	-
Opening balance (	un 1-++pi-2012/ .	Yes or No

#### The completed **Service Sales Ledger** is displayed as shown

Figure 2.14 Completed Sales Ledger Creation Screen

Press Enter to save.

# ii. Customer Ledger

Ledger	Under	Is Service Provider/ Receiver	Set/Alter Service Tax Details
Siesta Advertisers	Sundry Debtors	Yes	Yes

To Create a Customer Ledger

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

In the Ledger Creation screen,

- □ In the Name field, enter Siesta Advertisers as the Ledger Name
- □ In the Under field, select Sundry Debtors as the Group
- Set the option Maintain Balances bill-by-bill to Yes
- Specify the Default Credit Period, if required



#### Set Is Service Provider/Receiver to Yes



In day-to-day business scenario a **party** can **provide services** as well as **receive services**. In such cases, same party ledger can used to account both the sale and purchase of services.

- Set the option Set/Alter Service Tax Details to Yes and press Enter to view Service Tax Details screen
- In Service Tax Details screen enter
  - Registration Number: Enter 15 digits Service Tax Registration Number of the Service Provider. E.g. APGFL6592MST001



Service Tax Registration Number is a **PAN Based Number**. For more information refer the topic - **Service Tax Assessee Code** 

- Date of Registration: Enter the Registration Date. E.g. 10-5-2003
- Is Associated Enterprise: Set this option to No
- Type of Classification: In this field, select the classification, if applicable. For Siesta Advertisers, Not Applicable is selected.



- *i.* **Not Applicable**: Select this option when the service purchased/sold is a Taxable Service and eligible to avail input credit
- *ii.* **Exempt**: Select this option when the Service Provider/Receiver is exempt from Service Tax.
- iii. Export: Select this option when the services are Exported
- iv. Import: Select this option when the services are Imported
- v. Negative List: Select this option when the services are stated in the Negative List
- vi. **Pure Agent**: Select this option when the Service provider/Receiver acts as a pure agent
- vii. **Tax On Service Received**: Select this option to record the transportation services purchased from the Goods transport Operators (GTOs) and to calculate tax on services received. The liability of tax on services purchased from the GTO is on the service receiver

The **Type of Classification** selected in the **Service Provider/Receiver** will determine the **Type of Service** which can be overridden during voucher entry.



# The completed Service Tax Details screen is displayed as shown



Figure 2.15 Service Tax Details Screen

# Enter the Mailing Details and Tax Information

The completed Customer (Service Receiver) Ledger is displayed as shown

Ledger Creation	Crystal Serv	ices (P) Ltd.		
Name : Siesta Advertisers	· · · · ·			Total Op. Bal.
			Mailing Details	
Under	: Sundry Debtors	Name	: Siesta A	dvertisers
	(Current Assets)	Address	: #304, 15t	h Main
Maintain balancos bill by bill	7 Yos		3rd Bloc	k
Default Credit Period			Bangalo	re
Inventory values are affected	7 No	State	: Karnatal	a
intendery values are ancered		PIN Code	: 560084	
Statu	Itory Information			
Is Service Provider/Receiver	7 Yes			
Set/Alter Service Tax Details	7 Yes			
			Tax Information	
		PAN / IT No.	: APGEL6	597M
		Sales Tax No.	:	
		CST No.	:	
				Accept ?
	Opening Balance (on 1-Apr-2012) :			Non a No
				Yes or NO

Figure 2.16 Completed Ledger Creation Screen

Press Enter to save.



# 2. Record the transaction in Sales Voucher (Account Invoice Mode)

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

- 1. Press Alt+I or click on I: Account Invoice if the voucher is in Item invoice mode
- 2. Press F2 and change the date to 05-08-2012
- 3. In the **Party's A/c Name** field, select the service receiver e.g. **Siesta Advertisers**
- 4. Under **Particulars**, select the Service (sales) Ledger e.g. **Sale Event Mgt Services** and press **Enter** to view **Service Tax Details** screen
- 5. In Service Tax Details screen
  - Type of Ref.: Select New Ref from the method of Adjustment. Tally.ERP 9 displays Two Methods of Adj viz., Agst Ref and New Ref. New Ref is selected for new Financial Transactions. Where as, Agst Ref is selected to setoff the advance payments made.
  - Name: This field displays the Reference Number for the Service Tax calculation. The default Reference Number displayed, is a combination of abbreviation of Sales, Voucher Number and Line Number Example: Sale/1-1 which can be changed by the user. Service Tax payments are tracked with these Reference Numbers.



If the reference number is mentioned in **Ref.** field, then Tally.ERP 9 captures **Ref. number** instead of **voucher number** in **Reference Number** displayed in **Name** field.

Type of Service: Based on the Type of Classification selected in the Service Receiver ledger, Type of Service will be defaulted (displayed). By default, Taxable is displayed and Tally.ERP 9 skips the field.

#### In Type of Service field



- i. Exempt is defaulted for the Type of Classification Exempt
- ii. Export is defaulted for the Type of Classification Export
- iii. **Negative List** is defaulted for the Type of Classification **Negative List**
- iv. Pure Agent is defaulted for the Type of Classification Pure Agent
- v. **Taxable** is defaulted for the Type of Classification set to **Not Applicable**

The default Type of service can be overridden. Press **Back Space** key to move to **Type of Service** field and select the applicable Type of service. The type of service selected in the voucher entry will determine the Type of service.

- Category: Based on the service Category selected in the Sales Ledger, category will be defaulted (displayed). By default, Taxable Service is displayed and Tally.ERP 9 skips the field.
- Service Amount: In this field, enter the Service Amount. Enter Rs. 7,50,000. On providing the service amount Service Tax gets calculated.



# Amount (Incl. of Tax): In this field, the cumulative (collective) amount of Service amount and Tax will be displayed.



In cases where the invoice raised is inclusive of tax, you can enter the invoice amount in the **Amount (Incl. of Tax)** field. Tally.ERP 9 back calculates the amount to arrive at the Service amount and Tax portion. The service amount will be displayed in **Service Amount** field and **Tax** details against the **Tax Head**.

The completed Service Tax Details screen appears as shown

Service Tax Details for : Sale - Event Mgt Services				
Type of Name	Type of	Category/Service	Service	Amount
Ref	Service		Amount	(Incl. of Tax)
New Ref Sale/1-1	Taxable	Taxable Service	7,50,000.00	8,42,700.00
Service Tax Ed Cess Sec Ed Cess	@ 12 % (0 @ 2 % ( @ 1 % (0	Dn Assessable Value 7,50,000.00 ) On Tax Value 90,000.00 ) On Tax Value 90,000.00 ) =	90,000.00 1,800.00 900.00 92,700.00	
	Total		7,50,000.00	8,42,700.00

Figure 2.17 Service Tax Details Screen

- 6. Under **Particulars**, select Service Tax ledger e.g. **Service Tax @ 12%**. Service Tax amount will be calculated and displayed automatically.
- 7. Under **Particulars**, select Education Cess ledger e.g. **Education Cess @ 2%**. Education Cess amount will be calculated and displayed automatically.
- 8. Under **Particulars**, select Secondary Education Cess ledger e.g. **Secondary Education Cess @ 1%**. Secondary Education Cess amount will be calculated and displayed automatically.
- 9. In Bill-wise Details screen
  - In Type of Ref field select New Ref
  - In Name field enter the Bill name CS/5621
  - Amount will be defaulted automatically



Bill-wise Details for : Siesta Advertisers Upto: ₹ 8,42,700.00 Dr					
Type of Ref	Name	Due Date, or Credit Days (wef: 5-Aug-2012)	Amount Dr/ Cr		
New Ref	CS/5621		8,42,700.00 Dr		
		-	8.42.700.00 Dr		

Figure 2.18 Bill-wise Details screen

# 10.Enter Narration, if any

The completed Sales Voucher is displayed as shown

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🛛 🗙
Sales No. 1 Ref. :		5-Aug-2012 Sunday
Party's A/c Name : Siesta Advertisers		
Current Dalarice .	D. (	
Particulars	Rate pe	r Amount
Sale - Event Mgt Services Service Tax @ 12% Education Cess @ 2% Secondary Education Cess @ 1%		7,50,000.00 90,000.00 1,800.00 900.00
Narration:		Accept ?
		Yes or No

Figure 2.19 Completed Service Sales Voucher

11.Press Enter to save.



# 2.2.2 Sale of Services covered under Negative List

Under this, we will learn to record Sale of those services which are covered under Negative list as per the Negative List based System of Tax.

# Example 3:

On August 10, 2012 Crystal Services (P) Ltd. raised a Sales Invoice (No. CS/5924) for Education Services rendered to Shanti Education Trust for Rs. 1,40,000.

Education Services are included in the Negative List and is not subject to Service Tax.

To account the above transaction, follow the steps given below:

- 1. Create Masters
- i. Sales Ledger
- ii. Customer Ledger
- 2. Record the Transaction in Sales Voucher
- 1. Create Masters
- i. Sales Ledger

Ledger	Under	Is Service Tax Applicable	Default Service Category
Sale - Education Services	Sales Accounts	Yes	Negative List of Services

# To create Sales Ledger

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

- □ In the Name field, enter Sale Education Services as the Ledger Name
- Select Sales Accounts in Under field
- Set Inventory Values are affected to No
- Set the option Is Service Tax Applicable to Yes
- In the Default Service Category field, select Negative List of Services from the List of Service Categories.



All the **Services** covered under **Negative List** have to be associated with the **Service Category - Negative List of Services.** 

The option **Any** can be selected from the **List of Service Categories**, where the user doesn't want to define the **Service Category** during **Ledger creation**. This allows the user to use an **Sales/Income Ledger** (as a common ledger) to account **multiple Service Categories**.



Ledger Creation	Crystal Services (P) Ltd.	Ctrl + M
Name : Sale - Education Services		List of Service Categories
		1 55 more Internet Telecommunication Services Leased Circuits Legal Consultancy Service Life Insurance Services Mailing List Compilation Maintenance of Medical Records of Employees of A Business Entity Maintenance Or Repair Service
Under : Sale	Accounts Name Address	Management Consultants Management of Investment in ULIP
Inventory values are affected 7 No <u>Statutory Infor</u>	State PIN Code mation	Mandap Keeper Manpower Recruitment Or Supply Agency's Services Market Research Agency Mechanized Slaughter House Membership of Clubs Mining of Mineral Oil Or Gas
Is Service Tax Applicable 7 Yes	ative List of Convisoe	Negative List of Services
Default Service Category	PAN / IT No. Sales Tax No. CST No.	Online Information and Data Opinion Poll Services Outdoor Catering Packaging Services Pager Services
		Pandal Or Shamiana Services Permitting Commercial Use Or Exploitation of Any Event Organized by A Person Or Org. Photography Service Port Services
		Preferential Location Or External/Internal Development of Complexes Processing and Clearing House Agent Service Public Relations Service
		Rail Travel Agent Real Estate Agents Recognized Or Registered Association Service
		Recognized Stock Exchange Service Recovery Agent
	Opening Balance ( on 1-Apr-2012) :	41 more

Figure 2.20 Selection of Service Category

The completed **Service Sales Ledger** is displayed as shown:

Ledger Creation Crystal Ser	vices (P) Ltd.	
Name Sale - Education Services		Total Op. Bal.
Under Color Research	Mailing Details	
Under : Sales Accounts	Name :	
	Address :	
Inventory values are affected 7 No		
	State :	
	PIN Code :	
Statutory Information		
Is Service Tax Applicable 7 Yes		
Default Service Category : Negative List of Services		
· · ·	Tax Information	1
	PAN / IT No	-
	Sales Tax No. :	
	CST No. :	
		Assant 2
		Accept ?
Opening Balance ( on 1 Apr 2017) :		-
Opening balance ( on 14pi-2012) .		Yes or No

Figure 2.21 Completed Service Sales Ledger Screen

Press Enter to save.



# ii. Customer Ledger

Ledger	Under	ls Service Provider/ Receiver	Set/Alter Service Tax Details
Shanti Education Trust	Sundry Debtors	Yes	Yes

To create Customer Ledger,

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

In the Ledger Creation screen,

- □ In the Name field, enter Shanti Education Trust as the Ledger Name
- □ In the Under field, select Sundry Debtors as the Group
- □ Set the option Maintain Balances bill-by-bill to Yes
- **D** Specify the **Default Credit Period**, if required
- Set Is Service Provider/Receiver to Yes



In day-to-day business scenario a **party** can **provide services** as well as **receive services**. In such cases, same party ledger can used to account both the sale and purchase of services.

- Set the option Set/Alter Service Tax Details to Yes and press Enter to view Service Tax Details screen
- □ In Service Tax Details screen enter
  - Registration Number: Enter 15 digits Service Tax Registration Number of the Service Provider. E.g. APPLG7584DST001



Service Tax Registration Number is a **PAN Based Number**. For more information refer the topic - **Service Tax Assessee Code** 

- Date of Registration: Enter the Registration Date. E.g. 9-10-2003
- Is Associated Enterprise: Set this option to No



#### • Type of Classification: In this field select the classification Negative List.



- *i.* **Not Applicable**: Select this option when the service purchased/sold is a Taxable Service and eligible to avail input credit
- *ii.* **Exempt**: Select this option when the Service Provider/Receiver is exempt from Service Tax.
- iii. Export: Select this option when the services are Exported
- iv. Import: Select this option when the services are Imported
- v. Negative List: Select this option when the services are stated in the Negative List
- vi. **Pure Agent**: Select this option when the Service provider/Receiver acts as a pure agent
- vii. **Tax On Service Received**: Select this option to record the transportation services purchased from the Goods transport Operators (GTOs) and to calculate tax on services received. The liability of tax on services purchased from the GTO is on the service receiver

The **Type of Classification** selected in the **Service Provider/Receiver** will determine the **Type of Service** which can be overridden during voucher entry.

The completed Service Tax Details screen is displayed as shown



Figure 2.22 Service Tax Details Screen

Enter the Mailing Details and Tax Information



Ledger Creation		Crystal Services (P) Ltd.	
Name : Shanti Education 1	frust		Total Op. Bal
Under	: Sundry Debtors (Current Assets)	Name Address	<u>Mailing Details</u> : Shanti Education Trust : #584, 80 Feet Road,
Maintain balances bill-by-bill Default Credit Period	7 Yes		6th Block Koramangala Bangalore
Inventory values are affected	7 No	State PIN Code	: Karnataka : 560085
Statu	tory Information		
Is Service Provider/Receiver Set/Alter Service Tax Details	7 Yes 7 Yes		
		PAN / IT No.	Tax Information : APPLG7584D
		Sales Tax No. CST No.	:
			Accept ?
	Opening Balance ( o	n 1-Apr-2012) :	Yes or No

The completed **Customer** (Service Receiver) Ledger is displayed as shown below:

Figure 2.23 Completed Service Receiver Ledger Creation Screen

Press Enter to save.

#### 2. Record the transaction in Sales Voucher (Account Invoice Mode)

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

- 1. Press Alt+I or click on I: Account Invoice if the voucher is in Item invoice mode
- 2. Press F2 and change the date to 10-08-2012
- 3. In the Party's A/c Name field, select the service receiver e.g. Shanti Education Trust
- 4. Under **Particulars**, select the Service (sales) Ledger e.g. **Sale Education Services** and press **Enter** to view **Service Tax Details** screen
- 5. In Service Tax Details screen
  - Type of Ref.: Select New Ref from the method of Adjustment. Tally.ERP 9 displays Two Methods of Adj viz., Agst Ref and New Ref. New Ref is selected for new Financial Transactions. Whereas, Agst Ref is selected to set off the advance payments made.
  - Name: This field displays the Reference Number for the Service Tax calculation. The default Reference Number displayed, is a combination of abbreviation of Sales, Voucher



**Number** and **Line Number**. Example: **Sale/2-1** which can be changed by the user. Service Tax payments are tracked with these Reference Numbers.



If the reference number is mentioned in **Ref.** field, then Tally.ERP 9 captures **Ref. number** instead of **voucher number** in **Reference Number** displayed in **Name** field.

Type of Service: Based on the Type of Classification selected in the Service Receiver ledger, Type of Service will be defaulted (displayed). By default, Negative List is displayed and Tally.ERP 9 skips the field.

In Type of Service field

- *i.* **Exempt** is defaulted for the Type of Classification **Exempt**
- ii. Export is defaulted for the Type of Classification Export
- *iii.* **Negative List** is defaulted for the Type of Classification **Negative List**
- iv. Pure Agent is defaulted for the Type of Classification Pure Agent
- v. **Taxable** is defaulted for the Type of Classification set to **Not Applicable**

The default Type of service can be overridden. Press **Back Space** key to move to **Type of Service** field and select the applicable Type of service. The type of service selected in the voucher entry will determine the Type of service.

- Category: Based on the service Category selected in the Sales Ledger, category will be defaulted (displayed). By default, Taxable Service is displayed and Tally.ERP 9 skips the field.
- **Service Amount**: In this field enter the Service Amount. Enter Rs. 1,40,000.
- Amount (Incl. of Tax): The Service Amount will be the Amount (Incl. of Tax) i.e. Rs. 1,40,000 as the service is not subject to tax (Education Service covered under Negative List of Services).

The completed **Service Tax Details** screen appears as shown:

	Service Tax Details for : Sale - Education Services				
Type of	Name	Type of	Category/Service	Service	Amount
Ref		Service		Amount	(Incl. of Tax)
New Ref	Sale/2-1	Negative List	Negative List of Services	1,40,000.00	1,40,000.00

Figure 2.24 Completed Service Tax Details screen

- 6. In Bill-wise Details screen,
  - In Type of Ref field select New Ref
  - In Name field enter the Bill name CS/5924





# **Amount** will be defaulted automatically

	Bill-wise Details fo Upto: 1	r∶ Shanti Education ₹ 1,40,000.00 Dr	Trust	
Type of Ref	Name	Due Date, or Credit Days (wef. 10-Aug-2012)	Amount [ (	Dr/ Cr
New Ref	CS/5924		1,40,000.00	)r_



# 7. Enter Narration, if any

The completed Sales Voucher is displayed as shown





8. Press Enter to save.



# 2.2.3 Sale of Exempted Services

Under this, we will learn to account sale of services that are exempted from Service tax as per the Negative List based System of Tax.

# Example 4:

On August 13, 2012 Crystal Services (P) Ltd. raised a Sales Invoice (No. CS/7352) for Health Care Services rendered to Bellary Municipality for Rs. 5,00,000.

To account the above transaction, follow the steps given below:

- 1. Create Masters
- i. Sales Ledger
- ii. Customer Ledger
- 2. Record the Transaction in Sales Voucher

#### 1. Create Masters

i. Sales Ledger

Ledger	Under	Is Service Tax Applicable	Default Service Category
Sale - Health Care Services	Sales Accounts	Yes	Exempted Service

# To create Sales Ledger

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

- □ In the Name field, enter Sale Health Care Services as the Ledger Name
- Select Sales Accounts in Under field
- Set Inventory Values are affected to No
- Set the option Is Service Tax Applicable to Yes
- In the Default Service Category field, select Exempted Service from the List of Service Categories.



All the **Exempted Services** have to be associated with the **Service Category** - **Exempted Service**.

The option **Any** can be selected from the **List of Service Categories**, where the user doesn't want to define the **Service Category** during **Ledger creation**. This allows the user to use an **Sales/Income Ledger** (as a common ledger) to account **multiple Service Categories**.



Ledger Creation	Crystal Services (P) Ltd.	Ctrl + M 🗙
Name : Sale - Health Care Services		List of Service Categories
		1 25 more Consulting Engineer Containers by Rail Convention Service Cosmetic and Plastic Surgery Services Cost Accountants
Under : Sales Accounts	Name Address	Credit Card Related Services Credit Rating Agencies Custom House Agent Design Services
niventury values are allected in NO	State PIN Code	Development and Supply of Content Dredging Services Dry Cleaning Services Exerction. Commissioning and Installation
Is Service Tax Applicable 7 Yes		Event Management Service
Default Service Category : Exempted Service.	PAN / IT No. Sales Tax No. CST No.	Exempted Service Facsimile Services Facsimile Services Foreign Exchange Broker (Other Than SP of BAFS) Forward Contract Services Franchise Services General Insurance Business Goods Transport Operators Health Club and Fitness Center Health Club and Fitness Center Health Services Information Technology Software Service Insurance Auxiliary Inteliectual Property Services Other Than Copyright Interior Decorators Internet Cafe Internet Cafe Internet Telecommunication Services Leased Circuits Legal Consultancy Service
Opening Balance ( d	on 1-Apr-2012) :	Life insurance Services 71 more 1

Figure 2.27 Selection of Service Category

The completed **Service Sales Ledger** is displayed as shown:

Ledger Creation	Crystal Services (P) Ltd.	
Name : Sale - Health Care Services		Total Op. Bal.
Under Color Associate	Mailing Details	
Under Sales Accounts	Name :	
	Address :	
Inventory values are affected 7 No		
	Chata	
	State : RIN Codo	
	-in Code .	
Statutory Information		
Is Service Tax Applicable 7 Yes		
Default Service Category : Exempted Service		
	Tax Information	
	PAN / IT No.	
	Sales Tax No. :	
	CST No. :	
		Accept ?
Opening Balance ( o	n 1-Apr-2012) :	Yes or No

Figure 2.28 Completed Sales Ledger Creation screen

Press Enter to save.



# ii. Customer Ledger

Ledger	Under	Is Service Provider/ Receiver	Set/Alter Service Tax Details
Bellary Municipality	Sundry Debtors	Yes	Yes

To create Customer Ledger,

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

In the Ledger Creation screen,

- □ In the Name field, enter Bellary Municipality as the Ledger Name
- □ In Under field, select Sundry Debtors as the Group
- Set the option Maintain Balances bill-by-bill to Yes
- **D** Specify the **Default Credit Period**, if required
- Set Is Service Provider/Receiver to Yes



In day-to-day business scenario a **party** can **provide services** as well as **receive services**. In such cases, same party ledger can used to account both the sale and purchase of services.

- Set the option Set/Alter Service Tax Details to Yes and press Enter to view Service Tax Details screen
- In Service Tax Details screen enter
  - Registration Number: Enter 15 digits Service Tax Registration Number of the Service Provider. E.g. AGPRB5562LST001



Service Tax Registration Number is a **PAN Based Number**. For more information refer the topic - **Service Tax Assessee Code** 

- Date of Registration: Enter the Registration Date. E.g. 30-5-2009
- Is Associated Enterprise: Set this option to No



#### • Type of Classification: In this field select the classification Exempt.



- *i.* **Not Applicable**: Select this option when the service purchased/sold is a Taxable Service and eligible to avail input credit
- *ii.* **Exempt**: Select this option when the Service Provider/Receiver is exempt from Service Tax.
- iii. Export: Select this option when the services are Exported
- iv. Import: Select this option when the services are Imported
- v. Negative List: Select this option when the services are stated in the Negative List
- vi. **Pure Agent**: Select this option when the Service provider/Receiver acts as a pure agent
- vii. **Tax On Service Received**: Select this option to record the transportation services purchased from the Goods transport Operators (GTOs) and to calculate tax on services received. The liability of tax on services purchased from the GTO is on the service receiver

The **Type of Classification** selected in the **Service Provider/Receiver** will determine the **Type of Service** which can be overridden during voucher entry.

#### The completed Service Tax Details screen is displayed as shown



Figure 2.29 Service Tax Details screen

Enter the Mailing Details and Tax Information



Ledger Creation	Cn	ystal Services (P) Lt <u>d.</u>	
Name : Bellary Municipali	ty		<u>Total Op. Bal.</u>
			Mailing Details
Under Maintain balances bill-by-bill Default Credit Period Inventory values are affected	: Sundry Debtors (Current Assets) 7 Yes : 7 No	Name Address State PIN Code	: Bellary Municipality : #873, Bellary Hospet Road Allipur Post Near Allipur Bellary : Karnataka : 583104
Stati	itory information		
Is Service Provider/Receiver Set/Alter Service Tax Details	7 Yes 7 Yes		fax Information
		PAN / IT No.	: AGPRB5562L
		Sales Tax No. CST No.	:
			Accept ?
	Opening Balance ( on 1-A	pr-2012) :	Yes or No

The completed **Customer** (Service Receiver) Ledger is displayed as shown below:

Figure 2.30 Completed Service Receiver Ledger Creation screen

Press Enter to save.

#### 2. Record the transaction in Sales Voucher (Account Invoice Mode)

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

- 1. Press Alt+I or click on I: Account Invoice if the voucher is in Item invoice mode
- 2. Press F2 and change the date to 13-08-2012
- 3. In the Party's A/c Name field, select the service receiver e.g. Bellary Municipality
- 4. Under **Particulars**, select the Service (sales) Ledger e.g. **Sale Health Care Services** and press **Enter** to view **Service Tax Details** screen
- 5. In Service Tax Details screen
  - Type of Ref.: Select New Ref from the method of Adjustment. Tally.ERP 9 displays Two Methods of Adj viz., Agst Ref and New Ref. New Ref is selected for new Financial Transactions. Whereas, Agst Ref is selected to set off the advance payments made.
  - Name: This field displays the Reference Number for the Service Tax calculation. The default Reference Number displayed, is a combination of abbreviation of Sales, Voucher Number and Line Number. Example: Sale/3-1 which can be changed by the user. Service Tax payments are tracked with these Reference Numbers.





If the reference number is mentioned in **Ref.** field, then Tally.ERP 9 captures **Ref. number** instead of **voucher number** in **Reference Number** displayed in **Name** field.

Type of Service: Based on the Type of Classification selected in the Service Receiver ledger, Type of Service will be defaulted (displayed). By default, Exempt is displayed and Tally.ERP 9 skips the field.

#### In Type of Service field

- i. Exempt is defaulted for the Type of Classification Exempt
- ii. Export is defaulted for the Type of Classification Export
- *iii.* **Negative List** is defaulted for the Type of Classification **Negative List**
- iv. Pure Agent is defaulted for the Type of Classification Pure Agent
- *v.* **Taxable** is defaulted for the Type of Classification set to **Not Applicable**

The default Type of service can be overridden. Press **Back Space** key to move to **Type of Service** field and select the applicable Type of service. The type of service selected in the voucher entry will determine the Type of service.

- Category: Based on the service Category selected in the Sales Ledger, category will be defaulted (displayed). By default, Exempted Service is displayed and Tally.ERP 9 skips the field.
- **Service Amount**: In this field, enter the Service Amount. Enter Rs. 5,00,000
- Amount (Incl. of Tax): The Service Amount will be the Amount (Incl. of Tax) i.e. Rs.
   5,00,000 as this service is an Exempt service.

The completed Service Tax Details screen appears as shown

	Service Tax Details for : Sale - Health Care Services				
Type of	Name	Type of	Category/Service	Service	Amount
Ref		Service		Amount	(Incl. of Tax)
New Ref	Sale/3-1	Exempt	Exempted Service	5,00,000.00	5,00,000.00



- 6. In Bill-wise Details screen,
  - In Type of Ref field select New Ref



- □ In Name field enter the Bill name CS/7352
- **Amount** will be defaulted automatically

	Bill-wise Details Upto:	for∶ Bellary Municipa ₹ 5,00,000.00 Dr	ality	
Type of Ref	Name	Due Date, or Credit Days (wef. 13-Aug-2012)	Amount Dr C	r/ r
New Ref	CS/7352		5,00,000.00 Dr	

Figure 2.32 Bill-wise Details screen

# 7. Enter Narration, if any

The completed Sales Voucher is displayed as shown

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M ×
Sales No. 3 Ref. :		13-Aug-2012 Monday
		Í
Party's A/c Name : Bellary Municipality		
Particulars	Rate per	Amount
Sale - Health Care Services		5,00,000.00
Narration:		Accept ?
		es or No

Figure 2.33 Completed Service Sales Voucher

8. Press Enter to save.



# 2.3 Adjustment of Input Service Credit towards Service Tax Payable

As per Service Tax credit Rules, 2002, every service provider (output service provider) shall be eligible to avail credit of the Service Tax paid by him to other service providers, with respect to the services (Input service) purchased. Such availment should be in relation to the rendering of service by the service provider.

Under Service Tax Rules, Service Tax is payable monthly or quarterly depending on the Type of organisation. For the payment of Service Tax, Service Tax Credit available to a unit will be adjusted towards the Service Tax payable to arrive at the Net Service Tax Payable to the Government.

Provided that, while paying Service Tax on the output service, the Service Tax credit shall be utilized only to the extent of such credit that is available on the last day of a month, for payment of Service Tax relating to the month or in case where the assessee is an individual or proprietary firm or partnership firm, to the extent such credit is available on the last day of the quarter for payment of Service Tax relating to the quarter.

In Tally.ERP 9, to record the adjustment entry **Service Tax Ledgers** will be **Debited** and **Credited** to nullify the **Input Service Credit** and **Service Tax Liability** and the net balance in the Service Tax ledgers will be paid to the Government.

# Example 5:

On August 31, 2012, Crystal Services (P) Ltd. adjusted Input Service Credit of **Rs. 7,416** (Service **Tax - Rs. 7,200, Education Cess Rs. 144 and Secondary Education Cess of Rs. 72**) towards Service Tax Payable for the month of August.

To account the above transaction follow the steps given below

- 1. Create the Voucher Class in Journal Voucher (to adjust input service credit)
- 2. Record the Transaction in Journal Voucher

# 1. Create Voucher Class in Journal Voucher (to adjust input service credit)

To alter the voucher type,

Go to Gateway of Tally > Accounts Info. > Voucher Types > Alter > select Journal from the List of Voucher Types

# In Voucher Type Alteration screen

- Tab down to Name of Class field and enter Service Credit Adjustment as the class name and press Enter to view Voucher Type Class screen
- □ In Voucher Type Class screen



# Set the option Use Class for Service Tax Adjustments to Yes

Voucher Type Class Name : Journal (allas) :	Crystal Services (P) Ltd. Class : Service Credit Adjustment Use Class for Service Tax Adjustments ? Yes Ledger account to use Ledger Name	Ctrl + M 🗵
Type of Voucher Abbr.	iene Jour Jmi	<u>Name of Class</u> Service Credit Adjustment



Press Enter to save Voucher Type Class screen and Voucher Type Alteration screen.

# 2. Record the Transaction in Journal Voucher

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

- 1. In Change Voucher Type screen, select Service Credit Adjustment in Class field
- 2. Press F2 and change the date to 31-08-2012
- 3. In Used for field, select Input Credit Adjustments flag from Service Credit Adjustments list

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M ×
Journal No. 1	Journal No. 1 Voucher Class : Service Credit Adjustment	
	Used for: Input Credit Adjustments	Friday
	Service Tax Adjustments	
Particulars		Credit
Dr	Advance Tax Paid Rule 6(1A) Adjustment	
	CENVAT Adjustment	
	Excess Service Tax Paid earlier Rule 6(4A) Adjustment	
	Money Equivalent of Consideration	
	Opening Balance	
	Reversal of Utilised Input Credit	
	Service Consideration Adjustments	
	Tax on Import of Service	
	Tax Paid but service not rendered Rule 6(3) Adjustment	
Narration:		
Nanation.		

#### Figure 2.35 Selection of Service Tax Adjustments

4. In the **Debit** field, select **Service Tax @ 12%** ledger and press **Enter** to view **Service Tax Details** screen



- 5. In Service Tax Details screen
  - □ In Type of Ref. field, select Agst Ref to adjust Service Tax liability against input credit
  - □ In the Name field, select Sale/1-1 dated 5-8-2012 to adjust the Bill.
  - Category details will be defaulted based on the sales bill selected. E.g. Taxable Service will be defaulted for the sale made on 5-8-2012.
  - In the Amount field, enter the Input Service Tax Credit i.e. Rs. 7,200 which is adjusted towards the Service Tax portion of Service Tax Payable

		Service Tax Details for :	Service Tax @ 12%	
Type of Ref.	Name	Category/Se	vice	Amount
Agst Ref	Sale/1	-1 Taxable Servio	e	7,200.00
				7,200.00

Figure 2.36 Service Tax Details Screen

- 6. In the **Debit** field, select **Education Cess @ 2%** ledger and press **Enter** to view **Service Tax Details** screen
- 7. In Service Tax Details screen,
  - □ In the Type of Ref. field, select Agst Ref to adjust Service Tax liability against input credit
  - □ In the Name field, select Sale/1-1 dated 5-8-2012 to adjust the Bill.
  - Category details will be defaulted based on the sales bill selected. E.g. Taxable Service will be defaulted for the sale made on 5-8-2012.
  - In the Amount field, enter the Input Education Cess Credit i.e. Rs. 144 which is adjusted towards the Education Cess portion of Service Tax payable
- 8. In the **Debit** field, select **Secondary Education Cess @ 1%** ledger and press **Enter** to view Service Tax Details screen
- 9. In the Service Tax Details screen,
  - □ In the Type of Ref. field, select Agst Ref to adjust Service Tax liability against input credit
  - □ In the Name field, select Sale/1-1 dated 5-8-2012 to adjust the Bill.



- **Category** details will be defaulted based on the sales bill selected. E.g. **Taxable Service** will be defaulted for the sale made on 5-8-2012.
- In the Amount field, enter the Input Secondary Education Cess Credit i.e. Rs. 72 which is adjusted towards the Secondary Education Cess portion of Service Tax payable
- 10.To nullify the Input Service Credit available, in **Credit** field select **Service Tax @ 12%** and press **Enter** to view **Service Tax Details** screen
- 11. In the Service Tax Details screen,
  - In the Type of Ref. field, select Agst Ref to adjust input credit towards the Service Tax liability
  - □ In the Name field, select Purc/1-1 dated 1-8-2012 to adjust the Bill.
  - Category details will be defaulted based on the purchase bill selected. E.g. Taxable Service will be defaulted for the purchase made on 1-8-2012.
  - □ In the Amount field, Rs.7,200 will defaulted.

For the month of August, Crystal Services (*P*) Ltd. has a Service Tax Input credit of *Rs. 7,146. the tax bifurcation is as follows* 



- □ Service Tax of Rs. 7,200
- Education Cess of Rs.144
- □ Secondary Education Cess of Rs.72

The company has decided to adjust full credit available. So in the Service Tax Details screen the default amount of **Rs. 7,200** is accepted.

If you want to adjust partial credit, then you can specify the adjusted credit amount in *Amount* field.

- 12. To nullify the Input Education cess, in the Credit field, select Education Cess @ 2% ledger and press Enter to view Service Tax Details screen
- 13.In the Service Tax Details screen,
  - In the Type of Ref. field, select Agst Ref to adjust input credit towards the Service Tax liability
  - □ In the Name field, select Purc/1-1 dated 1-8-2012 to adjust the Bill.
  - Category details will be defaulted based on the purchase bill selected. E.g. Taxable Service will be defaulted for the purchase made on 1-8-2012.
  - □ In the Amount field, Rs. 120 will be defaulted.
- 14.In the Credit field, select Secondary Education Cess @ 1% ledger and press Enter to view Service Tax Details screen
- 15.In the Service Tax Details screen
  - **I** In the **Type of Ref.** field, select **Agst Ref** to adjust Service Tax liability against input credit
  - □ In the Name field, select Purc/1-1 dated 1-8-2012 to adjust the Bill.
  - Category details will be defaulted based on the purchase bill selected. E.g. Taxable Service will be defaulted for the purchase made on 1-8-2012.
  - □ In the Amount Rs. 60 will be defaulted.



- 16. Set the option **Provide Details** to **Yes** to enter the period for which the Service Credit Adjustment is done
  - In Service Tax Payment Details
    - In From field enter 1-8-2012
    - In **To** field enter **31-8-2012**

Service Tax Payment Details		
From	: 1-Aug-2012	
То	: 31-Aug-2012	
(Note : T	his Payment Belongs to the Above Period)	

Figure 2.37 Service Tax Payment Details

17.Enter Narration, if any

The completed Journal Voucher is displayed as shown

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🛛 🛛
Journal No. 1	Voucher Class : Service Credit Adjustment	31-Aug-2012
		Friday
	Used for: Input Credit Adjustments	
Particulars	Debit	Credit
Dr Service Tax @ 12%	7,200.00	
Cur Bal: 82,800.00 Cr	144.00	
Cur Bal: 1.656.00 Cr	144.00	
Dr Secondary Education Cess @ 1%	72.00	
Cur Bal: 828.00 Cr		
Cr Service Tax @ 12%		7,200.00
Cr Education Cess @ 2%		144.00
Cur Bal: 1,656.00 Cr		141.00
Cr Secondary Education Cess @ 1%		72.00
Cur Bal: 828.00 Cr		
Provide Details Yes		
Manakian	7.440.00	7 440 00
Narration:	7,416.0	/ 415 00
		Accept ?
		Yes or No



# 18. Press Enter to Save.



# 2.4 Payment of Service Tax

Under Service Tax Rules, Service Tax is payable monthly or quarterly depending on the Type of organisation. Service Tax charged (for which payment is received from the service receiver) is to be paid to the credit of Government on or before 5th of the next month.

Service Tax amount shall be paid to the Government account through any designated branches of the authorised banks, along with G.A.R.- 7 Challan.

Service Tax payments in Tally.ERP 9 can be recorded using Tax Helper (<u>S</u>: Stat Payment). Stat Payment helper can be used to **auto compute & fill** the Duty amount for a specific period or manually select the tax bills in payment voucher.



Tally.ERP 9 also allows to record the Service Tax Payment entry without using <u>S</u>: **Stat Payment** feature.

# Example 6:

On September 4, 2012 Crystal Services (P) Ltd. paid Service Tax of Rs. 85,284 for the month of August, 2012 (Service Tax - Rs. 82,800, Education Cess Rs. 1,656 and Secondary Education Cess of Rs. 828) through cheque.

1. Record the Transaction in Payment Voucher

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

# Set up:

# In F12: Payment Configuration

□ Set the option Use Single Entry mode for Pymt/Rcpt/Contra to Yes



The <u>S</u>: Stat Payment button will be available only if Use Single Entry mode for Pymt/Rcpt/Contra is enabled in the F12: Configure (Voucher Configuration).

# In Accounting Voucher Creation screen

- 1. Press **F2** and change the date to **04-09-2012**
- 2. Press Alt+S or click <u>S</u>: Stat Payment button on the buttons bar to view Statutory Payment screen.



Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🛛	F1: Inventory Buttons
Payment No. 1		4-Sep-2012	E2: Date
		Tuesday	
			F3: Company
Account :			
Cur Bal:			F4: Contra
Particulars		Amount	F5: Payment
			F6: Receipt
			F7: Journal
			F8: Sales
			F8: Credit Note
			F9: Purchase
			F9: Debit Note
			F10: Rev Jrnl
			<u>F10</u> : Memos
			V: VAT Payment
			S: Stat Payment
Narration:	-		T: Post-Dated

Figure 2.39 Stat Payment Helper

- 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 Service Tax payment entry, hence select Service Tax from the Type of Duty/Tax

Statutory Payment		Types of Duty/Tax
Type of Duty/Tax Auto Fill Statutory Payment	: <mark>Service Tax</mark> ? No	Service Tax

Figure 2.40 Statutory Payment Screen



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. Royal Services (P) Ltd. wants to auto fill duty details in 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.
- **Till Date**: In this field, you may enter, **till date** of the **period** for which the Service Tax values should be computed and auto-filled.
- Service Category: In this field, Tally.ERP 9 displays only those Service Categories towards which Service Tax is payable to the Government.

Select a **specific Service Category** to pay the tax towards the selected category or you can select **All Items** to pay the Service Tax liability towards all the categories for the period specified

Helper Tax Types	Crystal Se	ervices (P) Ltd.	Ctrl + M 🔉
Payment No. 1			List of Service Categories
Account :			Taxable Service
Particulars			
	Statuto	ry Payment	
	Type of Duty/Tax Auto Fill Statutory Payment Till Date Service Category Cash / Bank	: Service Tax ? Yes : 31-Aug-2012 : Taxable Service :	-
Narration:			

Here **Taxable Service** is selected to make Service Tax payment to Government.

Figure 2.41 Selection of Service Category

**Cash/ Bank**: Depending on the mode of payment (Cash or Cheque) Cash or Bank ledger will be selected. Select **Canara** Bank from the List of Ledger Accounts.

Helper Tax Types	Crystal Se	rvices (P) Ltd.	Ctrl + M 🔀
			List of Ledger Accounts Canara Bank
	Statuto	ry Payment	
	Type of Duty/Tax	: Service Tax	
	Auto Fill Statutory Payment	? Yes 31 Aug 2012	
	Service Category	: Taxable Service	
	Cash / Bank	Canara Bank	

Figure 2.42 Completed Statutory Payment Screen

- Derived Press Enter to accept the Service Tax helper.
- 4. The **Bank Name** through which the payment is made and Service Tax payable amount will be auto-filled.



Figure 2.43 Auto Filled Payment Voucher



- 5. Set the option Provide Details to Yes to enter Service Tax Payment Details
- 6. In Service Tax Payment Details Screen,
  - **From**: In this field, enter the **From** date of the period for which the Service Tax is paid
  - **To**: In this field, enter the **To** date of the period for which the Service Tax is paid.
  - Cheque/DD No: In this field, the user can enter either the cheque or the DD No through which the Service Tax payment is made. In this transaction payment is made through cheque no.- 585917
  - Name of the Bank: In this field, mention the Name of the Bank through which tax is paid to the Government. Select Canara Bank from the List of Banks.
  - □ In this field, Tally.ERP 9 displays the List of Banks which lists
    - All the banks which are already created to carry out the regular business.
    - The option New Name is provided to create New Bank
    - The option **Not applicable** if the payment is made by **Cash**.

The option **New Name** will be selected when the authorised bank through which the payment is made is different from the regular bank where the deposit account is maintained. The Bank name created here will not be available under the List of Ledgers.

- **Bank Account Number**: Enter the bank account number in this field.
- **Branch Name**: Enter the bank Branch name in this field.



**Bank Account Number** and **Branch Name** details will be defaulted automatically, if the user selects the bank which is already created to carry out the regular business (with **Bank Account Number** and **Branch Name**) in the **Name of Bank** field. User can change such defaulted details.

- **Cheque Date**: If the payment is made through cheque, enter the cheque date in this field.
- **Challan No.**: In this field, enter the Service Tax payment Challan number.
- D Challan Date: Enter the Challan Date

Service Tax Payment Details				
From	: 1-Aug-2012			
То	: 31-Aug-2012			
(Note : This Payment Belongs to the Above Period)				
Cheque / DD.No.	: 585917			
Name of Bank	: Canara Bank			
Bank Account No.	: 00659878754			
Branch Name	: BTM			
Cheque Date	: 4-Sep-2012			
Challan No.	: 658274			
Challan Date	: 4-Sep-2012			
ePayment No.	:			
(Note : All the Above D	etails Will Be Used in Challan, Forms & Returns)			

Figure 2.44 Service Tax Payment Details Screen





If the Service Tax payment **Challan Details** are not available at the time of recording the Service Tax payment entry, such details can be updated by altering the payment voucher.

7. In Bank Allocation screen, specify Payment Favouring Name, Transaction Type, Instrument Number, Instrument Date & Cross Instrument Using details.

The completed **Payment Voucher** is displayed as shown:

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🗙
Payment No. 1		4-Sep-2012
		Tuesday
	Statutory Payment for : Service Tax	
Account : Canara Bank		
Cur Bal: 9,14,716.00 Dr		
Particulars		Amount
Service Tax @ 12%		82,800.00
Cur Bal: 0.00 Dr		
Education Cess @ 2%		1,656.00
Cur Bal: 0.00 Dr		000.00
Secondary Education Cess @ 1%		828.00
Provide Details Yes		
Narration:		
		Accept ?
		Yes or No

Figure 2.45 Completed Payment Voucher

8. Press Enter to Save.



#### Generate G.A.R.-7 Challan

Tax is remitted to the Government account through Challans. For making the Service Tax payment, G.A.R.-7 Challan is used.

In Tally.ERP 9 Service Tax Challan (G.A.R.-7) can be printed from the Service Tax payment voucher.

To print the G.A.R.-7 Challan for the transaction entered on 04-09-2012

- From Accounting Voucher Creation screen, press PageUp to view the Accounting Voucher Alteration screen of payment voucher recorded on 04-09-2012
- Click on <u>P</u>: Print button or Press Alt + P from the payment voucher to view the Voucher Printing screen
- □ Ensure **Print G.A.R.- 7 Challan** field is set to **Yes**

Voucher Printing					
Printer	: NPI9F3EB3 (HP LaserJet P4015) (I	Ne02:) Paper Type :	Letter		
No. of Copies Print Language Method Page Range	: 1 : English : Neat Mode : All	Paper Size:(8.50") Print Area :(8.03")	(Printing Dimensions) (10.98°) or (216 mm x 279 mm) (10.71°) or (204 mm x 272 mm)		
	Repo	ort Titles			
Payment Voucher					
	Without Company Phone No.				
Print G.A.R7 Challan : Yes					
Print Payment Adv Payment Advice D Print Due Date	ice : No ate : 4-Sep-2 ? No	2012	Print ?		
Print Company's P	AN/IT Number ? No		Yes or No		

Figure 2.46 Voucher Printing Screen

Press Enter to accept Voucher Printing screen to view Accounting Voucher Display screen. To zoom the preview press Alt+Z or click on Zoom.



Ensure the Alt+I: Print Preview option is selected to view the print preview of G.A.R.- 7 Challan.



# The Print Preview of G.A.R.- 7 Challan will be displayed as shown

For payments from April 2007 on wards	G.A.R7 Proforma for Service	Tax Payments	(Receipts & Payment Rules 26)
Full Name Complete Address Telephone No. Assessee Code No.	Crystel.Se 	r V I C E S ( 	
Commissionerate Name Commissionerate Code Accounting Code of the Service	0         9         Division Code         0         2           Amount Tendered in Rupees         1         8         2         8         0         0	Range Code [	
0 0 4 4 0 2 9 8 0 0 4 4 0 4 2 6 Total		RECEIVING	BANK BRANCH STAMP
(In words) Rupees Eighty Five	Thousand Two Hundred Eighty Four Onl	y.	tendered by
Cash/Cheque/Draft/Pay Order No.	585917 Dated	4-Sep-2012 Draw	n on Canara Bank
Accounting Code of the Service	Amount Tendered in Rupees		YER'S COUNTERFOIL
Accounting Code of the Service 0 0 4 4 1 0 8 9 0 0 4 4 0 2 9 8 0 0 4 4 0 4 2 6	Amount Tendered in Rupees		YER'S COUNTERFOIL
Accounting Code of the Service 0 0 4 4 1 0 8 9 0 0 4 4 0 2 9 8 0 0 4 4 0 4 2 6 Total	Amount Tendered in Rupees  Amount Tendered in Rupees  B 2 8 0 0  D 1 6 5 6  B 2 8 2 8  B 2 8  B 2 8  B 2 8  B 2 8  B 5 2 8 4		YER'S COUNTERFOIL
Accounting Code of the Service 0 0 4 4 1 0 8 9 0 0 4 4 0 2 9 8 0 0 4 4 0 4 2 6 Total Received from Assessee Code No.	Amount Tendered in Rupees  Amount Tendered in Rupees  B 2 8 0 0  B 2 8 0 0  B 2 8  B 2 8  B 2 8  A 5 D C E 1 5 8 8 1	TAX PA RECEIVING	YER'S COUNTERFOIL
Accounting Code of the Service           0         0         4         1         0         8         9           0         0         4         0         2         9         8           0         0         4         0         4         2         6           Total	Amount Tendered in Rupees  Amount Tendered in Rupees  B 2 8 0 0  C 3 6 5 6  B 2 8 2 8  B 2 8  A 5 D C E 1 5 8 8 1  Thousand Two Hundred Eighty Four Only		YER'S COUNTERFOIL
Accounting Code of the Service          0       0       4       1       0       8       9         0       0       4       0       2       9       8         0       0       4       0       2       9       8         0       0       4       0       4       2       6         Total         Eighty Five         By Cash/Cheque/Draft/Pay Order No.       [:	Amount Tendered in Rupees  Amount Tendered in Rupees  B 2 8 0 0  C 3 6 5 6  B 2 8 2  A 5 D C E 1 5 8 8 1  Thousand Two Hundred Eighty Four Only 585917 Dated	P S T 0 0 1 y. 4-Sep-2012 Draw	YER'S COUNTERFOIL

Figure 2.47 Print Preview of G.A.R.-7 Challan

To print the challan, click the option **Print**.



# Part – II



# **Recording Advanced Service Tax Transactions**

In this section we shall understand how Tally.ERP 9's Service Tax feature can be used to process advanced service Tax transactions.We shall learn to record advanced Service Tax transactions such as

- Accounting Opening Service Tax Bills (Opening Balance of tax payables and Input Credit)
- Sale/Purchase Order for Services
- Purchase of services and Partial Payment to Service Provider
- Accounting multiple services in single voucher
- Purchase of Services Inclusive of Service Tax
- Services Partly Subject to Service Tax
- Accounting Service Tax on Expenses (Journal Voucher)
- Accounting Cash Sales and Cash Purchases of Services
- Service Tax Billing for Professionals
- Accounting Services as Inventory by Professionals
- Advances from Service Receivers and Adjusting Advance received against the Service Bill
- Sale of Services with Inventory
- Accounting Export of Services
- Accounting Import of Services
- Accounting Pure Agent Services
- Account Services with Taxable Percentage
- Reversal of Service amount with Tax
- Account Service Tax on total transaction amount including TDS
- Tax on Services Purchased (GTA etc.)
- Accounting Service consideration Receipts/ Payments through Journal
- Advance Service Tax Payment and Adjust Advances against the Tax Liability
- Accounting CENVAT Credit Adjustments
- Payment of Interest and Penalties
- Accounting Adjustments under Rule 6(3)
- Receipt/Payment of Normal Advances and Adjusting Advance against the Service Bill
- □ Accounting Sale/Purchase of Services at Lower Rate of Tax
- Service Tax Expenses/Purchases in Payment Voucher
- Refund of Service Input Credit
- Reversal of Utilised Input Credit



# 2.5 Accounting Opening Service Tax Bills (Opening Balance of Service Tax Payables and Input Credit)

Tally.ERP 9 gives the flexibility to account the opening balance of Service Input credit and Service Tax at anytime during the Financial Year at your convenience. To account Opening balance of Input Credit and Service tax, in Journal Voucher a flag - **Opening Balance** has been Provided.

# 2.5.1 Accounting Opening Balance of Service Tax Payables

# Example 7:

*On September 2, 2012 Crystal Services (P) Ltd. has Service Tax payable opening balance of Rs. 6,180 (Service Tax of Rs. 6000, Education Cess of Rs. 120 and Secondary Education Cess of Rs. 60) on services sold to the Service Receiver Kamal Advertisers.* 

To account the above transaction follow the steps given below

- 1. Create Masters
- i. Service Tax Ledger for Current Year
- ii. Service Receiver (Customer) ledger
- iii. Service Tax Ledger for the Previous Year.
- 2. Create the Voucher Class in Journal Voucher
- 3. Record the Transaction in Journal Voucher

# 1. Create Masters

i. Service Tax Ledger - for Current Year

Ledger	Under	Type of Duty/Tax	Tax Head
Service Tax Ledger	Duties & Taxes	Service Tax	Any

As per the details given in the table, create the Service Tax ledger.


Ledger Creation	<u></u>	Crystal Servic	es (P) Ltd.		
Name : Service Tax Ledge	er				Total Op. Bal.
5					
					10,00,000.00 Dr
					Difference
					10,00,000.00 Dr
				Mailing Dotaila	
Under	: Duties & Taxes		Jamo	manning Details	
	(Current Liabilities)	, A	Address		
Type of Duty/Tax					
Tax Head	: J Any				
Inventory values are affected	7 No	5	State	:	
		F	PIN Code	:	
				Tax Information	
		F	PAN / IT No.	:	
		5	Sales Tax No.		
		l l			
					Accept ?
Opening Balance ( on 1-Apr-2012) :					Yes or No

#### The completed Service Tax Ledger is displayed as shown

Figure 2.48 Service Tax Ledger



*Single Ledger* can be used account both *Input* and *Output* Service Tax or create 2 ledgers to account Input and Output separately.

If you want to account **Service tax**, **Education Cess** and **Secondary Education Cess** separately, create separate ledgers.

# ii. Service Receiver (Customer) ledger

Ledger	Under	ls Service Provider/ Receiver	Set/Alter Service Tax Details			
Kamal Advertisers	Sundry Debtors	Yes	Yes			
Enter the Mailing Details and Tax Information						

# iii. Service Tax Ledger - of Previous Year

Ledger	Under	<b>Opening Balance</b>	Dr/Cr
Output Service Tax Ledger	Suspense A/c	Rs. 6,180	Cr



Ledger Creation Crystal Se	ervices (P) Ltd.		
Name : Output Service Tax Ledger			Total Op. Bal.
			10,00,000.00 Dr
			0.00
			Difference
			10,00,000.00 Dr
	N	lailing Details	
Under : Suspense A/c	Name	:	
	Address	-	
Inventory values are affected 7 No			
	State		
	PIN Code		
Statutory Information			
	Ta	ax Information	
	PAN / IT No.	:	
	Sales Tax No. CST No.	1	
	Corno.		
			Accept ?
Opening Balance ( on 1-Apr-2012)	: 6,180.00 Cr		Yes or No

The completed Service Tax Ledger of Previous Year is displayed as shown

Figure 2.49 Service Tax Ledger of Previous Year

### 2. Create the Voucher Class in Journal Voucher

Ensure Voucher Class is created for Journal Voucher by enabling the option Use Class for Service Tax Adjustments to Yes

# 3. Record the Transaction in Journal Voucher

- 1. In Change Voucher Type screen, select Service Credit Adjustment in Class field
- 2. Press F2 and change the date to 2-9-2012



Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🛛
Journal No. 2 Vo	oucher Class : Service Credit Adjustment	2-Sep-2012
	Used for: Opening Balance	Sunday
	Control Opening Durante	
Particulars	Service Tax Adjustments	Credit
Dr	Advance Tax Paid Rule 6(1A) Adjustment Availing Input Credit CENVAT Adjustment Excess Service Tax Paid earlier Rule 6(4A) Adjustment Input Credit Adjustments Money Equivalent of Consideration Opening Balance Refund of Service Tax Input Credit Reversal of Utilised Input Credit Service Consideration Adjustments Tax on Import of Service Tax on Service Received Tax Paid but service not rendered Rule 6(3) Adjustment	
Narration:		

3. In Used for field, select Opening Balance flag from Service Tax Adjustments list

Figure 2.50 Selection of Service Tax Adjustment

- 4. In the **Debit** field, select **Output Service Tax Ledger** from the List of Ledger Accounts created for the current year
- 5. In the Amount field, enter the Service Tax (Liability) amount. Enter Rs. 6,180
- 6. In the **Credit** field, select **Service Tax Ledger** created for the current Financial Year and press **Enter** to view Service Tax Details screen
- 7. In the Service Tax Details screen,
  - In Type of Ref field, select New Ref
  - □ In Name field, the Reference Number will be defaulted as Jrnl/2-1
  - In Type of Service field, select Taxable
  - In Party Ledger field, select Kamal Services from the List of Ledgers



From Party Ledger field Tally.ERP 9 does not allow to create the ledger.

□ In **Category** field, select the service category for which opening balance of Service Tax is defaulted. Here, **Taxable** Service Category is captured.



- In Service Amount field, enter the service amount on which the credit is available. Enter Rs. 50,000
- Based on the amount specified in Service Amount field Service Tax, Education Cess and Secondary Education Cess will get calculated and displayed

Type of Name Type of Party Ledger Category/Service S	
Type of Harry Ledger Gategory/Genice G	ervice
Ref Service A	nount
New Ref Jrnl/2-1 Taxable Kamal Advertisers Taxable Service 50,0	00.00
Service Tax       @ 12 % (On Assessable Value 50,000.00)       6,000.00         Ed Cess       @ 2 % (On Tax Value 6,000.00)       120.00         Sec Ed Cess       @ 1 % (On Tax Value 6,000.00)       60.00	
Total 50,0	00.00

Figure 2.51 Service Tax Details Screen

8. Accept the Service Tax Details screen.



In a single voucher, Tally.ERP 9 allows to account **Opening Balance** of **Service Tax** of **Multiple Services** provided to **multiple parties**.

This journal will transfer the pending Service Tax of the Previous Financial Year to current Financial Years Service Tax ledger.



Accounting Voucher Creation	Crystal Services (P) Ltd.		Ctrl + M 🗙
Journal No. 2	Voucher Class : Service Credit Adjustment		2-Sep-2012
	Used for: Opening Balance		Sunday
Particulars		Debit	Credit
Dr Output Service Tax Ledger		6,180.00	
Cr Service Tax Ledger Cur Bal: 6,180.00 Cr			6,180.00
Narration:		6,180. <del>00</del>	6 180 00
			Accept ?
		Y	es or No

#### The completed **Opening Balance** entry is displayed as shown

Figure 2.52 Completed Journal Voucher

9. Press Enter to Save.

On Accounting Service Tax Opening balance, details will be displayed in Service Tax Payables report

To view the details,

Go to Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Service Tax Payables > Bill Date Wise

Service Tax Payable (Bill Dat	e - wise)	Crystal Services (P) L	.td.				Ctrl + M 🗙
Type of Bills : Realised Bills	6					1-Sep-2012 to	30-Sep-2012
Date Ref. No.	Party's Name	Category	Bill Amount	Total Tax	Realised Amount	Total Tax Payable	Balance to be Paid
2-Sep-2012 Jml/2-1	Kamal Advertisers	Taxable Service	56,180.00	6,180.00	56,180.00	6,180.00	6,180.00





# 2.5.2 Accounting Opening Balance of Service Input Credit

### Example 8:

On September 2, 2012 Crystal Services (P) Ltd. has Input Credit opening balance of Rs. 12,360 (Service Tax of Rs. 12,000, Education Cess of Rs. 240 and Secondary Education Cess of Rs. 120) on services purchased from the Service Provider Matrix Ad.

To account the above transaction follow the steps given below

- 1. Create Masters
- i. Service Provider (supplier) ledger
- ii. Service Tax Ledger of Previous Year.
- 2. Record the Transaction in Journal Voucher

### 1. Create Masters

#### i. Service Provider (supplier) ledger

Ledger	Under	ls Service Provider/ Receiver	Set/Alter Service Tax Details		
Matrix Ad	Sundry Creditors	Yes	Yes		
Enter the Mailing Details and Tax Information					

#### ii. Service Tax Ledger - of Previous Year

Ledger	Under	<b>Opening Balance</b>	Dr/Cr
Input Service Tax Ledger	Suspense A/c	Rs. 12,360	Dr

As per the information given in the table create the Ledgers.



Ledger Creation Cr	vstal Services (P) Ltd.	
Name : Input Service Tax Ledger		Total Op. Bal.
		10,00,000.00 Dr
		18,540.00 Cr
		Difference
		9,81,460.00 Dr
	Mailing	) otaila
Under : Suspense A/c	Name	letans
	Address	
Inventory values are affected 7 No		
intendry values are ancered		
	State :	
	PIN Code :	
Statutory Information		
	Tax Infor	nation
	PAN / IT No. :	
	Salas Tax No	
	CST No.	
		Accept ?
Opening Balance ( on 1-4	Yes or No	

The completed Service Tax Ledger of Previous Year is displayed as shown

Figure 2.54 Service Tax Ledger of Previous Year

### 2. Record the Transaction in Journal Voucher

- 1. In Change Voucher Type screen, select Service Credit Adjustment in Class field
- 2. Press F2 and change the date to 2-9-2012
- 3. In the Used for field, select Opening Balance flag from Service Tax Adjustments list
- 4. In the **Debit** field, select **Service Tax Ledger** from the **List of Ledger Accounts** created for the current year and press **Enter** to view Service Tax Details screen
- 5. In the Service Tax Details screen,
  - In Type of Ref, field select New Ref
  - □ In Name field, the Reference Number will be defaulted as Jrnl/3-1
  - In Type of Service, field select Input Credit
  - In Party Ledger, field select Matrix Ad



Form Party ledger field, Tally.ERP 9 does not allow to create the ledger.



- In Category field, select the service category for which opening balance of Input Credit is accounted. Since, Input Credit is the Type of Service, the Service Category defaulted is Taxable Service.
- In Service Amount field, enter the service amount on which the credit is available. Enter Rs. 1,00,000
- Based on the amount specified in the Service Amount field, Service Tax, Education Cess and Secondary Education Cess will get calculated and displayed.



Figure 2.55 Service Tax Details Screen

6. In the **Credit** field, select the **Input Service Tax Ledger** created under Suspense A/c for previous year. Amount of **Rs. 12,360** will be defaulted automatically

This journal will transfer the pending Input Service Credit of the previous Financial Year current Financial Years Service Tax ledger.



Accounting Voucher Creation	Crystal Services (P) Ltd.		Ctrl + M 🗙
Journal No. 3	Voucher Class : Service Credit Adjustment		2-Sep-2012
	Used for: Opening Balance		Sunday
Particulars		Debit	Credit
Dr Service Tax Ledger		12,360.00	
Cur Bal: 6,180.00 Dr Cr Input Service Tax Ledger Cur Bal: 24,720.00 Cr			12,360.00
Narration:		12,360.00	12 360 00
			Accept ?
		Y	es or No

# The completed **Opening balance** entry is displayed as shown

Figure 2.56 Completed Journal Voucher

7. Press Enter to Save.

On accounting **Input Service Credit**, Opening balance details will be displayed in **Input Credit Summary** report.

To view the details

Go to Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Input Credit > Summary

Input Credit Summary		Crystal Services (P) Lt	d.				Ctrl + M 🗙
Type of Bills : Paid Bills						1-Sep-2012 to	30-Sep-2012
Date Ref. No.	Party's Name	Category	Bill Amount	Total Tax	Paid Amount	Total Input Credit	Balance Input Credit
2-Sep-2012 Jrnl/3-1	Matrix Ad	Taxable Service	1,12,360.00	12,360.00	1,12,360.00	12,360.00	12,360.00





# 2.6 Sale/Purchase Order for Services

Tally.ERP 9 provides a facility to record sales order and purchase order for the services and to calculate Service Tax amount in the Purchase or Sales order.

Purchase Order for Services may be with or without stock items. Tally.ERP 9 supports to account purchase orders with or without stock items

# 2.6.1 Purchase Order for Services (Without Item)

### Example 9:

On September 3, 2012 Crystal Services (P) Ltd. placed a purchase order for advertising services with Ram Agency for Rs.40,000.

To account the above transaction follow the steps given below

1. Record the Transaction in Purchase Order

### Set up:

#### In F11: Features (F2: Inventory Features)

Set the option Allow Purchase Order Processing to Yes

### 1. Record the Transaction in Purchase Order

### Go to Gateway of Tally > Inventory Vouchers > F4: Purchase Order

- 1. Press **F2** and change the date to **03-05-2012**
- 2. In the Party A/c Name field, select Ram Agency from List of Ledger accounts
- 3. In the Order No. field, enter the purchase order number PO 01
- 4. In the Name of Item field, select End of List and press Enter
- 5. Select **Purchase- Advertisement Services** and press **Enter** to view Service Tax Details screen
- 6. In Service Tax Details screen,
  - In Type of Ref field, select New Ref
  - Name: This field displays the Reference Number for the Service Tax calculation. The default Reference Number is displayed. It is a combination of abbreviation of Purchase Order, Order Number and Line Number. Example: Purc Order /PO 01-1 which can be changed by the user.
  - Type of Service: Based on the Type of Classification selected in the Service Provider ledger, Type of Service will be defaulted (displayed). By default, Input Credit is displayed and Tally.ERP 9 skips the field.
  - Category: Based on the service Category selected in the Purchase Ledger, category will be defaulted (displayed). By default, Taxable Service is displayed and Tally.ERP 9 skips the field.
  - **Service Amount**: In this field, enter the Service Amount which is ordered **Rs. 40,000**



 Amount (Incl. of Tax): In this field, the cumulative (collective) amount of Service amount and Tax will be displayed

Service Tax Details for : Purchase - Advertisement Services						
Type of Name	Type of	Category/Service	Service	Amount		
Ref	Service		Amount	(Incl. of Tax)		
New Ref Purc Order/P	0-01-1 Input Cr	edit Taxable Service	40,000.00	44,944.00		
Service Ta: Ed Cess Sec Ed Ce	< 0. 12 % 0. 2 % Ss 0. 1 %	(On Assessable Value 40,000.00 ) (On Tax Value 4,800.00 ) (On Tax Value 4,800.00 )	4,800.00 96.00 <u>48.00</u> <u>4,944.00</u>			
	Total		40,000.00	44,944.00		

Figure 2.58 Service Tax Details Screen

- 7. In the Amount field, Service Amount of Rs. 40,000 will be displayed
- 8. Select the Service Tax ledger e.g. Service Tax @ 12%. Service Tax amount will be calculated and displayed automatically.
- 9. Select the Education Cess ledger e.g. Education Cess @ 2%. Education Cess amount will be calculated and displayed automatically.
- 10.Select the Secondary Education Cess ledger e.g. **Secondary Education Cess @ 1%**. Secondary Education Cess amount will be calculated and displayed automatically.



Order Voucher Creation Crystal Ser	vices (P) Ltd. Ctrl + M 🛛
Purchase Order No. 1	2-Sep-2012 Sunday
Party's A/c Name: Ram Agency Current Balance : 67,416.00 Cr	Order No. : PO - 01
Name of Item	Quantity Rate per Amount
<sup>J</sup> End of List	
Purchase - Advertisement Services Service Tax @ 12%	40,000.00 4,800.00
Education Cess @ 2% Secondary Education Cess @ 1%	96.00 48.00
Narration:	Accept ?
	Yes or No

#### The completed Purchase Order is displayed as shown

Figure 2.59 Completed Purchase Order

11.Press Enter to Save.

# 2.6.2 Purchase Order for Services (With Item)

#### Example 10:

On September 3, 2012 Crystal Services (P) Ltd. placed a purchase order with Ram Agency for the purchase of 15 Computers @ 30,000 per computer and agreed for Installation and Maintenance to be to made by the supplier with extra charges of Rs. 15,000.

To account the above transaction follow the steps given below

- 1. Create Masters
- i. Expenses Ledger
- ii. Purchase Ledger
- iii. Input VAT Ledger
- iv. Stock Item



2. Record the Transaction in Purchase Order Voucher

# 1. Create Masters

### i. Expenses Ledger

Ledger	Under	Is Service Tax Applicable	Default Service Category
Installation & Maintenance	Indirect Expenses	Yes	Taxable Service

### ii. Purchase Ledger

Ledger	Under	Used in VAT Returns	VAT/Tax Class
Purchase @ 5%	Purchase Accounts	Yes	Purchases @ 5%

### iii. Input VAT Ledger

Ledger	Under	Type of Duty/Tax	VAT Sub Type	VAT/Tax class
Input VAT @ 5%	Duties & Taxes	VAT	Input VAT	Input VAT @ 5%

### iv. Stock Item

Stock Item	Under	Units
Computers	Primary	Nos

As per the information given, in the table create the ledgers and Stock item.

### 2. Record the Transaction in Purchase Order Voucher

### Go to Gateway of Tally > Inventory Vouchers > F4: Purchase Order

- 1. Press F2 and change the date to 03-09-2012
- 2. In the Party A/c Name field, select Ram Agency from List of Ledger accounts
- 3. In the Order No. field, enter the Purchase Order number PO- 02
- 4. In the Name of Item field, select Computers and in Stock Item Allocations screen specify Quantity as 15 and Rate as 30,000
- 5. In the Accounting Details screen select the Purchase Ledger and press Enter
- 6. Select Installation & Maintenance ledger and press Enter to view Service Tax Details screen
- 7. In the Service Tax Details screen,
  - In the Type of Ref field, select New Ref
  - Name: This field displays the Reference Number for the Service Tax calculation. The default Reference Number is displayed. It is a combination of abbreviation of **Purchase**



Order, Order Number and Line Number. Example: Purc Order /PO - 02-1 which can be changed by the user.

- Type of Service: Based on the Type of Classification selected in the Service Provider ledger, Type of Service will be defaulted (displayed). By default, Input Credit is displayed and Tally.ERP 9 skips the field.
- Category: Based on the service Category selected in the Expense Ledger, category will be defaulted (displayed). By default, Taxable Service is displayed and Tally.ERP 9 skips the field.
- Service Amount: In this field, enter the Service Amount which is ordered Rs. 15,000
- Amount (Incl. of Tax): In this field, the cumulative (collective) amount of Service Amount and Tax will be displayed

Service Tax Details for : Installation & Maintenance					
Type of Name	Type of	Category/Service	Service	Amount	
Ref	Service		Amount	(Incl. of Tax)	
Mary Daf Den Order DO #	11 Januar Coodia	Tavable Capitas	45 000 00	40 954 00	
New Rei Mucuidennu-w		Taxable Service	13,000.00	10,004.00	
Service Tax Ed Cess Sec Ed Cess	@ 12 % (0n. @ 2 % (0r @ 1 % (0r	Assessable Value 15,000.00 ) Tax Value 1,800.00 ) Tax Value 1,800.00 ) =	1,800.00 36.00 18.00 1,854.00		
	Total		15,000.00	16,854.00	

Figure 2.60 Service Tax Details Screen

- 8. In the Amount field, Service Amount of Rs. 15,000 will be displayed
- 9. Select the Service Tax ledger e.g. Service Tax @ 12%. Service Tax amount will be calculated and displayed automatically.
- 10.Select the Education Cess ledger e.g. Education Cess @ 2%. Education Cess amount will be calculated and displayed automatically.
- 11.Select the Secondary Education Cess ledger e.g. **Secondary Education Cess @ 1%**. Secondary Education Cess amount will be calculated and displayed automatically.
- 12.Select Input VAT Ledger to calculate VAT amount



Order Voucher Creation Crystal S	ervices (P) Ltd.	Ctrl + M
Purchase Order No. 2		3-Sep-201 Monda
Party's A/c Name: Ram Agency Current Balance : 67,416.00 Cr	Order No.	: PO - 02
Name of Item	Quantity Rate per	Amou
Computers	15 nos 30,000.00 nos	4,50,000.0
Installation & Maintenance Service Tax @ 12% Education Cess @ 2% Secondary Education Cess @ 1%		15,000.0 1,800.0 36.0 18.0
Input VAT @ 5%	5 %	22,500.0
	_	
Show Statutory Details ? <b>Yes</b> Narration:	15 nos	Accept ?
		Yes or No

#### The completed Purchase Order is displayed as shown



# 13.Press Enter to Save.



Similarly, user can record the Sales orders for Services (with or without stock item) in Sales Order.



# 2.7 Purchase of Services and Partial Payment to Service Provider

In practice, payments towards the services purchased or sold can be made in full or partial depending on terms & conditions. Tally.ERP 9 allows to account full or partial payments /receipts on the service purchased or sold.

# Example 11:

On September 4, 2012 Crystal Services (P) Ltd. purchased Advertising Services from Ram Agency for Rs.30,000 on which Service Tax is charged @ 12.36%(vide no. RA/012/11-12) and on the same day made partial payment of Rs.10, 000 towards the bill.

To account the above transaction follow the steps given below

- 1. Record the purchase of services in Purchase Voucher
- 2. Record the Payment Voucher to account Partial payment

### 1. Record the purchase of services in Purchase Voucher

#### Go to Gateway of Tally > Accounting Vouchers > F9: Purchase (Account Invoice Mode)

- 1. Press F2 and change the date to 04-09-2012
- 2. In the Party's A/c Name field, select the service provider e.g. Ram Agency
- 3. Under Particulars, select the Service (purchases) Ledger e.g. Purchase- Advertisement Services and press Enter to view Service Tax Details screen
- 4. In Service Tax Details screen,
  - Type of Ref.: Select New Ref from the method of Adjustment. New Ref is selected for new Financial Transactions. Where as, Agst Ref is selected to set off the advance payments made.
  - **Name**: This field displays the Reference Number **Purc/2-1** for the Service Tax calculation.
  - Type of Service: Based on the Type of Classification selected in the Service Provider ledger, Type of Service will be defaulted (displayed). By default, Input Credit is displayed and Tally.ERP 9 skips the field.



The default **Type of Service** can be overridden. Press **Back Space** key to move to Type of Service field and select the applicable Type of service. The type of service selected in the voucher entry will determine the Type of service.

- Category: Based on the service Category selected in the Purchase Ledger, category will be defaulted (displayed). By default, Taxable Service is displayed and Tally.ERP 9 skips the field.
- Service Amount: In this field enter the Service Amount, wherein you can ascertain Service Amount in the invoice issued by the service provider. On providing the service amount Service tax gets calculated. Enter Rs. 30,000



- Amount (Incl. of Tax): In this field, the cumulative (collective) amount of Service amount and Tax will be displayed
- Accept the Service Tax Details screen
- 5. In the Amount field, the Service Amount of Rs. 30,000 will be defaulted automatically
- 6. Under **Particulars**, select Service Tax ledger e.g. **Service Tax @ 12%**. Service Tax amount will be calculated and displayed automatically.
- 7. Under **Particulars**, select Education Cess ledger e.g. **Education Cess @ 2%**. Education Cess amount will be calculated and displayed automatically.
- 8. Under **Particulars**, select Secondary Education Cess ledger e.g. **Secondary Education Cess @ 1%**. Secondary Education Cess amount will be calculated and displayed automatically.
  - Bill-wise Details for : Ram Agency Upto: ₹ 33,708.00 Cr Type of Ref Name Due Date, or Amount Dr/ Credit Days Cr (wef: 4-Sep-2012) New Ref RA/012/11-12 33,708.00 Cr. 33,708.00 Cr
- 9. Enter the **Bill-wise Details** as shown below

Figure 2.62 Bill-wise Details Screen



Accounting Voucher Creation Cry	vstal Services (P) Ltd. Ctrl + M
Purchase No. 2	4-Sep-201
Supplier Invoice No. : Date :	Tuesda
Party's A/c Name : Ram Agency	
Current Balance : 67,416.00 Cr	
Particulars	Rate per Amour
Purchase - Advertisement Services	30,000.0
Service Tax @ 12%	3,600.0
Education Cess @ 2% Secondary Education Cess @ 1%	72.0 36.0
Secondary Education Cost @ 17	
	Assert 2
Narration:	
	Yes or No

#### The completed **Service Purchase Voucher** is displayed as shown

Figure 2.63 Completed Purchase Voucher

10.Press Enter to Save.

### 2. Record the Payment Voucher to account Partial Payment

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

- 1. Enter the **Date** as **04-09-2012**
- 2. In the Debit field, select Ram Agency and press Enter to view Service Tax Details screen
- 3. In Service Tax Details screen,
  - □ In **Type of Ref** field select **Agst Ref** to adjust the Service Tax of the bill dated 4-9-2012
  - In the Name field, select the tax bill Purc/2-1 dated 4-9-2012 from the List of Pending Tax Bills against which the payment is made.
  - On selection of bill, details in Type of Service, Category, Amount (incl. of tax), Service Amount will be displayed automatically.



As Crystal Services (P) Ltd. is making partial payment of Rs. 10,000 (inclusive of Service Tax) in Amount (incl. of tax) field specify 10,000. Based on the amount specified Service Tax and Cess amount will be re-calculated and displayed

Service Tax Details for : Ram Agency					
Type of Name Ref	Type of Service	Type of Category/Service		Amount (Incl. of Tax)	Service Amount
Agst Ref Purc/2-1	Input Credit	Taxable Serv	ice	10,000.00	8,899.96
Service Tax Ed Cess Sec Ed Cess	@ 12 % (0r @ 2 % (0 @ 1 % (0	n Assessable Value n Tax Value n Tax Value	8,899.96 ) 1,068.00 ) 1,068.00 ) 	1,068.00 21.36 <u>10.68</u> 1,100.04	
	Total			10,000.00	8,899.96

Figure 2.64 Service Tax Details Screen

- 4. In Bill-wise Details screen,
  - In the Type of Ref field, select Agst Ref from Method of Adj. list to adjust the payment towards the bill dated 4-9-2012
  - □ In the Name field, select the bill RA/012/11-12 dated 4-9-2012
  - **Amount** will be displayed automatically



Figure 2.65 Bill-Wise Details Screen



- 5. In the **Credit** field, select the bank ledger **Canara Bank**. **Amount** will be displayed automatically.
- 6. In the **Bank Allocations** screen, select **Cheque** as **Transaction Type** and in **Instrument No.** field enter the Cheque Number **005294**

The completed Payment Voucher is displayed as shown

Accounting Voucher Creation	Crystal Services (P) Ltd.		Ctrl + M
Payment No. 2			4-Sep-2012 Tuesday
Particulars			Debit Credi
Dr Ram Agency <i>Cur Bal:</i> 91,124.00 Cr Agst Ref RA/012/11.12 10,000.00	Dr		10,000.00
Cr Canara Bank			10,000.0
Ram Agency Cheque Range : <sup>J</sup> Not Applicable Bank Date :	Cheque <i>Inst. No.:</i> 005294	10,000.00 <i>Inst. Date :</i> 4-Sep-2012	Cross Using : A/c Payee
Narration:			10,000.00 10.000 0
			Yes or No

Figure 2.66 Completed Payment Voucher

7. Press Enter to Save.



# 2.8 Purchase of Services - Inclusive of Service Tax

# Example 12:

On September 6, 2012 Crystal Services (P) Ltd. purchased Advertising services from Ram Agency and received the service bill for Rs.22,472 (vide no. RA/085/12-13) inclusive of Service Tax.

### 1. Record the Transaction in Purchase Voucher

Go to Gateway of Tally > Accounting Vouchers > F9: Purchase (Account Invoice mode)

- 1. Press F2 and change the date to 06-09-2012
- 2. In the Party's A/c Name field, select the service provider e.g. Ram Agency
- 3. Under Particulars, select the Service (purchases) Ledger e.g. Purchase- Advertisement Services and press Enter to view Service Tax Details screen
- 4. In the Service Tax Details screen
  - **Type of Ref.**: Select **New Ref** from the method of Adjustment.
  - □ Name: This field displays Purc/3-1 as the Reference Number.
  - Type of Service: Based on the Type of Classification selected in the Service Provider ledger, Type of Service will be defaulted (displayed). By default, Input Credit is displayed and Tally.ERP 9 skips the field.
  - Category: Based on the service Category selected in the Purchase Ledger, category will be defaulted (displayed). By default, Taxable Service is displayed and Tally.ERP 9 skips the field.
  - Amount (Incl. of Tax): In this field, specify the cumulative (collective) amount of Service amount and Tax Rs. 22,472. After specifying the amount Inclusive of Service Tax amount, Service Tax of Rs. 20,000 and tax bifurcation will be displayed automatically.

Service Tax Details for : Purchase - Advertisement Services						
Type of Name	Type of	Category/Service	Service	Amount		
Ref	Service		Amount	(Incl. of Tax)		
New Ref Purc/3-1	Input Credit	t Taxable Service	20,000.00	22,472.00		
Service Tax Ed Cess Sec Ed Cess	@ 12 % (0 @ 2 % (C @ 1 % (C	n Assessable Value 20,000.00 ) In Tax Value 2,400.00 ) In Tax Value 2,400.00 ) — —	2,400.00 48.00 24.00 2,472.00			
	Total		20,000.00	22,472.00		

Figure 2.67 Service Tax Details Screen



- 5. In the Amount field, Service Amount of Rs. 20,000 will be displayed.
- 6. Select the Service Tax ledger, e.g. Service Tax @ 12%. Service Tax amount will be calculated and displayed automatically.
- 7. Select the Education Cess ledger, e.g. **Education Cess @ 2%**. Education Cess amount will be calculated and displayed automatically.
- 8. Select the Secondary Education Cess ledger, e.g. **Secondary Education Cess @ 1%**. Secondary Education Cess amount will be calculated and displayed automatically.
- 9. In Bill-wise Details screen, specify the bill details

The completed Purchase Voucher is displayed as shown

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🗙
Purchase No. 3 Supplier Invoice No. :	Date :	6-Sep-2012 Thursday
Party's A/c Name: Ram Agency Current Balance : 91,124.00 Cr		
Particulars	Rate	per Amount
Purchase - Advertisement Services Service Tax @ 12% Education Cess @ 2% Secondary Education Cess @ 1%		20,000.00 2,400.00 48.00 24.00
Narration:		Accept ?
		Yes or No

Figure 2.68 Completed Purchase Voucher

10.Press **Enter** to Save.



# 2.9 Services Partly Subject to Service Tax

In cases where a part of the expenditure is not subject to Service Tax and the balance amount is subject to Service Tax, it is crucial to determine the accurate value of expenses to calculate Service Tax.

Tally.ERP 9 provides the flexibility to enter information in the same voucher. Consider the following scenario to illustrate the expenses partly subject to Service Tax.

# Example 13:

On September 7, 2012 Crystal Services (P) Ltd. raised a invoice (no. CS/732) in the name of Kamal Advertisers for Rs.50,000. Out of which Rs. 40,000 is service amount and Rs. 4,944 is Service tax amount towards the Event Management Services provided.

In the above transaction, Bill amount includes other expenses of Rs. 5,056 on which Service tax in not applicable. Let us understand how to configure Tally.ERP 9 to compute Tax only on the Assessable Value (40,000).

### 1. Record the Transaction in Sales Voucher

Go to **Gateway of Tally > Accounting Vouchers > F8: Sales** (Account Invoice Mode)

- 1. Press F2 and change the date to 07-09-2012
- 2. In the Party's A/c Name field, select the service receiver e.g. Kamal Advertisers
- 3. Under **Particulars**, select the Service (purchases) Ledger e.g. **Sales Event Mgt Services** and press **Enter** to view Service Tax Details screen
- 4. In Service Tax Details screen,
  - **Type of Ref.**: Select **New Ref** from the method of Adjustment.
  - **Name**: This field displays **Sale/4-1** as the Reference Number.
  - Type of Service: Based on the Type of Classification selected in the Service Receiver ledger, Type of Service will be defaulted (displayed). By default, Taxable is displayed and Tally.ERP 9 skips the field.
  - Category: Based on the service Category selected in the Purchase Ledger, category will be defaulted (displayed). By default, Taxable Service is displayed.
  - Service Amount: In this field, enter the Service Amount on which Tax is applicable. Enter Rs. 40,000
  - Amount (Incl. of Tax): In this field, the cumulative (collective) amount of Service amount and Tax will be displayed
  - **Type of Ref.**: Select **New Ref** from the method of Adjustment.
  - **Name**: This field displays **Sale/4-2** as the Reference Number.
  - Type of Service: Based on the Type of Classification selected in the party ledger Taxable will be displayed. On the balance Rs. 5,056, Service Tax is not applicable. So press backspace and select Not Applicable
  - **Category**: In this field, **Not Applicable** will be displayed as on this portion of amount Service Tax is not applicable.



 Service Amount: In this field, enter the Amount on which Service Tax is not applicable. Observe that on Rs. 5,056, Service Tax will not be calculated and the same amount will be displayed in Amount (Incl. of Tax) field also.

	Service Tax	Details for : Sale - Event Mg	gt Services	
Type of Name	Type of	Category/Service	Service	Amount
Ret	Service		Amount	(Incl. of Tax)
New Ref Sale/4-1	Taxable	Taxable Service	40,000.00	44,944.00
Service Tax Ed Cess Sec Ed Cess	@ 12%(0 @ 2%(0 @ 1%(0	0n Assessable Value 40,000.00 ) Dn Tax Value 4,800.00 ) Dn Tax Value 4,800.00 )	4,800.00 96.00 48.00 4,944.00	
New Ref Sale/4-2	<sup>J</sup> Not Applicabl	e [Not Applicable	5,056.00	5,056.00
	Total		45,056.00	50,000.00

Figure 2.69 Service Tax Details Screen

- 5. In the Amount field Rs. 45,056 will be defaulted automatically
- 6. Under **Particulars**, select Service Tax ledger e.g. **Service Tax @ 12%**. Service Tax amount will be calculated and displayed automatically.
- 7. Under **Particulars**, select Education Cess ledger e.g. **Education Cess @ 2%**. Education Cess amount will be calculated and displayed automatically.
- Under Particulars, select Secondary Education Cess ledger e.g. Secondary Education Cess @ 1%. Secondary Education Cess amount will be calculated and displayed automatically.
- 9. Enter the Bill-wise Details (bill name CS/732)



Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🗵
Sales No. 4 Ref. :		7-Sep-2012 Friday
Party's A/c Name: Kamal Advertisers Current Balance :		
Particulars	Rate per	Amount
Sale - Event Mgt Services Service Tax @ 12% Education Cess @ 2% Secondary Education Cess @ 1%		45,056.00 4,800.00 96.00 48.00
Narration		cept ?
Indiauon.	Yes	or <b>No</b>

#### The completed **Service Sales** voucher is displayed as shown

Figure 2.70 Completed Sales Voucher

10.Press Enter to Save.

# 2.10 Accounting Service Tax on Expenses (Journal Voucher)

In case of Non-Service Organisations, Services purchased are considered as **Expenses**. In Tally.ERP 9, Service Expenses can be recorded in Journal Voucher

#### Example 14:

On September 10, 2012 Crystal Services (P) Ltd. purchased Air ticket booking services from Ajay Tours for Rs.82,000 on which Service Tax is charged @ 12.36% (vide no. AT/1158/12-13) when their Managing Director went on a Foreign Tour.

To account the above transaction follow the steps given below

- 1. Create Masters
- i. Expense Ledger
- ii. Service Provider (supplier) ledger
- 2. Record the Transaction in Journal Voucher



# 1. Create Masters

#### i. Expense Ledger

Ledger	Under	Is Service Tax Applicable	Default Service Category
Foreign Tour Expenses	Indirect Expenses	Yes	Taxable Service

The completed Expense Ledger is displayed as shown

Ledger Creation	Crystal Ser	vices (P) I td		
Name : Foreign Tour Exper				Total Op. Bal.
in and in oreign rour experi				
				10.00.000.00 Dr
				18 540 00 Cr
				Difference
				0.81.460.00.0
				3,01,400.00 Di
			Mailing Details	
Under	: Indirect Expenses	Name	·	
		Address		
Inventory values are affected	7 No.			
Type of Ledger	7 J Not Applicable			
type of acoge.		State	1	
		PIN Code	:	
Statu	tory Information			
Is Service Tax Applicable	7 Yes			
Lised in VAT Returns	2 No		Tax Information	
Used in VAL Retuins		PAN / IT No.	÷	
Use for Assessable Value Calculatio	n 7 No			
				Accept ?
	Opening Relance ( on 1 Apr 2017) ;			4
	Opening balance ( on 1-Apr-2012) :			Yes or No

Figure 2.71 Completed Expense Ledger Creation Screen

# ii. Service Provider (Supplier) Ledger

Ledger	Under	ls Service Provider/Receiver	Set/Alter Service Tax Details		
Ajay Tours	Sundry Creditors	Yes	Yes		
Enter the Mailing Details and Tax Information					

### 2. Record the Transaction in Journal Voucher

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

- 1. Press F2 and change the date to 10-09-2012
- 2. In the **Debit** field, select **Foreign Tour Expenses** ledger and press **Enter** to view Service Tax Details screen
- 3. In Service Tax Details screen,



- **Type of Ref**: Select **New Ref** from the Method of Adjustment. New Ref is selected for new financial transactions.
- Name: Tally.ERP 9 displays the reference number, which is a combination of abbreviation of Journal and Voucher Number and Line Number (example: Jrnl / 4-1) which can be changed by the user. Input service credit are tracked with these Reference Numbers.
- Type of Service: Based on the Type of Classification selected in the Service Provider, Type of Service will be defaulted (displayed). By default, Input Credit is displayed and Tally.ERP 9 skips the field.
- Category: Based on the service Category selected in the Expense Ledger, category will be defaulted (displayed). By default, Taxable Service is displayed and Tally.ERP 9 skips the field.
- Service Amount: In this field, enter the Service Amount, wherein you can ascertain Service Amount in the invoice issued by the service provider. On providing the service amount Service tax gets calculated. Enter Rs. 82,000
- Amount (Incl. of Tax): In this field, the cumulative (collective) amount of Service amount and Tax will be displayed

Service Tax Details for : Foreign Tour Expenses					
Type of <b>Name</b> Ref	Type of Service	Category/Service	Service Amount	Amount (Incl. of Tax)	
New Ref Jrnl/4-1	Input Cred	it Taxable Service	82,000.00	92,135.20	
Service Tax Ed Cess Sec Ed Cess	@ 12 % (0 @ 2 % ( @ 1 % (0	)n Assessable Value 82,000.00 ) Dn Tax Value 9,840.00 ) Dn Tax Value 9,840.00 )	9,840.00 196.80 <u>98.40</u> 10,135.20		
	Total		82,000.00	92,135.20	

Figure 2.72 Service Tax Details Screen



In cases where the invoice received from the service provider is **inclusive of tax**, you can enter the invoice amount in the **Amount (Incl. of Tax)** field. Tally.ERP 9 back calculates the amount to arrive at the Service amount and Tax portion. The service amount will be displayed in Service Amount field and Tax details against the Tax Head.



- 4. In the debit Amount field, the Service Amount of Rs. 82,000 will be defaulted automatically
- 5. In the **Debit** field, select Service Tax ledger e.g. **Service Tax @ 12%**. Service Tax amount will be calculated and displayed automatically.
- 6. In the **Debit** field, select Education Cess ledger e.g. **Education Cess @ 2%**. Education Cess amount will be calculated and displayed automatically.
- In the Debit field, select Secondary Education Cess ledger e.g. Secondary Education Cess @ 1%. Secondary Education Cess amount will be calculated and displayed automatically.
- 8. In the **Credit** field, select the party ledger **Ajay Tours**. Total amount **Rs. 92135.20** i.e. Service Cost plus the Service Tax will be displayed in the **Amount** field.
- 9. Enter the Bill details (Bill name AT/1158/12-13)

The completed Journal Voucher is displayed as shown

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🛛 🗙
Journal No. 4	Voucher Class : J Not Applicable	10-Sep-2012
		wonday
Particulars	Debit	Credit
Dr Foreign Tour Expenses	82,000.00	
Dr Service Tax @ 12%	9,840.00	
Dr Education Cess @ 2%	196.80	
Dr Secondary Education Cess @ 1%	98.40	
Cur Bai: 110.40 Dr Cr Ajay Tours Cur Bai: 92,135.20 Cr		92,135.20
New Ref AT/1158/12-13	92,135.20 Cr	
Narration:	92,135.20	02 135 20
		Accept ?
	Y	es or No

Figure 2.73 Completed Journal Voucher

10.Press Enter to Save.





# 2.11 Accounting Cash Sale or Cash Purchase of Services

While purchasing or selling services, the nature of transaction may be - Credit or Cash. Usually cash transactions will have attractive offers over credit transactions as there is immediate flow of cash. Because of cost effectiveness, some organisations may prefer to carry out cash purchase or cash sale of services

Tally.ERP 9 supports recording of cash purchases and sales by allowing, capturing the details of Service Provider and Receiver.

# 2.11.1 Cash Sale of Services

#### Example 15:

On September 10, 2012 Crystal Services (P) Ltd. sold Event Management Services on Cash to Matrix Ad for Rs. 10,00,000 on which Service Tax is charged @ 12.36%

#### **Record the transaction in Sales Voucher**

Go to Gateway of Tally > Accounting vouchers > F8: Sales (Account Invoice mode)

#### Setup:

#### In F12: Configuration

- Bet the option Accept Supplementary Details to Yes
- 1. Press **F2** and change the date to **10-09-2012**
- 2. In Party's A/c Name field select Cash
- In Party Details screen, you can enter the Customer Name and Address. If you have party ledger which is already created, then select the same from the List of Ledger Accounts to auto fill the details. To select the ledger click <u>M</u>: Party List button or press Alt+M.

Party Details	Crystal Services (P) Ltd.	Ctrl + M 🗙
Sales No. 5		List of Ledger Accounts
		Ajay Tours Bellary Municipality
Party's A/c Name : Cash Current Balance :		Kamal Advertisers
Particulars		Ram Agency Shanti Education Trust Siesta Advertisers
	Despatch Details	
Delivery Note No(s) :	Despatch Doc. No. : Despatched through : Destination : Bill of lading/LR-RR No. : dt. Carrier Name/Agent :	
	Order Details	
Order No(s) :	Mode/Terms of Payment: Other Reference(s) : Terms of Delivery :	
	Buyer's Details	
Buyers : Matr Address : #360 Sanj Bang	ix Ad ), Sth Cross ay Nagar 3rd Stage Jalore	
TIN/Sales Tax No. : CST Number :		
Type of Dealer : J No	ot Applicable	

Figure 2.74 Party Details Screen





**Customer Name** and **Address** details provided here will be printed on the **Sales Invoice** instead of Cash, which helps in identifying the customer even though the services are sold on cash

- 4. Under **Particulars**, select the Service (sales) Ledger e.g. **Sale- Event Mgt Services** and press **Enter** to view Service Tax Details screen
- 5. In Service Tax Details screen,
  - **Type of Ref**: Select **New Ref** from the method of Adjustment.
  - Name: This field displays Sale/5-1 as the Reference Number.
  - Type of Service: Based on the Type of Classification selected in the Service Receiver, Type of Service will be defaulted (displayed). By default, Taxable is displayed and Tally.ERP 9 skips the field.
  - Category: Based on the service Category selected in the Sales Ledger, category will be defaulted (displayed). By default, Taxable Service is displayed and Tally.ERP 9 skips the field.
  - Service Amount: In this field, enter the Service Amount of advertising services. Enter Rs. 10,00,000. Amount (Incl. of Tax) will be displayed automatically
- 6. In the Amount field, the Service Amount of Rs. 10,00,000 will be defaulted automatically
- 7. Under Particulars, select Service Tax, Education Cess and Secondary Education Cess ledgers to account tax

The completed Service Sales voucher is displayed as shown



Figure 2.75 Completed Cash Sales Invoice

8. Press Enter to Save.



## **Print Sales Invoice**

The Print Preview of Sales Invoice is displayed as shown. In the invoice the service receiver selected in party details will be printed.

	11	VOICE				
Сŋ	ystal Services (P) Ltd.	Invoice No.	e-Sugam N	o. Dated		
#50	6/1	5	5		10-Sep-2012	
M. Ba	G. Road ingalore	Delivery Note		Mode/T	erms	of Payment
E-I	Mail :sales@crystal.com	Supplier's Ref.	-	Other R	eferer	nce(s)
Bu	yer	Buyer's Order I	No.	Dated		
Ма #3(	atrix Ad 60. 5th Cross	Despatch Docu	ment Na.	Dated		
Sa	injay Nagar 3rd Stage	-				
Ба	Ingalore	Despatched thro	ough	Destina	ition	
		Terms of Deliv	very			
SI	Particulars		Quantity	Rate	per	Amount
	Sale - Event Mgt Services (Category : Taxable Service) Service Tax @ 12%(On Assessable Ame Edu Secondary Edu	ount 10,00,000.00) cation Cess @ 2% cation Cess @ 1%		12 2 1	% %	10,00,000.00 1,20,000.00 2,400.00 1,200.00
		Total			1	₹ 11,23,600.0
INR	Releven Lakh Twenty Three Thousand Six Hundred					E. @ 0.1
Col	mpany's Service Tax No. : ASDCE1588PST001					
Co	mpany's Service Tax No. : ASDCE1588PST001 impany's PAN : ASDCE1588P	[		for C	rystal	Services (P) Ltd
Co	Impany's Service Tax No. : ASDCE1588PST001 Impany's PAN : ASDCE1588P			for C	rystal	Services (P) Ltd

Figure 2.76 Print Preview of Cash Sales Invoice



# 2.11.2 Cash Purchase of Services

### Example 16:

On September 10, 2012 Crystal Services (P) Ltd. purchased Advertisement services on Cash from Ram Agency for Rs. 4,00,000 on which Service Tax is charged @ 12.36%

#### **Record the transaction in Purchase Voucher**

Go to Gateway of Tally > Accounting vouchers > F9: Purchase (Account Invoice mode)

- 1. Press F2 and change the date to 10-09-2012
- 2. In Party's A/c Name field select Cash
- 3. In the Party Details screen, you can enter the Service Provider Name and Address. If you have party ledger which is already created, then select the same from the List of Ledger Accounts to auto fill the details. To select the ledger click <u>M</u>: Party List button or press Alt+M

Party Details	Crystal Services (P) Ltd.	Ctrl + M 🗙
Purchase No. 4		List of Ledger Accounts
Supplier Invoice No. : Date :		
		Ajay Tours Bollany Municipality
Party's A/c Name : Cash		Cash
Current Balance : 11,23,600.00 Dr		Kamal Advertisers
Particulars		Matrix Ad
		Ram Agency
		Shanti Education Trust
		Siesta Advertisers
	]	
Order Details		
Order No(s)		
<sup>J</sup> End of List		
	-	
Supplier's Details		
Supplier : Ram Agency		
5th Main		
Koramangala		
TIN/Sales Tax No		
CST Number :		
Type of Dealer : <sup>J</sup> Not Applicable		

Figure 2.77 Party Details Screen



**Service Provider Name** and **Address** details provided here will be printed on the **Purchase Invoice** instead of Cash, which helps in identifying the service provider even though the services are purchased on cash.



- 4. Under **Particulars**, select the Service (purchases) Ledger e.g. **Purchase Advertisement Services** and press **Enter** to view Service Tax Details screen
- 5. In Service Tax Details screen,
  - **Type of Ref**: Select New Ref from the method of Adjustment.
  - □ Name: This field displays Purc/4-1 as the Reference Number.
  - Type of Service: Based on the Type of Classification selected in the Service Provider, Type of Service will be defaulted (displayed). By default, Input Credit is displayed and Tally.ERP 9 skips the field.
  - Category: Based on the service Category selected in the Purchase Ledger, category will be defaulted (displayed). By default, Taxable Service is displayed and Tally.ERP 9 skips the field.
  - Service Amount: In this field, enter the Service Amount of advertising services. Enter Rs. 4,00,000. Amount (Incl. of Tax) will be displayed automatically
- 6. In the Amount field, the Service Amount of Rs. 4,00,000 will be defaulted automatically
- 7. Under **Particulars**, select **Service Tax**, **Education Cess** and **Secondary Education Cess** ledgers to account the tax.

The completed service Purchase Voucher is displayed as shown

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M >
Purchase No. 4		10-Sep-2012
Supplier Invoice No. :	Date :	Monday
Party's A/c Name : Cash		
Current Balance : 11,23,600.00 Dr		
Particulars	Rate	per Amount
Durahan Advertising to Cardina		4 00 000 00
Purchase - Advertisement Services		4,00,000.00
Education Cess @ 2%		40,000.00
Secondary Education Cess @ 1%		480.00
Narration:		Accept ?
		-
		Yes or No

Figure 2.78 Completed Cash Purchase Invoice

8. Press Enter to Save.



## **Print Purchase Invoice**

The Print Preview of Purchase Invoice is displayed as shown. In the invoice the service provider selected in party details will be printed.

INV	OICE				
<b>Ram Agency</b> #56, Raheja Arcade 5th Main	Invoice No. 4 Supplier's Ref.		Dated 10-Sep-2012 Other Reference(s)		
Koramangala Bangalore					
Consignee C <b>rystal Services (P) Ltd.</b> #56/1 M.G. Road Bangalore E-Mail:sales@crystal.com	_				
SI Particulars		Quantity	Rate	per	Amount
Purchase - Advertisement Services (Category : Taxable Service) Service Tax @ 12%(On Assessable Amou Educat Secondary Educat	int 4,00,000.00) ion Cess @ 2% ion Cess @ 1%		12 2 1	% %	4,00,000.0 48,000.0 960.0 480.0
	Total				Ŧ 4 40 440 0
Amount Chargeable (in worde)	TOTAL				1 4,49,440.0
INR Four Lakh Forty Nine Thousand Four Hundred Forty Only					
Company's TINVSales Tax No.: Buyer's VAT TIN :					
Company's TIN/Sales Tax No.: Buyer's VAT TIN : Company's CST No. : Buyer's Service Tax No. : <b>ASDCE1588PST001</b> Buyer's CST No. :	[				for Cas

Figure 2.79 Print Preview of Cash Purchase Invoice



# 2.12 Service Tax Billing for Professionals

In practice, Professionals issue receipts for services rendered. Tally.ERP 9 allows you to record receipts for services provided, calculate the Service Tax and print the service bills from the receipt voucher.

Crystal Services (P) Ltd. provides Architect Consultant Service to customers. For the services provided, Crystal Services (P) Ltd. receives payments from his customers and issues receipts on the collection of money and generates the receipt- cum- challan.

# Example 17:

On September 10, 2012 Crystal Services (P) Ltd. provided Architect Consultant Service to Sahakar Constructions for Rs. 3,50,000 on which Service Tax is charged @ 12.36%. On 11-9-2012, Crystal Services (P) Ltd. received payment of Rs. 3,93,260 and issued a Receipt to the customer.

To account the above transaction follow the steps given below

- 1. Create Masters
- i. Service Receiver (Customer) ledger
- ii. Income Ledger
- 2. Record the Transaction in Receipt Voucher

### 1. Create Masters

#### i. Service Receiver (Customer) ledger

Ledger	Under	Is Service Provider/ Receiver	Set/Alter Service Tax Details				
Sahakar Constructions	Sundry Debtors	Yes	Yes				
Enter the Mailing Details and Tax Information							

#### ii. Income Ledger

Ledger	Under	Is Service Tax Applicable	Default Service Category
Consultancy Income	Direct Incomes	Yes	Taxable Service

As per the information given in the table create the ledgers.



# 2. Record the Transaction in Receipt Voucher

### Go to Gateway of Tally > Accounting Vouchers > F6: Receipt

- 1. Press F2 and change the date to 10-09-2012
- 2. In the **Credit** field, select Income ledger **Consultancy Income** and press **Enter** to view Service Tax Details screen
- 3. In Service Tax Details screen
  - **Type of Ref**: Select **New Ref** from the Method of Adjustment. New Ref is selected for new financial transactions.
  - Name: Tally.ERP 9 displays the reference number, which is a combination of abbreviation of Receipt and Voucher Number and Line Number (example: Rcpt /1-1) which can be changed by the user. Input service Credit are tracked with these Reference Numbers.
  - Party Ledger: In this field select the party ledger Sahakar Constructions to whom the service is provided.



To select the party ledger, it is must to have a party ledger created. If the ledger is not created use **Alt+C** from party ledger field to create the ledger.

- Type of Service: Based on the Type of Classification selected in the Service Provider, Type of Service will be defaulted (displayed). By default, Taxable is displayed and Tally.ERP 9 skips the field.
- Category: Based on the service Category selected in the Income Ledger, category will be defaulted (displayed). By default, Taxable Service is displayed and Tally.ERP 9 skips the field.
- Amount (Incl. of Tax): In this field, enter the cumulative (collective) amount of Service amount and Tax. Enter Rs. 3,93,260



When invoice amount is mentioned in **Amount (Incl. of Tax)** field, Tally.ERP 9 back calculates the amount to arrive at the **Service amount** and **Tax** portion. The service amount will be displayed in Service Amount field and Tax details against the Tax Head.


	Service T	ax Details fo	r : Consultancy Income		
Type of Name	Party Ledger	Type of	Category/Service	Amount	Service
Ref		Service		(Incl. of Tax)	Amount
New Ref Ront/1 1	Sabakar Creations	Tavahlo	Tavable Service	3 93 260 00	3 50 000 00
New IVEL IVEPUT-1	Saliakar creations	Tuxuble	Tuxuble Service	5,55,200.00	3,30,000.00
Service Tax Ed Cess Sec Ed Cess	0 12 % (On Assessable 0 2 % (On Tax Valu 0 1 % (On Tax Valu	Yalue 3,50,000 e 42,000. e 42,000.	.00) 42,000.00 00) 840.00 00) 420.00 <u>43,260.00</u>		
		Total		3,93,260.00	3,50,000.00

Figure 2.80 Service Tax Details Screen

- 4. In the Amount field, the Service Amount of Rs. 3,50,000 will be defaulted automatically.
- 5. In the **Credit** field, select Service Tax ledger e.g. **Service Tax @ 12%**. Service Tax amount will be calculated and displayed automatically.
- 6. In the **Credit** field, select Education Cess ledger e.g. **Education Cess @ 2%**. Education Cess amount will be calculated and displayed automatically.
- In the Credit field, select Secondary Education Cess ledger e.g. Secondary Education Cess @ 1%. Secondary Education Cess amount will be calculated and displayed automatically.
- 8. In the **Debit** field, select **Cash** ledger. Total amount (**Rs. 3,93,260**) of Service Cost plus the Service Tax will be displayed in **Amount** column.



Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🗙
Receipt No. 1		10-Sep-2012
		Monday
Particulars	Debit	Credit
Faiticulais	Desit	creuit
Cr Consultancy Income		3,50,000.00
Cur Bal: 3,50,000.00 Cr		
Cr Service Tax @ 12%		42,000.00
Cr. Education Cess @ 2%		840.00
Cur Bal: 2,059.20 Cr		040.00
Cr Secondary Education Cess @ 1%		420.00
Cur Bal: 1,029.60 Cr		
Dr Casn Cur Bol: 10.67.420.00 Dr	3,93,260.00	
Gur Dai. 10,01,420.00 Dr		
Narration:	3,93,260.00	3 93 260 00
		Accept ?
		Yes or No

#### The completed Receipt Voucher is displayed as shown

Figure 2.81 Completed Receipt Voucher

9. Press Enter to Save.

#### Print Professional Receipt Cum Challan from Receipt Voucher

To print Professional Receipt Cum Challan for Receipts towards professional services provided

- Press Page Up from Accounting Voucher Creation screen to view earlier entered Receipt Voucher. Click <u>P</u>: Print button or press Alt+P to view Voucher Printing screen
- In Voucher Printing screen press Back Space and set the option Print Service Tax Professional Receipt Cum Challan to Yes to print Receipt -cum- Challan.

Voucher Printing					
Printer No. of Copies	: NPI9F3EB3 (HP LaserJet P4015) (Ne02:) : 1	Paper Type :	Letter		
Method Page Range	(Printing Dimensions) 98") or (216 mm x 279 mm) 71") or (204 mm x 272 mm)				
	Report Tit	les			
	Receipt Vo	ucher			
(with Print Preview) Without Company Phone No. Print ?					
Print Service Tax	Yes or No				

Figure 2.82 Voucher Printing Screen

Derived Press Enter to save Voucher Printing screen.





Ensure <u>I</u>: With Preview option is enabled to view the Invoice Preview.

 Accounting Voucher Display screen appears. Click on Zoom or press Alt + Z to view the preview.

The Professional Receipt Cum Challan is displayed as shown

Crystal Serv #5 M.G. Bang E-Mail :sales Professional Rec	rices (P) Ltd. 6/1 Road jalore @crystal.con	) Challan			
Party : Sahakar Creations	No. Dated	: 1 : 10-Sep-20	12		
Particulars			Rate	per	Amount
Consultancy Income (Category: Taxable Service)					3,50,000.00
Service Tax (On Assessa Seconda	able Amount Educatior ry Educatior	3,50,000.00) Cess @ 2% Cess @ 1%	12 2 1	% % %	42,000.00 840.00 420.00
		Total			₹ 3,93,260.00
Amount Chargeable (in words) INR Three Lakh Ninety Three Thousand Two Hundre Service Tax Payable (in words)	ed Sixty Only	1			E. & O.E
INR Forty Three Thousand Two Hundred Sixty Only           Company's Service Tax No. : ASDCE1588PST001           Buyer's Service Tax No. : AKDKS5837DST001           Company's PAN           : ASDCE1588P					
			for Cry	stal :	Services (P) Ltd.
This is a Compute	r Generated In	voice		Au	thorised Signatory

Figure 2.83 Print Preview of Professional Receipt Cum Challan



# 2.13 Accounting Services as Inventory by Professionals

In practice, professionals may provide services on Hourly basis. In this case, the number of hours of service provided should be accounted to arrive at the service amount & to calculate Service Tax.

Tally.ERP 9 allows you to record receipts towards services provided & account the number of service hours, calculate Service Tax and print Professional Receipt cum Challan with inventory detail.

# Example 18:

On September 12, 2012 Crystal Services (P) Ltd. received payment of Rs. 1,51,686 towards the Architect Consultancy services provided for 300 hours @ 450 per hour to Sahakar Constructions on which Service Tax is charged @ 12.36% and issued Receipt to the customer.

To account the above transaction follow the steps given below

- 1. Create Master
- i. Stock Item
- 2. Record the Transaction in Receipt Voucher

#### 1. Create Master

i. Stock Item

Stock Item	Under	Units
Service Hours	Primary	Hrs

Here Service Hours are created as Stock Item.

Stock Ite	em Creation	Crystal Services (P) Ltd.
Name (alias)	: Service Hours :	
Under	: <sup>J</sup> Primary	Tax Information
Units	: Hrs	Tariff Classification : <sup>J</sup> Not Applicable Rate of Duty (eg 5) : 0
		VAT Details
		Commodity : <sup>J</sup> Not Applicable
		Rate of VAT (%) : 0
	Opening Balance	Quantity Rate per Value Accept ?
		Yes or No

Figure 2.84 Completed Stock Item Creation Screen



# 2. Record the Transaction in Receipt Voucher

# Go to Gateway of Tally > Accounting Vouchers > F6: Receipt

- 1. Press F2 and change the date to 12-09-2012
- 2. In the **Credit** field, select Income ledger **Consultancy Income** and press **Enter** to view Inventory Allocations screen
- 3. In Inventory Allocation screen
  - □ In Name of Item field, select Service Hours form the List of Stock Items
  - □ In Quantity field, specify the number of Hours of service provided e.g. 300
  - □ In Rate field, specify the Rate per hour of service provided e.g. 450
  - Amount will be calculated and displayed automatically



Figure 2.85 Inventory Allocation Screen



Ensure the option **Inventory values are affected** to **Yes** in the **Consultancy Income** ledger to view Inventory Allocation screen while recording the transaction.

- 4. Press Enter from Amount field to view Service Tax Details screen
- 5. In Service Tax Details screen,
  - **Type of Ref**: Select New Ref from the Method of Adjustment. New Ref is selected for new financial transactions.



- Name: Tally.ERP 9 displays the reference number, which is a combination of abbreviation of Receipt and Voucher Number and Line Number (example: Rcpt /2-1) which can be changed by the user. Input service Credit are tracked with these Reference Numbers.
- Party Ledger: In this field, select the party ledger Sahakar Constructions to whom the service is provided.



To select the party ledger, it is a must to have a party ledger created. If the ledger is not created use **Alt+C** from party ledger field to create the ledger.

- Type of Service: Based on the Type of Classification selected in the Service Provider ledger, Type of Service will be defaulted (displayed). By default, Taxable is displayed and Tally.ERP 9 skips the field.
- Category: Based on the service Category selected in the Income Ledger, category will be defaulted (displayed). By default, Taxable Service is displayed and Tally.ERP 9 skips the field.
- Name of Item: In this field, select the Service item from the List of Stock Items on which Service Tax to be calculated - Service Hours.

Service Tax Deta	ails		Crystal Services (	P) Ltd.			Ctrl + M 🛛
Receipt							
Particulars							
		Service Tax	Details for : Consultancy In	come			
Type of Name Ref	Party Ledger	Type of Service	Category/Service	Name of Item	Amount List o	Service f Stock Items	3
New Ref Rcpt/2-1	Sahakar Creations	Taxable	Taxable Service	Service Hours	Stock Item		Amount
Service Tax Ed Cess Sec Ed Cess	@ 12 % (On Assessable @ 2 % (On Tax Val @ 1 % (On Tax Val	9 Value 1,35,000 ue 16,200, ue 16,200.	.00) 16,200.00 00) 324.00 00) 162.00 16,686.00				1.35.000.00
		Total			1,51,686.00 1,3	5,000.00	

Figure 2.86 Selection of Stock Item in Service Tax Details Screen

 On selection of Stock Item, the Amount specified in the Inventory Allocation screen will be displayed automatically in Service Amount. Based on the Service Amount, Amount (Incl. of Tax) and Tax bifurcation will be displayed automatically



Type of Name       Party Ledger       Type of Service       Category/Service       Name of Item       Amount       Service         New Ref       Rcpt/2-1       Sahakar Creations       Taxable       Taxable       Service       Service       Service       Item       (Incl. of Tax)       Amount         New Ref       Rcpt/2-1       Sahakar Creations       Taxable       Taxable       Service       Service       Service Hours       1,51,686.00       1,35,000.01         Service Tax       @ 12 % (On Assessable Value 1,35,000.00 )       16,200.00       Sec Value 1,35,000.01       16,200.00       Sec Value 1,35,000.01       16,200.00       Sec Value 1,35,000.01       16,200.00       16,200.00       16,686.00 <td< th=""><th></th><th colspan="8">Service Tax Details for : Consultancy Income</th></td<>		Service Tax Details for : Consultancy Income							
Ref         Service         Item         (Incl. of Tax)         Amoun           New Ref Rcpt/2-1         Sahakar Creations         Taxable         Taxable         Service         Service Hours         1,51,686.00         1.35,000.01           Service Tax         ()         12 %         ()         Amoun         16,200.00         16,200.00         1,51,686.00         1.35,000.01           Service Tax         ()         12 %         ()         On Tax Value         16,200.00         162.00         162.00         162.00         162.00         166.86.00         16,686	Туре о	of Name	Party Ledger	Type of	Category/Service	Name of	Amount	Service	
New Ref Rcpt/2-1         Sahakar Creations         Taxable         Taxable Service         Service Hours         1,51,686.00         1.35,000.00           Service Tax         (2)         12 % (0n Assessable Value 1,35,000.00)         16,200.00         324.00         324.00         Sec Ed Cess         2         2 % (0n Tax Value 16,200.00)         162.00         162.00         166.86.	Ref			Service		ltem	(Incl. of Tax)	Amount	
Service Tax (2) 12 % (0n Assessable Value 1,35,000.00) 16,200.00 Ed Cess (2) 2 % (0n Tax Value 16,200.00) 324.00 Sec Ed Cess (2) 1 % (0n Tax Value 16,200.00) <u>16,686.00</u> <u>16,686.00</u>	New F	Ref Rcpt/2-1	Sahakar Creations	Taxable	Taxable Service	Service Hours	1,51,686.00	1,35,000.00	
	3	Service Tax Ed Cess Sec Ed Cess	<ul> <li></li></ul>	Value 1,35,00 ie 16,200 ie 16,200	0.00) 16,200.00 000) 324.00 0.00) <u>162.00</u> <u>16,686.00</u>				
I Otal 1,51,686.00 1,35,000.00				Total			1,51,686.00	1,35,000.00	

Figure 2.87 Completed Service Tax Details Screen

- 6. In Amount field, the Service Amount of Rs. 1,35,000 will be defaulted automatically
- 7. In **Credit** field select **Service Tax**, **Education Cess** and **Secondary Education Cess** ledgers to account the tax amount.
- 8. In **Debit** field select **Cash** ledger. Total amount (**Rs. 1,48,905**) of Service Cost plus the Service Tax will be displayed in Amount column.

The completed **Receipt Voucher** is displayed as shown:

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🛛
Receipt No. 2		12-Sep-2012 Wednesday
Particulars	Debit	Credit
Cr Consultancy Income Cur Bal: 4,85,000.00 Cr		1,35,000.00
Service Hours 300 Hrs 450.00/Hrs 1,35,000.00 Cr Service Tax @ 12%		16,200.00
Cur Bal: 1,19,160.00 Cr Cr Education Cess @ 2% Cur Bal: 2,383.20 Cr		324.00
Cr Secondary Education Cess @ 1%		162.00
Dr Cash Cur Bal: 12,19,106.00 Dr	1,51,686.00	
Narration:	1,51,686.0	1 51 696 00
		Accept ?
		Yes or No

Figure 2.88 Completed Receipt Voucher

9. Press Enter to Save.



# Print Professional Receipt Cum Challan from Receipt Voucher

To print Professional Receipt Cum Challan for Receipts towards professional services provided

- Press Page Up from Accounting Voucher creation screen to view earlier entered Receipt Voucher. Click <u>P</u>: Print button or press Alt+P to view Voucher Printing screen
- In Voucher Printing screen, press F12: Configuration to view Receipt Printing Configuration screen
  - **Receipt Printing Configuration** Height of Voucher (inches) : 7 Width of Voucher (inches) : 5 Space to leave on top (default 0.25) : 0.25 Space to leave on left (default 0.75) : 0.25 ? No Receipt Mode on Top of Voucher Print Bill-wise Details ? Yes Print Bill Due Date also ? No Print Inventory Details ? Yes Print Bank Transaction Details ? No ? No Print All Details Space for Checked/Verified initials ? No Print Category & Assessable Value ? Yes Print Abatement & Pure Agent Details ? Yes Print Base Currency Symbol for Total ? Yes Method to use for Ledger Name : Name Only Formal Receipt Printing Configuration : 6 Height of Receipt (inches) Width of Receipt (inches) 5 Space to leave on top (default 0.25) : 0.25 Print Party Address ? Yes ? Yes Print Narration Print Narration for each entry ? Yes
  - Set the option Print Inventory Details to Yes

Figure 2.89 Receipt Printing Configuration

# The Print Preview of Professional Receipt Cum Challan appears as shown

E	<b>Crystal Services (P) Ltd</b> #56/1 M.G. Road Bangalore -Mail :sales@crystal.cor	n			
Professi	ional Receipt Cum	Challan			
Party : Sahakar Creations	No. Dated	: 2 : 12-Sep-201	2		
Particular	s		Rate	per	Amount
Consultancy Income (Category: Taxable Service)					1,35,000.00
Service Hours 1,35,000.00 Service Tax (	On Assessable Amount Education Secondary Education	1,35,000.00) n Cess @ 2% n Cess @ 1%	12 2 1	% % %	16,200.00 324.00 162.00
		Tatal			<del>7</del> 4 54 000 0
Amount Chargooble (in words)		Total			₹ 1,51,080.0
INR One Lakh Fifty One Thousand Six Hu Service Tax Payable (in words) INR Sixteen Thousand Six Hundred Eight Company's Service Tax No. : ASDCE1588PST00	ndred Eighty Six Only y Six Only 01				E. & U.I
Buyers Service Tax No. : AKDK \$5837D\$T0 Company's PAN : ASDCE1588P	01		h-0		
			for Cry	stal	Services (P) Ltd
				Au	thorised Signator

Figure 2.90 Professional Receipt Cum Challan





# 2.14 Advances from Service Receivers and Adjusting Advance received towards the Service bill

# 2.14.1 Accounting Advances from Service Receivers

# Example 19:

On September 13, 2012 Crystal Services (P) Ltd. received Advance of Rs. 25,550 from Matrix Ad towards Design Services.

# **Record the transaction in Receipt Voucher**

# Go to Gateway of Tally > Accounting Vouchers > F6: Receipt

# Setup:

# In F12: Receipt Configuration

- Set the option Use Single entry mode for Pymt/Rcpt/Contra to Yes
- 1. Press F2 and change the date to 13-09-2012
- 2. In Account field, select Canara Bank
- 3. Under Particulars, select Matrix Ad and press Enter to view Service Tax Details screen
- 4. In Service Tax Details screen
  - **Type of Ref**: In this field, select **Advance** as the Method of Adjustment
  - □ Name: In this field, accept the default Reference number displayed Rcpt/3-1
  - Type of Service: Based on the Type of Classification selected in the Service Receiver ledger, Type of Service will be defaulted (displayed). By default, Taxable is displayed and Tally.ERP 9 skips the field.
  - Category: In this field, Tally.ERP 9 prompts the user to select the Service Category towards which Advance is received. Select Taxable Service from the List of Service Categories.
  - Amount (Incl. of Tax): In this field, specify the amount received as advance. The amount received will be considered as inclusive of Service Tax. Enter Rs. 25,550. Service Amount and Tax bifurcation will be displayed by back calculating the amount to arrive at service amount and tax portion.



Service Tax Details for : Matrix Ad						
Type of Name	Type of	Category/Service	Amount	Service		
Ref	Service		(Incl. of Tax)	Amount		
Advance Dent/2 1	Tayabla	Tavable Capitas	25 550 00	22 720 44		
Advance Rcpu3-1	Taxable	Taxable Service	25,550.00	22,739.41		
Service Tax Ed Cess Sec Ed Cess	00.12%(0 00.2%() 00.1%()	Dn Assessable Value 22,739.41 ) On Tax Value 2,728.73 ) On Tax Value 2,728.73 )_ =	2,728.73 54.57 27.29 2,810.59			
	Total		25,550.00	22,739.41		

Figure 2.91 Service Tax Details Screen

- 5. In Amount field, service amount of Rs. 22,739.41 will be displayed
- 6. In Bill-wise Details provide the details as shown
  - Select Advance as the Type of Ref
  - □ In the Name field enter the Bill name as MA/964/12-13
  - Skip the Due Date or Credit Days field
  - Accept the default amount allocation and Dr/Cr. By default, Tally.ERP 9 displays the Advance amount in the amount field as the credit balance.
  - Press Enter. Select Advance as Type of Ref and Bill name will be defaulted as MA/964/ 12-13
  - Skip the Due Date or Credit Days field and accept the default amount allocation and Dr/ Cr. By default, Tally.ERP 9 displays the Service Tax amount in the amount field as the debit balance



	Bill-wise Deta	ils for : Matrix Ad	
Type of Ref	Name	Due Date, or Credit Days (wef: 13-Sep-2012)	Amount Dr/ Cr
Advance	MA/964/12-13		25,550.00 Cr
Advance	MA/964/12-13		2,810.59 Dr
(Note: 'Breakin outstanding sta	g of above bills helps atement)	to identify the original I	bill amount in the
outstanding sta	atement)		22,739.41 Cr

Figure 2.92 Bill-Wise Details Screen

7. Under **Particulars**, select **Service Tax**, **Education Cess** and **Secondary Education Cess** ledger to account Service Tax.

The completed Advance Receipt Voucher is displayed as shown

Receipt No. 3 13-Sep-1	-2012
Thurs	rsday
Account : Canara Bank	
Cur Bai: 9,30,266.00 Dr	4
Particulars Amo	ount
Matrix Ad 22.73	9.41
Cur Bal: 22,739.41 Cr	
Advance MA/964/12-13 25,550.00 Cr	
Advance MA/964/12-13 2,810.59 Dr	0 72
Giri Gel 14 Ciri 12 Martin	:0.70
Education Cess @ 2% 54	54.57
Cur Bal: 2,437.77 Cr	
Secondary Education Cess @ 1% 27	27.29
Cur Dai. 1,210.09 Cr	
Narration:	0.00
Accept ?	ſ
Yes or No	0

Figure 2.93 Completed Advance Receipt Voucher

8. Press Enter to Save.



# 2.14.2 Adjusting Advance received towards the Service Bill

# Example 20:

On September 14, 2012 Crystal Services (P) Ltd. provided the Design Services to Matrix Ad and raised the bill for Rs. 1,00,000 (inclusive of Service Tax). Advance of Rs.25,550 received on 13-9-2012 adjusted towards the bill.

To account the above transaction follow the steps given below

- 1. Create Masters
- i. Service Sales Ledger
- 2. Record the Transaction in Sales Voucher

# 1. Create Masters

# i. Service Sales Ledger

Ledger	Under	Is Service Tax Applicable	Default Service Category
Sales - Design Services	Sales Accounts	Yes	Taxable Service

As per the information provided in the table create the ledger.

# 2. Record the Transaction in Sales Voucher

# Go to Gateway of Tally > Accounting Vouchers > F8: Sales (Account Invoice mode)

- 1. Press F2 and change the date to 14-09-2012
- 2. In Party's A/c Name field select the Service Receiver e.g. Matrix Ad
- 3. Under **Particulars**, select the Service (sales) Ledger e.g. **Sales Design Services** and press **Enter** to view Service Tax Details screen (Use Alt +C to create the ledger)
- 4. In Service Tax Details screen,
  - **Type of Ref**: Select **Agst Ref** to adjust the advances received
  - □ Name: In this field, select Rcpt/3-1 (dated 13-9-2012) from the Pending Tax Bills
  - Based on the advance bill selected Type of Service, Category, Service Amount and Amount (Incl.of Tax) will be defaulted automatically.
  - In Type of Ref field, select New Ref
  - □ In Name field Sale/6-2 will be displayed.
  - **Type of Service** will be defaulted to Taxable and Category as Taxable Service
  - □ In Amount (Incl. of Tax) field, enter balance bill amount of Rs. 74,450



Service Tax Details for : Sales - Design Services				
Type of Name Ref	Type of Service	Category/Service	Service Amount	Amount (Incl. of Tax)
Agst Ref Rcpt/3-1	Taxable	Taxable Service	22,739.41	25,550.00
Service Tax Ed Cess Sec Ed Cess	@ 12 % (0 @ 2 % (1 @ 1 % (1	Dn Assessable Value 22,739.41 ) On Tax Value 2,728.73 ) On Tax Value 2,728.73 )	2,728.73 54.57 27.29 2,810.59	
New Ref Sale/6-2	Taxable	Taxable Service	66,260.24	74,450.00
Service Tax Ed Cess Sec Ed Cess	@ 12 % (( @ 2 % ( @ 1 % ()	Dn Assessable Value 66,260.24 ) On Tax Value 7,951.23 ) On Tax Value 7,951.23 )	7,951.23 159.02 79.51 8,189.76	
	Total		88,999.65	1,00,000.00

Figure 2.94 Service Tax Details Screen

- 5. In Amount field, the Service Amount of Rs. 88,999.65 will be defaulted automatically.
- 6. Under **Particulars**, select Service Tax ledger e.g. **Service Tax @ 12%**. Service Tax amount will be calculated and displayed automatically.
- 7. Under **Particulars**, select Education Cess ledger e.g. **Education Cess @ 2%**. Education Cess amount will be calculated and displayed automatically.
- Under Particulars, select Secondary Education Cess ledger e.g. Secondary Education Cess *@* 1%. Secondary Education Cess amount will be calculated and displayed automatically.
- 9. In Bill-wise Details screen,
  - In Type of Ref field, select Agst Ref
  - □ In Name field, select MA/964/12-13 dated 13-9-2012 to adjust the advances
  - □ In Amount field, enter Rs. 22739.41 to adjust the advances
  - In Type of Ref, select New Ref
  - In Name field, enter the bill name as CS/865
  - □ In Amount field, balance of **74,450** will be displayed.



Type of Ref       Name       Due Date, or Credit Days       Amount       Dr/ Cr         Agst Ref       MA/964/12-13       22,739.41       Dr         New Ref       CS/865       74,450.00       Dr		Bill-wise Details for : Matrix Ad Upto: ₹ 97,189.41 Dr				
Agst Ref MA/964/12-13 22,739.41 Dr New Ref CS/865 74,450.00 Dr	Type of Ref	Name	Due Date, or Credit Days (wef. 14-Sep-2012)	Amount Dr/ Cr		
New Ref C\$/865 74,450.00 Dr	Agst Ref	MA/964/12-13		22,739.41 Dr		
97,189.41 Dr	New Ref	CS/865		74,450.00 Dr		
97,189.41 Dr						
			_	97,189.41 Dr		

Figure 2.95 Bill-wise Details Screen

The Completed Service Sales Voucher is displayed as shown



Figure 2.96 Completed Sales Voucher

10.Press Enter to Save.



# 2.15 Sale of Services with Inventory

# Example 21:

On September 17, 2012 Crystal Services (P) Ltd. sold 10 Computers @ 35,000 per Computer to Matrix Ad and agreed for installation to be made with extra charges of Rs. 20,000.

- 1. Create Masters
- i. Income Ledger
- ii. Sales Ledger
- iii. Output VAT ledger
- 2. Record the transaction in Sales Voucher

# 1. Create Masters

#### i. Income Ledger

Ledger	Under	ls Service Tax Applicable	Default Service Category
Installation Income	Indirect Incomes	Yes	Taxable Service

#### ii. Sales Ledger

Ledger	Under	Used in VAT Returns	VAT/Tax Class
Sales @ 5%	Sales Accounts	Yes	Sales @ 5%

#### iii. Output VAT Ledger

Ledger	Under	Type of Duty/Tax	VAT Sub Type	VAT/Tax class
Output VAT @ 5%	Duties & Taxes	VAT	Output VAT	Output VAT @ 5%

As per the details provided in the table create the ledger.

# 2. Record the transaction in Sales Voucher

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

- 1. In Accounting Voucher Creation screen, press Alt+I or click on <u>I</u>: Item Invoice if the voucher is in Account invoice mode
- 2. Press **F2** and change the date to **17-09-2012**
- 3. In Party's A/c Name field, select the service receiver e.g. Matrix Ad
- 4. In Name of Item field, select Computers and specify Quantity as 10 and Rate as 35,000
- 5. In Accounting Details screen, select the Sales @ 5% Ledger and press Enter



- 6. Select Installation Income ledger and press Enter to view Service Tax Details screen
- 7. In Service Tax Details screen,
  - In Type of Ref field, select New Ref
  - □ In Name field, accept the default tax bill reference Sale/7-1 will be displayed.
  - In Type of Ref field, based on the Type of Classification selected in the Service Receiver, Type of Service will be defaulted (displayed). By default, Taxable is displayed and Tally.ERP 9 skips the field.
  - In Category field, based on the service Category selected in the Income Ledger, category will be defaulted (displayed). By default, Taxable Service is displayed
  - □ In Service Amount field, enter the Service Amount of Rs. 20,000
  - The cumulative (collective) amount of Service amount and Tax will be displayed in Amount (Incl. of Tax) field.



Figure 2.97 Service Tax Details Screen

- 8. Under **Particulars**, select **Service Tax**, **Education Cess** and **Secondary Education Cess** ledger to account Service Tax
- 9. Select Output VAT @ 5% ledger to account VAT.



Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🗙
Sales No. 7		16-Sep-2012
Ref. :		Sunday
Party's A/c Name : Matrix Ad		
Current Balance : 74,450.00 Dr		
Name of Item	Quantity Rate p	per Amount
Computers	10 nos 35.000.00 n	os 3,50,000,00
compared		
Installation Income		20.000.00
Service Tax @ 12%		2,400.00
Education Cess @ 2% Secondary Education Cess @ 1%		48.00 24.00
Output VAT @ 5%	5 %	6 17,500.00
Show Statutory Details ? Yes		Account 2
Narration:	10 nos	Accept ?
		Yes or No

#### The completed Sales Voucher is displayed as shown

Figure 2.98 Completed Sales Voucher

10. Press Enter to Save.

# 2.16 Accounting Export of Services

To make the export of services competitive in the international market, all the Services exported are exempt from payment of Service tax.

#### Example 22:

On September 18, 2012, Crystal Services (P) Ltd. exported Event Management services for Rs. 1,50,000 to Cosmic Visions

To account the above transaction follow the steps given below

- 1. Create Masters
- i. Service Receiver (Customer) ledger
- 2. Record the Transaction in Sales Voucher





# 1. Create Masters

# i. Service Receiver (Customer) ledger

Ledger	Under	ls Service Provider/ Receiver	Set/Alter Service Tax Details
Cosmic Visions	Sundry Debtors	Yes	Yes

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

- 1. Enter the Name of the Customer Ledger e.g. Cosmic Visions.
- 2. Select **Sundry Debtors** from the List of Groups in the **Under** field.
- 3. Set the option Is Service Provider/Receiver to Yes.
- 4. Set the option **Set/Alter Service Tax Details** to **Yes** and press **Enter** to view Service Tax Details screen
- 5. In Service Tax Details screen enter
  - Details of Service Tax Registration Number and Date of Registration are not Required as the receiver of service is placed outside India.
  - Set the option Is Associated Enterprise to No
  - In Type of Classification field, select the classification as Export
  - Enter the Notification No. under which services are exported. Example: 6/2002 dated 10-6-2002

Service Tax Details			
Registration No.	:		
Date of Registration	:		
Is Associated Enterprise	? No		
Type of Classification	: Export		
Notification No.	6/2002 Dated 10-6-2002_		

Figure 2.99 Service Tax Details Screen



*Export* option is selected when the services are Exported. The **Notification number** provided here is only as an example.

6. Enter **Mailing Address** and **Tax information** and press **Enter** to accept the Ledger Creation screen.

# 2. Record the Transaction in Sales Voucher

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

- 1. Press F2 and change the date to 18-09-2012
- 2. In the Party's A/c Name field, select the service receiver e.g. Cosmic Visions



- 3. Under **Particulars**, select the Service (sales) Ledger e.g. **Sale- Event Mgt Services** and press **Enter** to view Service Tax Details screen
- 4. In Service Tax Details screen,
  - □ In **Type of Ref** field, select **New Ref** from the method of Adjustment.
  - □ In the Name field, accept the default reference number Sale/8-1
  - In the Type of Service field based on the Type of Classification selected in the Service Receiver, Type of Service will be defaulted (displayed). By default, Export is displayed
  - In the Category field based on the service Category selected in the sales Ledger, category will be defaulted (displayed). By default Taxable Service is displayed
  - In the Service Amount field, enter the event management services amount of Rs. 1,50,000
  - Rs. 1,50,000 will be displayed in Amount (Incl. of Tax) field, as the services are exported and on exports Service Tax is not applicable.



Figure 2.100 Service Tax Details Screen

5. In the Amount field, service amount of Rs. 1,50,000 will be displayed.



*Service Tax ledgers* are not selected as all the Services *exported* are exempt from payment of Service tax.



Accounting Voucher Creation	Crystal Services (P) Ltd. Ctrl + M	×
Sales No. 8 Ref. :	16-Sep-2 Sun	<b>012</b> day
Party's A/c Name: Cosmic Visions		
Particulars	Rate per Amo	ount
Sale - Event Mgt Services	1,50,000	).00
Narration:	Accept ?	
	Yes or No	

#### The completed Sales Voucher is displayed as shown

Figure 2.101 Completed Sales Invoice

6. Press **Enter** to Save.

# 2.17 Accounting Import of Services

As per Service Tax rules, Import of services means any services provided from outside India and received in India. Tax on such services is known as Tax on Import of Services and the service receiver is liable to pay Service Tax on Import of Services. The liability to pay Service Tax on imports will arise only on making the payment to the Service Provider.

The Service Tax paid on imports cannot be considered for availing the Input Credit because, Rule 5 of section 66A provides that the Service Tax liability created against the imported services cannot be treated as Output Services for the purpose of availing credit of tax or duty paid on inputs/input services. Further the Credit available cannot be used for payment of Service Tax liability created towards Imports.



In some Cases, assessee may be allowed to **avail** the **Input Credit** on the **Tax paid** on the **Import of Services**.



Tally.ERP 9 allows the user to record import of services and calculate Service Tax on services imported. To account the Service Tax on imports a separate flag **Tax on Import of Service** is provided in **Journal Voucher** 

# Example 23:

On September 19, 2012 Crystal Services (P) Ltd. imported Architect services for Rs.8,00,000 from Townscape Architects. Crystal Services (P) Ltd. is liable to pay Service Tax on imported services. On September 20, 2012 Crystal Services (P) Ltd. made the payment towards the imports and raised the tax liability on the same day.

To account the above transaction follow the steps given below

- 1. Create Masters
- i. Purchase Ledger
- ii. Expense Ledger
- iii. Service Provider (Supplier) ledger
- 2. Record the transaction in Purchase Voucher (to account Imports)
- 3. Record Payment Voucher (to account payments to party)
- 4. Record a Journal Voucher (to raise Service Tax liability)

# 1. Create Masters

#### i. Purchase Ledger

Ledger	Under	Is Service Tax Applicable	Default Service Category
Import - Architect Services	Purchase Accounts	Yes	Taxable Service

#### ii. Expense Ledger

Ledger	Under	
Tax on Imports	Indirect Expenses	

# iii. Service Provider (Supplier) ledger

Ledger	Under	ls Service Provider/ Receiver	Set/Alter Service Tax Details		
Townscape Architects	Sundry Creditors	Yes	Yes		
Enter the Mailing Details and Tax Information					



To create the service provider ledger

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

- 1. Enter the Name of the service provider ledger e.g. Townscape Architects.
- 2. Select Sundry Creditors from the List of Groups in the Under field.
- 3. Set the option Is Service Provider/Receiver to Yes.
- 4. Set the option **Set/Alter Service Tax Details** to **Yes** and press **Enter** to view Service Tax Details screen
- 5. In Service Tax Details screen enter,
  - Registration Number and Date of Registration are not required to capture as we are importing the services
  - **Type of Classification**: In this field, select **Import** from the list of Classifications.
  - Notification No.: In this field, enter the notification number under which the services are imported.

Service Tax Details			
Registration No.	:		
Date of Registration	:		
Is Associated Enterprise	? No		
Type of Classification	: Import		
Notification No.	: 11/2007-ST Dated 19-4-2007		

Figure 2.102 Service Tax Details Screen

6. Enter **Mailing Address** and **Tax information** and press **Enter** to accept the Ledger Creation screen.

# 2. Record the transaction in Purchase Voucher (to account Imports)

Go to Gateway of Tally > Accounting Vouchers > F9: Purchase (Account Invoice mode)

- 1. Press F2 and change the date to 19-09-2012
- 2. In the Party's A/c Name field, select the service provider e.g. Townscape Architects
- 3. Under **Particulars**, select the Service (purchases) Ledger e.g. **Import Architect Services** and press **Enter** to view Service Tax Details screen
- 4. In Service Tax Details screen,
  - □ In Type of Ref, field select New Ref from the method of Adjustment.
  - In the Name field, retain default Reference Number Purc/5-1 for the Service Tax calculation.
  - In the Type of Service field based on the Type of Classification selected in the Service Provider ledger, Type of Service will be defaulted (displayed) to Import.
  - In the Category field based on the Service Category selected in the Purchase Ledger, category will be defaulted (displayed) to Taxable Service.
  - □ Enter the Service Amount of the of the services imported Rs. 8,00,000



In Amount (Incl. of Tax) field, the amount specified in the Service Amount field will be taken as Amount inclusive of tax as on imports the Service Tax liability is on the service receiver and not on the provider. So service Tax will not get calculated.



Figure 2.103 Service Tax Details Screen

5. In the Amount field the service amount of Rs. 8,00,000 will be displayed.



In case of **Imports**, Service Tax ledgers are not selected as Tax is not accounted during booking the purchases.

6. In the **Bill-wise Details** screen, select the **Reference** as **New Ref** and enter the bill **Name** as **TA/856/12-13** 



Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🗙
Purchase No. 5 Supplier Invoice No. : Date		19-Sep-2012 Wednesday
		, , ,
Party's A/c Name : Townscape Architects Current Balance :		
Particulars	Rate per	Amount
Import - Architect Services		8,00,000.00
Narration:		Accept ?
		es or No

The completed **Purchase Voucher** is displayed as shown

Figure 2.104 Completed Purchase Voucher

7. Press Enter to Save.

# 3. Record Payment Voucher (to account payments to party)

On 20-09-2012, record the payment voucher to make the payment towards the bill **TA/856/12-13** dated 19-09-2012

Accounting Voucher Creation	Crystal Service	s (P) Ltd.		Ctrl + M
Payment No. 3				20-Sep-201 Thursda
Particulars			Debit	Cred
Dr Townscape Architects			8,00,000.00	
Agst Ref TA/856/12-13 8,00,000. Cr Canara Bank	.00 Dr			8,00,000.0
Townscape Architects Cheque Range : J Not Applicable Bank Date :	Cheque Inst. No.: 758695	8,00,000.00 <i>Inst. Date :</i> 20-Sep-2012	Cross Using : A/c	Payee
Variation.			8 00 000 00	8 00 000 (
anaton.			0,00,000.	Accept ?
			Y	es or No

Figure 2.105 Completed Payment Voucher

8. Press Enter to Save.





The **liability to pay Service Tax on imports** will arise only on making the payment to the service provider.

# 4. Record a Journal Voucher (to raise Service Tax liability)

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

Ensure that Voucher Class is created for Journal Voucher to account Service Tax on imports

- 1. In Change Voucher Type screen, in Class field select Service Tax Adjustment from Voucher Class list
- 2. Press F2 and change the date to 20-09-2012
- 3. In Used for field, select Tax on Import of Service from the list of Service Tax Adjustments
- 4. Press Enter to view Service Tax Liability screen
- 5. In Service Tax Liability screen,
  - □ In the **Till Date** field, by default, Voucher Date **20-9-2012** will be displayed. User can specify the date to account Service Tax liability on all the imports made till the date mentioned.
  - In the Service Category field, select the service imported Taxable Service from the List of Service Categories



User can select the option **Any** to consider all those service categories which are imported to compute the Service Tax liability.

- Set the option Avail CENVAT Credit to No as Crystal Services is not allowed to avail credit on tax paid on Imports.
- In the Party field, select the party from services are imported Townscape Architects from the List of Ledger Accounts



You can select the option **Any** to consider all those parties from whom the services are imported to compute the Service Tax liability.

- In Output Ledger section, select
  - Service Tax @ 12% ledger to account Service Tax
  - Education Cess @ 2% ledger to account Education Cess



Secondary Education Cess @ 1% ledger to account Secondary Education Cess



In **Output Ledgers** section Service Tax ledgers are selected to **compute** (calculate) and **create** the Service Tax liability (to be payable) on the Imports.

# In Input /Expense Ledgers section select

• Select **Tax on Imports** ledger (created under Indirect Expenses)

Tax on Import of Service	Crystal Services (P) Ltd.	Ctrl + M
		List of Expense Ledgers
		Tax on Imports
		-
	Service Tax Liability	
	Till Date : 20-9-2012	
	Service Category : Taxable Service	
	Avail Input Credit : No	
	Party Ledger : Townscape Architects	
	Output Ledgers	
	Service Tax @ 12%         For Service Tax           Education Cess @ 2%         For Education Cess           Secondary Education Cess @ 1%         For Secondary Education Cess	
	Input / Expense Ledgers	

Figure 2.106 Service Tax Liability Screen



In **Input/Expenses Ledgers** section the **Expense ledgers** are selected to transfer the computed tax liability as expense if he assess is not allowed to avail credit on tax paid on imports.

In case, the assessee is allowed to avail credit and has set the option Avail CENVAT Credit to Yes then the Tally.ERP 9 will display the list of Service Tax ledgers in Input /Expense Ledgers section to consider the tax paid on imports as input Credit.



6. On accepting the **Service Tax Liability** screen, Tally.ERP 9 auto fills the details in Journal Voucher

The completed Journal Voucher is displayed as shown

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🗙
Journal No. 5	Voucher Class : Service Credit Adjustment	20-Sep-2012
	Used for Tay on Impact of Camilan	Thursday
	Used for. Tax on import of service	
Particulars		Debit Credit
Dr Tax on Imports	98,8	80.00
Cr Service Tax @ 12%		96,000.00
Cur Bal: 2,28,239.96 Cr		
Cr Education Cess @ 2%		1,920.00
Cr Secondary Education Cess @ 1%		960.00
Cur Bal: 2,282.40 Cr		
Narration:		80.00 08.880.00
		-
		Accept ?
		Ves or No
		165 OF NO

Figure 2.107 Completed Journal Voucher

7. Press Enter to Save.

# 2.18 Accounting Pure Agent Services

A pure agent is a Service Provider who is a liaison between another service provider and a service buyer. An expense incurred by the pure agent is exempt from Service Tax.

Tally.ERP 9 provides the facility to exclude the costs and expenses incurred by a service provider acting as a pure agent from total service charges to get taxable amount.

# Example 24:

On September 20, 2012 Crystal Services (P) Ltd. acted as a pure agent in getting Event Management Services to TechMagic Creations, service cost including pure agent expenses of Rs. 15,000 amounted to Rs. 1,20,000.

To account the above transaction follow the steps given below

- 1. Create Master
- i. Service Receiver (Customer) Ledger
- 2. Record the Transaction in Sales Voucher



# 1. Create Masters

# i. Service Receiver (Customer) Ledger

Ledger	Under	ls Service Provider/ Receiver	Set/Alter Service Tax Details		
TechMagic Creations	Sundry Debtors	Yes	Yes		
Enter the Mailing Details and Tax Information					

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

- 1. Enter the Name of the Customer Ledger e.g. TechMagic Creations.
- 2. Select **Sundry Debtors** from the List of Groups in the **Under** field.
- 3. Set the option Is Service Provider/Receiver to Yes.
- 4. Set the option **Set/Alter Service Tax Details** to **Yes** and press **Enter** to view Service Tax Details screen
- 5. In Service Tax Details screen enter
  - **D** Enter **Registration Number** and **Date of Registration** of the customer ledger
  - **Type of Classification**: In this field select **Pure Agent** from the list of Classifications.

Servio	e Tax Details	
Registration No.	: AEDRS7586DST001	Classification
Date of Registration	: 4-Jun-2002	
Is Associated Enterprise	? No	<ul> <li>Not Applicable</li> <li>Exempt</li> </ul>
Type of Classification Notification No.	Pure Agent	Export Import
	·	Pure Agent
		Tax on Service Received

Figure 2.108 Service Tax Details Screen

6. Enter **Mailing Address** and **Tax information** and press **Enter** to accept the Ledger Creation screen.

# 2. Record the Transaction in Sales Voucher

# Go to Gateway of Tally > Accounting Vouchers > F8: Sales (Account Invoice Mode)

- 1. Press F2 and change the date to 20-09-2012
- 2. In the Party's A/c Name field select the service receiver e.g. TechMagic Creations
- 3. Under **Particulars**, select the Service (sales) Ledger e.g. **Sale- Event Mgt Services** and press **Enter** to view **Service Tax Details** screen
- 4. In Service Tax Details screen,
  - □ In Type of Ref field select New Ref from the method of Adjustment.
  - □ In Name field, accept the default reference number Sale/9-1



- In Type of Service field, by default, Pure Agent is displayed based on the Type of Classification defined in the party ledger.
- □ In Allowable Expenses field, specify the expenses incurred by the pure agent in procuring taxable service to the service recipient. Enter **Rs. 15,000**



Figure 2.109 Allowable Expenses Screen

- In the Category field based on the service Category selected in the sales Ledger, category will be defaulted (displayed). By default, Taxable Service is displayed.
- □ In the Service Amount, field enter the Service Amount Rs. 1,20,000



Service Tax Details for : Sale - Event Mgt Services					
Type of Name Ref	Type of Service	Catego	ry/Service	Service Amount	Amount (Incl. of Tax)
New Ref Sale/9-1	Pure Agent	Taxable Serv	vice	1,20,000.00	1,32,978.00
Service Tax Ed Cess Sec Ed Cess	@ 12 % (On @ 2 % (Or @ 1 % (Or	Assessable Value 1 Tax Value 1 Tax Value	<u>1,05,000.00</u> ) 12,600.00) 12,600.00)_ =	12,600.00 252.00 126.00 12,978.00	
				1 20 000 00	1 32 978 00

In the Amount (Incl. of Tax) field, the cumulative (collective) amount of Service amount and Tax will be displayed

Figure 2.110 Service Tax Details Screen



Observe, Service Tax is calculated on **Rs.1,05,000** excluding the pure agent expenses amount of **Rs. 15,000**.

- 5. In the Amount field, Rs. 1,20,000 will be defaulted automatically.
- 6. Under **Particulars**, select Service Tax ledger e.g. **Service Tax @ 12%**. Service Tax amount will be calculated and displayed automatically.
- 7. Under **Particulars**, select Education Cess ledger e.g. **Education Cess @ 2%**. Education Cess amount will be calculated and displayed automatically.
- 9. Enter the Bill details as CS/0025.



#### The completed Sales Voucher is displayed as shown

Accounting Voucher Creation	Crystal Services (P) Ltd. Ctrl + M
Sales No. 9 Ref. :	20-Sep-201 Thursda
Party's A/c Name: TechMagic Creations Current Balance :	
Particulars	Rate per Amou
Sale - Event Mgt Services Service Tax @ 12% Education Cess @ 2% Secondary Education Cess @ 1%	1,20,000.0 12,600.0 252.0 126.0
Narration:	Accept ? Yes or No

Figure 2.111 Completed Sales Voucher

10.Press Enter to Save.

# 2.19 Account Services with Taxable Percentage

Tally.ERP 9 supports accounting of Services with Taxable percentage as per the 2012-13 Budget changes.

# Example 25:

On September 21, 2012 Crystal Services (*P*) Ltd. received services - Transportation of goods by Rail from Candice Agency for Rs. 60,000. Service Tax is charged on 30% of the Service Amount @ 12.36%

To account the above transaction follow the steps given below

- 1. Create Master
- i. Service Provider (Supplier) Ledger
- ii. Expense Ledger
- 2. Record the Transaction in Sales Voucher



# 1. Create Master

# i. Service Provider (Supplier) Ledger

Ledger	Under	ls Service Provider/Receiver	Set/Alter Service Tax Details		
Candice Agency	Sundry Creditors	Yes	Yes		
1. In Service Tax Details screen, enter Registration Number, Date of Registration and Type of Classification as Not Applicable.					
2. Enter the Mailing Details and Tax Information					

# ii. Expense Ledger

Ledger	Under	ls Service Tax Applicable	Default Service Category
Transportation Expenses - By Rail	Indirect Expenses	Yes	Taxable Service

To create the Expense ledger

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

# Setup:

# In 12: Ledger Configuration

• Set the option Allow ADVANCED entries in Service Tax Master to Yes

Ledger Configuration			
Allow ALIASES along with Names Allow Language ALIASES along with Names	?Yes ?No		
Allow ADVANCED entries in Masters	? Yes		
Allow ADVANCED entries in Service Tax Master	? Yes		
Add NOTES for Ledger Accounts	? No		
Use ADDRESSES for Ledger Accounts	? Yes		
Use CONTACT Details	? No		
Use Other Information for Ledger Accounts	? No		

Figure 2.112 Ledger Configuration

- 1. In the Name field, enter the expense ledger e.g., Transportation Expenses By Rail.
- 2. Select Indirect Expenses as the group name in the Under field.
- 3. Set the option Is Service Tax Applicable to Yes.
- 4. In the **Default Service Category** field, select **Taxable Service** from the List of Service Categories.



5. Enable the option **Set/Alter Taxable Percentage Details** to **Yes** to view **Taxable Percentage Details** screen



Set/Alter Taxable Percentage Details option will appear in service ledger creation/ alteration screen only when the option Allow ADVANCED entries in Service Tax Master is set to Yes.

- 6. In **Taxable Percentage Details** screen
  - **Category**: In this field, select the service category/categories, which you are purchasing or selling for which Taxable Percentage is stated.
  - **Applicable From Date**: In this field, mention the **date** from when Taxable Percentage is applicable for the service category.
  - Notification No.: In this field, mention the notification no. under which the Taxable percentage is specified for the service category.
  - Taxable Percentage: Mention the Taxable Percentage for the service category and press Enter

Taxable Percentage Details			
Category	Applicable From	Notification No.	Taxable Perc.
Taxable Service			
	1-Jul-2012	25/2012-ST Dated 20/6/2012	<u> 30 % </u>

Figure 2.113 Abatement Details Screen



**Taxable Percentage Alteration** can be used when the Taxable Percentage rates are changed by the government. From this screen, you can select the **service category**, specify the **applicable from date**, **notification number** and the changed **Rate of abatement** which will be considered for calculating Service Tax.

Ledger Creation	Crystal Services (P) Ltd.	
Name Transportation Expenses - By Rail		Total Op. Bal.
(alias)		· · · · · · · · · · · · · · · · · · ·
		10.00.000.00 Dr
		18.540.00 Cr
		Difference
		0.81.460.00.07
		3,01,400.00 Di
	Mailing Details	
Under : Indirect Expenses	Name	
	Address	
Investor contractor 2 Ma		
Type of Lodger 2 J Not Applicable		
Type of Ledger 7 Not Applicable	State	
	PIN Code :	
Statutory Information		
Is Service Tax Applicable 7 Yes		
Default Service Category : Taxable Service	Tax Information	
Set/Alter Taxable Percentage Details 7 Yes	PAN / IT No. :	
Used In VAT Returns 7 No		
Use for Assessable Value Calculation 7 No		
		Accept ?
		-
Opening Balance ( d	on 1-Apr-2012) :	Yes or No

Figure 2.114 Completed Expenses Ledger

7. Press Enter to save.

# 2. Record the Transaction in Journal Voucher

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

- 1. Press F2 and change the date to 21-09-2012
- 2. In the **Debit** field, select **Transportation Expenses By Rail** ledger and press **Enter** to view Service Tax Details screen
- 3. In Service Tax Details screen
  - □ In the Type of Ref field, select New Ref from the Method of Adjustment.
  - □ In the Name field, accept the default reference number displayed Jrnl/6-1
  - In the Type of Service field based on the Type of Classification selected in the Service Provider ledger, Type of Service will be defaulted to default Input Credit.
  - In the Category field based on the service Category selected in the Expense Ledger, category will be defaulted Taxable Service.
  - □ In the Service Amount field enter the total service taken. Enter Rs. 60,000
  - **Tax** bifurcation and **Amount (Incl. of Tax)** will be defaulted automatically.



Service Tax Details for : Transportation Expenses - By Rail				
Type of Name	Type of	Category/Service	Service	Amount
Ref	Service		Amount	(Incl. of Tax
New Ref Jrnl/6-1	Input Credit	Taxable Service	60,000.00	62,224.80
Service Tax Ed Cess Sec Ed Cess	@ 12 % (0.     @ 2 % (0.     @ 1 %	n Assessable Yalue 18,000.00 ) Yn Tax Value 2,160.00 ) Yn Tax Value 2,160.00 )	2,160.00 43.20 21.60 2,224.80	
	Total		60,000.00	62,224.8

Figure 2.115 Service Tax Details Screen



On **Transportation Service - by Rail**, Service Tax is applicable on **30%** of the service amount. Here you can observe that the **assessable value** considered for calculating service Tax is **18,000 (30% of 60000)**.

**Taxable percentage** and **Notification Number** will be displayed in the Service Tax details screen.

Taxable Percentage and notification no can be altered during entry by enabling the option **Allow alteration of Taxable Percentage** 

Configuration	
Allow to override Service Category during entry	? Yes
Allow alteration of Abatement Rate during entry	? No
Allow alteration of Tax Rate	? No
Enable 'Associated Enterprise' during entry	? No
Allow alteration of Taxable Percentage	? Yes_

Tally.ERP 9 allows to enable the option Allow alteration of Taxable Percentage only when the option Allow to Override Service Category during entry is set to Yes as the Taxable Percentage is allowed for the Service Categories and Taxable Percentage Details screen will be displayed only when the cursor moves to Category field.

The **Taxable Percentage Details** screen appears as shown. From here you can alter the Taxable Percentage rate.




- 4. In the Amount field, the Service Amount of Rs. 60,000 will be defaulted automatically
- 5. In the **Debit** field, select Service Tax ledger e.g. **Service Tax @ 12%**. Service Tax amount will be calculated and displayed automatically.
- 6. In the **Debit** field, select Education Cess ledger e.g. **Education Cess @ 2%**. Education Cess amount will be calculated and displayed automatically.
- In the Debit field, select Secondary Education Cess ledger e.g. Secondary Education Cess @ 1%. Secondary Education Cess amount will be calculated and displayed automatically.
- 8. In the **Credit** field, select the party ledger **Candice Agency**. Total amount (Rs. 62,224.80 of Service Cost plus the Service Tax will be displayed in the **Amount** field.
- 9. Enter the Bill details as CS/0097 and transaction details in Narration field.

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🗴
Journal No. 6	Voucher Class : J Not Applicable	21-Sep-2012 Friday
Particulars	Debit	Credit
Dr Transportation Expenses - By Rail	60,000.00	
Dr Service Tax @ 12%	2,160.00	
Dr Education Cess @ 2%	43.20	
Dr Secondary Education Cess @ 1%	21.60	
Cur Bal: 2,386.80 Cr Cr Candice Agency Cur Bal: 62,224.80 Cr		62,224.80
Narration:	62,224.80	C2 224 80 Accept ? Yes or No

The completed Journal Voucher is displayed as shown

Figure 2.116 Completed Journal Voucher

10.Press Enter to Save.



# 2.20 Reversal of Service Amount with Tax

In case of Cancellation of transaction (s), the service amount and Service Tax accounted needs to be reversed. In Tally.ERP 9, such reversal of services with Service Tax is possible only when the cancellation of transaction is made before the payment/ receipt of payment towards the service purchased or sold.

In Tally.ERP 9, reversal of services and tax are accounted using Debit /Credit Note.

## Example 26:

On September 23, 2012 Crystal Services (P) Ltd. cancelled advertising services purchased on 21-9-2012(Purc/6-1) for Rs. 33,708 (Bill–RA/925/12-13) as Ram Agency failed to provide the services as per the terms & conditions of the contract.

To account the above transaction follow the steps given below

- 1. Record the Transaction in Purchase Voucher (to account purchase of services)
- 2. Record the transaction in Debit Note (to reverse the services with tax)

#### 1. Record the Transaction in Purchase Voucher (to account purchase of services)

Record the purchase of service as shown

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🛛 🛛
Purchase No. 6		21-Sep-2012
Supplier Invoice No. :	Date :	Friday
Party's A/c Name : Ram Agency		
Current Balance : 1,13,596.00 Cr		
Particulars	Rate	per Amount
Purchase - Advertisement Services		30,000.00
Service Lax (2) 12%		3,600.00
Secondary Education Cess @ 1%		36.00
·····, ····· · ··· · · · · · · · · · ·		
Narration		Accept 2
Indiation.		
		Yes or No

Figure 2.117 Completed Purchase Voucher



## 2. Record the transaction in Debit Note (to reverse the services with tax)

#### Setup:

In F11: Features (Accounting Features)

- Set Use Debit/Credit Notes to Yes
- Set Use Invoice Mode for Debit Notes to Yes

## To create **Debit Note**

Go to Gateway of Tally > Accounting Vouchers > Ctrl+F9: Debit Note (Account Invoice mode)

- 1. Press F2 and change the date to 23-09-2012
- 2. In the Party's A/c Name field, select Ram Agency from the List of Ledger Accounts.
- 3. Under Particulars, select Purchase Advertisement Services ledger
- 4. In the Service Tax Details screen,
  - In the Type of Ref field, select Agst Ref
  - □ In the Name field, select purchase reference number Purc/6-1 dated 21-9-2012
  - Based on the purchase reference number selected Type of Service, Category, Amount (Incl. of Tax) and Service Amount will be displayed automatically.

Serv	Service Tax Details for : Purchase - Advertisement Services			
Type of Name	Type of	Category/Service	Amount	Service
Ref	Service		(Incl. of Tax)	Amount
A 10 / D /CA		T LL C L	22 700 00	20.000.00
Agst Ref Purc/6-1	Input Credit	laxable Service	33,708.00	30,000.00
Service Tax Ed Cess Sec Ed Cess	@ 12 % (0) @ 2 % (C @ 1 % (C	n Assessable Value 30,000.00 ) )n Tax Value 3,600.00 ) In Tax Value 3,600.00 ) =	3,600.00 72.00 <u>36.00</u> <u>3,708.00</u>	
	Total		33,708.00	30,000.00

Figure 2.118 Service Tax Details Screen

- 5. In the Amount field, the Service Amount of Rs. 30,000 will be defaulted automatically.
- 6. Under **Particulars**, select Service Tax ledger e.g. **Service Tax @ 12%** to reverse Service Tax amount.



- 7. Under **Particulars**, select Education Cess ledger e.g. **Education Cess @ 2%** to reverse Education Cess amount.
- Under Particulars, select Secondary Education Cess ledger e.g. Secondary Education Cess @ 1% to reverse Secondary Education Cess amount.
- 9. In Bill-wise Details screen,
  - In the Type of Ref field, select Agst Ref
  - □ In the Name field, select the bill RA/925/12-13 dated 21-9-2012 to reverse the service bill.
  - **Amount** will be defaulted automatically

Bill-wise Details for : Ram Agency Upto: ₹ 33,708.00 Dr				
Type of Ref	Name	Due Date, or Credit Days (wef: 23-Sep-2012)	Amount Dr/ Cr	
Agst Ref	RA/925/12-13		33,708.00 Dr	
		_	33,708.00 Dr	

Figure 2.119 Bill-wise Details



#### The completed **Debit Note** is displayed as shown

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M ×
Debit Note No. 1		23-Sep-2012
Ref. :		Sunday
Party's A/c Name : Ram Agency		
Current Balance : 1,47,304.00 Cr		
Particulars	Rate per	Amount
Purchase - Advertisement Services		30,000.00
Service Tax @ 12%		3,600.00
Secondary Education Cess @ 1%		36.00
Narration:		Accept ?
		es or No

Figure 2.120 Completed Debit Note

10.Press Enter to Save.

# 2.21 Account Service Tax on total transaction amount including TDS

#### Example 27:

On September 24, 2012 Crystal Services (P) Ltd. Purchased Auditing Services for Rs. 94,527 (inclusive of Service Tax) from Sampath Associates. On this payment, TDS is deducted to arrive at the Net amount payable.

To account the above transaction follow the steps given below

- 1. Create /Alter Masters
- i. Expense Ledger
- ii. TDS Ledger
- iii. Service Provider Ledger
- iv. Alter the Service Tax Ledger (to enable TDS)
- v. Alter the Education Cess Ledger (to enable TDS)
- vi. Alter the Secondary Education Cess Ledger (to enable TDS)
- 2. Record the transaction in Purchase Voucher



## 1. Create Masters

## i. Expense Ledger

Ledger	Under	Is Service Tax Applicable	Default Service Category	Is TDS Applicable	Default Nature of Payment
Auditing Charges	Indirect Expenses	Yes	Taxable Service	Yes	Fees for Professional Or Technical Services

## ii. TDS Ledger

Ledger	Under	Type of Duty/Tax	Default Nature of Payment
TDS - Professional Charges	Duties & Taxes	TDS	Fees for Professional Or Technical Services

## iii. Service Provider Ledger

Ledger	Under	Is Service Provider/ Receiver	Set/Alter Service Tax Details	Is TDS Applicable	Deductee Type
Sampath Associates	Sundry Creditors	Yes	Yes	Yes	Association of Persons

## iv. Alter the Service Tax Ledger (to enable TDS)

Ledger	Is TDS Applicable	Default Nature of Payment
Service Tax @ 12%	Yes	Fees for Professional Or Technical Services
1		

TDS is Deducted even on Service Tax amount charged. To calculate TDS on Service Tax amount.



#### To alter the Service Tax ledger

Go to Gateway of Tally > Accounting Info. > Ledgers > Alter > select Service Tax @ 12% and enable TDS option and select the appropriate Nature of Payment

Ledger Alteration	Crystal Serv	vices (P) Ltd.		
Name : Service Tax @ 12	%a			Total Op. Bal.
(alias) :				
				10,00,000.00 Dr
				18,540.00 Cr
				Difference
				9,81,460.00 Dr
1 de la constante de la consta	Define B Trans		Mailing Details	
Under	: Duties & laxes	Name	1	
	(Current Liabilities)	Address	:	
Type of Duty/Tax	: Service Tax			
Tax Head	: Service Tax			
Inventory values are affected	7 No	State	:	
		PIN Code	:	
Is TDS Applicable	7 Yes			
Default Nature Of Payment	: Fees for Professional Or Technical Services		Tax Information	
-		PAN / IT No		
		(PAN / IT No. is m	andatory for eTDS, sho	uld be of 10 Characters)
Use for Assessable Value Calculati	on 7 No	1.	· ·	· · · · · · · · · · · · · · · · · · ·
				Accept 2
				Accept
	Opening Balance (on 1-Apr-2012) :	1		Nee - Ne
	······································			Yes or NO

Figure 2.121 Service Tax Ledger Alteration



Similarly, alter **Education Cess** and **Secondary Education Cess** ledger to enable TDS.

2. Record the transaction in Purchase Voucher

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchase** (Account Invoice Mode)

- 1. Press F2 and change the date to 24-09-2012
- 2. In the Party's A/c Name field, select Sampath Associates
- 3. Under **Particulars,** select **Auditing Charges** ledger and press **Enter** to view Service Tax Details screen
- 4. In Service Tax Details screen,
  - In the Type of Ref field, select New Ref
  - □ In the Name field, select the default tax reference Purc/7-1
  - □ In the Type of Service field, Input Credit will be defaulted



- In the Category field, the Service Category selected in the Expense ledger will be defaulted. Tally.ERP 9 displays Taxable Service in this field.
- In the Amount (Incl. of Tax) field, specify the cumulative (collective) amount of Service amount Rs. 94,527.

Service Tax Details for : Auditing Charges			
Type of Name Type of Category/Service Service A	mount		
Ref Service Amount (Incl.	of Tax)		
New Ref Purc/7-1 Input Credit Taxable Service 84.128.70 94	527.00		
Service Tax         0         12 %         (On Assessable Value         84,128.70         10,095.44         201.91           Ed Cess         0         2 %         (On Tax Value         10,095.44         201.91         Sec Ed Cess         0         1 %         (On Tax Value         10,095.44         100.95         10,398.30         10,398.3			
Total 84,128.70 94,	527.00		

Figure 2.122 Service Tax Details Screen

- 5. Service Amount of Rs. 84,128.70 will be displayed in Amount field.
- 6. Press Enter from Amount field to view TDS Nature of Payment Details screen. In this screen, by default, the TDS Nature of payment selected in the Expense ledger will be displayed. Accept the default screen.

TDS Nature of Payment Details		
Ledger Name : Auditing Charges		
Nature of Payment	Assessable Value	
Foot for Professional Or Technical Services	84 128 70	
rees for Professional OF reclinical Services	04,120.10	

Figure 2.123 TDS Nature of Payment Details



The **TDS Nature of Payment Details** screen will display only when the option **Allow Alteration of TDS Nature of Payment in Expenses** is set to **Yes** in **F12**: **Configuration**.



- 7. Select Service Tax ledger e.g. Service Tax @ 12%. Service Tax amount will be calculated and displayed automatically.
- 8. From **Amount** field, press **Enter** to view **TDS Nature of Payment Details** screen. In this screen, by default, the TDS Nature of payment selected in the Expense ledger will be displayed. Accept the default screen



Figure 2.124 TDS Nature of Payment Details



Selection of **TDS Nature of Payment** is must as Tax to be deducted at Source even on the **Service Tax** and **Cess** portion.

- 9. Select Education Cess ledger e.g. Education Cess @ 2%. Education Cess amount will be calculated and displayed automatically.
- 10.From **Amount** field, press **Enter** to view **TDS Nature of Payment Details** screen. In this screen, by default, the TDS Nature of payment selected in the Expense ledger will be displayed. Accept the default screen
- 11.Select Secondary Education Cess ledger e.g. **Secondary Education Cess @ 1%**. Secondary Education Cess amount will be calculated and displayed automatically.
- 12.From **Amount** field, press **Enter** to view **TDS Nature of Payment Details** screen. In this screen, by default, the TDS Nature of payment selected in the Expense ledger will be displayed. Accept the screen
- 13.Under Particulars, select TDS ledger TDS- Professional Charges to view the TDS Details screen. TDS Details screen displays the reference, bill name, Nature of payment Assessable Value (Service Amount + Service Tax Amount) with the TDS Amount.



				TDS Detai	ls		
Type of	Name			Nature of Payme	nt	Assessable	TDS
Ref						Amount	Amount
		_					
New Ref	Purc / 7-1_	Fee	s for P	rofessional Or Tech	nical Services	94,527.00 Cr	9,453.00 Cr
Inco	ome lax	10 %	On	94,527.00 Cr	9,453.00 Cr		
Sun	charge	0%	On	9,452.70 Cr			
Edu	cation Cess	0%	On	9,453.00 Cr			
2600	ndary Education Cess	0 %	On	9,455.00 07			
						· · · · · · · · · · · · · · · · · · ·	
				Assessable A	mount = Servi	ce Amount + S	ervice Tax
				94,527 = 84,120	8.70 + 10,398.30	) (10,095.44+20	1.91+100.95)
						A . 7	· · ·
	Total					94.527.00 Cr	9.453.00 Cr

Figure 2.125 TDS Details

- 14.TDS Deducted will be displayed with Negative sign.
- 15. Provide the Bill Details as shown

	Bill-wise Details for : Sampath Associates Upto: ₹ 85,074.00 Cr					
Type of Ref	Name	Due Date, or Credit Days (wef: 24-Sep-2012)	Amount	Dr/ Cr		
New Ref	SA/526		94,527.00	Cr		
New Ref	SA/526		9,453.00	Dr_		
(Note: 'Breakir	ng of above bills he	elps to identify the original	bill amount in	the		
outstanding st	atement j		85.074.00	Cr		
				-		

Figure 2.126 Bill-wise Details

16. On accepting the **Bill-wise Details** screen, Tally.ERP 9 displays **Service Tax Realisation for TDS Deducted Amount** screen



17.If you want to consider the **TDS deducted amount** as the **Realised amount for Service Tax Bill**, you can select the **Tax Bill**. Based on the Tax Bill selected, the Type of Service, Category and TDS portion of **Rs. 9453** which is considered as realised will be displayed

Type of Name Ref.	Type of Service	Category	Realise Amour
Agst Ref Purc/7-1	Input Credit	Taxable Service	9,453.0
Service Tax Ed Cess Sec Ed Cess	<ul> <li> 12 % (On Assessable Value 2 % (On Tax Value 1 % (On Tax Value </li> </ul>	8,413.08) 1,009.57 1,009.57) 20.19 1,009.57) <u>10.10</u> <u>1,039.86</u>	

Figure 2.127 Realisation Details Screen

The completed **Purchase Voucher** is displayed as shown



Figure 2.128 Completed Purchase Voucher

18.Press **Enter** to Save.



# 2.22 Tax on Service Purchased (GTA etc.)

When a Goods Transport Agency (GTA) is hired by you for transporting raw material or finished goods or any other purpose relevant to business, liability to pay the Service Tax on the transport service received will be on the service receiver.

As per Service tax Rules, Services provided by a GTA in relation to transportation of goods is leviable to Service Tax under GTA service [section 65(105)(zzp)]. Service tax for the GTA service provided is payable only on 25% of the amount charged for providing the GTA service and the balance amount is exempt from levy of Service Tax.

## Service Input Credit on Services Purchased

- If the Service Receiver pays the Service tax on the gross amount of GTA services received, he will be eligible to avail the input credit of the tax paid on the services purchased.
- □ If the Service provider opts for 75% abatement and pays the Service Tax on 25% of the Gross Amount GTA services received, then No Credit will be available.

Tally.ERP 9 facilitates the recording of purchase of services from Goods Transport Agency (GTA) and calculation of Service Tax payable.

## Example 28:

On September 25, 2012 Crystal Services (P) Ltd. purchased Transportation services from SR Road Lines for Rs. 40,000.

On the same day payment was made to the transporter and Service Tax liability towards goods transport was raised.

To account the above transaction follow the steps given below

- 1. Create Masters
  - i. Service Provider Ledger
  - ii. Expense Ledger
- 2. Record the Transaction in Purchase Voucher (to account the expenses)
- 3. Record the Payment Voucher (to account the payment to the service provider)
- 4. Record a Journal Voucher (to raise Service Tax liability)

#### 1. Create Masters

i. Service Provider Ledger

Ledger	Under	ls Service Provider/Receiver	Set/Alter Service Tax Details
SR Road Lines	Sundry Creditors	Yes	Yes

To create the service provider ledger

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

1. Enter the Name of the service provider ledger e.g. SR Road Lines.



- 2. Select **Sundry Creditors** from the List of Groups in the **Under** field.
- 3. Set the option Is Service Provider/Receiver to Yes.
- 4. Set the option **Set/Alter Service Tax Details** to **Yes** and press **Enter** to view **Service Tax Details** screen
- 5. In Service Tax Details screen, enter the
  - **Registration Number** and **Date of Registration**: In this field, enter the Service Tax Registration number if available otherwise skip the fields.
  - **Type of Classification**: In this field, select the classification **Tax on Service Received** from the list of **Classifications**.



Figure 2.129 Service Tax Details Screen

6. Enter **Mailing Address** and **Tax information** and press **Enter** to accept the Ledger Creation screen.

#### ii. Expense Ledger

Ledger	Under	Is Service Tax Applicable	Default Service Category
Freight Expenses	Direct Expenses	Yes	Taxable Service

The completed **Freight Expenses ledger** is displayed as shown below

Ledger Creation	Crystal Serv	ices (P) Ltd	
Name Ereight Expenses			Total Op. Bal.
(alias) :			
· · ·			10,00,000.00 Dr
			18,540.00 Cr
			Difference
			9,81,460.00 Dr
Under	: Direct Expenses	Mailing Det	ails
onder	. Breet expenses	Address :	
		Address .	
Inventory values are affected	7 NO		
		State :	
		PIN Code :	
statut	ory information		
Is Service Tax Applicable	7 Yes		
Delauri Service Category	. Taxable Service	Tax Informa	tion
		Sales Tax No. :	
		CST No. :	
			Account 2
			Accept ?
	Opening Balance ( on 1-Apr-2012) :		Yes or No
			ICS OF NO

Figure 2.130 Freight Expenses Ledger Creation screen



## 2. Record the Transaction in Purchase Voucher (to account the expenses)

Go to Gateway of Tally > Accounting Voucher > F9: Purchase (Account Invoice Mode)

- 1. Press F2 and change the date to 25-09-2012
- 2. In the Party's A/c Name field, select SR Road Lines
- 3. Under **Particulars**, select **Freight Expenses** ledger and press **Enter** to view Service Tax Details screen
- 4. In Service Tax Details screen,
  - □ In the Type of Ref field, select New Ref from the Method of Adjustment.
  - In the Name field, accept the default reference Number displayed Purc/8-1 which can be changed by the user.
  - □ In the **Type of Service** field, based on the **type of classification** defined in the party ledger, by default, **Tax on Service Received** will be defaulted.
  - In the Category field for Type of Service Tax on Service Received, Taxable Service will be defaulted.
  - □ In the Service Amount field, enter the service amount of Rs. 40,000
  - In the Amount (Incl. of Tax) field, the amount specified in the Service Amount field will be taken as Amount inclusive of taxies on transport services. The Service Tax liability is on the service receiver and not on the provider. So service Tax will not get calculated.

	Service Tax Details for : Freight Expenses						
Type of	Name	Type of	Category/Service	Service	Amount		
Ref		Service		Amount	(Incl. of Tax)		
	D (0.4			10,000,00	10 000 00		
New Ret	Purc/8-1	Tax on Service Received	Taxable Service	40,000.00	40,000.00		
				40,000.00	40,000.00		

Figure 2.131 Service Tax Details Screen

- 5. Accept the Service Tax Details screen
- 6. Enter the bill details. Select Type of Ref as New Ref and Bill name as SR/865/11-12



Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M ×
Purchase No. 8		25-Sep-2012
Supplier Invoice No. :	Date :	Tuesday
Party's A/c Name : SR Road Lines		
Destinutes	Dete	
Particulars	Kate	per Amount
Freight Expenses		40,000.00
Narration:		Accept ?
		Yes or No

#### The completed Purchase Voucher is displayed as shown

Figure 2.132 Completed Purchase Voucher

7. Press Enter to Save.

#### 3. Record the Payment Voucher (to account the payment)

The liability of tax towards Service received will arise only on payment to the service provider.

1. Record the Payment to the party against the bill SR/865/11-12 (Tax bill Purc/10-1 dated 25-09-2012)

Accounting Voucher Creation	Crystal Services (P) Lte	d.	Ctrl + M 🗙
Payment No. 4			25-Sep-2012 Tuesday
			,
Particulars			Debit Credit
Dr SR Road Lines			40,000.00
Cur Bal: 0.00 Dr	Dr		
Agst Net Skybos 11-12 40,000.00 Cr Canara Bank Cure Bal: 00.266.00 Dr			40,000.00
SR Road Lines	Cheque	40,000.00	
Cheque Range : J Not Applicable Bank Date :	Inst. No.: 748595	Inst. Date : 25-Sep-2012	Cross Using : A/c Payee
Narration:			40,000.00 40.000.00
			Accept ?
			Yes or No

Figure 2.133 Completed Payment Voucher



2. Press **Enter** to save.

## 4. Record a Journal Voucher (to raise Service Tax liability)

To account Service Tax on Goods transported, ensure that the Voucher Class is created in Journal Voucher.

To record Journal Voucher

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

- 1. In Change Voucher Type screen, in Class field select Service Tax Adjustments from Voucher Class list
- 2. Press F2 and change the date to 25-09-2012
- 3. In Used for field, select Tax on Service Received from the list of Service Tax Adjustments

Accounting Voucher Creation 0	Crystal Services (P) Ltd.	Ctrl + M 🛛
Journal No. 7 Vo	ucher Class : Service Credit Adjustment	25-Sep-2012
	Used for: Tax on Service Received	Tuesday
	Gentles Tex A directived	
Particulars	Service Tax Adjustments	Credit
Cr	Advance Tax Paid Rule 6(1A) Adjustment Availing Input Credit CENVAT Adjustment Excess Service Tax Paid earlier Rule 6(4A) Adjustment Input Credit Adjustments Money Equivalent of Consideration Opening Balance Refund of Service Tax Input Credit Reversal of Utilised Input Credit Service Consideration Adjustments Tax on Import of Service Tax on Service Received Tax Paid but service not rendered Rule 6(3) Adjustment	
Narration:		

Figure 2.134 Selection of Service Tax Adjustment Flag

- 4. Press Enter to view Service Tax Liability screen to calculate Service Tax.
- 5. In Service Tax Liability screen
  - In Till Date, by default, the Voucher Date 25-09-2012 will be displayed. In this field, the user can mention the date to consider the goods transport services purchased till the date specified in the till date field.



In Service Category field, select the service purchased - Taxable Service from the List of Service Categories



You can select the option **Any** to consider all those service categories which are received on which service receiver is liable to compute the Service Tax liability.

 Set the option Avail Input Credit to Yes to consider the Service Tax amount paid towards the transport services purchased as input credit availed.



As per CENVAT Credit Rules, **Input Credit of Service Tax paid** by the **service receiver on GTA Services** will be available **only if the service receiver is a taxable service provider**.

- If the option Avail Input Credit is set to Yes the Service Tax paid will be eligible to Avail Input Credit and on payment of Tax to the government details will be displayed in Input Credit Summary report.
- □ If the option Avail Input Credit is set to No the Service Tax paid will be considered as a Expense.

Crystal Services (P) Ltd. has opted to avail input credit on the Service Tax paid on the GTA services.

In Party Ledger field, select the party from services are imported - SR Road Lines from the List of Ledger Accounts.

Tax	x on Service R	Received	Cryst	al Services (P) Ltd.	Ctrl + M
					List of Ledger Accounts
					ived <sup>J</sup> Any
					SR Road Lines
Cr					
			Ser	vice Tax Liability	
			Till Date	: 25-9-2012	
			Service Category	: Taxable Service	
			Avail Input Credit	: Yes	
			Party Ledger	SR Road Lines	
			Output Ledgers		
			Input / Expense Ledgers		
Nam					

Figure 2.135 Service Tax Liability Screen





You can select the option **Any** to consider all those parties from whom the GTA services are received/purchased to compute the Service Tax liability.

- In Output Ledgers section, select
  - Service Tax @ 12% to account Service Tax
  - Education Cess @ 2% to account Education Cess
  - Secondary Education Cess @ 1% to account Secondary Education Cess



In **Output Ledgers** section Service Tax ledgers are selected to **compute** (calculate) and **create** the Service Tax liability (to be payable) on the GTA Services Purchased.

- In Input /Expense Ledgers section, select
  - Service Tax @ 12% to account Service Tax
  - Education Cess @ 2% to account Education Cess
  - Secondary Education Cess @ 1% to account Secondary Education Cess



Figure 2.136 Completed Service Tax Details Screen





If the assessee has opted to avail credit on tax paid on GTA services purchased/ received, in **Input/Expenses Ledgers** section the **Tax ledgers** are selected to transfer the computed tax liability as Input Credit

If the assess has not opted to avail the credit and has set the option **Avail CENVAT Credit** to **No** then the Tally.ERP 9 will display the **list of Expense ledgers** in Input / Expense Ledgers section to consider the tax paid on GTA services purchased/ received as Expense.

6. On accepting the Service Tax Liability screen, Tally.ERP 9 Auto fills the details in Journal Voucher

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🛛
Journal No. 7	Voucher Class : Service Credit Adjustment	25-Sep-2012
		Tuesday
	Used for: Tax on Service Received	
Particulars	Debit	Credit
		<u>oroun</u>
Dr Service Tax @ 12%	4,800.00	
Cur Bal: 2,28,584.52 Cr		
Dr Education Cess (2) 2%	96.00	
Dr Secondary Education Cess @ 1%	48.00	
Cur Bal: 2,285.85 Cr		
Cr Service Tax @ 12%		4,800.00
Cur Bal: 2,28,584.52 Cr		00.00
Cur Bal: 4 571 68 Cr		96.00
Cr Secondary Education Cess @ 1%		48.00
Cur Bal: 2,285.85 Cr		
Narration:	4,944.00	1 944 00
		Accept ?
		Yes or No

Figure 2.137 Completed Journal Voucher

7. Press Enter to Save.



On payment of **Service tax to the Government**, the tax paid towards GTA services will be displayed in Input Credit Summary Report

To view the Input Credit Summary report,

Go to Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Input Credit > Summary

# 2.23 Advance Service Tax Payment and Adjust Advance Service Tax Towards the Tax Liability

As per Rule 6 sub-rule (1A), all the taxable persons can pay Service Tax in advance. Service Tax paid in advance is allowed to be self-adjusted towards Service Tax liable to be paid for the subsequent period.

Advance Service Tax payment transactions can be accounted in Tally.ERP 9. The advances paid to the government can be adjusted against the Tax payable for any period.

## 2.23.1 Advance Payment of Service Tax

## Example 29:

On September 29, 2012 Crystal Services (P) Ltd. paid Advance Service Tax of Rs. 15,000 to the Government towards Event Management Service.

#### **Record the transaction in Payment Voucher**

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

Set up:

In F12: Payment Configuration

- Set the option Use Single Entry mode for Pymt/Rcpt/Contra to Yes
- 1. Press F2 and change the date to 29-09-2012
- 2. In Account field, select the bank ledger Canara Bank
- 3. Under **Particulars**, select **Service Tax @ 12%** and press **Enter** to view Service Tax Details screen
- 4. In Service Tax Details screen,
  - □ In the Type of Ref field, select Advance as the Method of Adjustment
  - In the Name field, application displays the reference number, which is a combination of abbreviation of Payment and Voucher Number and Line Number (example: Pymt/5-1) which can be changed by the user.
  - In the Category field, select the service category towards which the Service Tax advance payment is made. select Taxable Service from the List of Service Categories.



Type of Ref.	Name	Category/Service	Amount
Advance	Pymt/5-1	Taxable Service	15,000.00
			15,000.00

□ In the Amount field, enter the amount paid as advance. Enter Rs. 15,000

Figure 2.138 Service Tax Details Screen

- 5. Set the option Provide Details to Yes to enter Service Tax Payment Details
- 6. In Service Tax Payment Details screen,
  - **From and To:** In this field, enter the period as 1-9-2012 to 30-9-2012
  - **Cheque/DD No**: In this field, the user can enter either the cheque or the DD No through which the Service Tax payment is made. In this transaction, payment is made through cheque. Mention the cheque number as **857152**.
  - Name of the Bank: In this field, mention the Name of the Bank through which the tax amount is paid to the Government. Select Canara Bank from the List of Banks.

In this field Tally.ERP 9 displays the List of Banks which lists all the banks which are already created to carry out the regular business, option (New Name) to create new Bank and the option Not applicable if the payment is made by Cash.



**New Name** will be selected when the **authorised bank** through which the payment is made is different from the regular bank where the deposit account is maintained. The **Bank name** created here will not be available under the **List of Ledgers**.

Bank Account Number: Enter the bank account number in this field.



#### Branch Name: Enter the bank Branch name in this field.



**Bank Account Number** and **Branch Name** details will be defaulted automatically, if the user selects the bank which is already created to carry out the regular business in the Name of Bank field. User can change such defaulted details.

- **Cheque Date**: If the payment is made through cheque, enter the cheque date in this field.
- **Challan No**.: In this field, enter the Service Tax payment Challan number.

If the Service Tax payment challan details are not available at the time of recording the Service Tax payment entry, such details can be updated by altering the payment voucher.

- **Challan Date**: Enter the Challan Date.
- ePayment Number: If you are making an ePayment, enter ePayment number in this field.
   If cheque Number is not specified, then the cursor will move to this field otherwise application slips this field

Service Tax Payment Details				
From	: 1-Sep-2012			
То	: 30-Sep-2012			
(Note : This Payment Belo	ongs to the Above Period)			
Cheque / DD.No.	: 857152			
Name of Bank	: Canara Bank			
Bank Account No.	: 00659878754			
Branch Name	: BTM			
Cheque Date	: 30-Sep-2012			
Challan No.	: 569874			
Challan Date	: 30-Sep-2012			
ePayment No.	:			
(Note : All the Above Details Will Be Used in Challan, Forms & Returns)				

Figure 2.139 Service Tax Payment Details Screen

7. In Bank Allocation Screen, enter the details as shown

Bank Allocations for : Canara Bank				
Favouring Name	For: 1: Transa	ction Type	Amount	
Bangalore I Commissionerate Cheque Range: <sup>J</sup> Not Applicable	Chequ Inst. No.: 857152	e Inst. Date: 29-Sep-2012	15,000.00 Cross Using: A/c Payee	

Figure 2.140 Bank Allocation screen



Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🗙
Payment No. 5		29-Sep-2012
		Saturday
Account : Canara Bank		
Cur Bal: 75,266.00 Dr		
Particulars		Amount
Service Tax @ 12%		15.000.00
Cur Bal: 2,08,784.52 Cr		,
Provide Details : Yes		
Narration:		15 000 00
		Accept ?
		Yes or No

#### The completed **Payment Voucher** is displayed as shown

Figure 2.141 Completed Payment Voucher

8. Press Enter to Save.

#### 2.23.2 Adjustment of Advances against the Tax Liability

## Example 30:

On September 29, 2012 Crystal Services (P) Ltd. adjusted Service Tax Liability of Rs. 7951.23 (Tax bill- Sale/6-2 dated 14-9-2012) towards advances (Pymt/5-1 dated 29-9-2012).

#### **Record the transaction in Journal Voucher**

To Adjustment of Advance Service tax against the Tax Liability, ensure that Voucher Class is created in Journal Voucher.

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

- 1. In Change Voucher Type screen, in Class field select Service Tax Adjustments
- 2. Press F2 and change the date to 29-09-2012
- 3. In the **Used for** field, select **Advance Tax Paid Rule 6(1A) Adjustment** from the list of Service Tax Adjustments

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🗙
Journal No. 8	Voucher Class : Service Credit Adjustment	29-Sep-2012 Saturday
	Used for: Advance Tax Paid Rule 6(1A) Adjustment	
Particulars	Service Tax Adjustments	Credit
Dr	Advance Tax Paid Rule 6(1A) Adjustment Availing Input Credit CENVAT Adjustment Excess Service Tax Paid earlier Rule 6(4A) Adjustment Input Credit Adjustments Money Equivalent of Consideration Opening Balance Refund of Service Tax Input Credit Reversal of Utilised Input Credit Service Consideration Adjustments Tax on Import of Service Tax on Service Received Tax Paid but service not rendered Rule 6(3) Adjustment	
Narration:		

Figure 2.142 Selection of Service Tax Adjustment Flag

- 4. In the **Debit** field, select Service tax Ledger **Service Tax @ 12%** (to adjust the service Tax liability against the advances) and press **Enter** to view Service Tax Details screen
- 5. In Service Tax Details screen,
  - □ In the Type of Ref field, select Agst Ref
  - □ In the Name field, select Sale/6-2 dated 14-9-2012 from the Pending Tax Bills
  - □ In the Category field, Taxable Service will be defaulted based on the tax bill selected



 The Service Tax amount of the bill selected will be displayed in Amount field. Depending on the advance adjusted you can alter the amount. For the tax bill - Sale/6-2 tax liability is 7951.23 and entire 7951.23 is adjusted against the advance.



Figure 2.143 Service Tax Details Screen

- 6. In the **Debit Amount** field, tax amount **Rs.7951.23** will be displayed
- 7. In the **Credit** field, select the Service tax Ledger **Service Tax @ 12%** (adjust the advances) and press **Enter** to view Service Tax Details screen.
- 8. In Service Tax Details screen,
  - In the Type of Ref, field select Agst Ref
  - □ In the Name field, select Pymt/5-1 dated 29-9-2012 from the Pending Tax Bills
  - □ In the **Category** field, **Taxable Service** will be defaulted based on the tax bill selected



The Service Tax amount of the bill selected will be displayed in Amount field. Depending on the advance adjusted you can alter the amount. For the tax bill - Pymt/5-1 advance adjusted is 7951.23. Enter Rs. 7951.23 in Amount field.

	Se	rvice Tax Details for : Service Tax @ 12%	
Type of Ref.	Name	Category/Service	Amount
Agst Ref	Pymt/5-1	Taxable Service	7951.23
		-	15,000.00

Figure 2.144 Service Tax Details Screen

9. Set the option **Provide Details** to **Yes** and specify the period for which the advances are adjusted in Service Tax Payment Details screen.



Figure 2.145 Service Tax Payment Details Screen



J	Accounting Voucher Creation	Crystal Serv	ices (P) Ltd.		Ctrl + M 🛛 🗙
	Journal No. 8	Voucher Class :	Service Credit Adjustment		29-Sep-2012
			Used for: Advance Tax Paid Rule 6(1A) Adjustment		Saturday
	Particulars			Debit	Credit
	Dr Service Tax @ 12%			7,951.23	
	Cr Service Tax @ 12% Cur Bal: 2,08,784.52 Cr				7,951.23
	Provide Details : Yes				
	Narration:			7,951.23	7 051 23
					Accept ?
					es or No

## The completed Journal Voucher is displayed as shown



10.Press Enter to Save.



# 2.24 Accounting CENVAT Credit Adjustments

As per CENVAT Credit rules, credit available on Inputs/Capital goods (CENVAT Credit) can be adjusted towards the Service tax Liability. Similarly the Service input Credit can be adjusted towards Duty Payable.

#### Example 31:

On October 1, 2012 Crystal Services (P) Ltd. had CENVAT Credit

Basic Excise Duty - Rs. 18,000

Education Cess - Rs. 360

Secondary Education cess - Rs. 180, on purchase of 1,50,000 Pet Bottles (input) @ 1 per bottle from Tega Manufacturers dated 29-9-2012. CENVAT credit is adjusted towards Service tax bill Sale/5-1

If the user is using **Excise for Manufacturer Module of Tally.ERP 9**, follow the below mentioned procedure to record the purchase voucher to account excise duty and later adjust CENVAT credit towards Service Tax.

To account the above transaction follow the steps given below

- 1. Record the transaction in Excise Purchase Voucher
- 2. Create Voucher Class in Journal Voucher
- 3. Record the transaction in Journal Voucher (to adjust CENVAT Credit)

#### 1. Record the transaction in Excise Purchase Voucher

To record Excise Purchase voucher, ensure Excise Manufacturer feature is enabled, CENVAT Ledgers, Tariff Classification, Stock Item and Voucher Types are created. For more details on Excise for Manufacturer please refer - Excise for Manufacturer module in Help file or Implementation Guide available in the Tally Website.

#### To record Excise Purchases

Go to Gateway of Tally > Accounting Vouchers > F9: Purchase (select Excise - Purchase)



Accounting Voucher Creation Crystal Ser	vices (P) Ltd.	Ctrl + M 🛛
Excise Purchase No. 1		1-Oct-2012
Supplier Invoice No. : Date :		Monday
Excise Unit : Crystal Services (P) Ltd.		
Party's A/c Name : Tega Manufacturers		
Nature of Purchase: Manufacturer		
Purchase Ledger Purchases @ 5%		
VAT/Tax Class : Purchases @ 5%		
Name of Item	Quantity Rate	per Amount
Pet Bottles	1,50,000 btle 1.00	btle 1,50,000.00
Rate of Duty : 12%		
Basic Excise Duty (CENVAT)	12	% 18.000.00
Education Cess (CENVAT)	2	% 360.00
Secondary Education Cess (CENVAT)	1	% 180.00
Input VAT @ 5%	5	% 8,427.00
Show Statutory Details ? Yes		
Narration:	1,50,000 btle	Accept ?
		Yes or No

#### Record the Excise - Purchase as shown below

Figure 2.147 Completed Excise-Purchase Invoice

D Press Enter to Save.



**CENVAT Credit** on the above transaction is availed while booking the purchases by selecting CENVAT ledgers.

#### 2. Create Voucher Class in Journal Voucher

To adjust the CENVAT Credit availed towards the Service Tax liability it is necessary to create a separate voucher class in Journal voucher.

To create voucher class in Journal Voucher

Go to Gateway of Tally > Accounts Info. > Voucher Types > Alter > In Select Item screen select Journal

- In Voucher Type Alteration screen, Tab down to Name of Class field and enter the class name as CENVAT Adjustment
- In Voucher Type Class screen,
  - Set the option Use Class for Excise /CENVAT Adjustments to Yes



Voucher Type Cla	ss Crystal Services (P) Ltd.	Ctrl + M 🗙
Name : Jour	Class : CENVAT Adjustment	
(alias) :	Use Class for VAT Adjustments ? No	
	Use Class for Excise / CENVAT Adjustments ? Yes_	
	Use Class for Service Tax Adjustments ? No	
	Ledger account to use	lame of Class
Type of Voucher	Ledger Name	e Credit Adjustment
Abbr.		AT Adjustment
Method of Voucher N		

Figure 2.148 Voucher Type Class Screen

Press Enter to save Voucher Type Class screen and Voucher Type Alteration screen.

## 3. Record the transaction in Journal Voucher (to adjust CENVAT Credit)

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

- 1. In Change Voucher Type screen, select CENVAT Adjustment in Class field.
- 2. Press F2 and change the date to 01-10-2012
- 3. In Used for field, select CENVAT Adjustment from the list of Excise Adjustments

Accounting Voucher Creation Journal No. 9	Crystal Services (P) Ltd. Voucher Class : CENVAT Adjustment	Ctrl + M ⊠ 1-Oct-2012 Monday
Excise Unit :	Used for: CENVAT Adjustment Excise Adjustments	
Particulars	Adjustment towards Advance Duty Paid	Debit Credit
Dr	CENVAT Adjustment CENVAT Refund/Reversal Excise Duty on Movements of Stocks	

Figure 2.149 Selection of CENVAT Adjustment Flag

- 4. In the Excise Unit field, select Crystal Services (P) Ltd.
- 5. In the **Debit** field, select **Service Tax @ 12%** ledger
- 6. In the Service Tax Details screen,
  - In the Type of Ref field, select Agst Ref
  - □ In the Name field, select Sale/5-1 from Pending Tax Bills



 On selecting the bill the Service Category and Tax pending for payment Rs. 1,20,000 will be defaulted. Enter Rs. 18,000 in Amount field (the amount which is adjusted against the CENVAT credit)

	Servi	ce Tax Details for : Service Ta	ax @ 12%
Type of Ref.	Name	Category/Service	Amount
Agst Ref	Sale/5-1	Taxable Service	18,000.00

Figure 2.150 Service Tax Details Screen

- 7. In the Debit field, select Education Cess @ 2% ledger
- 8. In Service Tax Details screen,
  - In the Type of Ref field, select Agst Ref
  - □ In the **Name** field, select **Sale/5-1** from Pending Tax Bills
  - On selecting the bill the service category and tax will be defaulted. Enter Rs. 360 in Amount field
- 9. In the Debit field, select Secondary Education Cess @ 1% ledger
- 10.In the Service Tax Details screen,
  - In the Type of Ref field, select Agst Ref
  - □ In the Name field, select Sale/5-1 from Pending Tax Bills
  - On selecting the bill the service category and tax will be defaulted. Enter Rs. 180 in Amount field
- 11. In the Credit field, select Basic Excise Duty (CENVAT) ledger
- 12. In the Excise Duty Allocation screen,
  - In Type of Ref, select Agst Ref
  - □ In the Name field, select the tax bill -1/1-2012
  - Based on the bill selected, **Amount** will be defaulted accept the details displayed.

Duty Details for : Basic Excise Duty (CENVAT)			
Type of Ref	Name	Amount	Dr/Cr
Agst Ref 1 / 1	-2012	18,000.00	Cr

Figure 2.151 Duty Details Screen

13.In the **Credit** field select **Education Cess (CENVAT)** ledger 14.In the **Excise Duty Allocation** screen,



- In the Type of Ref, select Agst Ref
- □ In the Name field, select the tax bill -1/1-2012
- Based on the bill selected, Amount Rs. 360 will be defaulted.

15.In the Credit field, select Secondary Education Cess (CENVAT) ledger

16.In the Excise Duty Allocation screen,

- In the Type of Ref, select Agst Ref
- □ In the Name field, select the tax bill -1/1-2012
- Based on the bill selected, Amount Rs. 180 will be defaulted.

#### 17.Set the option Provide Details to Yes to provide Adjustment Details for Excise.



Figure 2.152 Adjustment Details Screen

#### The completed **CENVAT Adjustment** Journal Voucher is displayed as shown

Accounting Voucher Creation	Crystal Services (P) Ltd.		Ctrl + M 🗙
Journal No. 9	Voucher Class : CENVAT Adjustment		1-Oct-2012 Monday
	Used for: CENVAT Adjustment		
Excise Unit : Crystal Services (P) Ltd.			
Particulars		Debit	Credit
Dr Service Tax @ 12%		18,000.00	
Cur Bai: 1,90,764.52 Cr Dr Education Cess @ 2%		360.00	
Dr Secondary Education Cess @ 1%		180.00	
Cr Basic Excise Duty (CENVAT) Cur Bal: 0.00 Cr			18,000.00
Cr Education Cess (CENVAT)			360.00
Cr Secondary Education Cess (CENVAT) Cur Bal: 0.00 Cr			180.00
Provide Details : Yes			
Narration		18 540 00	18 540 00
Handdon.		10,340.	Accept ?
			res or No

Figure 2.153 Completed CENVAT Adjustment Journal Voucher

18.Press Enter to Save.



# 2.25 Payment of Interest and Penalties

As per Section 75, Interest is payable @ 13% p.a. on all the short or non-payment of Service Tax. Tally.ERP 9 allows the user to record the Interest payment entries.

## Example 32:

On September 27, 2012 Crystal Services (P) Ltd. sold Event Management Services to Ram Agency for Rs. 33,708 (inclusive of tax) Bill No. CS/365

On October 3, 2012 Crystal Services (P) Ltd. paid, Service tax of Rs. 3,600 on tax bill Sale/10-1 Education Cess of Rs. 72 on Tax bill Sale/10-1 Secondary Education Cess of Rs. 36 on Tax bill Sale/10-1 Arrears of Rs. 5,000 (towards Taxable services) Interest of Rs. 800 (towards Taxable services)

To account the above transaction follow the steps given below

- 1. Record the transaction in Sales Voucher
- 2. Create Masters
- i. Arrears Ledger
- ii. Interest Ledger
- 3. Record the transaction in Payment Voucher

## 1. Record the transaction in Sales Voucher (Account Invoice Mode) Go to Gateway of Tally > Accounting Vouchers > F8: Sales

- 1. Press Alt+I or click on I: Account Invoice if the voucher is in Item invoice mode
- 2. Press F2 and change the date to 27-09-2012
- 3. In the Party's A/c Name field, select the service receiver e.g. Ram Agency
- 4. Under **Particulars**, select the Service (sales) Ledger e.g. **Sale Event Mgt Services** and press **Enter** to view **Service Tax Details** screen
- 5. In Service Tax Details screen
  - Type of Ref.: Select New Ref from the method of Adjustment. Tally.ERP 9 displays Two Methods of Adj viz., Agst Ref and New Ref. New Ref is selected for new Financial Transactions. Where as, Agst Ref is selected to setoff the advance payments made.
  - Name: This field displays the Reference Number for the Service Tax calculation. The default Reference Number displayed, is a combination of abbreviation of Sales, Voucher Number and Line Number Example: Sale/10-1 which can be changed by the user. Service Tax payments are tracked with these Reference Numbers.



- Type of Service: Based on the Type of Classification selected in the Service Receiver ledger, Type of Service will be defaulted (displayed). By default, Taxable is displayed and Tally.ERP 9 skips the field.
- Category: Based on the service Category selected in the Sales Ledger, category will be defaulted (displayed). By default, Taxable Service is displayed and Tally.ERP 9 skips the field.
- **Amount (Incl. of Tax)**: In this field, enter the amount inclusive of **Service Tax -** Rs. 33,708
- D The Service Amount will be defaulted automatically.
- 6. Under **Particulars**, select Service Tax ledger e.g. **Service Tax @ 12%**. Service Tax amount will be calculated and displayed automatically.
- 7. Under **Particulars**, select Education Cess ledger e.g. **Education Cess @ 2%**. Education Cess amount will be calculated and displayed automatically.
- Under Particulars, select Secondary Education Cess ledger e.g. Secondary Education Cess @ 1%. Secondary Education Cess amount will be calculated and displayed automatically.
- 9. In Bill-wise Details screen
  - In Type of Ref field select New Ref
  - □ In Name field enter the Bill name CS/365
  - **Amount** will be defaulted automatically
- 10.Enter Narration, if any.

The completed Sales Voucher is displayed as shown

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🛛
Sales No. 10 Ref. :		27-Sep-2012 Thursday
Party's A/c Name : Ram Agency Current Balance : 1,13,596.00 Cr		
Particulars	Rate	per Amount
Sale - Event Mgt Services Service Tax @ 12% Education Cess @ 2% Secondary Education Cess @ 1%		30,000.00 3,600.00 72.00 36.00
Is e-Sugam Applicable ? No	0	
Narration:		Accept ?
		Yes or No

Figure 2.154 Completed Service Sales Voucher

11.Press Enter to save.

## 2. Create Masters

#### i. Arrears Ledger

Ledger	Under	Is Service Tax Applicable	Default Service Category
ST Arrears	Indirect Expenses	Yes	Taxable Service

#### ii. Interest Ledger

Ledger	Under	Is Service Tax Applicable	Default Service Category
ST Interest	Indirect Expenses	Yes	Taxable Service

As per the details provided in the table create the masters.

# 3. Record the transaction in Payment Voucher

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

- 1. Press F2 to change the date to 03-10-2012
- 2. In the Account field, select Canara Bank
- 3. Under Particulars, select Service Tax ledger Service Tax @ 12%
- 4. In the Service Tax Details screen,
  - In Type of Ref field, select Agst Ref
  - In the Name field, select Sale/10-1. Based on the bill selected, the category and the Amount will be defaulted. Accept the default details.

Service Tax Details for : Service Tax @ 12%			
Type of Ref.	Name	Category/Service	Amount
Arrest Def	C - I - 140 4	Taughta Candas	2 000 00
Agst Ref	Sale/10-1	laxable Service	3,600.00

- 5. Under Particulars, select Education Cess ledger Education Cess @ 2%
- 6. In the Service Tax Details screen,
  - □ In Type of Ref field, select Agst Ref
  - In the Name field, select Sale/10-1. Based on the bill selected, the category and the Amount will be defaulted. Accept the default details.
- Under Particulars, select Secondary Education Cess ledger Secondary Education Cess @ 2%
- 8. In the Service Tax Details screen,
  - □ In **Type of Ref** field, select **Agst Ref**
- 9. In the **Name** field, select **Sale/10-1**. Based on the bill selected, the category and the Amount will be defaulted. Accept the default details.



## 10.Under Particulars, select arrears ledger - ST Arrears

11.In Service Tax Payment Type screen, select Others as the payment type

Service Tax Payment Type	Crystal Services (P) Ltd.	Ctrl + M 🔀
Payment No. 9		
Account : Canara Bank Cur Bal: 8,07,097.84 Dr		
Particulars		
Service Tax @ 12% Cur Bal: 1.97.018.54.Cr		
Education Cess @ 2%		
Cur Bai: 4,240.30 Cr Secondary Education Cess @ 1% Cur Bai: 2,120.19 Cr ST Arrears		
Cur Bal: 5,000.00 Dr	Service Tax Payment Type         Service Tax Payment           Others         J Not Applicable Expenses           Others         Others	Type
Provide Details : No		
Narration:		3,708.00

Figure 2.155 Selection of Service Tax Payment Type

#### 12.In Arrears Details screen,

- In the Type of Ref field, select New Ref
- □ In the Type of Payment field, select Arrears from Nature of Payment list
- □ In the Category field, select Taxable Service from the List of Service Categories
- □ In the Amount field, enter Rs. 5,000

		Service Tax Details for : ST Arrears	
Type of Ref.	Type of Payment	Category/Service	Amount
New Ref	Arrears	Taxable Service	5.000.00
			0,000100

Figure 2.156 Arrears Details Screen

13.Under Particulars select interest ledger - ST Interest

14.In **Service Tax Payment Type** screen, select **Others** as the payment type 15.In the **Arrears Details** screen,

- In the Type of Ref field, select New Ref
- □ In the Type of Payment field, select Interest from Nature of Payment list
- □ In the Category field, select Taxable Service from the List of Service Categories


# □ In the Amount field, enter Rs. 800

		Service Tax Details for : ST Interest		
Type of Ref.	Type of Payment	Category/Service	Amount	
New Ref	Interest	Taxable Service		800.00

Figure 2.157 Service Tax Details Screen - Interest

16.Set the option **Provide Details** to **Yes** to provide Service Tax Payment Details

Service Tax Payment Details				
From	: 1-Sep-2012			
То	: 30-Sep-2012			
(Note : This Payment B	elongs to the Above Period)			
Cheque / DD.No.	: 586955			
Name of Bank	: Canara Bank			
Bank Account No.	: 00659878754			
Branch Name	: BTM			
Cheque Date	: 3-Oct-2012			
Challan No.	: 456847			
Challan Date	: 3-Oct-2012_			
ePayment No.	:			
(Note : All the Above Details Will Be Used in Challan, Forms & Returns)				

Figure 2.158 Service Tax Payment Details

17.In **Bank Allocations** screen, enter the **Favouring Name** details and in other field accept the default details



Accounting Voucher Creation	Crystal Services (P) Ltd. Ctrl + M
Payment No. 9	3-Oct-201
	Wednesda
Account : Canara Bank	
Particulars	Amoun
Service Tax @ 12% Cur Bal: 1 97 018 54 Cr	3,600.0
Education Cess @ 2%	72.0
Cur Bal: 4,240.36 Cr Secondary Education Cess @ 1%	36.0
Cur Bal: 2,120.19 Cr	
ST Arrears	5,000.0
ST Interest	800.0
Cur Bal: <b>1,600.00 Dr</b>	
Provide Details : Yes	
Nerretian	0.500.0
Narration:	
	Accept ?
	Yes or No

# The completed Payment Voucher is displayed as shown





# Print Preview of G.A.R.-7 Challan will be displayed as shown

For payments from April 2007 onwards	G.A.R7 Proforme	a for Service 1	ax Payments	(Receipts & Payment Rules 26)
Full Name Complete Address Telephone No. Assessee Code No. Commissionerate Name Commissionerate Code	C r y s t a 	S e r M . G . D D D	V i C e s ( R o o d ( C C C C C C C C C C C C C C C C C C C	( P ) . L t d 
Accounting Code of the Service 0 0 4 4 1 0 8 9 0 0 4 4 0 2 9 8 0 0 4 4 0 4 2 6 0 0 4 4 1 0 9 0 0 0 4 4 1 0 9 0	Amount Tendered in R	upees 6 0 0 7 2 3 6 0 0 0 8 0 0	RECEIVING	BANK BRANCH STAMP
(In words) Rupees Nine Thous	and Five Hundred Fight Onl			tendered by
Cash/Cheque/Draft/Pay Order No.	586955	Dated	3-Oct-2012 Draw	/n on Canara Bank
Accounting Code of the Service 0 0 4 4 1 0 8 9 0 0 4 4 0 2 9 8 0 0 4 4 0 4 2 6 0 0 4 4 1 0 9 0 0 0 4 4 1 0 9 0 Total		upees 6 0 0 7 2 3 6 0 0 0 8 0 0 5 0 0		YER'S COUNTERFOIL
Received from Assessee Code No		588P	S T 0 0 1	
(In words) Rupees Nine Thous	and Five Hundred Eight Onl	y.		
By Cash/Cheque/Draft/Pay Order No.	586955	Dated	3-Oct-2012 Draw	n on Canara Bank
on account of Union Service tax as	detailed in this taxpayer's	counterfoil and	on stamp affixed and	signed therein.

Figure 2.160 GAR 7 Challan



# 2.26 Accounting Adjustments under Rule 6(3)

The amount refunded for not providing the service for which Service Tax was paid on receipt of such money can be adjusted against the liability of the subsequent period U/S 6(3). This adjustment entry can be recorded in Journal using the voucher class by selecting Tax Paid but service not rendered Rule 6(3) Adjustment.

# Example 33:

On September 28, 2012 Crystal Services (P) Ltd. received Advance of Rs. 45,000 from Matrix Ad towards the Event Management Services to be provided.

On September 30, 2012 Crystal Services (P) Ltd. paid Service Tax on the advance received, to the Government.

On September 30, 2012 Matrix Ad cancelled the Services and Crystal Services (P) Ltd. paid the Advance received Rs. 45,000 (including the Service Tax paid to the Government)

On September 30, 2012 Crystal Services (P) Ltd. adjusted the Service Tax paid (Service Tax - Rs. 4805.98, Education Cess Rs. 96.12, Secondary Education Cess Rs. 48.06) on the services cancelled towards the tax liability of Sale/5-1 dated 10-9-2012.

To account the above transaction follow the steps given below

1. Create Masters

i. Suspense Account Ledger

- 2. Record the Receipt Voucher (to account advance received)
- 3. Record the Payment Voucher (to account tax payment to government)
- 4. Record the Journal Voucher (To account Service tax portion paid to the government)
- 5. Record Payment Voucher (To pay the balance to the party)
- 6. Record the Journal Voucher (To account adjust the tax paid on the cancelled services towards the tax liability)

# 1. Create Masters

#### i. Suspense Account Ledger

Ledger	Under	
Service Tax Paid to Government	Suspense A/c	

# 2. Record the Receipt Voucher (to account advance received)

# Go to Gateway of Tally > Accounting Vouchers > F6: Receipt

- 1. Press F2 and change the date to 28-09-2012
- 2. In the Account field, select Canara Bank
- 3. Select Matrix Ad under Particulars



4. In Service Tax Details screen, select Type of Ref as Advance, Name and Type of Service will be defaulted. In Category field select Taxable Services and in Amount (Incl. of Tax) specify Rs. 45,000. Tax will be calculated and displayed.

Service Tax Details for : Matrix Ad						
Type of Name	Type of	Category/Service	Amount	Service		
Ref	Service		(Incl. of Tax)	Amount		
Advance Rcpt/4-1	Taxable Tax	able Service	45,000.00	40,049.84		
Service Tax Ed Cess Sec Ed Cess	@ 12 % {On Asse @ 2 % (On Tax @ 1 % (On Tax	ssable Value 40,049.84 ) ( Value 4,805.98 ) ( Value 4,805.98 )_ =	4,805.98 96.12 <u>48.06</u> 4,950.16			

Figure 2.161 Service Tax Details Screen

- 5. In Bill-wise Details, select the Type of Ref as Advance and specify the bill Name as ADV 02
- 6. Select Service tax and Cess ledgers.
- 7. In Bank Allocations screen, enter Received From, Transaction Type, Instrument Number, Bank Name and Branch Details.

The completed Receipt Voucher is displayed as shown

Accounting Voucher Creation Crystal Services (P) Ltd.	Ctrl + M 🗙
Receipt No. 4	28-Sep-2012
	Friday
Account : Canara Bank	
Cur Bal: 1,14,466.00 Dr	
Particulars	Amount
Matrix Ad	40,049.84
Cur Bal: 4,24,372.16 Dr	
Advance ADV - 02 43,000.00 Cr Advance ADV - 02 4,950.16 Dr	
Service Tax @ 12%	4,805.98
Cur Bal: 2,00,390.50 Cr Education Cess @ 2%	96.12
Cur Bal: 4,307.80 Cr	
Secondary Education Cess @ 1% Cur Bal: 2 153 01 Cr	48.06
Narration:	45 000 00
	Accept 2
	Accept
	Yes or No

Figure 2.162 Completed Receipt Voucher



# 3. Record the Payment Voucher (to account tax payment to government)

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

- 1. Press F2 and change the date to 30-09-2012
- 2. In the Account field, select Canara Bank
- 3. Under Particulars, select Service Tax ledger Service Tax @ 12%
- 4. In Service Tax Details screen, select Agst Ref in Type of Ref field. In Name field select Rcpt/
   4-1 dated 28-09-2012. Based on the bill selected Category and Amount will be defaulted.

	Service Tax Details for : Service Tax @ 12%				
Type of Ref.	Name	Category/Service	Amount		
Agst Ref	Rcpt/4-1	Taxable Service	4,805.98		

Figure 2.163 Service Tax Details Screen

- Under Particulars, select Education Cess ledger Education Cess @ 2%. In Service Tax Details screen, select Agst Ref in Type of Ref field. In Name field select Rcpt/4-1 dated 28-09-2012. Based on the bill selected Category and Amount will be defaulted.
- 6. Similarly, select Secondary education Cess ledger and select the tax bill Rcpt/4-1 dated 28-09-2012
- 7. In Service Tax Payment Details screen, provide the Service Tax payments details.

The completed **Payment Voucher** is displayed as shown

30-Sep-2012
Sunday
Amount
4,805.98
96.12
50.12
48.06
4 950 16
A
Accept ?
es or No

Figure 2.164 Completed Payment Voucher



## 4. Record the Journal Voucher (To account Service tax portion paid to the government)

On cancellation of service contract, Service Tax amount already paid to the government is also returned to the party. To account such portion of tax paid to the government and adjust towards the amount payable to the party, an adjustment entry in Journal Voucher is recorded.

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

- 1. Press F2 and change the date to 30-09-2012
- 2. In the **Debit** field, select the control account created to account the tax already paid to government - **Service Tax Paid to Government** and mention **Rs. 4950.16** in **Amount** field.
- In the Credit field, select the party ledger Matrix Ad. Amount will be defaulted to Rs. 4950.16. In Bill-wise Details screen, select the Type of Ref as New Ref and reference Name as ADJ 01

The completed Journal Voucher is displayed as shown

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🗙
Journal No. 9	Voucher Class : <sup>J</sup> Not Applicable	30-Sep-2012
		Sunday
Particulars	Debit	Credit
Dr. Service Tax Paid to Government	4 950 16	
Cur Bal: 4,950.16 Dr	1,00010	
Cr Matrix Ad		4,950.16
Cur Bal: 4,19,422.00 Dr	4 050 16 Cr	
New Rel ADJ - 01	4,550.10 CI	
Narration:	4,950.16	4 950 16
		Accent 2
		Accept ?
	Y	es or No

Figure 2.165 Completed Journal Voucher



5. Record Payment Voucher (To pay the balance to the party)

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

- 1. Set the date to 30-09-2012
- 2. In the Account field, select Canara Bank
- 3. In the Particulars field, select Matrix Ad and press Enter
- 4. In the Amount field, enter Rs. 45000
- 5. In Bill-wise Details screen, select Agst Ref as Type of Ref and select the bill ADV 02 for Rs. 40,049.84 and ADJ 01 for Rs. 4950.16
- 6. In Bank Allocations screen, enter the Favouring Name, Transaction Type and Instrument Number details.

The completed Payment Voucher is displayed as shown

Accounting Voucher Creation		Crystal Services (P) Ltd.	Ctrl + M 🗙
Payment No. 7			30-Sep-2012
			Sunday
Account : Canara Bank			
Cur Bal: 04,515.84 Dr			0
Particulars			Amount
Matrix Ad			45.000.00
Cur Bal: 4,64,422.00 Dr			,
Agst Ref ADV - 02	40,049.84 Dr		
Agst Ref ADJ - 01	4,950.16 Dr		
Nerretien			45 000 00
Narrauon.			
			Accept ?
			Yes or No

Figure 2.166 Completed Payment Voucher



# 6. Record the Journal Voucher (To account adjust the tax paid on the cancelled services towards the tax liability)

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

- 1. In Change Voucher Type screen select Service Tax Adjustments in Class field
- 2. Set the date to **30-09-2012**
- 3. In the **Used for** field, select **Tax Paid but service not rendered Rule 6(3) Adjustment** from Service Tax Adjustments list.

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🛛
Journal No. 10	Voucher Class : Service Credit Adjustment	30-Sep-2012 Sunday
	Used for: Tax Paid But Service Not Rendered Rule 6(3) Adjustment	
Particulare	Service Tax Adjustments	Crodit
Dr	Advance Tax Paid Rule 6(1A) Adjustment Availing Input Credit CEIVAT Adjustment Excess Service Tax Paid earlier Rule 6(4A) Adjustment Input Credit Adjustments Money Equivalent of Consideration Opening Balance Refund of Service Tax Input Credit Reversal of Utilised Input Credit Service Consideration Adjustments Tax on Import of Service Tax on Service Received Tax Paid but service not rendered Rule 6(3) Adjustment	
Narration:		

Figure 2.167 Selection of Service Tax Adjustment Flag

- 4. In the **Debit** field, select Service Tax ledger **Service Tax @ 12%**
- 5. In the Service Tax Details screen,
  - In the Type of Ref, select Agst Ref
  - In the Name field, select the tax bill Sale/5-1. Category and amount will be defaulted based on the bill selected
  - □ In the Amount field, enter Rs. 4,805.98





6. In the **Debit** field, select **Education Cess @ 2%** and in Service Tax Details screen Select the tax bill **Sale/5-1**, enter the Amount **Rs. 96.12** 



- 7. In the **Debit** field, select **Secondary Education Cess @ 1%** and in Service Tax Details screen Select the tax bill **Sale/5-1**, enter the Amount **Rs. 48.06**
- 8. In **Credit** field, select the control ledger used to adjust Service Tax paid **Service Tax Paid to Government**. Amount **Rs. 4950.16** will be displayed automatically.
- 9. Enable the option Provide Details to Yes to enter the Service Tax Payment Details

Service Tax Payment Details						
From	: 1-Sep-2012					
То	: 30-Sep-2012					
(Note : This P	ayment Belongs to the Above Period)					

Figure 2.169 Service Tax Payment Details Screen

#### The completed Journal Voucher is displayed as shown

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🛛
Journal No. 10	Voucher Class : Service Credit Adjustment	30-Sep-2012
	Used for: Tax Paid But Service Not Rendered Rule (C) Adjustment	Sunday
Particulars	Debit	Credit
Dr Service Tax @ 12%	4,805.98	
Dr Education Cess @ 2%	96.12	
Cur Bal: 4,115.56 Cr Dr Secondary Education Cess @ 1% Cur Bal: 2,057.79 Cr	48.06	
Cr Service Tax Paid to Government		4,950.16
Provide Details · <b>Ves</b>		
Narration:	4 950 16	4 950 16
randuon.	4,330.	Accept ?
		Yes or No

Figure 2.170 Completed Journal Voucher

10.Press Enter to Save.



The values of **Tax adjusted under Rule 6(3)** will be captured in section **(4A)(I)** of Form ST - 3



# 2.27 Receipt/Payment of Normal Advances and Adjusting Advance against the Service Bill

In some cases, businesses receive advance from the customer and accounts such advances without calculating the Service Tax. Later (after providing service) while raising the service bill advance received will be adjusted towards the bill and balance will be displayed as the pending for payment.

Tally.ERP 9 supports to adjust normal advances received (tax not calculated while accounting advances) form the customers towards the sales bill. The adjusted amount will be displayed in all the Service Tax reports as amount realised towards the service rendered.

# Example 34:

On October 3, 2012 Crystal Services (P) Ltd. received an Advance of Rs. 80,000 from Mayank Creations.

On October 4, 2012 Crystal Services (P) Ltd. raised a Service Bill for Rs. 2,50,000 (Exclusive of tax) for Event Management Services rendered and adjusted the advance received Rs.80000 towards the service bill.

To account the above transaction

- 1. Record Transaction in Receipt Voucher
- 2. Record the Transaction in Sales Voucher

# 1. Record the Transaction in Receipt Voucher (to account the receipt of advance)

# Go to Gateway of Tally > Accounting Vouchers > F6: Receipt

- 1. Press **F2** and change the date to **03-10-2012**
- 2. In the **Credit** field, select **Mayank Creations** and press **Enter** to view **Service Tax Details** screen
- 3. In the Service Tax Details screen,
  - In the Type of Ref, select End of List and press Enter to exit the Service Tax Details screen
- 4. In the Credit Amount field, enter Rs. 80,000 and press Enter to view Bill-wise Details screen
- 5. In the Bill-wise Details screen,
  - □ In the Type of Ref field, select Advance from Method of Adjustment



Ensure in party ledger the option Maintain balances bill-by-bill is set to Yes.
 The Type of Ref selected should be Advance

In the Name field, enter the Bill Name - ADV/525



## **Amount** will be displayed automatically

Bill-wise Details for : Mayank Creations Upto: ₹ 80,000.00 Cr						
Type of Ref	Name	Due Date, or Credit Days (wef: 3-Oct-2012)	Amount Dr/ Cr			
Advance	ADV/525		80,000.00 Cr			

Figure 2.171 Bill-wise Details Screen

- 6. Press Enter to accept the Bill details
- In the Debit field, select Cash or Bank Ledger depending on the nature of payment received. Here ABC Company received payment in cheque hence Bank Ledger - Canara Bank is selected.
- 8. Amount will be displayed automatically.
- 9. In Bank Allocations screen, enter Received From, Transaction Type, Instrument Number, Instrument Date, Bank Name and Branch details.
- 10.Enter Narration, if any

The completed Receipt Voucher is displayed as shown

Accounting Voucher Creation	Crystal	Services (P) Ltd.		Ctrl + M 🛛
Receipt No. 5				3-Oct-2012 Wednesday
Particulars			Debit	Credit
Cr Mayank Creations Cur Bal: 80,000.00 Cr Advance ADV/525 Dr Canara Bank	80,000.00 Cr		80,000.00	80,000.00
<i>Cur Bal:</i> <b>1,44,515.84 Dr</b> Mayank Creations <i>Inst. No. :</i> 362855	Cheque/DD Inst. Date : 3-Oct-2012	80,000.00 <i>Bank Name:</i> HDFC Bank	Branch : BTM	
Narration:			80,000.0	Accept ?
			,	Yes or No

Figure 2.172 Completed Receipt Voucher



# 2. Record the Transaction in Sales Voucher (to account the sale of services and adjust advance received towards the service bill)

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

- 1. Press F2 and change the date to 04-10-2012
- 2. In Party A/C Name field, select Mayank Creations from the List of Ledger Accounts
- 3. Under **Particulars**, select **Sale Event Mgt Services** ledger and press **Enter** to view Service Tax Details screen
- 4. In Service Tax Details screen,
  - In the Type of Ref field, select New Ref
  - □ In the Name field, Sale/10-1 will be displayed as the Reference Number.
  - Based on the Type of Classification selected in the Service Receiver, Type of Service will be defaulted (displayed). By default, Taxable is displayed and Tally.ERP 9 skips the field.
  - Based on the service Category selected in the Sales Ledger, category will be defaulted (displayed). By default, **Taxable Service** is displayed and Tally.ERP 9 skips the field.
  - □ In the Service Amount field, enter the value of service provided Rs. 2,50,000
  - In the Amount (Incl. of Tax) field, the cumulative (collective) amount of Service amount and Tax will be displayed.

	Service Tax	Details for : Sale - Event Mg	t Services	
Type of Name Ref	Type of Service	Category/Service	Service Amount	Amount (Incl. of Tax)
New Ref Sale/10-1	Taxable	Taxable Service	2,50,000.00	2,80,900.00
Service Tax Ed Cess Sec Ed Cess	@ 12 % (( @ 2 % () @ 1 % ()	Dn Assessable Value 2,50,000.00 ) On Tax Value 30,000.00 ) On Tax Value 30,000.00 ) 	30,000.00 600.00 300.00 30,900.00	
	Total		2,50,000.00	2,80,900.00

Figure 2.173 Service Tax Details Screen

- 5. In the Amount field, Service Amount of Rs. 2,50,000 will be displayed
- 6. Select Service Tax ledger e.g. Service Tax @ 12%. Service Tax amount will be calculated and displayed automatically.



- 7. Select Education Cess ledger e.g. Education Cess @ 2%. Education Cess amount will be calculated and displayed automatically.
- 8. Select Secondary Education Cess ledger e.g. **Secondary Education Cess @ 1%**. Secondary Education Cess amount will be calculated and displayed automatically.
- 9. In the Bill-wise Details screen,
  - □ In the Type of Ref, select Agst Ref
  - In the Name field, select ADV/525
  - □ In the Amount field, enter Rs. 80,000 (advance received on 03-10-2012)
  - □ In the **Type of Ref**, select **New Ref**
  - □ In the Name field, select CS/458/12-13
  - □ In Amount field, the balance amount of Rs. 2,00,900 will be displayed automatically.

	Bill-wise Details fo Upto: ₹	or : Mayank Creatio 2,80,900.00 Dr	ons
Type of Ref	Name	Due Date, or Credit Days (wef: 4-Oct-2012)	Amount Dr/ Cr
Agst Ref	ADV/525		80,000.00 Dr
New Ref	CS/458/12-13		2,00,900.00 Dr

Figure 2.174 Bill-wise Details Screen

The completed Sales Voucher appears as shown



Figure 2.175 Completed Sales Voucher



## Service Tax Payable Report

The normal advances adjusted towards the service sales will be reflected in Service Tax Payable report and From ST 3 Form

Go to Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Service Tax Payables > Bill Date wise

	Service Tax Payable (Bill Date	- wise)	Crystal Services (P) Lt	d.				Ctrl + M ×
1	Type of Bills : Realised Bills						1-Oct-2012 to	31-Oct-2012
	Date Ref. No.	Party's Name	Category	Bill Amount	Total Tax	Realised Amount	Total Tax Payable	Balance to be Paid
4	4-Oct-2012 Sale/10-1	Mayank Creations	Taxable Service	2,80,900.00	30,900.00	2,80,900.00	30,900.00	30,900.00

Figure 2.176 Service Tax Payable Report

# 2.28 Accounting Sale/Purchase of Services at Lower Rate of Tax

In some cases, there may be a provision under law to charge Service Tax at a rate lesser than the actual percentage. **Example: Works Contract Services** - Tax is charged @ **4%**.

In this scenario, the Service Provider/Receiver has to change the rate of tax applicable on the Service Provided/Received while accounting the transaction. Altering the Rate of Service Tax during entry for each & every transaction of this nature will be time consuming & sometimes the person might forget to alter the rate which leads to wrong calculation of Service Tax.

To assist the users to account the services on which Service Tax charged is lesser than the actual rate, a provision has been provided to alter the Service Tax rate in the Service Ledger.

# Example 35:

On October 8, 2012 Crystal Services (P) Ltd. purchased Works Contract Services form Amar Contractors for Rs. 1,85,000 on which Service Tax is charged @ 4.12%.

To record the above transaction

- 1. Create Masters
  - i. Tax Ledger
  - ii. Service Ledger
- 2. Record the Transaction in Purchase Voucher

#### 1. Create Masters



# i. Tax Ledger

Ledger	Under	Type of Duty/Tax	Tax Head
Service Tax @ 4.12%	Duties & Taxes	Service Tax	Any

ii. Create Service Ledger - Works Contract Services

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

# Set Up:

# In F12: Configure (Ledger Configuration)

Set the option Allow ADVANCED entries in Service Tax Master to Yes

# In Ledger Creation screen

- Enter the **Name** of the Service Expense ledger you wish to create, for e.g., **Works Con-tract Services**.
- □ Select Indirect Expenses as the group name in the Under field.
- Set Inventory values are affected to No.
- □ Set Is Service Tax Applicable to Yes.
- In the Default Service Category field, select Taxable Services from the List of Service Categories.
- Enable the option Set/Alter Tax Rate Details to Yes and press Enter to view Tax Rate Details screen

Ledger Creation Crystal Se	ervices (P) Ltd.	
Name : Works Contract Service (alias) :		Total Op. Bal. 10,00,000.00 Dr 18,540.00 Cr Difference 9,81,460.00 Dr
Under : Indirect Expenses Inventory values are affected 7 No Type of Ledger 7 <sup>J</sup> Not Applicable	Mailing Details Name : Address : State : DN Code	
Statutory Information           Is Service Tax Applicable         7 Yes           Default Service Category         : Taxable Service           Set/Alter Taxable Precencinge Details         7 No           Set/Alter Tax Rate Details         ? Yes           Used In VAT Returns         ? No           Use for Assessable Value Calculation ? No	Pan Looe : Tax Information PAN / IT No. :	1

Figure 2.177 Option to Alter the Service Tax Rate





Set/Alter Tax Rate Details option will appear in service ledger creation/alteration screen only when the option Allow ADVANCED entries in Service Tax Master is set to Yes.

- □ In Tax Rate Details screen,
  - **Category**: In this field, select the Service category/categories, which you are purchasing or selling for which the Service Tax charged is lesser than the actual rate.
  - Applicable From Date: In this field, mention the date from when the changed rate is applicable for the Service Category.
  - Service Tax: In this field, mention the applicable Service Tax for the Service Category.
  - Education Cess: In this field, mention the applicable Education Cess for the Service Category.
  - Secondary Education Cess: In this field, mention the applicable Secondary Education Cess for the Service Category.

Tax Rate Details							
Category	Applicable From	Service Tax %	Ed Cess %	Sec Ed Cess %			
Taxable Service							
	1-Apr-2012	4 %	2 %	1 %			
	1		,				

Note : Specifying Tax Rate percentage will override default percentages

Figure 2.178 Set/Alter Tax Rate Details Screen



The **Service Tax** charged on **works contract** service is **4%**. Hence in Service Tax column the Rate has been changed. The **Rate** defined will override the **default per-centage** of tax for the ledger. The **Tax Rate** specified in **Tax Rate Details** screen will be considered for tax calculation during entry.

Press Enter to save the Tax Rate Details and Ledger Creation.



# 2 Record the Transaction in Purchase Voucher

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

- 1. Press F2 and change the date to 8-10-2012
- 2. In Party's A/c Name field, select the service provider e.g. Amar Contractors
- 3. Under **Particulars**, select the Service (purchases) Ledger e.g. **Works Contract Services** and press **Enter** to view Service Tax Details screen
- 4. In the Service Tax Details screen,
  - **Type of Ref.**: Select New Ref from the method of Adjustment.
  - Name: This field displays the Reference Number for the Service Tax calculation. The default Reference Number displayed, is a combination of abbreviation of Purchase, Voucher Number and Line Number. Example: Purc/9-1 which can be changed by the user. Service Input credits are tracked with these Reference Numbers.
  - Type of Service: Based on the Type of Classification selected in the Service Provider, Type of Service will be defaulted (displayed). By default, Input Credit is displayed and Tally.ERP 9 skips the field.
  - Category: Based on the service Category selected in the Purchase Ledger, category will be defaulted (displayed). By default, Taxable Service is displayed.
  - **Service Amount**: In this field, enter the Service Amount of Rs. 1,85,000
  - Amount (Incl. of Tax): In this field, the cumulative (collective) amount of Service amount and Tax will be displayed.

			Se	ervice	Tax	Detai	ls for : W	orks Contra	act Se	ervice		
Туре	e of	Name	Ту	/pe o	f		Catego	ry/Service		Se	rvice	Amount
Ref			S	ervice	•					Am	ount	(Incl. of Tax)
New	Ref	Purc/9-1	In	put C	redit	Tax	able Ser	vice		1,85,00	0.00	1,92,622.00
	Se	rvice Tax	0	4 %	6 (Or	Asses	sable Value	1,85,000.00	) 7	7,400.00		
	Ed	Cess	0	2 %	6 ( 0	n Tax	· Value	7,400.00	)	148.00		
	Se	c Ed Cess	0	1%	6 (0	n Tax	Value	7,400.00	)	74.00		
									1	7,622.00		

Figure 2.179 Service Tax Details Screen



**Service Tax Rate** - **4%** defined while creating the purchase/expense ledger is displayed by overriding the default percentage of **12%**.

- 5. In Amount field, the Service Amount of Rs. 1,85,000 will be defaulted automatically.
- 6. Under **Particulars**, select Service Tax ledger e.g. **Service Tax @ 4.12%**. Service Tax amount will be calculated and displayed automatically.
- 7. Enter the Bill details



Accounting Voucher Creation	Crystal Services (P) Ltd. Ctrl + M
Purchase No. 9	8-Oct-2
Supplier Invoice No. : Date	a : Mon
Party's A/c Name : Amar Contractors	
Current Balance :	
Particulars	Rate per Amo
Works Contract Service	1,85,000
Service Tax @ 4.12%	7,622
Narration:	Accept ?
	Yes or No

# The completed **Service Purchase Voucher** is displayed as shown

Figure 2.180 Completed Purchase Voucher

8. Press Enter to Save.



The transaction for which Service Tax is calculated at lower rate can also be recorded in **Journal Voucher**.



# 2.29 ST Expenses/Purchases in Payment Voucher

In some cases, users may make payments towards expenses on which Service Tax is applicable and would want to record expenses through Payment Voucher. In Tally.ERP 9. Such scenarios are handled in Tally.ERP 9 by accounting them in a Payment Voucher.

Example: Payment of Telephone Bill inclusive of Tax through Payment voucher

# Example 36:

On October 8, 2012 Crystal Services (P) Ltd. is making payment towards Communication (Internet) Bill of Rs. 20,224.8 (Inclusive of Service Tax)

- To record the above Transaction
- 1. Create Masters
  - i. Expenses Ledger
  - ii. Service Provider Ledger
- 2. Record the transaction in Payment Voucher

#### 1. Create Masters

#### i. Expenses Ledger

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

- Enter the Name of the Service Expense ledger you wish to create, for e.g., Communication Expenses.
- Select Indirect Expenses as the group name in the Under field.
- Set Is Service Tax Applicable to Yes. In the Default Service Category field, select Taxable Service from the List of Service Categories.

Ledger Creation	Crys	tal Services (P) Ltd.	Ctrl + M
Name : Communication E:	kpenses .		List of Service Categories
(alias) :			1 95 more Services of Promoting, Marketing Or Organizing of Games of Chance Services Provided by Electricity Exchange
			Services Related to 2 Types of Copyrights on Cinematographic Films and Sound Recording Servicing of Motor Vehicles Share Transfer Agent
Under	: Indirect Expenses	Name	Ship Management Service Short Term Accommodation Service (Hotel, Inn, Etc.) Site Preparation and Clearance
Inventory values are affected Type of Ledger	7 No 7 <sup>J</sup> Not Applicable	Cullesa	Sound Recording Service Sponsorship Service Steamer Agent
		State PIN Code	Stock Broker Storage and Warehouse Service
<u>Stati</u>	atory Information		Supply of Langible Goods Service Survey and Exploration of Mineral Survey and Map Making
Default Service Category Set/Alter Taxable Percentage Deta	: Taxable Service	PAN / IT No.	Taxable Service Technical Testing and Analysis Services
Used In VAT Returns	7 No		Telegraph Service Telephone Services
Use for Assessable Value Calculati	DT / NO		Telex Services Test, Inspection, Certification
			Transport by Cruise Ships Transport of Coastal Goods and Goods Transported Through National Water Ways and Inland Water
			Transport of Goods by Air Transport of Goods by Pipeline Transport of Goods by Pipeline
			Transport of Goods by Road Travel Agents (Other Than Air/Rail Travel Agents)
			TV Or Radio Programme Production Under Writers
	Opening Balance Lon 1 Apr	2017) ·	video Tape Production

Figure 2.181 Selection of Service Category



# ii. Service Provider Ledger - Airtel

Ledger	Under	Is Service Provider/Receiver	Set/Alter Service Tax Details
Airtel	Sundry Creditors	Yes	Yes

# 2. Record the transaction in Payment Voucher

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

- 1. Press F2 and change the date to 8-10-2012
- 2. In the **Debit** field, select **Communication Expenses** ledger and press **Enter** to view Payment Type screen
- 3. In **Service Tax Payment Type** screen, select **Expenses** and press **Enter** to view Service Tax Details screen



Figure 2.182 Selection of Service Tax Payment Type

- 4. In Service Tax Details screen,
  - **Type of Ref**: Select **New Ref** from the Method of Adjustment. New Ref is selected for new financial transactions.
  - Name: Tally.ERP 9 displays the reference number, which is a combination of abbreviation of Journal and Voucher Number and Line Number (example: Pymt/9-1) which can be changed by the user. Input service credit are tracked with these Reference Numbers.
  - **Party Ledger**: In this field, mention the name of the party to whom the payment is made.
  - Type of Service: Based on the Type of Classification selected in the Service Provider, Type of Service will be defaulted (displayed). By default, Input Credit is displayed and Tally.ERP 9 skips the field.





The transaction for which Service Tax is calculated at lower rate can also be recorded in Journal Voucher.

- Category: Based on the service Category selected in the Expense Ledger, category will be defaulted (displayed). By default, Taxable Service is displayed and Tally.ERP 9 skips the field.
- Amount (Incl. of Tax): In this field, specify the bill amount (inclusive of Service Tax). After specifying the Inclusive of Service Tax amount, service Amount of Rs. 20,224.8 and tax bifurcation will be displayed automatically.
- □ In Amount field, the Service Amount of Rs. 18,000 will be defaulted automatically

Service Tax Details for : Communication Expenses					
Type of Name	Party Ledger	Type of	Category/Service	Amount	Service
Ref		Service	• •	(Incl. of Tax)	Amount
New Ref Pymt/9-1	Airtel	Input Credit T	axable Service	20,224.80	18,000.00
Service Tax Ed Cess Sec Ed Cess	@ 12 % (On Assessab @ 2 % (On Tax Va @ 1 % (On Tax Va	le Value 18,000.00 Iue 2,160.00 Iue 2,160.00	) 2,160.00 ) 43.20 ) 21.60 2,224.80		

Figure 2.183 Service Tax Details Screen

- 5. Service Amount of Rs. 18,000 will be displayed in Debit amount column
- 6. In the **Debit** field, select **Service Tax, Education Cess** and **Secondary Education Cess** ledger to account the Tax and Cess amount on the services purchased.
- In the Credit field, select the Bank/Cash Ledger depending on the Nature of Payment. Total amount (Rs. 20,224.80) of Service Cost plus the Service Tax will be displayed in Amount column.



Accounting Voucher Creation Crystal Services (P) Ltd.		Ctrl + M 🗙
Payment No. 9		8-Oct-2012 Monday
Particulars	Debit	Credit
Dr Communication Expenses	18,000.00	
Cur Bal: 18,000.00 Dr Dr Service Tax @ 12%	2,160.00	
Cur Bal: 2,18,618.54 Cr Dr Education Cess @ 2%	43.20	
Cur Bal: 4,672.36 Cr Dr Secondary Education Cess @ 1%	21.60	
Cur Bal: 2,336.19 Cr Cr Cash Cur Bal: 11,98,881.20 Dr		20,224.80
Narration:	20,224.80	20 224 80 Accept ? Yes or No

# The completed Payment Voucher is displayed as shown

Figure 2.184 Completed Payment Voucher

8. Press Enter to Save.



Recording of **Service Tax Expenses** or **Purchases** in **Payment Voucher** is also supported in **Single Entry Mode**.



# 2.30 Refund of Service Input Credit

Refund of Service Tax paid on Input Services can be claimed

- when the services received by an exporter and used for the services exported (in terms of Export of Service Rules 2005)
- when the services received by an exporter and used for manufacture of goods exported.

Conditions for claiming the Refund of Service Tax paid on input services are

- The refund shall be claimed by the exporter of the goods/services for the input services received and used by the exporter for export of goods/services
- Claim can only in the form of refund of Service Tax paid on the specified services used for goods/services
- To claim the refund the exporter should have actually paid the Service Tax on the input services

Now in Tally.ERP 9, you can record the Refund of Service Tax paid (Service Input Credit) on the services purchased which are used towards the Goods exported. To account refund of service Input Credit in Journal Voucher a new flag - **Refund of Service Tax Input Credit** has been provided.

# Example 37:

On October 10, 2012 Crystal Services (P) Ltd. purchased Fashion Designer Services from Madhura Creations for Rs. 4,75,000 by paying Service Tax @ 12.36%.

Fashion Designer Services were purchased towards the manufacture of garments which were Exported to United States.

On October 12, 2012 Crystal Services (P) Ltd made a payment of Rs. 5,33,710 to Madhura Creations towards the service purchased.

On October 15, 2012, after export of goods, ABC company claimed the refund of Service Tax Rs. 58,710 paid on the input services purchased as on 10-10-2012 from Madhura Creations, which are used for providing services exported.

To record the above transaction

- 1. Create Masters
  - i. Current Asset Ledger
  - ii. Service Provider Ledger
  - iii. Purchase Ledger
- 2.Record a Purchase Voucher (to account the purchase of services)
- 3. Record a Payment Voucher (to account the payment to the service provider
- 4. Record a Journal Voucher (to account refund of Service tax input credit)



# 1. Create Masters

# i. Current Asset Ledger - Refund of Input Credit

Create the ledger Current Asset ledger as shown

Ledger Creation	Crystal Serv	ices (P) Ltd.			
Name : Refund of Input Cre	dit			Total Op. Bal.	
(alias) :					
				10,00,000.00 Dr	
				18,540.00 Cr	
				Difference	
				9,81,460.00 Dr	
			Mailing Details		
Under	: Current Assets	Name	i		
		Address			
Type of Duty/Tax	: J Not Applicable				
Inventory values are affected	7 No				
		State	-		
		PIN Code	:		
Lies for Assessable Value Colouistic	n 7 Mo				
Use for Assessable value calculation					
			Tax Information		
		PAN / IT No.	:		
				Accept ?	
Opening Balance ( on 1-Apr-2012) :					

Figure 2.185 Completed Current Assets Ledger

# ii. Service Provider Ledger - Madhura Creations

Ledger	Under	ls Service Provider/Receiver	Set/Alter Service Tax Details
Madhura Creations	Sundry Creditors	Yes	Yes

# iii. Purchase Ledger

Ledger	Under	Is Service Tax Applicable	Default Service Category	
Purchase - Fashion Designer Services	Purchase Accounts	Yes	Taxable Service	



# 2. Record a Purchase Voucher (to account the purchase of services)

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

The completed Purchase Voucher is displayed as shown

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M 🗙
Purchase No. 10 Supplier Invoice No. :	Date :	10-Oct-2012 Wednesday
Party's A/c Name : Madhura Creations Current Balance :		
Particulars	Rate pe	r Amount
Purchase - Fashion Designer Services Service Tax @ 12% Education Cess @ 2% Secondary Education Cess @ 1%		4,75,000.00 57,000.00 1,140.00 570.00
Narration:		Accept ?
		Yes or No

Figure 2.186 Completed Purchase Voucher

# 3. Record a Journal Voucher (to account refund of Service tax input credit)

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

- 1. In Change Voucher Type screen in Class field, select Service Credit Adjustment from Voucher Class List
- 2. Press F2 and change the date to 15-10-2012



3. In Used for field, select the flag Refund of Service Tax Input Credit

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M ×
Journal No. 12	Voucher Class : Service Credit Adjustment Used for: Refund of Service Tax Input Credit	
Particulars	Service Tax Adjustments	Credit
Dr	Advance Tax Paid Rule 6(1A) Adjustment Availing Input Credit CENVAT Adjustment Excess Service Tax Paid earlier Rule 6(4A) Adjustment Input Credit Adjustments Money Equivalent of Consideration Opening Balance Refund of Service Tax Input Credit Reversal of Utilised Input Credit Service Consideration Adjustments Tax on Import of Service Tax on Service Received Tax Paid but service not rendered Rule 6(3) Adjustment	

Figure 2.187 Selection of Refund of Service Tax Input Credit Flag

- 4. In the Debit field, select the ledger created under Current Assets Refund of Input Credit
- 5. In the Debit Amount field, specify the amount claimed as refund Rs. 58,710.



*Crystal services (P) Ltd. is claiming refund of* **Rs. 58,710** *on the services purchased on 10-10-2012 form Madhura Creations.* 

- 6. In the **Credit** field, select Service Tax ledger **Service tax @ 12%** and press **Enter** to view Service Tax Details screen
- 7. In the Service Tax Details screen,
  - □ In the Type of Ref field, select Agst Ref as the Method of Adjustment
  - In the Name field, select the Service Tax bill Purc/10-1 dated 10-10-2012 against which the service input credit refund is claimed

On selection of Service Tax bill **Category** and **Amount** will be defaulted automatically. Accept the default details.



If you are claiming refund of **Partial service input credit** then in **Amount** field specify the amount which is claimed as refund.



	Servio	ce Tax Details for : Service Ta	x @ 12%
Type of Ref.	Name	Category/Service	Amount
Agst Ref	Purc/10-1	Taxable Service	57,000.00

Figure 2.188 Service Tax Details Screen

- 8. In the **Credit** field, select Education Cess ledger **Education Cess @ 2%** and in Service Tax Details screen select the tax bill **Purc/10-1** dated 10-10-2012 and accept the default details displayed.
- In the Credit field, select Education Cess ledger Secondary Education Cess @ 1% and in Service Tax Details screen select the tax bill Purc/10-1 dated 10-10-2012 and accept the default details displayed.

The completed Journal Voucher is displayed as shown

Accounting Voucher Creation	Crystal Services (P) Ltd.		Ctrl + M 🗵
Journal No. 12	Voucher Class : Service Credit Adjustment		15-Oct-2012
	Used for: Refund of Service Tax Input Credit		wonday
Particulars		Debit	Credit
Dr Refund of Input Credit		58,710.00	
Cur Bal: 58,710.00 Dr Cr Service Tax @ 12%			57,000.00
Cur Bal: 2,18,618.54 Cr Cr Education Cess @ 2%			1,140.00
Cur Bal: 4,672.36 Cr Cr Secondary Education Cess @ 1%			570.00
Gur Bai: 2,330.19 Cr			
Narration:	-	58 710 00	58 710 00
Nanauon.	-	30,710.4	Accept ?
			es or No

Figure 2.189 Completed Journal Voucher



# 2.31 Reversal of Utilised Input Credit

As per Amendment in the CENVAT Credit (Third Amendment) Rules, 2011 Service Tax Input Credit against the Purchase Bills can be availed even if the payment is not made to the Service provider w.e.f 1-4-2011 (applicable only for the service bills raised after 1-4-2011). However if the payment is not made to the service provider within 3 months then, the Service tax credit utilised has to be reversed.

Reversal of utilised Input Credit can be accounted through Journal Voucher. To reverse the Utilised Input Credit a New flag – **Reversal of Utilised Input Credit** has been provided in Journal Voucher.

# Example 38:

On October 3, 2012 Crystal Services (P) Ltd. purchased Advertising Services from Kamal Advertisers for Rs. 2,02,248 (inclusive of Service Tax).

On October 4, 2012 Crystal Services (P) Ltd. utilised the Input Credit of Rs. 22,248 towards the Service Bill dated 3-10-2012

After utilising the Input Credit, Crystal Services (P) Ltd. failed to make the payment to Kamal Advertisers within Three months from the date of bill and decides to reverse the Credit availed.

On 8-1-2013 Crystal Services (P) Ltd. recorded an Input Credit Reversal entry for Rs. 22,248.

# To record the above transaction

- 1. Record the purchase of services in Purchase Voucher
- 2. Record Journal Voucher for Input Credit Adjustment
- 3. Record Journal Voucher to Reverse the utilised Input Credit

#### 1. Record the purchase of services in Purchase Voucher

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

- 1. Press **F2** and change the date to **3-10-2012**
- 2. In the **Party's A/c Name** field, select the party **Kamal Advertisers** from whom the service is purchased
- 3. Under **Particulars**, select the service Purchase Ledger **Purchase Advertisement Services** and press **Enter** to view Service Tax Details screen
- In the Service Tax Details screen, accept the default details in Type of Ref, Bill Name, Type of Service and Category fields. In Amount (Incl. of Tax) field enter the total service bill amount Rs. 2,02,248. Accordingly, the Tax and Service Amount will be calculated and displayed.



Service Tax Details for : Purchase - Advertisement Services						
Type of Name	Type of	Catego	ry/Service	Service	Amount	
Ref	Service			Amount	(Incl. of Tax)	
New Ref Purc/9-1	Input Credit	Taxable Serv	vice	1,80,000.00	2,02,248.00	
Service Tax	@ 12 % (Dr	Assessable Value	1.80.000.00.)	21 600 00		
Ed Cess	Q 2% (0	n Tax Value	21,600.00)	432.00		
Sec Ed Cess	@ 1% (O	n Tax Value	21,600.00 )	216.00		
			=	22,248.00		

Figure 2.190 Service Tax Details Screen

5. To account the **Tax** and **Cess** on the service purchased, select the Service Tax and Cess ledgers

The completed **Purchase Voucher** appears as shown:

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M ×
Purchase No. 9		3-Oct-2012
Supplier Invoice No. :	Date :	Wednesday
Party's A/c Name : Kamal Advertisers		
Current Balance : 50,000.00 Dr	-	
Particulars	Rate	per Amount
Purchase - Advertisement Services		1 80 000 00
Service Tax @ 12%		21,600.00
Education Cess @ 2%		432.00
Secondary Education Cess @ 1%		216.00
Narration:		Accept ?
		Yes or No

Figure 2.191 Completed Purchase Voucher





# 2. Record Journal Voucher for Input Credit Adjustment

To adjust the Input Credit against the tax payable,

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

- 1. In Change Voucher Type screen, in Class field select Service Credit Adjustment
- 2. Press F2 and change the date to 4-10-2012
- 3. In the Used for field, select Input Credit Adjustments flag
- 4. In the **Debit** field, select Service Tax ledger **Service Tax @ 12%** (to adjust the Output Service Tax on services sold)
- 5. In the Service Tax Details screen,
  - □ In the Type of Ref field, select Agst Ref
  - □ In the Name field, select Sale/5-1 dated 10-9-2012 from Pending Tax bills
  - In the Amount field, by default, the tax pending for the tax bill will be defaulted. Here Crystal Services is adjusting service Credit of Rs. 21,600 towards Service Tax. Hence enter Rs. 21,600 in Amount field.

Service Tax Details for : Service Tax @ 12%						
Type of Ref.	Name	Category/Service	Amount			
Agst Ref	Sale/5-1	Taxable Service	21,600.00			

Figure 2.192 Service Tax Details Screen

- In the Debit field, select Education Cess ledger Education Cess @ 2% (to adjust the Education Cess on services sold)
- 7. In the Service Tax Details screen, select Agst Ref in Type of Ref. In Name field select the tax bill Sale/5-1 dated 10-09-2012 and in Amount field enter Rs.432.
- In the Debit field, select Secondary Education Cess ledger Secondary Education Cess @ 1% (to adjust the Secondary Education Cess on services sold)
- 9. In the Service Tax Details screen, select Agst Ref in Type of Ref. In Name field select the tax bill Sale/5-1 dated 10-09-2012 and in Amount field enter Rs.216.
- 10.In the **Credit** field, select Service Tax ledger **Service Tax @ 12%** (to adjust Input Credit of Service Tax paid on services purchased)
- 11.In the Service Tax Details screen,
  - □ In the **Type of Ref** field, select **Agst Ref**
  - □ In the Name field, select Purc/9-1 dated 3-10-2012 from Pending Tax bills
  - Based on the tax bill selected, Category will be defaulted to Taxable Service and Amount to Rs. 21,600.



Service Tax Details for : Service Tax @ 12%							
Type of Ref.	Name	Category/Service	Amount				
Agst Ref	Purc/9-1	Taxable Service	21,600.00				

Figure 2.193 Service Tax Details Screen

- 12.In the **Credit** field, select Education Cess ledger **Education Cess @ 2%** (to adjust Input Credit of education cess paid on services purchased)
- 13.In the Service Tax Details screen, select Agst Ref in Type of Ref field and select the Tax Reference Purc/9-1. Based on the tax bill selected Category will be defaulted to Taxable Service and Amount to Rs. 432
- 14.In the **Credit** field, select Secondary Education Cess ledger **Secondary Education Cess @** 1% (to adjust Input Credit of Secondary Education Cess paid on services purchased)
- 15.In the Service Tax Details screen, select Agst Ref in Type of Ref field and select the Tax Reference Purc/9-1. Based on the tax bill selected Category will be defaulted to Taxable Service and Amount to Rs. 216
- 16.Set the option **Provide Details** to **Yes** and in the Service Tax Payment Details screen specify the period for which the Input Credit are adjusted. Mention **1-10-2012** to **31-10-2012** in **Service Tax Payment Details** screen.

The completed Journal Voucher is displayed as shown

Accounting Voucher Creation	Crystal Services (P) Ltd.	Ctrl + M ×
Journal No. 12	Voucher Class : Service Credit Adjustment	4-Oct-2012 Thursday
	Used for: Input Credit Adjustments	,
Particulars	Deb	it Credit
Dr Service Tax @ 12%	21,600.0	0
Cur Bal: 1,97,018.54 Cr Dr Education Cess @ 2% Cur Bal: 4,240.36 Cr	432.0	0
Dr Secondary Education Cess @ 1% Cur Bal: 2,120.19 Cr	216.0	0
Cr Service Tax @ 12%		21,600.00
Cr Education Cess @ 2%		432.00
Cir Secondary Education Cess @ 1% Cir Bal: 2,120.19 Cr		216.00
Provide Details : Yes		
Newstern		0 22 249 00
Inarration.	22,248.9	
		Accept ?
		Yes or No

Figure 2.194 Completed Input Credit Adjustment Journal Voucher

To view the details of Input Credit availed on the Unpaid Bills, go to Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Input Credit > Reversal Details

Input Credit Reversal Details		Crystal Services (P) Lt	d.				Ctrl + M 🛛
Credit Utilised But Payment Not Made- Ov	verdue more than 3 Months					F	or 3-Oct-2012
Bill Date Ref. No.	Party's Name	Category	Bill Value	Billed	Availed Input	Utilised	Input Credit
				Assessable	Credit	Input Credit	Need To Be
				Value			Reversed
						2	more →
3-Oct-2012 Purc/9-1	Kamal Advertisers	Taxable Service	2,02,248.00	1,80,000.00	22,248.00	22,248.00	22,248.00

Figure 2 195	Input Credit Reversal	Details	Report
Figure 2.195	input Creati Reversar	Details	Report

This report displays **Utilised Input credit** on **Unpaid Bills** and the **amount** of **Input credit** to be **reversed** if payment is not made with in **3 months**.

# 3. Record Journal Voucher to Reverse the utilised Input Credit

As per the recent amendments, if the input credit of any unpaid bill is utilised to adjust the Service Tax payable and such bill remains unpaid for more than 3 months, the utilised input credit has to be reversed.

After 3 months, Crystal Services (P) Ltd. checked its outstanding bills in which the Purchase bill - Purc/9-1 was also pending. Hence, company is reversing the utilised input credit

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

- 1. In Change Voucher Type screen, in Class field select Service Tax Adjustments
- 2. Press F2 and change the date to 8-01-2013
- 3. In Used for field select Reversal of Utilised Input Credit

Accounting Voucher Creation C	rystal Services (P) Ltd.	Ctrl + M 🗙
Journal No. 14 Vou	Icher Class : Service Credit Adjustment	8-Jan-2013 Tuesdav
	Used for: Reversal of Utilised Input Credit	, í
Particulars	Service Tax Adjustments	Credit
Dr	Advance Tax Paid Rule 6(1A) Adjustment Availing Input Credit CENVAT Adjustment Excess Service Tax Paid earlier Rule 6(4A) Adjustment Input Credit Adjustments Money Equivalent of Consideration Opening Balance Refund of Service Tax Input Credit Reversal of Utilised Input Credit Service Consideration Adjustments Tax on Import of Service Tax on Service Received Tax Paid but service not rendered Rule 6(3) Adjustment	

Figure 2.196 Selection of Reversal of Utilised Input Credit Flag

4. In the **Debit** field, select Service Tax ledger - **Service Tax @ 12%** and press **Enter** to view Service Tax Details Screen



## 5. In the Service Tax Details screen,

- □ In the Type of Ref field, select Agst Ref
- In the Name field, select the Purchase bill Purc/9-1 dated 3-10-2012 of which the credit to be reversed

Service	e Tax Details for : S	ervice Tax @ 1	2%						
Type of Name		Pending Tax Bills							
Ref.	Tax Name	Date	PartyName	Category	Total Tax	PendingTax			
Agst Ref Purc/9-1	1 Purc/10-1 Purc/1-1	10-Oct-2012 1-Aug-2012	Madhura Creations Ram Agency	Taxable Service Taxable Service	0.00 0.00	57,000.00 7,200.00			
	Purc/9-1	3-Oct-2012	Kamal Advertisers	Taxable Service	0.00	21,600.00			
				Displays the Amoun	t that is to be	Reversed			

Figure 2.197 Service Tax Details Screen- Selection of Tax Bill to Reverse the Utilised Credit

The completed Service Tax Details screen is displayed as shown

	S	ervice Tax Details for : Service Tax @ 12%	/0
Type of Ref.	Name	Category/Service	Amount
Aget Def	Duro/0.1	Taxabla Canvias	24 600 00
Agst Ref	Purc/9-1		21,600.00

Figure 2.198 Completed Service Tax Details Screen

- In the Debit field select Service Tax ledger Education Cess @ 2%. In Service Tax Details screen select the Credit utilised tax bill - Purc/9-1 dated 3-10-2012 to reverse the credit.
- In the Debit field, select Service Tax ledger Secondary Education Cess @ 1%. In Service Tax Details screen select the Credit utilised tax bill - Purc/9-1 dated 3-10-2012 to reverse the credit.
- 8. To create the Tax liability to the extent of input credit reversed, in **Credit** field select Service Tax ledger **Service Tax @ 12%** and press **Enter** to view Service Tax Details Screen



To create the tax liability to the extent of reversed Input Credit you have to select the **Service Tax ledger** (created under Duties & Taxes).

- 9. In Service Tax Details screen,
  - In the Type of Ref field, select New Ref
  - □ In the Name field, accept the default bill reference displayed Jrnl/14-1
  - In the Category field, if the user can clearly identify the service category towards which the Input Credit reversed was adjusted can select the same category or can select any appropriate Service Category



Here, Crystal services (P) Ltd. is selecting **Taxable Service** category towards which the reversed input credit was utilised earlier.

In the **Amount** field, enter the Service tax amount to raise the tax liability. Ex: **Rs. 21,600** 

10.Similarly, in **Credit** field, select **Education Cess** and **Secondary Education Cess** ledger to create the tax liability.

The completed Reversal of Utilised Input Credit Journal Voucher is displayed as shown

Accounting Voucher Creation Cry	ystal Services (P) Ltd.	Ctrl + M 🛛
Journal No. 14 Vouch	her Class : Service Credit Adjustment	8-Jan-2013
	Used for: Boyorcal of Utilized Input Credit	Tuesday
	Used for. Reversal of dunsed input credit	
Particulars	Debit	Credit
Dr Service Tax @ 12%	21,600.00	
Dr Education Cess @ 2%	432.00	
Cur Bal: 4,240.36 Cr		
Dr Secondary Education Cess @ 1%	216.00	
Cr Service Tax @ 12%		21.600.00
Cur Bal: 1,97,018.54 Cr		
Cr Education Cess @ 2%		432.00
Cur Dai: 4,240.30 Cr Cr Secondary Education Cess @ 1%		216.00
Cur Bal: 2,120.19 Cr		
Narration:	22,248.00	22 248 00
		Accept 2
		Yes or No

Figure 2.199 Completed Reversal of Utilised Input Credit Journal Voucher

### 11.Press Enter to Save.

After recording the Reversal entry, the transaction details of **Purc/9-1** will not be displayed in Reversal Details.

Input Credit Reversal Detail	Input Credit Reversal Details Crystal Services (P) Ltd. Ctrl + M 🗙								
Credit Utilised But Payment Not Ma	edit Utilised But Payment Not Made- Overdue more than 3 Months For 3-Oct-2012								
Bill Date Ref. No.	Party's Name	Category	Bill Value	Billed Assessab- le Value	Availed Input Credit	Utilised Input Credit	Input Credit Need To	Balance Input Credit	Pending From No. of Days





In the reversal entry, as the Tax Liability is raised to the extent of reversed utilised input credit, transaction details will be displayed in **Bill Date Wise Service Tax Payable** report

Service Tax Payable (Bill Date	- wise)	Crystal Services (P	) Ltd.			1 Jan 2013 to	Ctrl + M 🗙
Date Ref. No.	Party's Name	Category	Bill Amount	Total Tax	Realised Amount	Total Tax Payable	Balance to be Paid
8. lan.2013 Imi/14.1		Tayahla Service					216.00
8-Jan-2013 Jrnl/14-1 8-Jan-2013 Jrnl/14-1		Taxable Service Taxable Service					432.00 21,600.00

Figure 2.201 Service Tax Payables - Bill Date Wise Report


## Lesson 3: Service Tax Reports

Tally.ERP 9 helps the user to generate the Service tax Computation Report, Service Tax Payables, Input Credit - Summary, Input Credit - Reversal Details and ST3 at the end of the month or half yearly, as prescribed under the Act. To view the **Service Tax Reports**.

Go to Gateway of Tally > Display > Statutory Reports > Service Tax Reports



Figure 3.1 Service Tax Reports



## 3.1 Computation

Service Tax Computation report displays information about Service Tax transactions. This report gives information of Input Credit, Service Tax Payable, Service Tax Payments/Credit Adjustments, Balance Service Tax Payable, Balance Available Credit & Other Payments like Arrears, Interest etc. for the period specified.

To view the computation report

Go to Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Computation

Service Tax Computation	Crystal Services (P) Ltd.			Ctrl + M 🗴
Particulars		С <b>гу</b> 1-Ац	<b>I.</b> 12	
		Total Amount	Assessable Value	Tax Amount
A. Input Credit		11,47,129.80	9,97,128.70	1,08,001.10
Current Period Previous Period		11,47,129.80	9,97,128.70	1,08,001.10
B. Service Tax Payable		46,88,776.00	36,69,049.49	4,53,494.51
Current Period Previous Period		46,88,776.00	36, 69, 049. 49	4, 53, 494. 51
C. Service Tax Payments / Credit Adjustments				1,29,091.55
G.A.R. 7 Payments Service Tax Credit Adjustment CENVAT Credit Adjustment Adjustment towards Advance Tax paid Other Adjustments				90,234.16 7,416.00 18,540.00 7,951.23 4,950.16
D. Balance Service Tax Payable (B-C)				3,24,402.96
E. Refund of Service Tax Input Credit				
F. Balance Available Credit				1,07,633.87
Advance Tax Paid Service Tax Credit				7,048.77 1,00,585.10
G. Service Tax Adjusted Towards Excise Payable				
H. Other Payments				5,800.00
Arrears Interest				5,000.00 800.00

Figure 1.2 Service Tax Computation Report



### 3.2 Service Tax Payables

Service Tax Payables report displays the Total Service Tax Payables as on a specified date. In Tally.ERP 9 Service Tax Payables can be viewed based on sales Bill Date, Receipt Date and for tax payable on services received like GTA and Imports.

To view Service Tax Payables report

Go to Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Service Tax Payables



Figure 3.3 Service Tax Payables

Service Tax Payables report can be viewed

- Bill Date-wise
- Realisation Date-wise
- Tax on Services Received
- Import of Services



#### 3.2.1 Bill Date-wise

**Bill Date-wise** Service Tax Payables report displays the Total Service Tax Payables as on a specified date based on the bill date of the services provided.

#### To view Bill Date-wise report

Go to Gateway of Ta	ally > Display > Statutory	<b>Reports &gt; Service</b>	Tax Reports >	Service Tax
Payables > Bill Date	wise	-	-	

Service	Tax Payable (Bill D	ate - wise)	Crystal Services (P	P) Ltd.				Ctrl + M ×
Type of Bil	lls : Realised E	Bills					1-Aug-2012 to	31-Oct-2012
Date	Ref. No.	Party's Name	Category	Bill Amount	Total Tax	Realised Amount	Total Tax Payable	Balance to be Paid
				50,000,00		50 100 00		
2-Sep-2012	2 Jml/2-1	Kamal Advertisers	Taxable Service	56,180.00	6,180.00	56,180.00	6,180.00	6,180.00
10 Pop 2012	2 Sale/4-1	Ramar Adventisers	Taxable Service	44,944.00	4,944.00	44,944.00	4,944.00	4,944.00
10-Sep-2012		Cash	Taxable Service	3,93,200.00	43,200.00	3,93,200.00	43,200.00	43,200.00
12-Sep-2012	Rent/2-1	Sabakar Creations	Taxable Service	1 51 686 00	16 686 00	1 51 686 00	16 686 00	16 686 00
13-Sep-2012	Ropt/3-1	Matrix Ad	Taxable Service	25 550 00	2 810 59	25 550 00	2 810 59	2 810 59
14-Sep-2012	Sale/6-2	Matrix Ad	Taxable Service	74,450.00	8,189,76	74,450.00	8,189.76	238.53
16-Sep-2012	Sale/7-1	Matrix Ad	Taxable Service	22,472.00	2,472.00	22,472.00	2,472.00	2,472.00
20-Sep-2012	Sale/9-1	TechMagic Creations	Taxable Service	1,32,978.00	12,978.00	1,32,978.00	12,978.00	12,978.00
4-Oct-2012	2 Sale/10-1	Mayank Creations	Taxable Service	2,80,900.00	30,900.00	2,80,900.00	30,900.00	30,900.00
	Total			23,06,020.00	2,52,068.35	23,06,020.00	2,52,068.35	2,20,446.96

Figure 3.4 Service Tax Payables - Bill Date Wise

#### Configuration for Bill Date wise report

To configure Bill Date Wise report, press F12 key or click on F12: Configure button

#### 3.2.2 Realisation Date-wise

**Realisation Date-wise** Service Tax Payables report displays the Total Service Tax Payables as on a specified date based on the Receipt (of payments from the customers) date of the services provided.

To view Realisation Date-wise report

Go to Gateway of Tally > Display > Sta	utory Reports > Se	ervice Tax Reports >	Service Tax
Payables > Realisation Date-wise			

Service	Tax Payable (Bill Date	- wise)	Crystal Services (P) Lt	d.				Ctrl + M ×
Type of Bi	IIs : Realised Bills						1-Aug-2012 to	31-Oct-2012
Date	Ref. No.	Party's Name	Category	Bill Amount	Total Tax	Realised Amount	Total Tax Payable	Balance to be Paid
0.0 004	) Intel 10 4		Taughte Occident	50 400 00	0.400.00	50 400 00	0 400 00	0.400.00
2-Sep-201	2 Jmi/2-1	Kamal Advertisers	Taxable Service	56,180.00	6,180.00	56,180.00	6,180.00	6,180.00
7-Sep-201.	2 Sale/4-1	Ramai Adventisers	Taxable Service	44,944.00	4,944.00	44,944.00	4,944.00	4,944.00
10-Sep-201.		Sanakar Creations	Taxable Service	3,93,260.00	43,200.00	3,93,200.00	43,200.00	43,200.00
10-Sep-201.	2 Gale/0-1 2 Dopt/2 1	Cash	Taxable Service	1 51 696 00	1,23,046.00	1 51 696 00	1,23,048.00	16 696 00
13-Son-201	2 Ropt/2-1	Matrix Ad	Taxable Service	25 550 00	2 810 50	25 550 00	2 810 50	2 810 50
14-Sen-201	Sale/6-2	Matrix Ad	Taxable Service	74 450 00	8 189 76	74 450 00	8 189 76	238.53
16-Sep-201	Sale/7-1	Matrix Ad	Taxable Service	22 472 00	2 472 00	22 472 00	2 472 00	2 472 00
20-Sep-201	2 Sale/9-1	TechMagic Creations	Taxable Service	1.32.978.00	12,978.00	1.32.978.00	12,978.00	12,978.00
4-Oct-2012	2 Sale/10-1	Mayank Creations	Taxable Service	2,80,900.00	30,900.00	2.80.900.00	30,900.00	30,900.00
	Total			23,06,020.00	2,52,068.35	23,06,020.00	2,52,068.35	2,20,446.96

Figure 3.5 Service Tax Payables (Receipt Date - Wise)



#### 3.2.3 Tax on Service Received

Tax on Service Received report displays the tax payable as on a specified date, for the services received on which the service receiver is liable to pay Service Tax - on all the Goods Transport Agency services received, service receiver is liable to pay the tax to the government. Such Service tax payables will be displayed in Tax on Service Received report.

To view Tax on Service Received report

## Go to Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Service Tax Payables > Tax on Service Received

Tax on	Services	Received		Crystal Services (P) Lt	d.				Ctrl + M 🗙
Type of Bi	lls	: Party Paid Bills	;					1-Aug-2012 to	31-Oct-2012
Date	Ref. No.		Party's Name	Category	Bill Amount	Total Tax	Paid Amount	Total Tax Payable	Balance to be Paid
								1	more →
25-Sep-201	2 Purc/8-1		SR Road Lines	Taxable Service	40,000.00	4,944.00	40,000.00	4,944.00	4,944.00
					10.000		10.000		
	Total				40,000.00	4,944.00	40,000.00	4,944.00	4,944.00

Figure 1.6 Tax on Service Received Report



#### 3.2.4 Import of Services

As per Service tax rules, the liability to pay Service Tax on imported services lies with the service receiver. Service Tax Payables - Import of Services report displays the Service Tax payable as on a specified date on all the services imported.

To view Import report

# Go to Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Service Tax Payables >Import of Services

Import of Services		Crystal Services (P) Lt	d.				Ctrl + M 🛛
Type of Bills : Part	y Paid Bills					1-Aug-2012 to	31-Oct-2012
Date Ref. No.	Party's Name	Category	Bill Amount	Total Tax	Paid Amount	Total Tax Payable	Balance to be Paid
						1	more →
19-Sep-2012 Purc/5-1	Townscape Architects	Taxable Service	8,00,000.00	98,880.00	8,00,000.00	98,880.00	98,880.00
Total			8,00,000.00	98,880.00	8,00,000.00	98,880.00	98,880.00

Figure 1.7 Import of Services Report



## 3.3 Input Credit

#### 3.3.1 Summary

As per Service Tax Credit Rules 2002, the service provider availing Service Tax credit shall maintain proper records in which the relevant information regarding the SI. No. and date of document on which Service Tax credit is availed, Service Tax Registration No. and name of the input service provider, description and value of input service, Service Tax credit availed, Service Tax credit utilized for payment of Service Tax on output service shall be recorded.

Input Credit - Summary report gives the details of Total input credit availed, utilised and Balance Input Credit available for the specified period.

If the input credit is in excess of output Service Tax payable during a particular month or quarter, the surplus is transferred to the next period and is available for set off during that month or quarter as the case may and vice versa.

To view the Input Credit - Summary report

Input Credit Summary		Crystal Services (P) Lt	d.				Ctrl + M ×
Type of Bills : Paid Bills						1-Aug-2012 to	31-Oct-2012
Date Ref. No.	Party's Name	Category	Bill Amount	Total Tax	Paid Amount	Total Input Credit	Balance Input Credit
		-					40.000.00
2-Sep-2012 Jrnl/3-1	Matrix Ad	Taxable Service	1,12,360.00	12,360.00	1,12,360.00	12,360.00	12,360.00
4-Sep-2012 Purc/2-1	Ram Agency	Taxable Service	33,708.00	3,708.00	10,000.00	3,708.00	3,708.00
6-Sep-2012 Purc/3-1	Ram Agency	Taxable Service	22,472.00	2,472.00		2,472.00	2,472.00
10-Sep-2012 JTRI/4-1	Ajay Tours	Taxable Service	92,135.20	10,135.20	4 40 440 00	10,135.20	10,135.20
10-Sep-2012 Full/4-1	Candico Agonov	Taxable Service	4,49,440.00	49,440.00	4,49,440.00	49,440.00	49,440.00
24 Son 2012 Durc/7 1	Sampath Associator	Taxable Service	02,224.00	10 209 20	0.452.00	10 209 20	10 209 20
8-Oct-2012 Purc/0-1	Amar Contractors	Taxable Service	1 92 622 00	7 622 00	9,403.00	7 622 00	7 622 00
8-Oct-2012 Pvmt/9-1	Airtel	Taxable Service	20 224 80	2 224 80	20 224 80	2 224 80	2 224 80
Total			10,79,713.80	1,00,585.10	6,01,477.80	1,00,585.10	1,00,585.10

#### Go to Gateway of Tally > Display > Statutory Reports > Input Credit > Summary

Figure 3.8 Input Credit - Summary Report



#### 3.3.2 Reversal Details

This report displays the details of purchase bills of which the Input Credit is utilised towards Service tax payable before making the payment to the Service Provider.

To view the Input Credit Reversal Details report

# Go to Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Input Credit > Reversal Details

The Input Credit **Reversal Details** screen appears as shown

Input Credit Reversal Details		Crystal Services (P) Lt	d.				Ctrl + M 🔀
Credit Utilised But Payment Not Made- Ov	erdue more than 3 Months					1-Aug-2012 to	31-Oct-2012
Bill Date Ref. No.	Party's Name	Category	Bill Value	Billed	Availed Input	Utilised	Input Credit
				Assessable	Credit	Input Credit	Need To Be
				Value			Reversed
							more
1-Aug-2012 Purc/1-1	Ram Agency	Taxable Service	67 416 00	60 000 00	7 416 00	7 416 00	7 416 00
	rtanningeney		07,410.00	00,000.00	1,410.00	1,410.00	1,410.00
Total				60,000.00	7,416.00	7,416.00	7,416.00

Figure 1.9 Reversal Details Screen



### 3.4 ST3

The ST3 Report is a statutory report. This report displays the ST3 Form in the Government prescribed format that is used to file Half – yearly Service Tax returns to the Commissionerate of Service Tax. Both physical and electronic formats are supported in Tally.ERP 9.

#### 3.4.1 ST3 Report

To print physical form of ST3 report,

Go to Gateway of Tally > Display > Statutory Reports > Service Tax Reports > ST3 > Report

Use the Alt+P key or click on Print option to print your report.

This will display the Form ST-3.

- □ In **Period For** field, select the **period** for which **ST3 Report** to be printed.
- Specify the Place and Date for Printing ST3 Report.

	Printi	ng	
Printer No. of Copies Print Language Method	: NPI9F3EB3 (HP LaserJet P4015) (Ne02: : 1 : English : Neat Mode	Paper Type : (/ Paper Size : (8.50" x 10.98	Letter Printing Dimensions) ') or (216 mm x 279 mm)
Page Range	: All	Print Area : (8.03" x 10.71"	') or (204 mm x 272 mm)
	Report T	tles	
	Form S	Γ-3	
	(with Print F Without Compar	Preview) y Phone No.	
	ST-3 Per	iod	
	Period For : [Apri Place : Bang	I - September] jalore	Print ?
	Date : 10-10	2012	Yes or No

Figure 3.10 Form ST - 3 Printing Screen

Press Enter to view Print Preview of From ST 3



### The Print Preview of Form ST-3 appears as shown

	FORM ST-3
	(Return under section 70 of the Finance Act, 1994) [ ORIGINAL / REVISED RETURN ]
	Financial Year 2012-13
For the period	
✓ April-September	October-March
<ul> <li>1A. Has the assessee opted to oper (As defined under Rule 2 (ea) of the Central E</li> <li>1B. If reply to column "1A" is 'yes'</li> </ul>	rate as Large Taxpayer No
2A. Name of the assessee	Crystal Services (P) Ltd.
2B. STC No.	ASDCE1588PST001
2C. Premises code No.	SC0500012
2D. Constitution of assessee (i) Individual / Proprietary	
(ii) Partnership	
(iii) Registered Public Ltd Comp	any
(iv) Registered Private Ltd Comp	any 🗸
(v) Registered Trust	
(vi) Society/Co-op Society	
(viii) Other	

Figure 3.11 Page 1



	Commutation of Coming Tour						
5.	computation of Service Tax						
A1.	Name of Taxable service						
Exem	pted Service						
۵2	Assesses is liable to nay Service Tax on this taxable	service as					
	(i) a contine provider: or	service us,-					Vor
	(i) a service provider, or	-					res
	(ii) a service receiver liable to make payment of Service	Тах					No
в.	Sub-clause No. of clause(105) of section 65						
C1.	Has the assessee availed benefit of any exemption no	otification ('Y	/N')				No
C2.	If reply to column "C1" is 'Yes', please furnish notifica	tion nos.					
D.	If abatement is claimed as per notification no. 1/2006- abatement is claimed	ST, please f	urnish Sr. N	o. in the noti	fication un	der which su	ch
E1.	Whether provisionally assessed ('Y/N')	2. Prov. a	issessmen	t order No. ('	if any')		
F.	Value of taxable service, service tax payable and gros	ss amount c	harged				
	Month / Quarter	April	May	June	July	August	Septemb
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(1)	Service Tax Payable						
(a)	Gross amount received / (paid) in money						
	(i) against service provided					5,00,000.00	
	(ii) in advance for service to be provided						
(b)	Money equivalent of considerations received / (paid) in						
	a form other than money						
(C)	Value on which Service Tax is exempt / not payable						
	(I) Amount received against export of service						
	(II) Amount received / (paid) towards exempted service					5,00,000.00	
	(other than export of service, i.e., (i) above)						
(-1)	(III) Amount received as / (paid to) pure agent						
<u>(a)</u>	Abatement amount claimed						
(e)	Taxable value = (a+b) minus (c+d)						
(1)	Service Tax rate wise break-up of taxable value = (e)		1			1	
	(i) value on which Service Lax is payable (a) 5%						
	(II) value on which Service Tax is payable (@ 8%						
	(III) Value on which Service Tax is payable @ 10%						
	(iv) Value on which Service Tax is payable @ 12%						
	(v) other rate, if any						
(g)	Service Tax Payable = (5% of f(i) + 8% of f(ii) + 10% of						
	f(iii) + 12% of $f(iv) + f(v)X$ other rate)						
(h)	Education Cess payable = (@2% of Service Tax)						
(i)	Secondary and Higher Education Cess payable = (						
	(@1% of Service Tax)						
<u>(II)</u>	laxable amount charged					5 00 000 00	
(I)	Gross amount for which bills / invoices / challans are					5,00,000.00	
	issued relating to service provided / to be provided (						
(14)	Menow equivelent of other experidention charged if						
(K)	noney equivalent of other consideration charged, if						
(1)	Amount charged for expected consider provided (to be						
w	provided						
(m)	Amount charged for exempted service provided / to be provided (other than export of service given at (I)					5,00,000.00	
(2)	above)						
(n)	Amount charged as pure agent						
(0)	Amount claimed as Abatement						
600	Nettennelle emerunt ehennelle fille here f			1			

Figure 3.12 Page 2



3.	Computation of Service Tax									
A1.	Name of Taxable service									
Таха	ble Service									
Δ2	Assesses is liable to nav Service Tax on this taxable	service as .								
n2.	(i) a service provider; or Y									
	(ii) a service provider, of	Tox					No			
-	(ii) a service receiver hable to make payment of service	Tax								
в.	Sub-clause No. of clause(105) of section 65									
C1.	Has the assessee availed benefit of any exemption no	otification ('Y	/N')				No			
C2.	If reply to column "C1" is 'Yes', please furnish notifica	ation nos.								
D.	If abatement is claimed as per notification no. 1/2006 abatement is claimed	-ST, please f	urnish Sr. N	o. in the noti	fication un	der which su	ch			
E1.	Whether provisionally assessed ('Y/N')	E2. Prov. a	issessment	order No. ('	if any')					
F.	Value of taxable service, service tax payable and gro	ss amount c	harged							
	Month / Quarter	April	May	June	July	August	September			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)			
	Cross amount received ( (noid) in menoy									
(a)	(i) against service provided					7 50 000 00	10 41 260 24			
	(ii) in advance for service to be provided					7,50,000.00	62 780 25			
(h)	Money equivalent of considerations received / (naid) in						02,703.23			
(0)	a form other than money									
(C)	Value on which Service Tax is exempt / not payable					1	1			
	(i) Amount received against export of service						1,50,000.00			
	(ii) Amount received / (paid) towards exempted service									
	(other than export of service, i.e., (i) above)									
	(iii) Amount received as / (paid to) pure agent									
(d)	Abatement amount claimed									
(e)	Taxable value = (a+b) minus (c+d)					7,50,000.00	9,54,049.49			
(f)	Service Tax rate wise break-up of taxable value = (e)									
	(i) Value on which Service Tax is payable @ 5%									
	(ii) Value on which Service Tax is payable @ 8%									
	(iii) Value on which Service Tax is payable @ 10%									
	(iv) Value on which Service Tax is payable @ 12%					7,50,000.00	9,39,049.49			
	(v) other rate, if any									
(g)	Service Tax Payable = (5% of f(i) + 8% of f(ii) + 10% of f(iii) + 12% of f(iv) + f(v)X other rate)					90,000.00	1,12,685.94			
(h)	Education Cess payable = (@2% of Service Tax)					1,800.00	2,253.71			
(i)	Secondary and Higher Education Cess payable = (					900.00	1,126.86			
	@1% of Service Tax)									
(11)	Taxable amount charged									
(j)	Gross amount for which bills / invoices / challans are					7,50,000.00	10,63,999.65			
	issued relating to service provided / to be provided (									
	including export of service and exempted service)									
(k)	Money equivalent of other consideration charged, if									
(1)	any, in a form other than money						4 50 000 00			
(1)	provided						1,50,000.00			
(m)	Amount charged for exempted service provided / to be provided (other than export of service given at (I)									
(n)	Amount charged as pure agent						15 000 00			
(0)	Amount claimed as Abatement						10,000.00			
(a)	Net taxable amount charged = (i + k) minus (l + m + n					7,50,000.00	8,98,999.65			
	+ 0)									

Figure 3.13 Page 3



	Month / Quarter	April	May	June	July	August	September
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a)	Amount deposited in advance						15.000.00
(b)	Challan Nos.						45684
(c)	Challan Dates						3-0ct-201
1A.	Service Tax, Education Cess and other amounts paid						
	Month / Quarter	April	Мау	June	July	August	Septembe
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(I)	Service Tax, Education Cess, Secondary and Higher E	ducation Ce	ss pald			•	
(a)	Service Tax Paid						
	(I) In cash					82,800.00	4,805.98
	(II) by CENVAT Credit					7,200.00	
	(IIa) by adjustment of amount earlier paid in advance						7,951.23
	and adjusted in this period under rule 6 (1A)						
	(III) by adjustment of excess amount paid earlier and						4,805.9
	adjusted in this period under Rule 6(3) of ST Rules						
	(IV) by adjustment of excess amount paid earlier and						
	adjusted in this period under Rule 6(4A) of ST Rules						
(b)	Education Cose Daid						
(D)	(i) in cash					1 655 00	06.1
	(I) In Cash					144.00	30.1
	(II) by adjustment of amount earlier hald in advance					144.00	
	and adjusted in this period under rule 5 (1A)						
	(III) by adjustment of excess amount hald earlier and						96.1
	adjusted in this period under Rule 5(3) of ST Rules						00.1
	(iv) by adjustment of excess amount haid earlier and						
	adjusted in this period under Rule 6(4A) of ST Rules						
	· · · · · · · · · · · · · · · · · · ·						
(C)	Secondary and Higher Education Cess Paid -						
	(I) In cash					828.00	48.0
	(II) by CENVAT Credit					72.00	
	(IIa) by adjustment of amount earlier paid in advance						
	and adjusted in this period under rule 6 (1A)						
	(III) by adjustment of excess amount paid earlier and						48.0
	adjusted in this period under Rule 6(3) of ST Rules						
	(IV) by adjustment of excess amount paid earlier and						
	adjusted in this period under Rule 6(4A) of ST Rules						
(d)	Other Amounts Paid						
	(I) Arrears of revenue paid in cash						5,000.0
	(II) Arrears of revenue paid in credit						
	(III) Arrears of Education Cess paid in cash						
	(IV) Arrears of Education Cess paid in credit						
	(v) Arrears of Sec & Higher Edu Cess paid in cash						
	(VI) Arrears of Sec & Higher Edu Cess paid in credit						
	(VII) Interest paid						800.0
	(VIII) Penalty paid						
	(Ix) Section 73A amount paid						
	(v) Any other amount					1	

Figure 3.14 Page 4

(a)	Challon Mar		(i)				850074	E00074
(a)	Challan Nos		(1)	+ +		1	058274	509874
			(11)	+ +				852745
			(111)					456847
			(IV)					
(b)	Challans Date		(i)	1 1			4-Sep-2012	30-Sep-2012
(0)			(i)	++			4 000 2012	30-Cen-2012
			(11)	++				3-0ct-2012
			(iii)	+ +				3-001-2012
			(14)	1 1				
4B.	Source documents (d)(i) to (vii)	s details for entries at column	4A(I)(a) (iii), 4A(I	)(a) (iv), 4A(l)(b	o)(iii), 4A(l)(	b) (iv), 4A(l)	(c) (iii), 4A(l)(	(c) (iv), 4A(l)
	Entry in table	4A above	Source docum	ents No. / Peri	od	Source	documents	date
	SI. No.	Month / Quarter						
4C. 5. 5A.	Details of amount of Details of input sta Whether the asses	of Service Tax payable but not ge CENVAT credit ssee providing exempted / not	taxable service	ast day of the	period for goods	which retur	n is filed	
(2)	Whother providing	(1)	soprico ('Y/N')			(2	2)	
(a) (b)	Whether providing Whether manufact	(1) any exempted or non taxable turing any exempted goods (')	service ('Y/N') (/N')			(2	2)	
(a) (b) (c)	Whether providing Whether manufact If any one of the ab receipt or consum	(1) any exempted or non taxable turing any exempted goods (") ove is yes, whether maintain ption of input service and inp	service ('Y/N') //N') ng separate acc ut goods (refer t	ount for o rule 6 (2) of		(2	2)	
(a) (b) (c) (d)	Whether providing Whether manufact If any one of the ab receipt or consum CENVAT credit Rul If any one of the (a)	(1) any exempted or non taxable turing any exempted goods (*) ove is yes, whether maintaini ption of input service and inp e, 2004) ) and (b) is 'yes', and (c) is 'no (4) of the Covert Credit Pulo	service ('Y/N') //N') ng separate acc ut goods (refer t ', which option is o 2004	ount for o rule 6 (2) of being		(2	2)	
(a) (b) (c) (d)	Whether providing Whether manufact If any one of the ab receipt or consum CENVAT credit Rule If any one of the (a availed under rule (i) Opted to pay an % of the value of ex	(1) any exempted or non taxable turing any exempted goods ('\ ove is yes, whether maintaini option of input service and inp e, 2004) and (b) is 'yes', and (c) is 'no 6 (3) of the Cenvat Credit Rule amount equal to 10% of the v empted service (Y/W) or	service ('Y/N') //N') ng separate acc ut goods (refer t ', which option is s, 2004 alue of exempted	ount for o rule 6 (2) of being I goods and 8		(2	2)	
(a) (b) (c) (d)	Whether providing Whether manufact If any one of the ab receipt or consum CENVAT credit Ruli If any one of the (aj availed under rule (i) Opted to pay an % of the value of es (ii) Opted to pay an and input services or provision of exe	(1) any exempted or non taxable turing any exempted goods ( <sup>1</sup> ) iove is yes, whether maintaini pition of input service and inp e, 2004) ) and (b) is 'yes', and (c) is 'no 6 (3) of the Cenvat Credit Rule amount equal to 10% of the va cempted service (Y/N); or amount equivalent to CENVA used in or in relation to manu mpted	service ('Y/N') //N') ng separate acc ut goods (refer t ', which option is s, 2004 alue of exempted T Credit attributa facture of exem	ount for o rule 6 (2) of being I goods and 8 ble to inputs pted goods		(2	2)	
(a) (b) (c) (d) 5AA.	Whether providing Whether manufact If any one of the ab receipt or consum CENVAT credit Ruli If any one of the (a) availed under rule (i) Opted to pay an % of the value of ex (ii) Opted to pay an and input services or provision of exe	(1) any exempted or non taxable turing any exempted goods (1) love is yes, whether maintaini ption of input service and inp e, 2004) ) and (b) is 'yes', and (c) is 'no 6 (3) of the Cenvat Credit Rule amount equal to 10% of the va cempted service (Y/N); or amount equivalent to CENVA used in or in relation to manu mpted	service ('Y/N') //N') ng separate acc ut goods (refer t ', which option is s, 2004 ilue of exempted T Credit attributa facture of exem redit Rules, 2004	ount for o rule 6 (2) of being I goods and 8 ble to inputs pted goods		(2	2)	
(a) (b) (c) (d) 5AA.	Whether providing Whether manufact If any one of the ab receipt or consum CENVAT credit Ruli If any one of the (a) availed under rule (i) Opted to pay an % of the value of ex (ii) Opted to pay an and input services or provision of exe	(1) any exempted or non taxable turing any exempted goods ( <sup>1</sup> ) iove is yes, whether maintaini pition of input service and inp e, 2004) ) and (b) is 'yes', and (c) is 'no 6 (3) of the Cenvat Credit Rule amount equal to 10% of the va- kempted service (Y/N); or amount equivalent to CENVA used in or in relation to manu- mpted inder rule 6 (3) of the Cenvat Cre- Month / Quarter	service ('Y/N') //N') ng separate acc ut goods (refer t ', which option is s, 2004 alue of exempted T Credit attributa facture of exem redit Rules, 2004	ount for o rule 6 (2) of being I goods and 8 ble to inputs pted goods	June	(2	2)	September
(a) (b) (c) (d) 55AA.	Whether providing Whether manufact If any one of the ab receipt or consum CENVAT credit Ruli If any one of the (a) availed under rule (i) Opted to pay an % of the value of es (ii) Opted to pay an and input services or provision of exe	(1) any exempted or non taxable turing any exempted goods (7) ove is yes, whether maintaini ption of input service and inp e, 2004) ) and (b) is 'yes', and (c) is 'no 6 (3) of the Cenvat Credit Rule amount equal to 10% of the va kempted service (Y/N); or amount equivalent to CENVA used in or in relation to manu mpted inder rule 6 (3) of the Cenvat Cl Month / Quarter (1)	service ('Y/N') //N') ng separate acc ut goods (refer t s, 2004 alue of exempted T Credit attributa facture of exem redit Rules, 2004 April ( 2 )	ount for o rule 6 (2) of being I goods and 8 ble to inputs pted goods May ( 3 )	June (4)	(2 July (5)	2) August (6)	September (7)
(a) (b) (c) (d) 55AA.	Whether providing Whether manufact If any one of the ab receipt or consum CENVAT credit Rull If any one of the (ai availed under rule (i) Opted to pay an % of the value of e) (ii) Opted to pay an and input services or provision of exe Amount payable un Value of exempted	(1) any exempted or non taxable turing any exempted goods (") iove is yes, whether maintain ption of input service and inp e, 2004) ) and (b) is 'yes', and (c) is 'no 6 (3) of the Cenvat Credit Rule amount equal to 10% of the va cempted service (Y/N); or amount equivalent to CENVA used in or in relation to manu mpted ader rule 6 (3) of the Cenvat Credit Month / Quarter (1) goods cleared	service ('Y/N') //N') ng separate acc ut goods (refer t , which option is s, 2004 alue of exempted T Credit attributa facture of exem redit Rules, 2004 April (2)	ount for o rule 6 (2) of being I goods and 8 ble to inputs pted goods May (3)	June (4)	(2 July (5)	2) August (6)	September (7)
(a) (b) (c) (d) 55AA. (a) (b)	Whether providing Whether manufact If any one of the ab receipt or consum CENVAT credit Rule If any one of the (ai availed under rule (i) Opted to pay an % of the value of e) (ii) Opted to pay an and input services or provision of exe Amount payable un Value of exempted Value of exempted	(1) any exempted or non taxable turing any exempted goods (*) iove is yes, whether maintain ption of input service and inp e, 2004) ) and (b) is 'yes', and (c) is 'no 6 (3) of the Cenvat Credit Rule amount equal to 10% of the va exempted service (Y/N); or amount equivalent to CENVA' used in or in relation to manu mpted ander rule 6 (3) of the Cenvat Credit Month / Quarter (1) goods cleared services provided	service ('Y/N') //N') ng separate acc ut goods (refer t , which option is s, 2004 alue of exempted T Credit attributa facture of exem redit Rules, 2004 April (2)	ount for o rule 6 (2) of being I goods and 8 ble to inputs pted goods May (3)	June (4)	(2 July (5)	2) August (6)	September (7)
(a) (b) (c) (d) 55AA. (a) (b) (c)	Whether providing Whether manufact If any one of the ab receipt or consum CENVAT credit Ruli If any one of the (al availed under rule (i) Opted to pay an % of the value of ex (ii) Opted to pay an and input services or provision of exe Amount payable un Value of exempted Value of exempted Amount paid under 2004, by CENVAT C	(1) any exempted or non taxable turing any exempted goods (1) tove is yes, whether maintaini ption of input service and inp e, 2004) and (b) is 'yes', and (c) is 'no 6 (3) of the Cenvat Credit Rule amount equal to 10% of the va cempted service (Y/N); or amount equivalent to CENVA used in or in relation to manu mpted ander rule 6 (3) of the Cenvat Credit Month / Quarter (1) goods cleared services provided rule 6(3) of Cenvat Credit Rule credit	service ('Y/N') //N') ng separate acc ut goods (refer t ', which option is s, 2004 lue of exempted T Credit attributa facture of exem redit Rules, 2004 April (2) S,	ount for o rule 6 (2) of being I goods and 8 ble to inputs pted goods (3) (3)	June (4)	(2 July (5)	2) August (6)	September (7)
(a) (b) (c) (d) 55AA. (a) (b) (c) (d)	Whether providing Whether manufact If any one of the ab receipt or consum CENVAT credit Rull If any one of the (al availed under rule) (i) Opted to pay an % of the value of e) (ii) Opted to pay an and input services or provision of exe Amount payable un Value of exempted Value of exempted Amount paid under 2004, by CENVAT C Amount paid under 2004, by cash	(1) any exempted or non taxable turing any exempted goods (7) ove is yes, whether maintain ption of input service and inp e, 2004) ) and (b) is 'yes', and (c) is 'no 6 (3) of the Cenvat Credit Rule amount equal to 10% of the va kempted service (Y/N); or amount equivalent to CENVA used in or in relation to manu- mpted nder rule 6 (3) of the Cenvat Cr (1) goods cleared services provided rule 6(3) of Cenvat Credit Rule credit rule 6(3) of Cenvat Credit Rule	service ('Y/N') //N') ng separate acc ut goods (refer t s, vhich option is s, 2004 ilue of exempted T Credit attributa facture of exem redit Rules, 2004 April (2) s, s,	ount for o rule 6 (2) of being I goods and 8 ble to inputs pted goods (3) (3)	June (4)	(2	2) August (6)	September (7)
(a) (b) (c) (d) 55AA. (a) (b) (c) (d) (c)	Whether providing Whether manufact If any one of the ab receipt or consum CENVAT credit Rule If any one of the (al availed under rule (i) Opted to pay an % of the value of ex) (ii) Opted to pay an and input services or provision of exe Amount payable un Value of exempted Value of exempted Value of exempted Amount paid under 2004, by CENVAT C Amount paid under 2004, by cash Total amount paid	(1) any exempted or non taxable turing any exempted goods (1) love is yes, whether maintaini piton of input service and inp e, 2004) and (b) is 'yes', and (c) is 'no 6 (3) of the Cenvat Credit Rule amount equal to 10% of the va- kempted service (Y/N); or amount equivalent to CENVA used in or in relation to manu- mpted ander rule 6 (3) of the Cenvat Cr Month / Quarter (1) goods cleared services provided rule 6(3) of Cenvat Credit Rule credit rule 6(3) of Cenvat Credit Rule credit Rule co (c) +(d)	service ('Y/N') //N') ng separate acc ut goods (refer t /, which option is s, 2004 lilue of exempted T Credit attributa facture of exem redit Rules, 2004 April (2) S, S, S, S,	ount for o rule 6 (2) of being I goods and 8 ble to inputs pted goods (3) (3)	June (4)	(2	2) August (6)	September (7)
(a) (b) (c) (d) 55AA. (a) (b) (c) (d) (d) (d) (f)	Whether providing Whether manufact If any one of the ab receipt or consum CENVAT credit Rule If any one of the (al availed under rule (i) Opted to pay an % of the value of ex (ii) Opted to pay an and input services or provision of exe Amount payable un Value of exempted Value of exempted Value of exempted Value of exempted Amount paid under 2004, by CENVAT C Amount paid under 2004, by cash Total amount paid = Challan Nas, vide w	(1) any exempted or non taxable turing any exempted goods (1') two is yes, whether maintaini iption of input service and inp e, 2004) and (b) is 'yes', and (c) is 'no 6 (3) of the Cenvat Credit Rule amount equal to 10% of the va- cempted service (YN); or amount equivalent to CENVA used in or in relation to manu- mpted ander rule 6 (3) of the Cenvat Cre- Month / Quarter (1) goods cleared services provided rule 6(3) of Cenvat Credit Rule credit rule 6(3) of Cenvat Credit Rule = (c) + (d) hich amount mentioned in (d) is	service ('Y/N') ('N') ng separate acc ut goods (refer t ', which option is s, 2004 lue of exempted T Credit attributa facture of exem redit Rules, 2004 April (2) S, S, paid	ount for o rule 6 (2) of being I goods and 8 ble to inputs pted goods May (3) (3)	June (4)	(2	2) August (6)	September (7)

Figure 3.15 Page 5





	Month / Quarter	April	May	June	July	August	Septembe
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(I)	CENVAT Credit of Service Tax and Central Excise Duty						
(a)	Opening Balance						(-)7,200.0
(b)	Credit Taken						
	(i) On Inputs						
	(ii) On Capital Goods						
	(iii) On Input Services received directly						66,877.5
	(iv) As received from input service distributor						
	(v) From inter unit transfer by a LTU						
	Total Credit Taken = (i+ii+iii+iv+v)						66,877.5
(C)	Credit Utilized						
	(i) For Payment of Service Tax					7,200.00	
	(ii) For Payment of Education Cess on taxable service						
	(iii) For Payment of Excise or any Other Duty						
	(iv) Towards clearance of Input Goods and Capital						
	Goods removed as such						
	(v) Towards inter unit transfer of LTU						
	(vi) for payment under rule 6 (3) of the Cenvat Credit						
	Rules, 2004						
	Total Credit Utilized = (i+ii+iii+iv+v+vi)					7,200.00	
(d) (II)	Closing Balance of CENVAT Credit = (a+b-c) CENVAT Credit of Education Cess and Secondary and Higher Education Cess					(-)7,200.00	59,677.5
(d) (II) (a)	Closing Balance of CENVAT Credit = (a+b-c) CENVAT Credit of Education Cess and Secondary and Higher Education Cess Opening Balance				 	(-)7,200.00	(-)216.0
(d) (II) (a) (b)	Closing Balance of CENVAT Credit = (a+b-c) CENVAT Credit of Education Cess and Secondary and Higher Education Cess Opening Balance Credit of Education Cess and Secondary and Higher					(-)7,200.00	59,677.5 (-)216.0
(d) (II) (a) (b)	Closing Balance of CENVAT Credit = (a+b-c) CENVAT Credit of Education Cess and Secondary and Higher Education Cess Opening Balance Credit of Education Cess and Secondary and Higher Education Cess Taken					(-)7,200.00	59,677.5 (-)216.0
(d) (II) (a) (b)	Closing Balance of CENVAT Credit = (a+b-c) CENVAT Credit of Education Cess and Secondary and Higher Education Cess Opening Balance Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs					(-)7,200.00	59,677.5 (-)216.0
(d) (II) (a) (b)	Closing Balance of CENVAT Credit = (a+b-c) CENVAT Credit of Education Cess and Secondary and Higher Education Cess Opening Balance Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods					(-)7,200.00	59,677.5 (-)216.0
(d) (II) (a) (b)	Closing Balance of CENVAT Credit = (a+b-c) CENVAT Credit of Education Cess and Secondary and Higher Education Cess Opening Balance Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods (iii) On Input Services received directly					(-)7,200.00	<b>(-)216.0</b> 2,006.3
(d) (II) (a) (b)	Closing Balance of CENVAT Credit = (a+b-c) CENVAT Credit of Education Cess and Secondary and Higher Education Cess Opening Balance Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods (iii) On Input Services received directly (iv) As received from input service distributor					(-)7,200.00	<b>(-)216.0</b> 2,006.3
(d) (II) (a) (b)	Closing Balance of CENVAT Credit = (a+b-c) CENVAT Credit of Education Cess and Secondary and Higher Education Cess Opening Balance Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods (iii) On Input Services received directly (iv) As received from input service distributor (v) From inter unit transfer by a LTU					(-)7,200.00	<b>(-)216.0</b> 2,006.3
(d) (ll) (a) (b)	Closing Balance of CENVAT Credit = (a+b-c)         CENVAT Credit of Education Cess and Secondary and Higher Education Cess         Opening Balance         Credit of Education Cess and Secondary and Higher Education Cess Taken         (i) On Inputs         (ii) On Capital Goods         (iii) On Input Services received directly         (iv) As received from input service distributor         (v) From inter unit transfer by a LTU         Total Credit of Education Cess and Secondary and					(-)7,200.00	(-)216.0 2,006.3 2,006.3
(d) (ll) (a) (b)	Closing Balance of CENVAT Credit = (a+b-c)         CENVAT Credit of Education Cess and Secondary and Higher Education Cess         Opening Balance         Credit of Education Cess and Secondary and Higher Education Cess Taken         (ii) On Inputs         (iii) On Capital Goods         (iii) On Input Services received directly         (v) As received from input service distributor         (v) From inter unit transfer by a LTU         Total Credit of Education Cess and Secondary and Higher Education Cess Taken = (i+ii+iii+iv+v)					(-)7,200.00	59,677.5 (-)216.0 2,006.3 2,006.3
(d) (ll) (a) (b) (c)	Closing Balance of CENVAT Credit = (a+b-c)         CENVAT Credit of Education Cess and Secondary and Higher Education Cess         Opening Balance         Credit of Education Cess and Secondary and Higher Education Cess Taken         (i) On Inputs         (ii) On Capital Goods         (iii) On Input Services received directly         (iv) As received from input service distributor         (v) From inter unit transfer by a LTU         Total Credit of Education Cess Taken = (i+i+iii+iv+v)         Credit of Education Cess and Secondary and Higher					(-)7,200.00	(-)216.0 2,006.3 2,006.3
(d) (ll) (a) (b)	Closing Balance of CENVAT Credit = (a+b-c)         CENVAT Credit of Education Cess and Secondary and Higher Education Cess         Opening Balance         Credit of Education Cess and Secondary and Higher Education Cess Taken         (ii) On Inputs         (iii) On Capital Goods         (iiii) On Input Services received directly         (iv) As received from input service distributor         (v) From inter unit transfer by a LTU         Total Credit of Education Cess Taken = (i+ii+iii+v+v)         Credit of Education Cess Taken = (i+ii+iii+v+v)         Credit of Education Cess and Secondary and Higher Education Cess Utilized					(-)7,200.00	59,677.5 (-)216.0 2,006.3 2,006.3
(d) (II) (a) (b) (c)	Closing Balance of CENVAT Credit = (a+b-c)         CENVAT Credit of Education Cess and Secondary and Higher Education Cess         Opening Balance         Credit of Education Cess and Secondary and Higher Education Cess Taken         (i) On Inputs         (iii) On Capital Goods         (iiii) On Input Services received directly         (iv) As received from input service distributor         (v) From inter unit transfer by a LTU         Total Credit of Education Cess and Secondary and Higher Education Cess Taken = (i+i+ii+ii+v+v)         Credit of Education Cess and Secondary and Higher Education Cess Utilized         (i) For Payment of Education Cess and Secondary and					216.00	59,677.5 (-)216.0 2,006.3 2,006.3
(d) (ll) (a) (b) (c)	Closing Balance of CENVAT Credit = (a+b-c)         CENVAT Credit of Education Cess and Secondary and Higher Education Cess         Opening Balance         Credit of Education Cess and Secondary and Higher Education Cess Taken         (i) On Inputs         (ii) On Capital Goods         (iii) On Input Services received directly         (iv) As received from input service distributor         (v) From inter unit transfer by a LTU         Total Credit of Education Cess and Secondary and Higher Education Cess Taken = (i+ii+iii+iv+v)         Credit of Education Cess and Secondary and Higher Education Cess Utilized         (i) For Payment of Education Cess and Secondary and Higher Education Cess on Services					216.00	59,677.5 (-)216.0 2,006.3 2,006.3
(d) (ll) (a) (b)	Closing Balance of CENVAT Credit = (a+b-c)         CENVAT Credit of Education Cess and Secondary and Higher Education Cess         Opening Balance         Credit of Education Cess and Secondary and Higher Education Cess Taken         (ii) On Inputs         (iii) On Capital Goods         (iii) On Input Services received directly         (v) As received from input service distributor         (v) From inter unit transfer by a LTU         Total Credit of Education Cess and Secondary and Higher Education Cess and Secondary and Higher Education Cess and Secondary and Higher Education Cess on Secondary and Higher Education Cess on services         (i) For Payment of Education Cess and Secondary and Higher Education Cess on services					216.00	(-)216.0 2,006.3 2,006.3
(d) (ll) (a) (b) (c)	Closing Balance of CENVAT Credit = (a+b-c) CENVAT Credit of Education Cess and Secondary and Higher Education Cess Opening Balance Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods (iii) On Input Services received directly (iv) As received from input service distributor (v) From inter unit transfer by a LTU Total Credit of Education Cess and Secondary and Higher Education Cess Taken = (i+ii+iii+iv+v) Credit of Education Cess and Secondary and Higher Education Cess and Secondary and Higher Education Cess on Services (ii) For Payment of Education Cess and Secondary and Higher Education Cess on services (ii) For Payment of Education Cess and Secondary and Higher Education Cess on goods					216.00	59,677.5 (-)216.0 2,006.3 2,006.3
(d) (ll) (a) (b) (c)	Closing Balance of CENVAT Credit = (a+b-c)  CENVAT Credit of Education Cess and Secondary and Higher Education Cess Opening Balance Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods (iii) On Input Services received directly (iv) As received from input service distributor (v) From inter unit transfer by a LTU Total Credit of Education Cess and Secondary and Higher Education Cess Taken = (i+i+ii+i+v+v) Credit of Education Cess and Secondary and Higher Education Cess and Secondary and Higher Education Cess on Services (ii) For Payment of Education Cess and Secondary and Higher Education Cess on goods (iii) Towards Payment of Education Cess and Deceded Waths					216.00	59,677.5 (-)216.0 2,006.3 2,006.3
(d) (ll) (a) (b) (c)	Closing Balance of CENVAT Credit = (a+b-c) CENVAT Credit of Education Cess and Secondary and Higher Education Cess Opening Balance Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods (iii) On Input Services received directly (iv) As received from input service distributor (v) From inter unit transfer by a LTU Total Credit of Education Cess and Secondary and Higher Education Cess Taken = (i+ii+ii+v+v) Credit of Education Cess and Secondary and Higher Education Cess on Secondary and Higher Education Cess on services (ii) For Payment of Education Cess and Secondary and Higher Education Cess on goods (iii) Towards Payment of Education Cess on clearance etlemet Oreation Center					216.00	(-)216.0 2,006.3 2,006.3
(d) (ll) (a) (b) (c)	Closing Balance of CENVAT Credit = (a+b-c)         CENVAT Credit of Education Cess and Secondary and Higher Education Cess         Opening Balance         Credit of Education Cess and Secondary and Higher Education Cess Taken         (i) On Inputs         (ii) On Capital Goods         (iii) On Input Services received directly         (iv) As received from input service distributor         (v) From inter unit transfer by a LTU         Total Credit of Education Cess and Secondary and Higher Education Cess Taken = (i+ii+iii+iv+v)         Credit of Education Cess and Secondary and Higher Education Cess on services         (i) For Payment of Education Cess and Secondary and Higher Education Cess on services         (iii) For Payment of Education Cess and Secondary and Higher Education Cess on goods         (iii) Towards Payment of Education Cess and Secondary and Higher Education Cess on clearance of Input Goods and Capital Goods removed as such					216.00	(-)216.0 2,006.3 2,006.3
(d) (ll) (a) (b) (c)	Closing Balance of CENVAT Credit = (a+b-c)         CENVAT Credit of Education Cess and Secondary and Higher Education Cess         Opening Balance         Credit of Education Cess and Secondary and Higher Education Cess Taken         (ii) On Inputs         (iii) On Capital Goods         (iii) On Input Services received directly         (iv) As received from input service distributor         (v) From inter unit transfer by a LTU         Total Credit of Education Cess and Secondary and Higher Education Cess and Secondary and Higher Education Cess Utilized         (i) For Payment of Education Cess and Secondary and Higher Education Cess on services         (ii) For Payment of Education Cess and Secondary and Higher Education Cess on services         (iii) Towards Payment of Education Cess and Secondary and Higher Education Cess on goods         (iii) Towards Payment of Education Cess and Secondary and Higher Education Cess and Secondary and Higher Education Cess and Secondary and Higher Education Cess and Secondary and Highe					216.00	(-)216.0 2,006.3 2,006.3
(d) (ll) (a) (b) (c)	Closing Balance of CENVAT Credit = (a+b-c)         CENVAT Credit of Education Cess and Secondary and Higher Education Cess         Opening Balance         Credit of Education Cess and Secondary and Higher Education Cess Taken         (i) On Inputs         (ii) On Capital Goods         (iii) On Capital Goods         (iii) On Input Services received directly         (iv) As received from input service distributor         (v) From inter unit transfer by a LTU         Total Credit of Education Cess and Secondary and Higher Education Cess and Secondary and Higher Education Cess and Secondary and Higher Education Cess on Services         (i) For Payment of Education Cess and Secondary and Higher Education Cess on services         (iii) For Payment of Education Cess and Secondary and Higher Education Cess on goods         (iiii) Towards Payment of Education Cess and Secondary and Higher Education Cess on clearance of Input Goods and Capital Goods removed as such (v) Towards inter unit transfer of LTU         Total Credit of Education Cess and Secondary and Higher Education Cess Utilized = (+ii-iii+v)					216.00 216.00	(-)216.0 2,006.3 2,006.3

Figure 3.16 Page 6



	Month / Quarter	April	May	June	July	August	September
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(I)	CENVAT Credit of Service Tax and Central Excise						
(a)	Opening Balance of CENIVAT Credit						
(a) (b)	Credit taken (for distribution) on Input Service						
(D) (C)	Credit distributed						
(C) (d)	Credit distributed						
(u)	Credit Pules 2004)						
(0)	Closing Balance						
(6)	closing balance						
(II)	CENVAT Credit of Education Cess and Secondary						
	and Higher Education Cess Credit			_			
(a)	Opening Balance of Education Cess and Secondary						
	and Higher Education Cess credit						
(b)	Credit of Education Cess and Secondary and Higher						
	Education Cess taken (for distribution) on Input						
	Service						
(C)	Credit of Education Cess and Secondary and Higher						
	Education Cess distributed						
(d)	Credit of Education Cess and Secondary and Higher						
	Education Cess not eligible for distribution (rule 7(b)						
	of CENVAT Credit Rules, 2004)						
(e) . Se	Closing Balance						
(e) . Se a) I / tate	Closing Balance If Assessment memorandum We declare that the above particulars are in accordance d.	ce with the r	ecords and	books main	tained by m	ne / us and a	re correctly
(e) 7. Se a) I / tate b) I / he F	Closing Balance If Assessment memorandum We declare that the above particulars are in accordance d. We have assessed and paid the Service Tax and / or avinance Act, 1994 and the rules made thereunder.	ce with the r vailed and di	ecords and stributed CE	books main	tained by m t correctly a	e / us and a	re correctly rovisions of
(e) . Se a) I / tate b) I / he F c) I /	Closing Balance If Assessment memorandum We declare that the above particulars are in accordance d. We have assessed and paid the Service Tax and / or av inance Act, 1994 and the rules made thereunder. We have paid duty within the specified time limit and in	ce with the r vailed and di case of dela	ecords and stributed CE ay, I / We hav	books main ENVAT credi	tained by m t correctly a d the interes	e / us and a as per the pr st leviable th	re correctly rovisions of vereon.
(e) (. Se a)   / tate b)   / he F c)   /	Closing Balance If Assessment memorandum We declare that the above particulars are in accordanc d. We have assessed and paid the Service Tax and / or av inance Act, 1994 and the rules made thereunder. We have paid duty within the specified time limit and in he return has been prepared by a Service Tax Return Pr	ce with the r vailed and di case of dela reparer (STF	ecords and stributed CE ay, I / We hay	books main ENVAT credit ve deposited further deta	tained by m t correctly a d the intere: ils as belov	e / us and a as per the pr st leviable th v:	re correctly rovisions of rereon.
(e) (. Se a)   / tate b)   / he F c)   /	Closing Balance If Assessment memorandum We declare that the above particulars are in accordance d. We have assessed and paid the Service Tax and / or av inance Act, 1994 and the rules made thereunder. We have paid duty within the specified time limit and in he return has been prepared by a Service Tax Return Pr	ce with the r vailed and di case of dela reparer (STF	ecords and stributed CE ay, I / We hav RP), furnish	books main ENVAT credi ve deposited further deta	tained by m t correctly a d the interes	e / us and a as per the pr st leviable th v:	re correctly rovisions of rereon.
(e) (. Se a)   / tate b)   / he F c)   / . If t a)  d	Closing Balance If Assessment memorandum We declare that the above particulars are in accordance d. We have assessed and paid the Service Tax and / or av- inance Act, 1994 and the rules made thereunder. We have paid duty within the specified time limit and in he return has been prepared by a Service Tax Return Pr entification No. of STRP	ce with the r vailed and di case of dela reparer (STF	ecords and stributed CE ay, I / We hay RP), furnish	books main NVAT credi ve deposited further deta	tained by m t correctly a f the intere: ils as belov	e / us and a as per the pr st leviable th v:	re correctly ovisions of ereon.
(e) (: Se a)   / tate b)   / he F c)   / . If t a)  d	Closing Balance If Assessment memorandum We declare that the above particulars are in accordance d. We have assessed and paid the Service Tax and / or av- inance Act, 1994 and the rules made thereunder. We have paid duty within the specified time limit and in he return has been prepared by a Service Tax Return Pr entification No. of STRP ame of STRP	ce with the r vailed and di case of dela reparer (STF	ecords and stributed CE ay, I / We hav RP), furnish	books main ENVAT credi ve deposited further deta	tained by m t correctly a d the intere:	e / us and a as per the pr st leviable th v:	re correctly rovisions of rereon.
(e) (a)   / tate b)   / he F c)   / . If t a)  d	Closing Balance If Assessment memorandum We declare that the above particulars are in accordanc d. We have assessed and paid the Service Tax and / or av inance Act, 1994 and the rules made thereunder. We have paid duty within the specified time limit and in he return has been prepared by a Service Tax Return Pr entification No. of STRP ame of STRP	ce with the r vailed and di case of dela reparer (STF	ecords and stributed CE ay, I / We hav RP), furnish	books main NVAT credi ve deposited further deta	tained by m t correctly a d the intere:	e / us and a as per the pr st leviable th v:	re correctly rovisions of rereon.
(e) (. Se a)   / tate b)   / he F c)   / (. If t a)   d	Closing Balance If Assessment memorandum We declare that the above particulars are in accordance d. We have assessed and paid the Service Tax and / or av- inance Act, 1994 and the rules made thereunder. We have paid duty within the specified time limit and in he return has been prepared by a Service Tax Return Pr entification No. of STRP ame of STRP	ce with the r vailed and di case of dela reparer (STF	ecords and stributed CE ay, I / We hav RP), furnish	books main NVAT credi ve deposited further deta	tained by m t correctly a d the intere: ils as belov	e / us and a as per the pr st leviable th v:	re correctly ovisions of ereon.
(e) (a)   / tate b)   / he F c)   / (lf t a)   d b) N	Closing Balance If Assessment memorandum We declare that the above particulars are in accordance d. We have assessed and paid the Service Tax and / or av inance Act, 1994 and the rules made thereunder. We have paid duty within the specified time limit and in he return has been prepared by a Service Tax Return Pr entification No. of STRP ame of STRP	ce with the r vailed and di case of dela reparer (STF	ecords and stributed CE ay, I / We hav RP), furnish	books main NVAT credi ve deposited further deta	tained by m t correctly a d the intere: ils as below	e / us and a as per the pr st leviable th v: 	re correctly rovisions of ereon.
(e) (a)  // tate (b)  // (c)  /// (c)  //// (c)  ///// (c)  //// (c)  ////// (c)  /////// (c)  ////// (c)  //////// (c)  //////////// (c)  ////////////////////////////////////	Closing Balance If Assessment memorandum We declare that the above particulars are in accordance d. We have assessed and paid the Service Tax and / or av- inance Act, 1994 and the rules made thereunder. We have paid duty within the specified time limit and in he return has been prepared by a Service Tax Return Pr entification No. of STRP ame of STRP	ce with the r vailed and di case of dela reparer (STF	ecords and stributed CE ay, I / We hav RP), furnish	books main ENVAT credi ve deposited further deta (Signatu	tained by m t correctly a d the intere: ils as belov	e / us and a as per the pr st leviable th v: 	re correctly ovisions of ereon.

Figure 3.17 Page 7



ACKNOWLEDGEMENT
Date: 10-Oct-2012 Place: Bangalore
I hereby acknowledge the receipt of your ST-3 return for the period April 2012 - September 2012
(Signature of the Officer of Central Excise & Service Tax) (With Name & Official Seal)

Figure 3.18 Page 8

#### 3.4.2 ST3 E-filing

As per the latest rule, ST3 Electronic filing is mandatory with effect from1st October, 2011. Every Service Tax Assessee is required to file Half-yearly returns Electronically irrespective of Service Tax paid.

To file returns electronically, CBEC has provided the Excel Format where assessees can enter the values manually, generate the file in XML format and upload the same in ACES website.

In Tally.ERP 9, to facilitate the users to fill the details in Excel format, ST3 E-filing Format has been provided.

To view ST3 E-filing,

Go to Gateway of Tally > Display > Statutory Reports > Service Tax Reports > ST3 > E-filing

In Form ST3 E-filing screen,

- In Period For field, select the period for which ST3 Report to be printed. ST3 Form is half yearly return hence, the application displays Two Period option:
  - April September
  - October March

For example: Select April - September (as transactions pertaining to this period are recorded).



#### D Specify the **Place** and **Date** of Printing ST3 Report.

Printing									
Printer No. of Copies Print Language	: NPI9F3EB3 (HP LaserJet P4015) (Ne02:) : 1 : English	Paper Type :	(P	Letter Printing Dimensions)					
Method Page Range	: Neat Mode : All	Paper Size: Print Area :	(8.50" x 10.98") (8.03" x 10.71")	) or (216 mm × 279 mm) ) or (204 mm × 272 mm)					
Report Titles									
	Form ST	- 3							
	(with Print F	review)							
	Without Compan	y Phone No.							
	ST-3 Per	iod							
	Period For : [Apri Place : Bang		Print ?						
	Date : 10-10	2012		Yes or No					

Figure 3.19 ST 3 Printing screen

Press Enter to view Print Preview of From ST 3



### The Print Preview of Form ST-3 appears as shown:

	FORM ST-3	
(Retu	rn under section 70 of the Finance Act, 1994) [ ORIGINAL / REVISED RETURN ]	
		Financial Year 2012-13
For the period		
✓ April-September	October-March	
1A. Has the assessee opted to operate as Lar (As defined under Rule 2 (ea) of the Central Excise Ru	rge Taxpayer No	, 1994)
1B. If reply to column "1A" is 'yes', name of	Large Taxpayer Unit (LTU) opted for	
2A. Name of the assessee	Crystal Services (P) Ltd.	
2B. STC No.	ASDCE1588PST001	
2C. Premises code No.	SC0500012	
2D. Constitution of assessee	Registered Private Ltd Company	
A1. NAME OF TAXABLE SERVICES FOR N	WHICH RETURN IS BEING FILED	
Taxable Services Provided*		
Exempted Service Taxable Service		

Figure 3.20 Page 1



3.	Computation of Service Tax						
A1.	Name of Taxable service						
Exem	npted Service						
A2.	Assessee is liable to pay Service Tax on this taxable s	service as					
	(i) a convice provider: or	service us,-					Voc
	(i) a service provider, or	-					163
	(II) a service receiver liable to make payment of Service	lax					NO
в.	Sub-clause No. of clause(105) of section 65						
C1.	Has the assessee availed benefit of any exemption no	tification ('Y	/N')				No
C2.	If reply to column "C1" is 'Yes', please furnish notificat	tion nos.					
D.	If abatement is claimed as per notification no. 1/2006-ST, please furnish Sr. No. in the notification under which such abatement is claimed						
E1.	Whether provisionally assessed ('Y/N')	2. Prov. a	ssessment	order No. ('	if any')		
F.	Value of taxable service, service tax payable and gros	s amount c	harged				
	FOR	SERVICE DR					
	Nonth (Quarter	Anril	May	luno	lubr	August	Contemb
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
m	Service Tax Davable	(2)	(3)	(4)	(5)	(0)	(1)
(2)	Cross amount received in money						
(a)	Gloss amount received in money				1	5 00 000 00	
	(i) against service provided					5,00,000.00	
	(II) In advance for service to be provided						
(b)	Money equivalent of considerations received / (paid) in						
	a form other than money						
(C)	Value on which Service Tax is exempt / not payable						
	<ul> <li>(i) Amount received against export of service</li> </ul>						
	(ii) Amount received / (paid) towards exempted service					5,00,000.00	
	(other than export of service, i.e., (i) above)						
	(iii) Amount received as / (naid to) nure agent	-					
(d)	Abstement amount claimed						
(0)	Tayable yelve = (a th) minue (a td)					-	
(e)	Taxable value – (a+b) fillinus (C+u)						
(1)	Service Tax fale wise break-up of taxable value = (e)				1	1	
	(I) Value on which Service Tax is payable @ 5%						
	(ii) Value on which Service Tax is payable @ 8%						
	(iii) Value on which Service Tax is payable @ 10%						
	(iv) Value on which Service Tax is payable @ 12%						
	(v) other rate, if any						
(g)	Service Tax Payable = (5% of f(i) + 8% of f(ii) + 10% of						
	f(iii) + 12% of f(iv) + f(v)X other rate)						
(h)	Education Cess payable = (@2% of Service Tax)						
(i)	Secondary and Higher Education Cess payable = (						
	@1% of Service Tax)						
(II)	Taxable amount charged						
(i)	Gross amount for which bills / invoices / challans are					5.00.000.00	
u/	issued relating to service provided / to be provided (						
	including export of service and exempted service)						
(k)	Money equivalent of other consideration charged, if						
09	any in a form other than money						
<i>(</i> 1)	Amount charged for expected convice provided (to be						
(U)	provided						
(m)	Amount charged for exempted service provided (to be					5 00 000 00	
(111)	Amount charged for exempted service provided / to be					5,00,000.00	
	provided (other than export of service given at (I)						
	above)					+	
1			1	1			
(n)	Amount charged as pure agent						
(n) (0)	Amount charged as pure agent Amount claimed as Abatement						

Figure 3.21 Page 2

	FOR S	ERVICE REC	,EPIENT				
	Month / Quarter	April	May	June	July	August	Septembe
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(1)	Service Tax Payable						
(a)	Gross amount paid in money						
	(i) against service received						
	(ii) in advance for service to be provided						
(b)	Money equivalent of considerations received / (paid) in						
	a form other than money						
(C)	Value on which Service Tax is exempt / not payable						
	(i) Amount received against export of service						
	(ii) Amount received / (paid) towards exempted service						
	(other than export of service, i.e., (i) above)						
	(iii) Amount received as / (paid to) pure agent						
(d)	Abatement amount claimed						
(e)	Taxable value = (a+b) minus (c+d)						
(f)	Service Tax rate wise break-up of taxable value = (e)						
	(i) Value on which Service Tax is payable @ 5%						
	(ii) Value on which Service Tax is payable @ 8%						
	(iii) Value on which Service Tax is payable @ 10%						
	(iv) Value on which Service Tax is payable @ 12%						
	(v) other rate, if any						
(g)	Service Tax Payable = (5% of f(i) + 8% of f(ii) + 10% of					1	
	f(iii) + 12% of f(iv) + f(v)X other rate)						
(h)	Education Cess payable = (@2% of Service Tax)						
(i)	Secondary and Higher Education Cess payable = (						
	@1% of Service Tax)						
(II)	TAXABLE AMOUNT PAID						
(j)	Gross amount for which bills / invoices / challans are						
	issued relating to service received / to be received (						
	including export of service and exempted service)						
(k)	Money equivalent of other consideration paid, if any, in						
	a form other than money						
(I)	Amount paid for exempted service received / to be						
	received (other than export of service given at (I)						
	above)						
<u>(m)</u>	Amount paid as pure agent						
(n)	Amount claimed as Abatement					-	
(0)	Net taxable amount paid = (j + k) - (l + m + n)						

Figure 3.22 Page 3



3.	Computation of Service Tax								
A1.	Name of Taxable service								
Taxa	ble Service								
<b>۸</b> 2	Assessed is lighter to pay Service Tax on this taxable s								
AZ.	Assessee is liable to pay service rax on this taxable s	service as,-							
	(I) a service provider; or						Yes		
	(ii) a service receiver liable to make payment of Service	Гах					No		
в.	Sub-clause No. of clause(105) of section 65								
C1.	Has the assessee availed benefit of any exemption no	tification ('Y	/N')				No		
C2.	If reply to column "C1" is 'Yes', please furnish notificat	tion nos.							
D.	If abatement is claimed as per notification no. 1/2006-ST, please furnish Sr. No. in the notification under which such abatement is claimed								
F1	Whether provisionally assessed ('Y/N')	2 Prov a	ssessment	order No. ('i	if any')				
-		2. 1100.0		01461 110. (1	i uny /	L			
ŀ.	Value of taxable service, service tax payable and gros	is amount cl	narged						
	FOR	SERVICE PR	OVIDER						
	Month / Quarter	April	May	June	July	August	Septembe		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		
(II)	Service Tax Pavable	(2)	(3)	(4)	(*/				
(a)	Gross amount received in money								
(4)	(i) against service provided					7 50 000 00	18 81 260 2		
	(i) in advance for service to be provided					.,	62 789 2		
(b)	Money equivalent of considerations received / (naid) in						02,103.2		
(0)	a form other than money						1		
(c)	Value on which Service Tax is exempt / not navable								
(0)	(i) Amount received against export of service						1 50 000 0		
	(ii) Amount received ((noid) towards exempted contice						1,00,000.0		
	(ather than export of service, i.e., (i) shove)						1		
	(iii) Amount received as ( (paid to) pure agent								
(d)	Abstament amount claimed				-	+			
(u) (o)	Taxable value = (a+b) minue (c+d)					7 50 000 00	17 04 040 4		
(6)	$\frac{1}{2} \frac{1}{2} \frac{1}$		·			7,50,000.00	17,04,043.4		
0	(i) Volue on which Contine Tox is noveble (ii)								
	(i) Value on which Service Tax is payable (0, 5%								
	(ii) Value on which Service Tax is payable (0, 8%								
	(iii) value on which Service Tax is payable (0, 10%)				l	7 50 000 00	47.70.040.4		
	(iv) value on which Service Tax is payable (0) 12%					7,50,000.00	17,19,048.4		
	(V) other rate, if any						0.40.405.0		
(g)	Service Tax Payable = $(5\% \text{ of } f(i) + 8\% \text{ of } f(i) + 10\% \text{ of})$ f(iii) + 12% of f(iv) + f(v)X other rate)					90,000.00	2,13,485.94		
(h)	Education Cess payable = (@2% of Service Tax)					1,800.00	4,269.7		
(i)	Secondary and Higher Education Cess payable = (					900.00	2,134.80		
	@1% of Service Tax)								
(II)	Taxable amount charged								
(j)	Gross amount for which bills / invoices / challans are					7,50,000.00	10,63,999.6		
	issued relating to service provided / to be provided (				1		1		
	including export of service and exempted service)								
(k)	Money equivalent of other consideration charged, if						1		
	any, in a form other than money								
(I)	Amount charged for exported service provided / to be provided						1,50,000.0		
(m)	Amount charged for exempted service provided / to be								
(,	provided (other than export of service given at (I)								
(n)	Amount charged as pure agent						15,000.00		
(0)	Amount claimed as Abatement								
1-1									
(p)	Net taxable amount charged = $(i + k)$ minus $(l + m + n)$		1	1	1	7,50,000.00	18,98,999.6		

Figure 3.23 Page 4



	Month / Quarter	April	May	June	July	August	Septembe	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
(I)	Service Tax Payable							
(a)	Gross amount paid in money							
	(i) against service received						8,40,000.0	
	(ii) in advance for service to be provided							
(b)	Money equivalent of considerations received / (paid) in							
	a form other than money							
(C)	Value on which Service Tax is exempt / not payable							
	(i) Amount received against export of service							
	(ii) Amount received / (paid) towards exempted service							
	(other than export of service, i.e., (i) above)							
	(iii) Amount received as / (paid to) pure agent							
(d)	Abatement amount claimed							
(e)	Taxable value = (a+b) minus (c+d)						8,40,000.0	
(f)	Service Tax rate wise break-up of taxable value = (e)						_	
	(i) Value on which Service Tax is payable @ 5%							
	(ii) Value on which Service Tax is payable @ 8%							
	(iii) Value on which Service Tax is payable @ 10%							
	(iv) Value on which Service Tax is payable @ 12%						8,40,000.0	
	(v) other rate, if any							
(g)	Service Tax Payable = (5% of f(i) + 8% of f(ii) + 10% of						1,00,800.0	
	f(iii) + 12% of f(iv) + f(v)X other rate)							
(h)	Education Cess payable = (@2% of Service Tax)						2,016.0	
(i)	Secondary and Higher Education Cess payable = (						1,008.0	
	@1% of Service Tax)							
(11)	TAXABLE AMOUNT PAID							
(j)	Gross amount for which bills / invoices / challans are						8,40,000.0	
	issued relating to service received / to be received (							
	including export of service and exempted service)							
(k)	Money equivalent of other consideration paid, if any, in							
	a form other than money							
(1)	Amount paid for exempted service received / to be							
	received (other than export of service given at (I)							
	above)							
(m)	Amount paid as pure agent							
(n)	Amount claimed as Abatement							

Figure 3.24 Page 5



	Month / Quarter	April	May	June	July	August	September
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a)	Amount deposited in advance						15,000.00
(b)	Challan Nos.						456847
(c)	Challan Dates						3-0ct-2012
1A.	Service Tax, Education Cess and other amounts paid			1			
	Month / Quarter	April	May	June	July	August	Septembe
	(1)	(Z)	(3)	(4)	(5)	(6)	(7)
(1)	Service Tax, Education Cess, Secondary and Higher E	ducation Ce	ss pald				
(a)	Service Tax Paid						
	(I) In cash					82,800.00	4,805.98
	(II) by CENVAT Credit					7,200.00	
	(IIa) by adjustment of amount earlier paid in advance						7,951.2
	and adjusted in this period under rule 6 (1A)						
	(III) by adjustment of excess amount paid earlier and						4,805.98
	adjusted in this period under Rule 6(3) of ST Rules						
	(IV) by adjustment of excess amount paid earlier and						
	adjusted in this period under Rule 6(4A) of ST Rules						
(b)	Education Core Bald						
(0)	(i) in cash			1		1 656 00	96.1
	(I) In Cash					144.00	30.1
	(ii) by adjustment of amount earlier hald in advance					144.00	
	and adjusted in this period under rule 5 (1A)						
	(III) by adjustment of excess amount hald earlier and					_	96.1
	adjusted in this period under Rule 5(3) of ST Rules						
	(Iv) by adjustment of excess amount hald earlier and	-					
	adjusted in this period under Rule 6(4A) of ST Rules						
	۱ ۲			1			
(C)	Secondary and Higher Education Cess Paid -			1			
	(I) In cash					828.00	48.0
	(II) by CENVAT Credit					72.00	
	(IIa) by adjustment of amount earlier paid in advance						
	and adjusted in this period under rule 6 (1A)						
	(III) by adjustment of excess amount paid earlier and						48.0
	adjusted in this period under Rule 6(3) of ST Rules						
	(IV) by adjustment of excess amount paid earlier and						
	adjusted in this period under Rule 6(4A) of ST Rules						
(d)	Other Amounts Pald						
	(I) Arrears of revenue paid in cash						5,000.0
	(II) Arrears of revenue paid in credit						
	(III) Arrears of Education Cess paid in cash						
	(Iv) Arrears of Education Cess paid in credit						
	(V) Arrears of Sec & Higher Edu Cess paid in cash						
	(vi) Arrears of Sec & Higher Edu Cess paid in credit						
	(VII) Interest paid						800.0
	(VIII) Penalty paid						
	(Ix) Section 73A amount paid						
	(v) Any other amount						

Figure 3.25 Page 6

#### (II) Details of Challan (Vide which Service Tax, Education Cess, Secondary and Higher Education Cess and other amounts paid in cash) (a) Challan Nos 658274 569874 (i) 852745 (ii) (iii) 456847 (iv) (b) Challans Date 4-Sep-2012 30-Sep-2012 (i) 30-Sep-2012 (ii) (iii) 3-0ct-2012 (iv) Source documents details for entries at column 4A(I)(a) (iii), 4A(I)(a) (iv), 4A(I)(b)(iii), 4A(I)(b) (iv), 4A(I)(c) (iii), 4A(I)(c) (iv), 4A 4B. Entry in table 4A above Source documents No. / Period Source documents date Month / Quarter SI. No.

4C. Details of amount of Service Tax payable but not paid as on the last day of the period for which return is filed.....

#### 5. Details of input stage CENVAT credit

5A. Whether the assessee providing exempted / non taxable service or exempted goods

-		
	(1)	(2)
(a)	Whether providing any exempted or non taxable service ('Y/N')	
(b)	Whether manufacturing any exempted goods ('Y/N')	
(c)	If any one of the above is yes, whether maintaining separate account for receipt or consumption of input service and input goods (refer to rule 6 (2) of CENVAT credit Rule, 2004)	
(d)	If any one of the (a) and (b) is 'yes', and (c) is 'no', which option is being availed under rule 6 (3) of the Cenvat Credit Rules, 2004	
	(i) Opted to pay an amount equal to 10% of the value of exempted goods and 8 % of the value of exempted service (Y/N); or	
	(ii) Opted to pay an amount equivalent to CENVAT Credit attributable to inputs and input services used in or in relation to manufacture of exempted goods or provision of exempted	

5AA. Amount payable under rule 6 (3) of the Cenvat Credit Rules, 2004

	Month / Quarter	April	May	June	July	August	September
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a)	Value of exempted goods cleared						
(b)	Value of exempted services provided						
(C)	Amount paid under rule 6(3) of Cenvat Credit Rules, 2004, by CENVAT Credit						
(d)	Amount paid under rule 6(3) of Cenvat Credit Rules, 2004, by cash						
(e)	Total amount paid = (c) +(d)	-					
(f)	Challan Nos, vide which amount mentioned in (d) is paid						
(g)	Challan Dates						

Figure 3.26 Page 7





	Month / Quarter	April	May	June	July	August	September
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(I)	CENVAT Credit of Service Tax and Central Excise Duty						
(a)	Opening Balance						
(b)	Credit Taken						
	(i) On Inputs						
	(ii) On Capital Goods						
	(iii) On Input Services received directly					7,200.00	88,095.4
	(iv) As received from input service distributor						
	(v) From inter unit transfer by a LTU						
	Total Credit Taken = (i+ii+iii+iv+v)					7,200.00	88,095.4
(C)	Credit Utilized						
	(i) For Payment of Service Tax					7,200.00	
	(ii) For Payment of Education Cess on taxable service						
	(iii) For Payment of Excise or any Other Duty						
	(iv) Towards clearance of Input Goods and Capital						
	Goods removed as such						
	(v) Towards inter unit transfer of LTU						
	(vi) for payment under rule 6 (3) of the Cenvat Credit						
	Rules, 2004						
	Total Credit Utilized = (i+ii+iii+iv+v+vi)					7,200.00	
()							
(II)	CENVAT Credit of Education Cess and Secondary and Higher Education Cess						
(a)	Opening Balance			1		-	
(b)							
	Credit of Education Cess and Secondary and Higher						
(0)	Credit of Education Cess and Secondary and Higher Education Cess Taken						
(0)	Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs						
נט)	Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods						
(0)	Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods (iii) On Input Services received directly					216.00	2.642.8
(0)	Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods (iii) On Input Services received directly (iii) A received from input service distributor					216.00	2,642.8
(0)	Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods (iii) On Input Services received directly (iv) As received from input service distributor (iv) From inter unit transfer by a LTU					216.00	2,642.8
(0)	Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods (iii) On Input Services received directly (iv) As received from input service distributor (v) From inter unit transfer by a LTU Total Credit of Education Cess and Secondary and					216.00	2,642.8
(0)	Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods (iii) On Input Services received directly (iv) As received from input service distributor (v) From inter unit transfer by a LTU Total Credit of Education Cess and Secondary and Higher Education Cess Taken = (i+ii+ii+iv+v)					216.00 216.00	2,642.8 2,642.8
(C)	Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods (iii) On Input Services received directly (iv) As received from input service distributor (v) From inter unit transfer by a LTU Total Credit of Education Cess and Secondary and Higher Education Cess and Secondary and Higher					216.00 216.00	2,642.8 2,642.8
(c)	Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods (iii) On Input Services received directly (iv) As received from input service distributor (v) From inter unit transfer by a LTU Total Credit of Education Cess and Secondary and Higher Education Cess Taken = (i+ii+iii+iv+v) Credit of Education Cess and Secondary and Higher Education Cess Utilized					216.00 216.00	2,642.8 2,642.8
(c)	Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods (iii) On Input Services received directly (iv) As received from input service distributor (v) From inter unit transfer by a LTU Total Credit of Education Cess and Secondary and Higher Education Cess Taken = (i+ii+ii)+v+v) Credit of Education Cess and Secondary and Higher Education Cess Utilized (i) For Payment of Education Cess and Secondary and					216.00 216.00 216.00	2,642.8 2,642.8
(D)	Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods (iii) On Capital Goods (iii) On Input Services received directly (iv) As received from input service distributor (v) From inter unit transfer by a LTU Total Credit of Education Cess and Secondary and Higher Education Cess Taken = (i+iii+iii+iv+v) Credit of Education Cess and Secondary and Higher Education Cess Of Education Cess and Secondary and Higher Education Cess on services					216.00 216.00 216.00	2,642.8 2,642.8
(D)	Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods (iii) On Capital Goods (iii) On Input Services received directly (iv) As received from input service distributor (v) From inter unit transfer by a LTU Total Credit of Education Cess and Secondary and Higher Education Cess Taken = (i+iii+ii+iv+v) Credit of Education Cess and Secondary and Higher Education Cess Utilized (i) For Payment of Education Cess and Secondary and Higher Education Cess on services (ii) For Payment of Education Cess and Secondary					216.00 216.00 216.00	2,642.8 2,642.8
(D)	Credit of Education Cess and Secondary and Higher         Education Cess Taken         (i) On Inputs         (ii) On Capital Goods         (iii) On Input Services received directly         (iv) As received from input service distributor         (v) From inter unit transfer by a LTU         Total Credit of Education Cess and Secondary and         Higher Education Cess Taken = (i+ii+ii+iv+v)         Credit of Education Cess and Secondary and Higher         Education Cess On Services         (ii) For Payment of Education Cess and Secondary and         Higher Education Cess on sorvices         (ii) For Payment of Education Cess and Secondary and         Higher Education Cess on goods					216.00 216.00 216.00	2,642.8 2,642.8
(D)	Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods (iii) On Capital Goods (iii) On Input Services received directly (iv) As received from input service distributor (v) From inter unit transfer by a LTU Total Credit of Education Cess and Secondary and Higher Education Cess Taken = (i+i+i+ii+i+v+v) Credit of Education Cess and Secondary and Higher Education Cess Utilized (i) For Payment of Education Cess and Secondary Higher Education Cess on services (ii) For Payment of Education Cess and Secondary and Higher Education Cess on goods (iii) Towards Payment of Education Cess and					216.00 216.00 216.00	2,642.8 2,642.8
(D)	Credit of Education Cess and Secondary and Higher Education Cess Taken         (i) On Inputs         (ii) On Capital Goods         (iii) On Input Services received directly         (iv) As received from input service distributor         (v) From inter unit transfer by a LTU         Total Credit of Education Cess and Secondary and Higher Education Cess Taken = (i+ii+iii+iv+v)         Credit of Education Cess and Secondary and Higher Education Cess Utilized         (i) For Payment of Education Cess and Secondary and Higher Education Cess on services         (ii) For Payment of Education Cess and Secondary and Higher Education Cess on goods         (iii) Towards Payment of Education Cess and Secondary and Higher Education Cess on clearance					216.00 216.00 216.00	2,642.8 2,642.8
(D)	Credit of Education Cess and Secondary and Higher Education Cess Taken         (i) On Inputs         (ii) On Capital Goods         (iii) On Capital Goods         (iii) On Input Services received directly         (iv) As received from input service distributor         (v) From inter unit transfer by a LTU         Total Credit of Education Cess and Secondary and         Higher Education Cess Taken = (i+ii+iii+iv+v)         Credit of Education Cess and Secondary and Higher         Education Cess On Services         (ii) For Payment of Education Cess and Secondary and         Higher Education Cess on services         (ii) For Payment of Education Cess and Secondary and         Higher Education Cess on goods         (iii) Towards Payment of Education Cess and Secondary and Higher Education Cess on clearance         of Input Goods and Capital Goods removed as such					216.00 216.00 216.00	2,642.8 2,642.8
(D)	Credit of Education Cess and Secondary and Higher Education Cess Taken         (i) On Inputs         (ii) On Capital Goods         (iii) On Capital Goods         (iiii) On Input Services received directly         (iv) As received from input service distributor         (v) From inter unit transfer by a LTU         Total Credit of Education Cess and Secondary and Higher Education Cess Taken = (i+i+ii+i+v+v)         Credit of Education Cess and Secondary and Higher Education Cess Utilized         (i) For Payment of Education Cess and Secondary and Higher Education Cess on services         (ii) For Payment of Education Cess and Secondary and Higher Education Cess on goods         (iii) Towards Payment of Education Cess and Secondary and Higher Education Cess on clearance of Input Goods and Capital Goods removed as such (iv) Towards inter unit transfer of LTU					216.00 216.00 216.00	2,642.8 2,642.8
(D)	Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods (iii) On Input Services received directly (iv) As received from input service distributor (v) From inter unit transfer by a LTU Total Credit of Education Cess and Secondary and Higher Education Cess Taken = (i+ii+ii+iv+v) Credit of Education Cess and Secondary and Higher Education Cess on services (ii) For Payment of Education Cess and Secondary and Higher Education Cess on goods (iii) Towards Payment of Education Cess on clearance of Input Goods and Capital Goods removed as such (iv) Towards inter unit transfer of LTU Total Credit of Education Cess and Secondary and					216.00 216.00 216.00 216.00	2,642.8
(D)	Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods (iii) On Input Services received directly (iv) As received from input service distributor (v) From inter unit transfer by a LTU Total Credit of Education Cess and Secondary and Higher Education Cess Taken = (i+i+i+ii+v+v) Credit of Education Cess and Secondary and Higher Education Cess on services (i) For Payment of Education Cess and Secondary and Higher Education Cess on goods (iii) Towards Payment of Education Cess on clearance of Input Goods and Capital Goods removed as such (iv) Towards inter unit transfer of LTU Total Credit of Education Cess and Secondary and Higher Education Cess and Secondary (iii) Towards inter unit transfer of LTU Total Credit of Education Cess and Secondary and Higher Education Cess and Secondary and Higher Education Cess and Secondary (iv) Towards inter unit transfer of LTU Total Credit of Education Cess and Secondary and Higher Chucation Cess and Secondary and Higher Chucation Cess and Secondary and Secondary and Secondary and Higher Chucation Cess and Secondary and S					216.00 216.00 216.00 216.00	2,642.8
(c) (d)	Credit of Education Cess and Secondary and Higher Education Cess Taken (i) On Inputs (ii) On Capital Goods (iii) On Input Services received directly (iv) As received from input service distributor (v) From inter unit transfer by a LTU Total Credit of Education Cess and Secondary and Higher Education Cess Taken = (i+ii+iii+iv+v) Credit of Education Cess and Secondary and Higher Education Cess On Services (ii) For Payment of Education Cess and Secondary and Higher Education Cess on services (ii) For Payment of Education Cess and Secondary and Higher Education Cess on Services (ii) For Payment of Education Cess and Secondary and Higher Education Cess on clearance of Input Goods and Capital Goods removed as such (iv) Towards inter unit transfer of LTU Total Credit of Education Cess and Secondary and Higher Education Cess and Secondary					216.00 216.00 216.00 216.00	2,642.8

Figure 3.27 Page 8



	wonth / Quarter	April	May	June	July	August	September
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(I)	CENVAT Credit of Service Tax and Central Excise Duty						
(a)	Opening Balance of CENVAT Credit						
(b)	Credit taken (for distribution) on Input Service						
(c)	Credit distributed						
(d)	Credit not eligible for distribution(rule 7(b) of CENVAT						
	Credit Rules, 2004)						
(e)	Closing Balance						
(  )	CENVAT Credit of Education Cess and Secondary						
	and Higher Education Cess Credit						_
(a)	Opening Balance of Education Cess and Secondary and Higher Education Cess credit						
(b)	Credit of Education Cess and Secondary and Higher						
	Education Cess taken (for distribution) on Input Service						
(c)	Credit of Education Cess and Secondary and Higher						
	Education Cess distributed						
(d)	Credit of Education Cess and Secondary and Higher						
	Education Cess not eligible for distribution (rule 7(b)						
	of CENVAT Credit Rules, 2004)						
(e)	Closing Balance						
	II ASSessment memoranuum						
a)   / tate b)   / he Fi	We declare that the above particulars are in accordanced. d. We have assessed and paid the Service Tax and / or av inance Act, 1994 and the rules made thereunder.	ce with the r vailed and di	ecords and stributed CI	books main ENVAT credi	tained by m t correctly a	e / us and a as per the pr	re correctly ovisions of
a)   // tate b)   // he Fi c)   //	We declare that the above particulars are in accordanced. Market assessed and paid the Service Tax and / or av inance Act, 1994 and the rules made thereunder. We have paid duty within the specified time limit and in	ce with the r vailed and di case of dela	ecords and stributed Cf ay, I / We ha	books main ENVAT credi ve deposited	tained by m t correctly a I the interes	e / us and a as per the pr st leviable th	re correctly rovisions of ereon.
a)   / state b)   / he F c)   / }. If t	We declare that the above particulars are in accordance ed. We have assessed and paid the Service Tax and / or av inance Act, 1994 and the rules made thereunder. We have paid duty within the specified time limit and in he return has been prepared by a Service Tax Return Pr	ce with the r vailed and di case of dela reparer (STF	ecords and stributed Cf ay, I / We ha RP), furnish	books main ENVAT credi ve deposited further deta	tained by m t correctly a I the interes ils as below	e / us and a as per the pr st leviable th 7:	re correctly rovisions of rereon.
a)   / state b)   / he Fi c)   / }. If t a)  d	We declare that the above particulars are in accordanced. We have assessed and paid the Service Tax and / or av inance Act, 1994 and the rules made thereunder. We have paid duty within the specified time limit and in he return has been prepared by a Service Tax Return Pr entification No. of STRP	ce with the r vailed and di case of dela reparer (STF	ecords and stributed Cf ay, I / We ha RP), furnish	books main ENVAT credi ve deposited further deta	tained by m t correctly a t the interes ils as below	e / us and a as per the pr st leviable th r:	re correctly rovisions of ereon.
a)   / tate b)   / he Fi c)   / . If t a)  d	We declare that the above particulars are in accordanced. We have assessed and paid the Service Tax and / or av inance Act, 1994 and the rules made thereunder. We have paid duty within the specified time limit and in he return has been prepared by a Service Tax Return Pr entification No. of STRP ame of STRP	ce with the r vailed and di case of dela reparer (STF	ecords and stributed Cf ay, I / We ha RP), furnish	books main ENVAT credii ve deposited further deta	tained by m t correctly a l the interest ils as below	e / us and a as per the pr st leviable th r:	re correctly ovisions of ereon.
a)   / tate b)   / he Fi c)   / . If t a)   d	We declare that the above particulars are in accordanced. We have assessed and paid the Service Tax and / or av inance Act, 1994 and the rules made thereunder. We have paid duty within the specified time limit and in he return has been prepared by a Service Tax Return Pr entification No. of STRP ame of STRP	ce with the r vailed and di case of dela reparer (STF	ecords and stributed CB ay, I / We ha RP), furnish	books main ENVAT credii ve deposited further deta	tained by m	e / us and a as per the pr st leviable th /: 	re correctly ovisions of ereon.

Figure 3.28 Page 9



ACKNOWLEDGEMENT	
Date : 10-Oct-2012	
Place: Bangalore	
I hereby acknowledge the receipt of your ST-3 return for the period April 2012 - September 2012	
(Signature of the Officer of Central Excise & Service Tax)	
(With Name & Official Seal)	

Figure 3.29 Page 10



**Exception Reports** displays all vouchers and bills that are not migrated completely when data migration is done from Tally 9 to Tally.ERP 9 or Tally.ERP 9 Release 1.61 to Tally. ERP 9 Release 1.8.

For more information on Exception Reports, refer Service Tax Data Migration.