Implementation of Excise for Dealers in Tally.ERP 9
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Introduction

Excise duty or Duty of Excise is a tax on goods produced or manufactured in India and intended for home consumption i.e., sale in India. The Excise duty is chargeable at the time of production or manufacturing, but for convenience it is charged at the time of removal.

It is basically an indirect tax on the manufacturer or producer which is passed on to the ultimate consumer. The levy and collection of duty of Excise is provided under authority of the Central Excise Act, 1944 at the rates specified under Central Excise Tariff Act, 1985. The duty is commonly referred to as the Basic Excise Duty. Certain items like fibre, yarn and so on also attract Additional Excise Duty under Additional Duties of Excise (Textiles and Textile Articles) Act, 1975 in addition to Basic duty of Excise.

Basic Concepts in Excise Duty

The following are some of the basic terms related to Excise.

Excisable Goods

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

The basic conditions to be satisfied are,
- The goods must be movable
- The goods must be marketable i.e., saleable in the market as such goods. Actual sale of goods in the market is not necessary as excise duty is chargeable on manufacture and not on sale
- The goods must be specified in the Central Excise Tariff Act
**Dealer of Excisable Goods**

A dealer of excisable goods is one who is registered under Central Excise Rules. Any of the following categories would constitute a registered dealer:

- Depot of a manufacturer or the premises of the consignment agent of the manufacturer or any other premises from where the goods are sold on behalf of the manufacturer
- First stage dealer of excisable goods
- Second stage dealer of excisable goods
- Depot of an importer or the premises of the consignment agent of the importer
- First stage dealer of imported goods
- Second stage dealer of imported goods

![Diagram showing Dealers of Excisable Goods](image)

**Figure 1.1 Chart showing Dealers of Excisable Goods**
First Stage Dealer
A First Stage Dealer is a dealer, who purchases the goods directly from,

- The manufacturer under the cover of an invoice issued in terms of the provisions of Central Excise Rules, 2002 or from the depot of the said manufacturer, or from premises of the consignment agent of the said manufacturer or from any other premises from where the goods are sold by or on behalf of the said manufacturer, under cover of an invoice or
- An importer or from the depot of an importer or from the premises of the consignment agent of the importer, under cover of an invoice

Second Stage Dealer
A Second Stage Dealer is a dealer who purchases the goods from a first stage dealer.

Registration of Dealers
Every Dealer or Importer issuing CENVATable Invoices should be registered with the jurisdictional Range Superintendent as per the procedure prescribed in Rule 9 of Central Excise (No. 2) Rules 2001. The registration is valid only for the premises it is granted. Where the manufacturer or dealer, has more than one premise it is necessary to obtain a separate registration for each premises from the respective Range Superintendent having jurisdiction over the premises, whether it be a factory or a depot / branch office desiring to issue CENVAT invoices.

The registration numbers are PAN based 15 digit al pha numeric numbers. The first part denotes 10 character (alpha numeric) Permanent Account number issued by Income tax authorities and the second part comprises of a fixed 2 character alpha code which is as follows:

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Category</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Central Excise Manufacturers</td>
<td>XM</td>
</tr>
<tr>
<td>2.</td>
<td>Registered Dealers</td>
<td>XD</td>
</tr>
</tbody>
</table>

This is followed by a three character numeric code - 001, 002, 003 etc., i.e, where a manufacturer has only one factory / dealer's premise / warehouse, the last three character will be 001. If there are more than one factories / dealer's premises / warehouses of such a person holding common PAN for all such premises, the last three character would be 002, 003 etc.
CENVAT Credit

A manufacturer or producer of final products shall be allowed to take credit referred as CENVAT credit on the following:

- Duty of excise specified in the First and Second Schedule to the Excise Tariff Act (ED).
- Additional duty of Excise leviable under Additional Duties of Excise (Textile and Textile Articles) (AED [T and TA]).
- Additional duty of Excise leviable under Additional Duties of Excise (Goods of Special Importance) (AED [GSI]).
- The National Calamity Contingent duty (NCCD) leviable under Finance Act.
- Education Cess on excisable goods.

The Central Government entitles manufacturer of excisable goods to avail CENVAT credit of duty paid on the inputs purchased from a first stage dealer or a second stage dealer, as the case may be, in terms of the provisions of Central Excise Rules, 2002.

Eventually, the manufacturer or producer can utilize the CENVAT credit for payment of duty of excise on any final product.

Consider the following diagrams to understand the mechanism of passing of CENVAT Credit by various dealers of excisable goods.
Purchases from Manufacturer

Figure 1.2 Purchases from Manufacturer
Purchases from a Agent of Manufacturer

Figure 1.3 Chart showing Purchases from Agent of Manufacturer

Purchases from Importer

Figure 1.4 Chart showing Purchases from an Importer
Purchases from First Stage Dealer

Purchasing from First Stage Dealer

![Diagram showing Purchases from First Stage Dealer]

Figure 1.5 Chart showing Purchases from First Stage Dealer

Purchases from Second Stage Dealer

Purchasing from Second Stage Dealer

![Diagram showing Purchases from Second Stage Dealer]

Figure 1.6 Chart showing Purchases from Second Stage Dealer
Salient Features of Dealer Excise Compliant Tally.ERP 9

Following are the salient features of the excise module:

- Simple and user-friendly
- Easy to setup and use
- Generates Excise Invoice raised by first and second stage registered dealers to pass on CENVAT Credit.
- Allows Batch-wise Inventory details.
- Provides option to print details of Manufacturer/ Supplier and all other relevant particulars of the corresponding purchase invoice.
- Tracks item history of excisable goods, right from the instance of purchase till the time of sale/ passing / termination of CENVAT Credit.
- Generates statutory returns and excise related reports as mandated, which are Form 2 and Stock Register.
- Provides flexibility to adjust unassigned CENVAT Credit well within the prescribed lapse period.
- Facilitates various Excise duty parameters like BED, AED (T and TA), AED (GSI), NCCD, Education Cess and Additional Duty leviable under Customs Tariff Act.
Lesson 1: Enabling Dealer Excise in Tally.ERP 9

Tally.ERP 9’s Dealer Excise module facilitates complete Excise Accounting for Dealers engaged in trading of excisable goods and desiring to issue CENVATable invoices. It minimises the possibility of erroneous data entry and ensures transparency and better levels of compliance with the statutes. It requires a one-time configuration in Tally.ERP 9 for Dealer Excise features to be activated.

1.1 Enabling Excise in Tally.ERP 9

It takes a one-time configuration in Tally.ERP 9 for Excise features to be activated. Follow the steps given below to enable Excise in Tally.ERP 9 for a new company Steelage Industries (P) Ltd.

1. Create Company
2. Enable Excise
3. Enable VAT

Steelage Industries (P) Ltd., is dealing in Iron & Steel products such as Hot & Cold Rolled Coils, Sheets etc.

1.1.1 Create Company

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

In the Company Creation screen,

- Specify Steelage Industries (P) Ltd. as the Company Name and Address details
- Select India in the Statutory Compliance for field
- Specify the State, Pin code & Accounts with Inventory details
- Specify Financial Year From & Books beginning from date as 1-4-2012
The completed **Company Creation** screen is displayed as shown.

![Company Creation Screen](image)

**Figure 1.1 Company Creation Screen**

- Press **Enter** to Accept

### 1.1.2 Enable Excise

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

1. Activate Excise Feature
2. Enable Set/Alter Excise Details
3. Excise Registration Details
4. Enter **VAT TIN**, **Inter-state Sales Tax Number** and **Company’s PAN / Income – Tax No**

To enable **Excise Feature** for Steelage Industries (P) Ltd.

Go to **Gateway of Tally > F11: Features > F3: Statutory & Taxation**

- Set **Enable Excise** to **Yes**
- Enable **Set/Alter Excise Details** to **Yes**
The **Statutory & Taxation** features screen appears as shown:

![Image](image1.png)

**Figure 1.2** F3: Statutory & Taxation Features

- Press **Enter**, to view **Excise Registration Details** screen

In the **Excise Registration Details** screen appears as shown:

![Image](image2.png)

**Figure 1.3** Excise Registration Details Screen
1. **Registration Type**: Selects Dealer from Registration Types list
2. **Address, Telephone No and PIN Code**: Address, Telephone No. and PIN Code details are captured from the company creation screen. If required, it can be altered.
3. **Excise Details**: Under this section provide Excise Details of the unit. Excise Details will be specific to the Registration Type selected.

   Registration Type selected will be displayed below the heading - Excise Details to identify the unit as a manufacturer or a dealer.

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

   Name entered in the Unit Mailing Name will be used in all Excise Reports.

   - **Excise Registration (ECC) No.**: Enter the 15 digit Excise Registration Number (ECC) of the Company/Unit, e.g. AAPBF2149RXD001
   - **Date of Registration**: Enter the date of Excise Registration, e.g. 10-4-2001
   - **Importer Exporter Code (IEC)**: Enter the 10 digit Importer Exporter Code of the company/Unit, e.g. 0100000126

   It is a unique 10 digit code issued by DGFT – Director General of Foreign Trade, Ministry of Commerce, Government of India to Indian Companies. To import or export in India, IEC Code is mandatory. No person or entity shall make any Import or Export without IEC Code Number.

4. **Excise Book Name (as per Rule 11)**: Enter the Excise Book Name. This will help in maintaining the sequence of Excise invoices raised by the dealer.

   - Select the option **New Number** from the List of Excise Books, to view Serial Number Alteration (Secondary) screen.
In the **Serial Number Alteration** screen, enter the details as shown:

![Completed Serial Number Alteration Screen](image)

**Figure 1.4 Completed Serial Number Alteration Screen**

5. **Other Details**: In this section enter **Range**, **Division** and **Commissionerate** details
   - **Range**: Enter the code Name and Address of the range under which your company is registered.
     - **Code**: Enter Range Code as **05**
     - **Name**: Enter Range Name as **Whitefield**
     - **Address**: Enter the **Range Address**
   - **Division**: Enter the code Name and Address of the division under which your company is registered.
     - **Code**: Enter Division Code as **02**
     - **Name**: Enter Division Name as **Division II**
     - **Address**: Enter the **Division Address**
   - **Commissionerate**: Enter the code Name and Address of the Commissionerate under which your company is registered.
     - **Code**: Enter Commissionerate Code as **09**
     - **Name**: Enter Commissionerate Name as **Bangalore II**
     - **Address**: Enter the **Commissionerate Address**
6. Press **Enter** to accept and save Excise Registration Details

1.1.3 Enable VAT

1. Set the option **Enable Value Added Tax (VAT)** to **Yes**
2. Enable the option **Set/Alter VAT Details** to **Yes**
3. Specify the **Company VAT Details** as shown:
4. Specify the **VAT TIN, Inter-state Sales Tax Number** and **Company’s PAN / Income – Tax No** details

![Statutory & Taxation Screen](image)

- **Press Enter** to accept
Lesson 2: Creation of Masters

Once you have enabled Dealer Excise in Tally.ERP 9, the excise option will now be available during the creation of Excise masters. Create the following masters in Tally.ERP 9:

- Sales & Purchase Ledgers
- Duties & Taxes Ledger
- Party Ledgers
- Stock Items
- Voucher Types

### 2.1 Sales and Purchase Ledgers

To create the following Purchases and Sales Ledgers:

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

<table>
<thead>
<tr>
<th>Ledger</th>
<th>Under</th>
<th>Inventory values are affected</th>
<th>Used in VAT Returns</th>
<th>VAT/Tax Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales @ 5%</td>
<td>Sales Accounts</td>
<td>Yes</td>
<td>Yes</td>
<td>Sales @ 5%</td>
</tr>
<tr>
<td>Purchases @ 5%</td>
<td>Purchase Accounts</td>
<td>Yes</td>
<td>Yes</td>
<td>Purchases @ 5%</td>
</tr>
<tr>
<td>Sales @ 13.5%</td>
<td>Sales Accounts</td>
<td>Yes</td>
<td>Yes</td>
<td>Sales @ 13.5%</td>
</tr>
<tr>
<td>Purchases @ 13.5%</td>
<td>Purchase Accounts</td>
<td>Yes</td>
<td>Yes</td>
<td>Purchase @ 13.5%</td>
</tr>
<tr>
<td>Purchase - Imports</td>
<td>Purchase Accounts</td>
<td>Yes</td>
<td>Yes</td>
<td>Imports</td>
</tr>
</tbody>
</table>
1. Create Sales Ledger

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

1. Enter the name of the sales ledger in the Name field e.g. Sales @ 5%
2. Select Sales Accounts in the Under field
3. Set Inventory values are affected to Yes
4. Set Used in VAT Returns to Yes and press Enter to view VAT/Tax Class Screen
5. In VAT/Tax Class Screen select Sales @ 5% as VAT/Tax Class

The completed Sales @ 5% ledger is displayed as shown:

![Sales @ 5% ledger creation](image)

Figure 2.1 Sales @ 5% ledger creation

6. Press Enter to accept.

---

If VAT is not applicable, set Used in VAT Returns to No in F11: Statutory & Taxation master.
2. Create Purchase Ledger

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

1. Enter the name of the purchase ledger in the Name field e.g. **Purchases @ 5%**
2. Select **Purchase Accounts** in the Under field
3. Set **Inventory values are affected** to **Yes**
4. Set **Used in VAT Returns** to **Yes** and press **Enter** to view VAT/Tax Class Screen
5. In VAT/Tax Class Screen select **Purchases @ 5%** as VAT/Tax Class

The completed **Purchases @ 5%** ledger is displayed as shown.

![Figure 2.2 Purchase @ 5% Ledger Creation Screen](image)

6. Press **Enter** to accept.

Similarly, create **Sales @ 13.5%, Purchase @ 13.5%** and **Purchase - Imports** ledgers.
2.2 Duties & Taxes Ledger

Create the following VAT Tax Ledgers:

<table>
<thead>
<tr>
<th>Ledger</th>
<th>Under</th>
<th>Type of Duty /Tax</th>
<th>VAT Sub Type</th>
<th>VAT/Tax Class</th>
<th>Inventory values are affected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Input VAT @ 5%</td>
<td>Duties &amp; Taxes</td>
<td>VAT</td>
<td>Input VAT</td>
<td>Input VAT @ 5%</td>
<td>No</td>
</tr>
<tr>
<td>Output VAT @ 5%</td>
<td>Duties &amp; Taxes</td>
<td>VAT</td>
<td>Output VAT</td>
<td>Output VAT @ 5%</td>
<td>No</td>
</tr>
<tr>
<td>Input VAT @ 13.5%</td>
<td>Duties &amp; Taxes</td>
<td>VAT</td>
<td>Input VAT</td>
<td>Input VAT @ 13.5%</td>
<td>No</td>
</tr>
<tr>
<td>Output VAT @ 13.5%</td>
<td>Duties &amp; Taxes</td>
<td>VAT</td>
<td>Output VAT</td>
<td>Output VAT@12.5%</td>
<td>No</td>
</tr>
</tbody>
</table>

1. Create Input VAT Ledger

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

1. Enter the name of the input VAT ledger in the **Name** field e.g. **Input VAT @ 5%**
2. Select **Duties & Taxes** in the **Under** field
3. In **Type of Duty/Tax** field select **VAT** from the List of Type of Duty/Tax
4. In **VAT Sub Type** field select **Input VAT** form the List of VAT Sub Types
5. In **VAT/Tax Class** field select **Input VAT @ 5%**
6. Set **Inventory values are affected** to **No**
7. **Percentage of Calculation** and **Method of Calculation** fields are updated based on the **VAT/Tax Class** selected
8. In **Rounding Method** field select as **Normal Rounding**
9. Set the **Rounding Limit** to **1**
The completed Input VAT @ 5% ledger is displayed as shown.

![Image of Input VAT @ 5% Ledger Creation Screen]

Figure 2.3  Input VAT @ 5% Ledger Creation Screen

10. Press Enter to accept.

2. Create Output VAT ledger

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

1. Enter the name of the input VAT ledger in the Name field e.g. Output VAT @ 5%
2. Select Duties & Taxes in the Under field
3. In Type of Duty/Tax field select VAT from the List of Type of Duty/Tax
4. In VAT Sub Type field select Output VAT from the List of VAT Sub Types
5. In VAT/Tax Class field select Output VAT @ 5%
6. Set Inventory values are affected to No
7. Percentage of Calculation and Method of Calculation fields are updated based on the VAT/ Tax Class selected
8. In Rounding Method field select as Normal Rounding
9. Set the Rounding Limit to 1
The completed **Output VAT @ 5%** ledger is displayed as shown

![Output VAT @ 5% Ledger creation](image)

Figure 2.4 Output VAT @ 5% Ledger creation

10. Press **Enter** to accept.

Similarly, create **Input VAT @ 13.5%** and **Output VAT @ 13.5%** ledgers.

1. In instances, where a particular VAT Class is not applicable, select **Not Applicable** to avail the flexibility to select the classifications while creating the Invoice.

2. The applicable VAT rate and the basis of calculation for the selected VAT class will be displayed automatically and the cursor skips the **Percentage of Calculation** and **Method of Calculation** field.

3. If you select **Not Applicable** in the **Default VAT/Tax class** field, the cursor moves to the **Percentage of Calculation** field and the **Method of Calculation** is manually selected.

4. If you select **CST** in **Type of Duty/Tax**, you will be prompted to specify the rate in **Percentage of Calculation** and the applicable **Method of Calculation.**
2.3 Party Ledgers

Sundry Creditors Ledgers

<table>
<thead>
<tr>
<th>Ledger</th>
<th>Under</th>
<th>Maintain balances bill-by-bill</th>
<th>Set/Alter Excise Details</th>
<th>Nature of Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sterling Steel Industries</td>
<td>Sundry Creditors</td>
<td>Yes</td>
<td>Yes</td>
<td>Manufacturer</td>
</tr>
<tr>
<td>Mega Manufacturer</td>
<td>Sundry Creditors</td>
<td>Yes</td>
<td>Yes</td>
<td>Manufacturer</td>
</tr>
<tr>
<td>Sterling Steel - Depot</td>
<td>Sundry Creditors</td>
<td>Yes</td>
<td>Yes</td>
<td>Manufacturer Depot</td>
</tr>
<tr>
<td>Globus Steel Traders</td>
<td>Sundry Creditors</td>
<td>Yes</td>
<td>Yes</td>
<td>Agent of Manufacturer (Consignment Agent)</td>
</tr>
<tr>
<td>Indus Traders</td>
<td>Sundry Creditors</td>
<td>Yes</td>
<td>Yes</td>
<td>From Agent of Manufacturer</td>
</tr>
<tr>
<td>MM Iron &amp; Steel</td>
<td>Sundry Creditors</td>
<td>Yes</td>
<td>Yes</td>
<td>First Stage Dealer</td>
</tr>
<tr>
<td>Indus Mega Traders</td>
<td>Sundry Creditors</td>
<td>Yes</td>
<td>Yes</td>
<td>From Agent of Dealer</td>
</tr>
<tr>
<td>Excellor Impex (P) Ltd.</td>
<td>Sundry Creditors</td>
<td>Yes</td>
<td>Yes</td>
<td>Purchase From Importer</td>
</tr>
<tr>
<td>Alpine Traders</td>
<td>Sundry Creditors</td>
<td>Yes</td>
<td>Yes</td>
<td>From Agent of Importer</td>
</tr>
<tr>
<td>Ziga Traders</td>
<td>Sundry Creditors</td>
<td>Yes</td>
<td>Yes</td>
<td>Agent of Importer (Consignment Agent)</td>
</tr>
</tbody>
</table>

Sundry Debtors Ledgers

<table>
<thead>
<tr>
<th>Ledger</th>
<th>Under</th>
<th>Maintain balances bill-by-bill</th>
<th>Set/Alter Excise Details</th>
<th>Nature of Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decora Equipments</td>
<td>Sundry Debtors</td>
<td>Yes</td>
<td>Yes</td>
<td>First Stage Dealer</td>
</tr>
<tr>
<td>EMPEE Engineering</td>
<td>Sundry Debtors</td>
<td>Yes</td>
<td>Yes</td>
<td>Second Stage Dealer</td>
</tr>
<tr>
<td>Innova Steel Traders</td>
<td>Sundry Debtor</td>
<td>Yes</td>
<td>Yes</td>
<td>-</td>
</tr>
</tbody>
</table>

1. Sundry Creditors Ledger

Go to Gateway of Tally > Accounts Info. > Ledgers > Create
1. Enter the name of the sundry creditor ledger in the Name field e.g. Sterling Steel Industries
2. Select Sundry Creditors in the Under field
3. Set **Maintain balances bill-by-bill** to **Yes**
4. Mention the **Default Credit Period**, if any
5. Set **Inventory values are affected** to **No**
6. Enter the **Mailing Details** and **Tax information**
7. Enable **Set/Alter VAT Details** to **Yes** and provide the VAT Details
8. Enable **Set/Alter Excise Details** to **Yes** to display Excise Details screen

![Sundry Creditor Ledger Creation Screen](image)

**Figure 2.5 Sundry Creditor Ledger Creation Screen**

9. In the **Excise Details** screen
   - Enter the **Excise Registration (ECC) No.** of the customer e.g. **AFSDS0058FXD002**
   - Enter the Date of Excise Registration in **Date of Registration field** e.g. **20-June-2002**
   - Enter the **Exporter Importer Code** if any.
   - Enter the **Range** under which the supplier's company is registered. E.g. **Yeshwanthpur I**
   - Enter the **Division** under which the supplier's company is registered. E.g. **Yeshwanthpur**
   - Enter the **Commissionerate** under which the premise of the Supplier's company is registered. E.g. **Bangalore II**
   - In **Default Nature of Purchase** field select the option **Manufacturer** from the **nature of purchase** list (the default type of purchases depends upon the status of the supplier,
whether he is a Manufacturer / First Stage Dealer / Importer / Second Stage Dealer/Agent of Manufacturer/Purchase from Importer.

The **Excise Details** screen appears as shown.

**Figure 2.6 Excise Details Screen**

During the normal course of business, the supplier of the goods may not be always the manufacturer of the said goods, he can be a dealer as well. In such cases, Tally.ERP 9 allows you to modify the **nature of purchase** during voucher entry as required.
The **Sterling Steel Industries** Ledger creation screen is displayed as shown.

![Manufacturer Ledger Creation Screen](image)

Figure 2.7  Manufacturer Ledger Creation Screen

10. Press **Enter** to accept.

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

Similarly, create other **Sundry Creditors** and **Sundry Debtors** ledgers.
2.4 Tariff Classification

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

<table>
<thead>
<tr>
<th>Tariff Classification</th>
<th>HSN Code</th>
<th>Used For</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled Coils</td>
<td>72271000</td>
<td>Excise</td>
</tr>
<tr>
<td>Cold Rolled Coils</td>
<td>72271008</td>
<td>Excise</td>
</tr>
<tr>
<td>Engine Valves</td>
<td>72172015</td>
<td>Excise</td>
</tr>
<tr>
<td>Iron Bar</td>
<td>72571615</td>
<td>Excise</td>
</tr>
<tr>
<td>Copper Alloy Strip</td>
<td>72271004</td>
<td>Excise</td>
</tr>
</tbody>
</table>

To create a Tariff Classification

Go to Gateway of Tally > Inventory Info. > Tariff Classifications > Create

1. In the Name field enter the name of the Tariff Classification e.g. Hot Rolled Coils
2. In Used For field select Excise from the list of Tax Type

- The Tariff Classification created with the option Both will be displayed for selection, during the creation of Stock Items on which Excise or VAT is applicable.
- Selection of the option VAT will restrict the display of Tariff classification only for the Stock items on which the VAT is applicable.
- The option VAT or Both will prompt the user to provide details of Schedule Number and Schedule Serial Number.
3. In HSN Code field enter the Tariff Classification Code e.g. 72271000

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

4. In Notes field enter the details regarding the HSN Code selected.
The completed **Tariff Classification** creation screen appears as shown

![Tariff Classification Creation](image)

Figure 2.8 Tariff Classification Creation

5. Press **Enter** to accept.

Similarly Create the remaining Tariff Classifications.

### 2.5 Stock Items

<table>
<thead>
<tr>
<th>Stock Item Description</th>
<th>Units</th>
<th>Tariff Classification</th>
<th>Set/Alter Excise Details</th>
<th>Basic Excise Duty</th>
<th>Special Excise Duty</th>
<th>CVD (On Imports)</th>
<th>VAT%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>MT</td>
<td>Hot Rolled Coils</td>
<td>Yes</td>
<td>12%</td>
<td>NA</td>
<td>NA</td>
<td>5%</td>
</tr>
<tr>
<td>Cold Rolled Coils 64 mm</td>
<td>MT</td>
<td>Cold Rolled Coils</td>
<td>Yes</td>
<td>12%</td>
<td>NA</td>
<td>NA</td>
<td>5%</td>
</tr>
<tr>
<td>Engine Valves - 5&quot;</td>
<td>Nos</td>
<td>Engine Valves</td>
<td>Yes</td>
<td>12%</td>
<td>NA</td>
<td>NA</td>
<td>13.5%</td>
</tr>
<tr>
<td>Iron Bars</td>
<td>Kgs</td>
<td>Iron Bar</td>
<td>Yes</td>
<td>10%</td>
<td>5%</td>
<td>NA</td>
<td>5%</td>
</tr>
<tr>
<td>Copper Alloy Strips</td>
<td>Kgs</td>
<td>Copper Alloy Strip</td>
<td>Yes</td>
<td>NA</td>
<td>NA</td>
<td>12%</td>
<td>4%</td>
</tr>
</tbody>
</table>
1. Stock Item (Basic Excise Duty)

To Create the Stock Items

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

1. Enter the Name of the stock item as Hot Rolled Coils 100mm
2. Specify the Group as Primary.
3. Define the Units as MT (Metric Tonnes)
4. In the Tariff Classification field select Hot Rolled Coils from the List of Tariff Classifications.

5. Enable Set/Alter Excise Details to Yes and press Enter to view Excise Details screen
6. In the Excise Details screen
   - Excise Unit Name: By default Tally.ERP 9 displays Steelage Industries (P) Ltd. as Excise Unit Name.

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

   To create more than one Excise Unit user needs to enable Maintain Multiple Godowns/Excise Units in F11: Features > Inventory Features (F2).
- **Reporting UOM**: In this screen select the Reporting UOM applicable for the stock item.

The *List of Excise Reporting UOM* displays *Excise UOM* and *Description*. *Reporting UOM* defined for the stock item will be considered as *Unit of Quantity* only for generating *E-Returns*. Where as *Base Unit* will be considered for generating all the *Dealer Excise Reports*.

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

![Figure 2.10 Set/Alter Duty Details](image)

- In **Duty Details** screen
  - Select *Ad Valorem* as the Valuation Type
  - Select the *Basic Excise Duty* in the *Type of Duty* filed from the List of Excise Duty classifications
  - Specify the *Applicable From* date - 1-4-2012
  - Specify the *Rate of Duty* as 12%
  - **Method of Calculation – Assessable Value** will be defaulted automatically based on the *Type of Duty* selected.
  - Select the *Education Cess* as the second duty in the *Type of Duty* filed from the List of Excise Duty classifications
  - Specify the *Applicable From* date - 1-4-2012
  - Specify the *Rate of Duty* as 2%
Method of Calculation – On Duty Value will be defaulted automatically based on the Type of Duty selected.

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

Specify the Applicable From date - 1-4-2012

Specify the Rate of Duty as 1%

Method of Calculation – On Duty Value will be defaulted automatically based on the Type of Duty selected.

![Figure 2.11 Excise Duty Details Screen]

In cases, where Excisable commodity attracts Additional duties of Excise and Special duties of Excise and so on, the same can be selected as required from the List of Excise Duty Classifications.

7. Accept the Excise Duty Details screen
8. Skip Commodity field
9. In the Rate of VAT (%) field enter the VAT rate as 5%
The completed Stock item creation screen appears as shown

![Stock Item Creation Screen](image)

- **Name:** Hot Rolled Coils 100mm
- **Tariff Classification:** Iron Bar
- **Units:** MT
- **Excise Details:**
  - **Excise Unit Name:** Steelage Industries (P) Ltd.
  - **Commodity:** Not Applicable
  - **Rate of VAT (%):** 5

10. Press **Enter** to accept.

Similarly create **Cold Rolled Coils 64 mm** and **Engine Valves - 5”** stock items.

### 2. Stock Item (Basic Excise Duty and Special Excise Duty)

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

1. Enter the **Name** of the stock item as **Iron Bars**
2. Specify the **Group** as **Primary**
3. Define the **Units** as **Kgs**
4. In the **Tariff Classification** field select **Iron Bar** from the **List of Tariff Classifications**
5. Enable **Set/Alter Excise Details** to **Yes** and press **Enter** to view **Excise Details screen**
6. In the **Excise Details** screen
   - **Excise Unit Name:** By default Tally.ERP 9 displays **Steelage Industries (P) Ltd.** as Excise Unit Name.
   - **Reporting UOM:** In this field select the appropriate reporting UOM.
   - **Set/Alter Duty Details:** Set this field to **Yes** to view the **Duty Details** screen
   - In **Duty Details** screen
     - Select **Ad Valorem** as the Valuation Type
     - Select the **Basic Excise Duty** in the **Type of Duty** filed from the List of Excise Duty classifications
■ Specify the **Applicable From** date - 1-4-2012
■ Specify the **Rate of Duty** as 10%
■ **Method of Calculation – Assessable Value** will be defaulted automatically based on the **Type of Duty** selected.
■ Select the **Special Excise Duty** in the **Type of Duty** filed from the List of Excise Duty classifications
■ Specify the **Applicable From** date - 1-4-2012
■ Specify the **Rate of Duty** as 5%
■ **Method of Calculation – Assessable Value** will be defaulted automatically based on the **Type of Duty** selected.
■ Select the **Education Cess** as the second duty in the **Type of Duty** filed from the List of Excise Duty classifications
■ Specify the **Applicable From** date - 1-4-2012
■ Specify the **Rate of Duty** as 2%
■ **Method of Calculation – On Duty Value** will be defaulted automatically based on the Type of Duty selected.
■ Select the **Secondary Education Cess** as the third duty in the **Type of Duty** filed from the List of Excise Duty classifications.
■ Specify the **Applicable From** date - 1-4-2012
■ Specify the **Rate of Duty** as 1%

![Figure 2.13 Excise Duty Details Screen](image)

7. Accept the **Excise Duty Details** screen
8. In the **Rate of VAT (%)** field enter the VAT rate as **13.5%**
The completed Stock item creation screen appears as shown:

![Completed Stock Item Creation Screen](image)

**Figure 2.14 Completed Stock Item Creation Screen**

9. Press **Enter** to accept.

**3. Stock Item (CVD)**

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

1. Enter the **Name** of the stock item as **Copper Alloy Strips**
2. Specify the **Group** as **Primary**
3. Define the **Units** as **Kgs**
4. In the **Tariff Classification** field select **Copper Alloy Strip** from the List of Tariff Classifications
5. Enable **Set/Alter Excise Details** to **Yes** and press **Enter** to view **Excise Details screen**
6. In the **Excise Details** screen
   - **Excise Unit Name**: By default Tally.ERP 9 displays Steelage Industries (P) Ltd. as Excise Unit Name.
   - **Reporting UOM**: In this field select the appropriate Reporting UOM.
   - **Set/Alter Duty Details**: Set this field to **Yes** to view the **Duty Details** screen
   - **In Duty Details** screen
     - Select **Ad Valorem** as the Valuation Type
     - Select the **Countervailing Duty (CVD)** in the **Type of Duty** filed from the List of Excise Duty classifications
     - Specify the **Applicable From** date - **1-4-2012**
     - Specify the **Rate of Duty** as **12%**
- **Method of Calculation – Assessable Value** will be defaulted automatically based on the **Type of Duty** selected.
- Select the **Education Cess on CVD** as the second duty in the **Type of Duty** filed from the List of Excise Duty classifications.
- Specify the **Applicable From** date - **1-4-2012**
- Specify the **Rate of Duty** as 2%
- **Method of Calculation – On Duty Value** will be defaulted automatically based on the Type of Duty selected.
- Select the **Secondary Education Cess on CVD** as the third duty in the **Type of Duty** filed from the List of Excise Duty classifications.
- Specify the **Applicable From** date - **1-4-2012**
- Specify the **Rate of Duty** as 1%
- **Method of Calculation – On Duty Value** will be defaulted automatically based on the Type of Duty selected.
- Select the **Additional Duty (Imports)** as the fourth duty in the **Type of Duty** filed from the List of Excise Duty classifications.
- Specify the **Applicable From** date - **1-4-2012**
- Specify the **Rate of Duty** as 4%
- **Method of Calculation – On Duty Value** will be defaulted automatically based on the Type of Duty selected.

![Figure 2.15  Excise Duty Details Screen](image)

7. Accept the **Excise Duty Details** screen
8. In the **Rate of VAT (%)** field enter the VAT rate as **13.5%**
The completed Stock Item creation screen appears as shown:

![Completed Stock Item Creation Screen](image)

Figure 2.16 Completed Stock Item Creation Screen

9. Press **Enter** to accept.

### 2.6 Creating Excise Voucher Type

Create the following Excise Voucher Types with the required specifications to record Excise transactions.

<table>
<thead>
<tr>
<th>Voucher Type Name</th>
<th>Type of Voucher</th>
<th>Use for Excise</th>
<th>Default Excise Unit</th>
<th>Default Print Title</th>
<th>Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excise-Purchases</td>
<td>Purchase</td>
<td>Yes</td>
<td>Steelage Industries (P) Ltd.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Excise - Sales</td>
<td>Sales</td>
<td>Yes</td>
<td>Steelage Industries (P) Ltd.</td>
<td>Excise Invoice</td>
<td>No</td>
</tr>
<tr>
<td>Commercial Invoice</td>
<td>Sales</td>
<td>Yes</td>
<td>Steelage Industries (P) Ltd.</td>
<td>Tax Invoice</td>
<td>Commercial Invoice</td>
</tr>
<tr>
<td>Ex-Purchase Return</td>
<td>Debit Note</td>
<td>Yes</td>
<td>Steelage Industries (P) Ltd.</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Ex-Sales Return</td>
<td>Credit Note</td>
<td>Yes</td>
<td>Steelage Industries (P) Ltd.</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
1. Create Excise Purchases Voucher Type

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

In the Voucher Type Creation screen,

1. Enter Excise - Purchases as name of the Voucher Type.
2. Select the Type of Voucher as Purchase from the list of voucher types
3. Type the Abbr. as Ex-Purc
4. Select the Method of Voucher Numbering as Automatic
5. Set Use Advance Configuration to No
6. By default Use Common Narration is set to Yes
7. Set Use for Excise to Yes
8. In Default Excise Unit field select Steelage Industries (P) Ltd. from the List of Excise Units

The completed Excise - Purchases Voucher Type screen is displayed as shown.

![Figure 2.17 Excise – Purchase Voucher Type Creation screen](image)

9. Press Enter to accept.
2. Create Excise Sales Voucher Type Creation

In the Voucher Type Creation screen,

1. Type the name of the Voucher Type as Excise - Sales
2. Select the Type of Voucher as Sales from the list of voucher types
3. Type the Abbr. as Ex-Sale
4. Select the Method of Voucher Numbering as Automatic
5. Set Use Advance Configuration to No
6. By default Use Common Narration is set to Yes
7. Set Use for Excise to Yes
8. In Default Excise Unit field select Steelage Industries (P) Ltd. from the List of Excise Units
9. Set Print after saving Voucher to Yes
10. Type the Default Print Title as EXCISE INVOICE
11. Set Is Tax Invoice to No
12. Specify the Declaration, if any

The completed Excise - Sales Voucher Type screen is displayed as shown.

![Figure 2.18 Excise Sales Voucher Type Creation screen](image)

13. Press Enter to accept.
3. Create Commercial Invoice Voucher Type

In the Voucher Type Creation screen,

1. Type the name of the Voucher Type as Commercial Invoice
2. Select the Type of Voucher as Sales from the list of voucher types
3. Select the Method of Voucher Numbering as Automatic
4. Set Use Advance Configuration to No
5. By default Use Common Narration is set to Yes
6. Set Use for Excise to Yes
7. In Default Excise Unit field select Steelage Industries (P) Ltd. from the List of Excise Units
8. Set Print after saving Voucher to Yes
9. Type the Default Print Title as TAX INVOICE
10. Set Is Tax Invoice to Yes
11. Type the Declaration, if any
12. In the Name of Class field, type Commercial Invoice as the Voucher Class

Figure 2.19 Commercial Invoice with Voucher Class

13. Press Enter to view Voucher Type Class screen
14. In the Voucher Type Class screen,
   - set Use for Commercial Invoice to Yes.
   - Select End of List in the Exclude these Groups and Include these Groups fields
   - In Default Accounting Allocations for each Item in Invoice section,
     - Select Sales @ 5% from the List of Ledger Accounts under Ledger Name field
     - Select Sales @ 5% from the VAT/Tax Class in the VAT/Tax Class field
- Specify 100% in the **Percentage** field
- Set **Override Item Defaults** to **No**
- In **Additional Accounting Entries to be added in Invoice** section,
  - Select **Output VAT @ 5%** from the **List of Ledger Accounts** in the **Ledger Name** field
  - Select **On VAT Rate** in **Type of Calculation** field
  - Select the **Appropriate Rounding** method

The completed **Voucher Type Class** screen is displayed as shown.

![Completed Voucher Type Class Screen](image)

15. Press **Enter** to accept and go back to the **Voucher Type Creation** screen
The completed **Commercial Invoice Voucher Type** is displayed as shown.

![Completed Commercial Invoice Voucher Type](image)

16. Press **Enter** to accept.
Similarly, create **Ex–Sales Return** and **Ex–Purchase Return** Voucher Types.
Lesson 3: Dealer Excise Opening Stock

3.1 Accounting Excise Opening Stock

When the excisable goods are kept as unsold at the closing of the financial year (i.e. 31st March 2012), in such cases, the un-utilised or idle credit amount has to be carried forward to the next financial year (1st April 2012) and the dealer is entitled to pass the CENVAT Credit available on such unsold stock during the current year (2012-13) or within any prescribed period, to the eligible dealer / manufacture on quantifying the following required information viz.,

- Supplier Invoice with date and number.
- Description of goods.
- Total quantity & value of goods purchased.
- Balance (unsold stock) quantity & value of goods available.
- Amount of Excise Duty paid.
- Name, address and Central Excise Registration number of supplier / manufacturer of such goods.
- Name of the jurisdictional range / division / commissionerate.
- Company’s Income Tax number and Sales (or VAT) registration number.

For this purpose, it is essential to record the above mentioned information in Tally.ERP 9, to facilitate passing of CENVAT Credit available on opening stock of excisable goods.

Consider the following example to illustrate the treatment of CENVAT, available on opening stock of excisable goods.
Example 1:
On 01/04/2012, the following excisable commodities were lying in the godown of M/s. Steelage Industries (P) Ltd.,

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty. Purchased (MT)</th>
<th>Rate (Rs.)</th>
<th>Assessable Value</th>
<th>Closing Stock (MT)</th>
<th>Supplier Invoice No. &amp; Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>400</td>
<td>500</td>
<td>2,00,000</td>
<td>155</td>
<td>487 dt. 02/03/2012</td>
</tr>
</tbody>
</table>

The Excise details of the supplier are as follows:

<table>
<thead>
<tr>
<th>Supplier Name &amp; Address</th>
<th>Nature of Purchase</th>
<th>Excise Regn. No.</th>
<th>Range</th>
<th>Division</th>
<th>Commission-erate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sterling Steel Industries # 854 Industrial Area, Yeshwanthpura Bangalore</td>
<td>Manufacturer</td>
<td>ACCLP0457NXM002</td>
<td>Yeshwanthpur l</td>
<td>Yeshwanthpur</td>
<td>Bangalore - II</td>
</tr>
</tbody>
</table>

The same is accounted for as shown.

**Excise Opening Stock:**

Go to Gateway of Tally > Inventory Info. > Update Excise Info. > Dealer Excise Opening Stock

1. In the Supplier Invoice No. field enter the invoice number 487
2. In Excise Unit field Steelage Industries (P) Ltd. is displayed as default
3. In Party’s A/c Name field select Sterling Steel Industries
4. The Supplier’s Details screen is displayed as shown.
   - Address and Excise details are displayed as defined in the ledger master
   - If the supplier of the goods is not the manufacturer, specify the manufacturer of the goods in the Manufacturer / Importer Details section.
5. Accept the Supplier's Details screen

6. In the Nature of Purchase field Manufacturer is defaulted, as defined in the ledger master which can be changed.

7. In the Purchase Ledger field select Purchases @ 5%

8. In the Name of Item field select Hot Rolled Coils 100mm

9. Enter the Purchase Quantity in the field Quantity, i.e. quantity purchased from the supplier

10. Specify the purchase rate in the Rate field

11. Amount is calculated and displayed automatically
12. Press Enter to view Excise Details screen

13. In **Excise Details** screen,
   - In **RG 23D Entry No.** field enter the entry number in RG 23D register of the Excise Dealer.
   - Specify the **Supplier Invoice No.** as **487** (If the Invoice No. is given in the voucher screen, the same is populated automatically)
   - Specify the **Supplier Invoice Date** as **02-03-2010**
   - Specify the **PLA/RG 23D Entry No.** of the supplier. Enter **256** in this field.
   - Specify **155 MT** as the **Excise Opening Stock** (the balance unsold stock lying in the godown as on 31st March)
   - Press Enter to accept the **Assessable Value** as Rs. **2,00,000** (400 MT X Rs. 500)

The Stock Item **Excise details** screen is displayed as shown.
The Excise Duty and Education cess amounts are automatically calculated on the basis of configurations defined in the stock item master. However, in some cases, though the excise duty is chargeable at a specified rate, the net burden on the buyer may be less than such a percentage, in such cases Tally.ERP 9 provides the flexibility to modify the amount of tax.

- Accept the **Excise Details** screen.

The completed **Excise Opening Stock** voucher is displayed as shown:

![Completed Excise Opening Stock Voucher](image)

**Figure 3.5** Completed Excise Opening Stock voucher

14. Press **Enter** to save.
i. **Dealer Excise Opening Stock** option will be displayed under **Excise info.** menu only on creation of **Excise Purchase voucher type** by setting the option **Use for Excise** to **Yes.**

ii. The date of the **Excise Opening Stock** voucher is pre-defined as 1st April of the financial year. But, if the books beginning from date is different from the financial year in the Company master, then, the books beginning from date is taken as the voucher date. However, the date can be altered from the **Gateway of Tally.ERP 9,** by pressing **Alt+F2.**

iii. The **Excise Opening Stock** Voucher is a type of optional voucher and thus will not affect your books of accounts. In order to update Inventory records, the usual method of recording opening stock quantities and values in the Stock Item master has to be followed. However, the entries passed under **Excise Opening Stock** voucher type will appear in **Day Book** display.

iv. In cases where the user maintains data for multiple periods in Tally.ERP 9 (with respect to Dealer excise), the opening balance of **CENVAT Credit** on unsold stocks is automatically carried forward to the next financial year. However, in cases where the Company’s data is split, the excise opening balances have to be re-entered with the respective excise details in the **Excise Opening Stock** menu.

v. The unsold stock of non-excisable stock need not be entered through this menu.

---

**Example 2:**

*On 3rd April 2012, Steelage Industries sold the following goods to M/s. Decora Equipments, Bangalore*

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty.</th>
<th>Rate (Rs.)</th>
<th>VAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>100</td>
<td>600</td>
<td>5%</td>
</tr>
</tbody>
</table>

The same is accounted for as shown:

**Step 1: Create Sales Invoice**

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

1. In Voucher Type sub screen select **Excise–Sales** from the **List of Types**
2. Press **F2** and change date to **03-04-2012**
3. **Excise Unit** field defaults **Steelage Industries (P) Ltd.** as selected in the Voucher Type
4. **Excise Book Name** field displays the name of the excise invoice book (SAI/2012-13) created for the Excise Unit.
5. **Serial No.** field displays the Rule 11 invoice Number e.g. **SAI\1\12-13.**
6. In the **Party’s A/c Name** field select **Decora Equipments**
7. Specify the details of despatch in the **Despatch Details** screen
8. In the Sales Ledger field select **Sales @ 5%**, in the **VAT/Tax Class** field **Sales @ 5%** gets defaulted.

9. Select **Hot Rolled Coils 100mm** in the **Name of the Item** field and press **Enter** to view **Supplier Details** screen

10. In the **Supplier Details** screen

   - In **Supplier Invoice Number/Date** field select **487** from the **List of Purchases**

The **Supplier Details** screen is displayed as shown.

   - Specify the **Quantity Utilised** as **100 MT**
Select **End of List** and press **Enter** to accept the screen.

After accounting the excise opening stock through **Dealer Excise Opening Stock**, opening stock details have to be updated in Stock Item Master separately.

- Specify the **Rate** as **600**
- Select **Output VAT @ 5%** ledger and press **Enter**, the VAT amount is automatically displayed
- If required, you can set the option **Is e-Sugam Applicable** to **Yes** to provide e-sugam details.
- To view the statutory details of the transaction set **Show Statutory Details** to **Yes**
- In the **Bill-wise Details** screen accept the default bill allocation.

The completed **Excise Sales Invoice** screen is displayed as shown.

![Figure 3.8 Completed Excise Sales Voucher Screen](image)

- Press **Enter** to accept the voucher
Step 2: Print Sales Invoice

The **Voucher Printing** screen is displayed as shown.

![Voucher Printing Screen](image1.png)

- Press **F12: Configure** and ensure that the configuration options are enabled as shown.

![Invoice Printing Configuration Screen](image2.png)

- Accept the **Invoice Printing Configuration** screen
- Press **Enter** from the **Voucher Printing** screen to print **Excise Invoice** under Rule 11 of Central Excise Rules 2002
The print preview of **First Stage Dealer’s Excise sales invoice** is displayed as shown.

![Printed Excise Invoice](image)

**Figure 3.11 Printed Excise Invoice**
Lesson 4: Transactions

As discussed earlier, the manufacturer under the cover of any invoice issued in terms of the provisions of Central Excise Rules, 2002 is entitled to pass the credit to the First Stage dealer. Now, let us consider the following illustrations to understand, how CENVAT credit is passed to the subsequent dealers.

4.1 Purchase of Excisable Goods

Now, let us consider the following scenarios to illustrate Excise Purchase transactions in Tally.ERP 9:

- Purchase from a Manufacturer
- Purchase from Agent of Manufacturer (Consignment Agent)
- Purchase From Agent of Manufacturer
- Purchase From Manufacturer Depot
- Purchase from a First Stage Dealer
- Purchase From Agent of Dealer
- Purchase from Importer
- Purchase from Agent of Importer (Consignment Agent)
- Purchase from Agent of Importer
- Selection of Same Item Multiple Times in Excise Purchase
4.1.1 Purchases from a Manufacturer

Example 1:

On 5\textsuperscript{th} April 2012, Steelage Industries purchased the following goods from M/s. Sterling Steel Industries (Manufacturer) vide B.No. 457.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty (MT)</th>
<th>Rate</th>
<th>Assessable Value</th>
<th>Excise Duty @ 12%</th>
<th>Education Cess @ 2%</th>
<th>Secondary Education Cess @ 1%</th>
<th>Total Amount</th>
<th>VAT @ 5%</th>
<th>Invoice Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>400</td>
<td>500</td>
<td>2,00,000</td>
<td>24,000</td>
<td>480</td>
<td>240</td>
<td>2,24,720</td>
<td>11,236</td>
<td>2,35,956</td>
</tr>
<tr>
<td>Cold Rolled Coils 64mm</td>
<td>600</td>
<td>450</td>
<td>2,70,000</td>
<td>32,400</td>
<td>648</td>
<td>324</td>
<td>3,03,372</td>
<td>15,169</td>
<td>3,18,541</td>
</tr>
</tbody>
</table>

Before passing the purchase entry ensure that you have created the necessary Input VAT ledgers under \textbf{Duties \& Taxes} group with relevant VAT classification.

\textbf{Step 1: Setup}

- In F12: \textit{Configure (Purchase Invoice Configure)}
  - Set the option \textit{Use Common Ledger A/c for Item Allocation} to \textit{Yes}.

![Figure 4.1 Purchase Invoice Configuration](image-url)
Step 2: Create Purchase Invoice

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

1. In Voucher Type subscreen select Excise–Purchases from the List of Types
2. Press F2 and change date to 05-04-2012
3. Enter 457 in the Supplier Invoice No. and 05-04-2012 in the Date field
4. Excise Unit field defaults Steelage Industries (P) Ltd. as selected during voucher Type creation.
5. Select Sterling Steel Industries in Party’s A/c Name field
6. The Supplier’s details screen is displayed
   - Specify the Supplier Details as shown (If the supplier of the goods is not the manufacturer, specify the details of the manufacturer of the goods in the Manufacturer / Importer details section)

   ![Supplier's Details Sub-screen](Figure 4.2)

   - Press Enter to accept the screen
7. In Nature of Purchase field nature of purchase Manufacturer appears by default based on the predefinition in the ledger master. However, you can modify the same depending upon the nature of purchase.
8. Select **Purchases @ 5%** in the **Purchase Ledger** field, the **VAT/Tax Class** appears by default as **Purchases @ 5%** based on the predefinition in ledger master.

9. Select **Hot Rolled Coils 100mm** in the **Name of Item** field

10. Type the **Quantity** as **400**

11. Specify the **Amount** as **2,24,720** and press **Enter**.

12. The **Excise Details** screen is displayed as shown:
Specify 1 in the **RG 23D Entry No.** field (The **RG 23D Entry No.** represents the display of this particular transaction in the relevant page of **RG 23 D Register**)

- Accept the **Supplier Invoice No.** as 457 and **Supplier Invoice Date** as 05-04-2012 (The **Supplier Invoice No. & Supplier Invoice Date** is defaulted from voucher screen)
- Specify 69 in the **PLA/ RG 23D Entry No.** field (This field represents the display of this particular transaction in the relevant page of **RG 23 D Register** of the **supplier**)
- Type the **Assessable Value** as **Rs. 2,00,000** *(Assessable Value = Basic Value of Goods = Qty x Rate, i.e, 400MT X Rs. 500)* and press Enter

The completed **Excise Details** sub-screen is displayed as shown.

![Completed Excise Details sub-screen](image)

The **Excise Duty, Education Cess** and **Secondary Education Cess** amounts are automatically calculated on the basis of configurations in the stock item master.

However, in some cases though the excise duty is chargeable at a specified rate, the net burden on the buyer may be less than the prescribed percentage, in such cases Tally.ERP 9 provides the flexibility to modify the amount of tax manually.
13. Press **Enter** to accept the **Excise Details** screen.
14. Similarly, select **Cold Rolled Coils 64mm** from the **List of Excise Stock Items**.
15. Specify the **Quantity** as **600**.
16. Enter the **amount** as **3,03,372**.
17. In the **Excise Details** subscreen,
   - Specify **2** in the **RG 23D Entry No.** field (The **RG 23D Entry No.** represents the display of this particular transaction in the relevant page of **RG 23 D Register**).
   - Press **Enter** to accept the **Supplier Invoice No.** as **457** and **Supplier Invoice Date** as **05-04-12**.
   - Specify **568** in the **PLA/ RG 23D Entry No.** field (This field represents the displays the relevant page of **RG 23 D Register** of the **supplier**, where the information on this stock item is available).
   - Type the **Assessable Value** as **2,70,000** and press **Enter**.
   - The **Excise Duty & Educ. Cess Amount** is automatically calculated and prefilled.

![Completed Excise Details Screen](image)

**Figure 4.6 Completed Excise Details Screen**

18. Select **Input VAT @ 5%** ledger, **VAT amount** of **Rs. 26, 405** is defaulted automatically.
19. Set **Show Statutory Details** to **Yes** to view **Statutory Details** of the transaction.
The **Statutory Details** screen is displayed as shown:

![Statutory Details Screen](image)

20. In the **Bill-wise Details** screen,
- Select New Ref in the **Type of Ref**.
- Enter **457** in the **Name** field.
- Skip the Due Date, or Credit Days field.
- Accept the **default Amount allocation** and Dr/Cr,

The **Bill-wise Details** screen is displayed as shown:

![Bill-wise Details Screen](image)

- Accept the bill-wise details.

21. Enter the transaction details in the **Narration** field.
The completed **Excise Purchase Invoice** is displayed as shown:

![Completed Excise Purchase Invoice](image)

**Figure 4.9 Completed Excise Purchase Invoice**

22. **Press Enter to accept.**

- **The Excise duty on purchases may be accounted in two ways i.e., Exclusive or Inclusive method.** Under Exclusive method, Excise Duty, Education Cess, Higher Education Cess & other duties of excise ledgers are created and itemised separately in the Purchase Invoice and as a result the excise amount paid is available separately in the respective ledgers. This method is generally recommended for manufacturers intending to maintain CENVAT balance separately and claiming CENVAT Credit. Whereas, in case of Inclusive method, the Gross Amount before sales tax is back calculated as the Assessable Value is determined accordingly.

- **In this Chapter, Inclusive method is adopted and the value of Excise Duty and other cess amount debited to Purchase Accounts i.e., apportioned to the Purchase Cost.**

- **The applicable Duties of Excise and Cess are calculated in the Excise Details for subscreen based on the Stock Item predefinition for the purpose of declaration in the Excise Invoice.**
4.1.2 Purchases from Agent of a Manufacturer (Consignment Agent)

If a Registered Excise Dealer receives (Purchases) the goods from Consignment Agent where, the consignment agent has raised the sales bill marking as Consignment Sales Invoice. In this case Excise Dealer who buys the goods from first consignment agent will be assumed to be acting as a Agent of Manufacturer (Consignment Agent).

Example: Universal Traders is a Agent of Manufacturer (Consignment Agent) of Sterling Steel Industries. Universal Traders sells the goods to Steelage Industries and raises the sales invoice by marking the Steelage Industries as “Consignment Agent of Principal Manufacturer”.

Agent of Manufacturer (Consignment Agent) will be registered under excise and issues Rule 11 invoice for the sales made by printing the Title as - Sale by Consignment Agent.

Tally.ERP 9 allows to account the transactions where the dealer is acting as the Agent of Manufacturer & print Rule 11 invoice by printing the title as - Sale by Consignment Agent

Example 2:

On 6th April 2012, Steelage Industries purchased the following goods from M/s. Globus Steel Traders (Agent of Manufacturer) vide B.No. 764. Global Steel Traders is a Consignment Agent & he has billed Steelage Industries as “Consignment Agent of Principal Manufacturer”

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty (Nos)</th>
<th>Rate</th>
<th>Assessable Value</th>
<th>Excise Duty @ 12%</th>
<th>Education Cess @ 2%</th>
<th>Secondary Education Cess @ 1%</th>
<th>Total Amount</th>
<th>VAT @ 13.5%</th>
<th>Invoice Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engine Valves 5&quot;</td>
<td>500</td>
<td>600</td>
<td>3,00,000</td>
<td>36,000</td>
<td>720</td>
<td>360</td>
<td>3,37,080</td>
<td>45,506</td>
<td>3,82,586</td>
</tr>
</tbody>
</table>

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

1. In Voucher Type subscreen select Excise–Purchases from the List of Types
2. Press F2 and change date to 06-04-2012
3. Enter 764 in the Supplier Invoice No. and 06-04-2012 in the Date field
4. Excise Unit field defaults Steelage Industries (P) Ltd. as selected during voucher Type creation
5. Select Globus Steel Traders in Party’s A/c Name field
6. The Supplier’s details screen is displayed
   □ Supplier Details are defaulted automatically
   □ Under Manufacturer / Importer Details section
   □ In the Name field select the Manufacturer / Importer from the List of Ledger Accounts

In the Supplier’s Details by using Alt+M key or by clicking on the M: Manual button in the buttons bar, Manufacturer / Importer details can be entered manually or you can select the Manufacturer ledger from the List of Ledger Accounts if the Manufacturer ledger is created and available.
The completed **Supplier’s Details** screen is displayed as shown:

![Supplier's Details Screen](image)

- Accept the **Supplier’s Details** screen

7. In the **Nature of Purchase** field **Agent of Manufacturer** (Consignment Agent) is defaulted automatically as defined in the ledger master.

8. Select **Purchases @ 13.5%** in the **Purchase Ledger** field, the **VAT/Tax Class – Purchases @ 13.5%** is defaulted automatically.

9. Select **Engine Valves 5”** in the **Name of Item** field.

10. Type the **Quantity** as **500**

11. Specify the **Amount** as **3,37,080** and press **Enter**

12. The **Stock Item Excise details** screen displays

   - Specify **3** in the **RG 23D Entry No.** field (The **RG 23D Entry No.** represents the display of this particular transaction in the relevant page of RG 23 D Register)

   - Under **Supplier Invoice Details** section
     - The **Supplier Invoice No.** as **764** and **Supplier Invoice date** as **06-04-2012** is defaulted from the voucher screen
     - Specify the **RG 23D Entry No.**. (This field represents the display of the relevant page of RG 23 D Register of the supplier, where the information on this stock item is available)
     - Enter **Rs.3,00,000** in the **Assessable Value** field (It is the amount on which the Excise Duty is calculated by the manufacturer)

   - Under **Manufacturer / Importer Invoice Details** section
     - In **Name** field select the **Manufacturer** of the Goods being sold by the Consignment Agent. Select **Sterling Steel Industries** from the List of Ledger Accounts.
■ In **Invoice Number** field mention the invoice number of the **Manufacturer** under which the stock item was purchased (by the supplier)

■ The **invoice date** field mention the manufacturers sales invoice number

■ Specify the **PLA/RG 23D Entry No.** (This field represents the displays the relevant page of **PLA Register** of the **Manufacturer**, where the information of the Duty paid is available)

■ In the **Billed Quantity** field enter the actual Billed Quantity billed to the **Agent of the manufacturer**

■ In **Assessable Value** enter the actual **Assessable Value** of the stock item

Duty Details displays the **Duty Amount** of both the **Agent of Manufacturer** (Consignment Agent) and **Manufacturer/Importer**.

![Excise Details Screen](image)

**Figure 4.11 Excise Details Screen**

13. Accept the **Excise Details** screen.

14. Select **Input VAT @ 13.5%** ledger, the **VAT Amount** of Rs. **45,506** is automatically calculated and prefilled

15. Set **Show Stationery Details** to **Yes** to view the **Statutory Details** of the transaction

16. In the **Bill-wise Details** screen,
   - Specify the **Type of Ref** as **New Ref**
   - Enter **764** in the **Name** field
   - Accept the **default Amount allocation** and **Dr/Cr** details.

17. Enter the transaction details in the **Narration** field.
The completed **Excise Purchase Invoice** is displayed as shown:

![Completed Excise Purchase Invoice](image)

**Figure 4.12  Completed Excise Purchase Invoice**

18. Press **Enter** to accept.

### 4.1.3 Purchase From Agent of Manufacturer

**From Agent of Manufacturer** is a supplier who acts as a commission agent of the manufacturer. On sales made, this supplier issues only a commercial invoice and Rule 11 invoice is issued by the manufacturer.

Tally.ERP 9 allows to record the excise purchases made from a commission agent of a manufacturer and pass on the CENVAT Credit on Sale of Goods.

#### Example 3:

*On 7th April 2012, Steelage Industries purchased the following goods from Indus Traders (Commission Agent) vide B.No. 8695.*

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Rate</th>
<th>Assessable Value</th>
<th>BED @ 12%</th>
<th>Educ Cess @ 2%</th>
<th>Higher Educ. Cess @ 1%</th>
<th>Total</th>
<th>VAT Rate</th>
<th>VAT Amount</th>
<th>Invoice Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled Coils - 100mm</td>
<td>1000</td>
<td>800</td>
<td>800000</td>
<td>96000</td>
<td>1920</td>
<td>960</td>
<td>898880</td>
<td>5%</td>
<td>44944</td>
<td>9,43,824</td>
</tr>
</tbody>
</table>
Go to Gateway of Tally > Accounting Vouchers > F9: Purchase

1. Select the Excise - Purchase as the Voucher Type from the list of types.
2. Select Alt + I: Item Invoice if it is in Acct Invoice mode.
3. Press F2 and enter the date as 7-4-2012.
4. Enter the Supplier Invoice No. as 8695 and Date as 7-4-2012.
5. By default Tally.ERP 9 displays the Excise Unit as Steelage Industries (P) Ltd. as defined during voucher type creation.
6. Select the Party’s A/c Name from the list of Ledger Accounts e.g. Indus Traders.
7. The Supplier’s Details sub-form will appear. Supplier’s Details will include the supplier contact details, Sales Tax Number and the Excise Registration details. The details will appear automatically if they are provided during the Supplier Ledger Creation. If the supplier of the goods is not the manufacturer, specify the details of the manufacturer of the goods in the Manufacturer / Importer details section.

For this purchase Indus traders is not the manufacturer. Manufacturer is Sterling Steel industries. Specify the details of the manufacturer.

8. By default the Nature of Purchase will be displayed as From Agent of Manufacturer as defined in the party ledger. This field defines the Supplier’s role in selling the product.
9. In **Purchase Ledger** field select **Purchases @ 5%** from the list of Ledger Accounts. **VAT/Tax Class** will be defaulted to **Purchases @ 5%**

10. In **Name of Item** field select **Hot Rolled Coils - 100 mm** from the List of Excise Stock Items

11. In **Quantity** field enter **1,000** and enter **Rs.8,98,880** in **Amount** field. Press **Enter** to view **Excise Details** screen

12. In **Excise Details** screen
   - In **RG 23D Entry No** field enter the **RG 23D entry number** of this purchase in your books
   - **Supplier Invoice Number** will be captured from the **Supplier Invoice No.** field if entered. Otherwise enter the supplier Invoice number
   - By default the voucher date is displayed as the **Supplier Invoice Date**
   - In **PLA/ RG 23D Entry no.** field enter the PLA number where the reference of duty paid on the goods sold are entered.
   - Enter the **Assessable Value** (it is the amount on which the Excise Duty is calculated by the manufacturer) on which the Excise Duty is calculated. Enter **Rs. 8,00,000**
   - **Duty Amount** will be calculated and displayed automatically.

![Excise Details Screen](image)

13. Select Input VAT ledger - **Input VAT @ 5%** to account the VAT amount.
The completed purchase voucher is displayed as shown:

![Completed Purchase Voucher](image.png)

Figure 4.16  Completed Purchase Voucher

14. Press **Enter** to accept.

### 4.1.4 Purchase from Manufacturer Depot

Manufacturer Depot is a supplier registered under excise and for all the sales made depot issues the rule 11 invoice.

Tally.ERP 9 allows to record the excise purchases made from a manufacturer depot and pass on the CENVAT Credit on Sale of Goods.

#### Example 4:

*On 9th April 2012, Steelage Industries purchased the following goods from Sterling Steel - Depot vide B.No. 321.*

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Rate</th>
<th>Assessable Value</th>
<th>BED @ 12%</th>
<th>Educ Cess @ 2%</th>
<th>Higher Educ. Cess @ 1%</th>
<th>Total</th>
<th>VAT Rate</th>
<th>VAT Amount</th>
<th>Invoice Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>500</td>
<td>750</td>
<td>375000</td>
<td>45000</td>
<td>900</td>
<td>450</td>
<td>421350</td>
<td>5%</td>
<td>21068</td>
<td>4,42,418</td>
</tr>
</tbody>
</table>
Go to Gateway of Tally > Accounting Vouchers > F9: Purchase

1. Select the Excise - Purchase as the Voucher Type from the list of types.
2. Select Alt + I: Item Invoice if it is in Acct Invoice mode.
3. Press F2 and enter the date as 9-4-2012.
4. Enter the Supplier Invoice No. as 321 and Date as 9-4-2012.
5. By default, Tally,ERP 9 displays the Excise Unit as Steelage Industries (P) Ltd. as defined during voucher type creation.
6. Select the Party’s A/c Name from the List of Ledger Accounts e.g. Sterling Steel - Depot.
7. The Supplier’s Details sub-form will appear. Supplier’s Details will include the supplier contact details, Sales Tax Number and the Excise Registration details. The details will appear automatically if they are provided during the Supplier Ledger Creation. If the supplier of the goods is not the manufacturer, specify the details of the manufacturer of the goods in the Manufacturer / Importer details section.

For this purchase Indus Traders are not the manufacturer. Manufacturer is Sterling Steel Industries. Specify the details of the manufacturer.

8. By default the Nature of Purchase will be displayed as Manufacturer Depot as defined in the party ledger. This field defines the Supplier’s role in selling the product.
9. In Purchase Ledger field select Purchases @ 5% from the list of Ledger Accounts. VAT/Tax Class will be defaulted to Purchases @ 5%
10. In Name of Item field select Hot Rolled Coils 100mm form List of Excise Stock Items
11. In Quantity field enter 500 and in Amount field enter Rs. 4,21,350. Press Enter to view Excise Details screen.
12. In Excise Details screen
Transactions

Under **Supplier Invoice Details** section,

- In **RG 23D Entry No.** field enter the RG 23D entry number of this purchase in your books
- **Supplier Invoice Number** will be captured form the **Supplier Invoice No.** field if entered. Other wise enter the supplier Invoice number
- By default the voucher date is displayed as the **Supplier Invoice Date**
- In **PLA/ RG 23D Entry no.** field enter the PLA number where the reference of duty paid on the goods sold are entered.
- Enter the **Assessable Value** (it is the amount on which the Excise Duty is calculated by the manufacturer) on which the Excise Duty is calculated. Enter **Rs. 3,75,000**

Under **Manufacturer / Importer Invoice Details** section

- In **Name** field select the **Manufacturer** of the Goods being sold by the Consignment Agent. Select **Sterling Steel Industries** from the List of Ledger Accounts. In **Manufacturer/Importer Details** screen enter **address, excise registration number, range, division and commissionerate** details.
- In **Invoice Number** field mention the invoice number of the **Manufacturer** under which the stock item was supplied to the Depot)
- The **invoice date** field mention the manufacturers sales invoice number
- Specify the **PLA/RG 23D Entry No.** (This field represents the displays the relevant page of **PLA Register** of the **Manufacturer**, where the information of the Duty paid is available)
- In the **Billed Quantity** field enter the actual Billed Quantity billed to the **Depot**.
- In **Assessable Value** enter the actual **Assessable Value** of the stock item.

**Duty Details** displays the **Duty Amount** of both the **Manufacturer (Depot)** and **Manufacturer/Importer**.

Figure 4.18  Excise Details Screen
13. Select Input VAT ledger - **Input VAT @ 5%** to account the VAT amount.

The completed purchase voucher is displayed as shown:

![Completed Purchase Voucher](image)

**Figure 4.19  Completed Purchase Voucher**

Press **Enter** to accept.

### 4.1.5 Purchase from First Stage Dealer

**Example 5:**

*On 10th April 2012, Steelage Industries purchased the following goods from M/s. MM Iron & Steel, vide B.No. 1707.*

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Rate</th>
<th>Assesable Value</th>
<th>BED @ 12% or 10%</th>
<th>SED @ 5%</th>
<th>Educ Cess @ 2%</th>
<th>Higher Educ. Cess @ 1%</th>
<th>Total</th>
<th>VAT Rate</th>
<th>VAT Amount</th>
<th>Invoice Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engine Valves 5”</td>
<td>200</td>
<td>600</td>
<td>120000</td>
<td>14400</td>
<td>–</td>
<td>288</td>
<td>144</td>
<td>134832</td>
<td>13.5%</td>
<td>18202</td>
<td>1,53,034</td>
</tr>
<tr>
<td>Iron Bars</td>
<td>300</td>
<td>500</td>
<td>150000</td>
<td>15000</td>
<td>7500</td>
<td>450</td>
<td>225</td>
<td>173175</td>
<td>5%</td>
<td>8659</td>
<td>1,81,834</td>
</tr>
</tbody>
</table>

**Setup:**

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

- Ensure **Use Common Ledger A/c for Item Allocation** is set to **No**
Go to Gateway of Tally > Accounting Vouchers > Press F9:Purchase

1. In Voucher Type subscreen select Excise–Purchases from the List of Types
2. Press F2 and change date to 10-04-2012
3. Enter 1707 in the Supplier Invoice No. and 10-04-2012 in the Date field
4. Select MM Iron & Steel in Party’s A/c Name field
5. The Supplier’s details screen is displayed
   - By default, Supplier details are defaulted automatically
   - Under Manufacturer / Importer Details section select Sterling Steel industries from the List of Ledger Accounts. The Manufacturer / Importer details are prefilled automatically from the ledger master.

   ![Supplier's Details Screen](image)

   Figure 4.20 Supplier’s Details Screen

   - Accept the Supplier’s Details screen.
6. In the Nature of Purchase field First Stage Dealer is defaulted automatically as defined in the ledger master.
7. Select Engine Valves 5” in the Name of Item field
8. Type the Quantity as 200
9. Specify the Amount as 1,34,832 and press Enter to view Excise Details screen
10. In the Excise Details screen
    - Specify 6-1 in the RG 23D Entry No. field
    - Under Supplier Invoice Details section
      - The Supplier Invoice No. as 1707 and Supplier Invoice date as 10-04-2012 is defaulted from the voucher screen
Transactions

- Specify the RG 23D Entry No. (This field represents the relevant page of RG 23D Register of the supplier, where the information on this stock item is available)
- Enter Rs.1,20,000 in the Assessable Value field (It is the amount on which the Excise Duty is calculated by the manufacturer)

- Under Manufacturer / Importer Invoice Details section
  - In Name field select the Manufacturer from the List of Ledger Accounts.
  - In Invoice Number field mention the invoice number of the Manufacturer under which the stock item was purchased (by the supplier)
  - The Invoice Date field mention the manufacturers sales invoice number
  - Specify the PLA/RG 23D Entry No. (This field represents the displays the relevant page of PLA Register of the Manufacturer, where the information of the Duty paid is available)
  - In the Billed Quantity field enter the actual quantity billed to the First Stage Dealer.
  - In Assessable Value enter the actual Assessable Value of the stock item

Duty Details displays the Duty Amount of both the First Stage Dealer and Manufacturer/Importer.

![Excise Details Screen](Figure 4.21 Excise Details Screen)

The Excise Duty, Education Cess and Secondary Education Cess amounts are automatically calculated and prefilled

- Accept the Excise Details screen
In Accounting Details screen, select **Purchase @ 13.5%** in the **Particulars** field and the **VAT/Tax Class** is defaulted as **Purchase @ 13.5%**.

![Figure 4.22 Accounting Details Screen](image)

11. Similarly, select **Iron Bars** as the second Stock Item
12. Specify the **Quantity** as **300** & the **Amount** as **1,73,175** and press enter to view **Excise Details** screen
13. In the **Excise Details** sub-screen
   - Specify 6-2 in the **RG 23D Entry No.** field
   - Under **Supplier Invoice Details** section
     - The **Supplier Invoice No.** as **1707** and **Supplier Invoice date** as **10-04-2012** is defaulted from the voucher screen
     - Specify the **RG 23D Entry No.** (This field represents the relevant page of **RG 23 D Register** of the supplier, where the information on this stock item is available)
     - Enter **Rs. 1,50,000** in the **Assessable Value** field (It is the amount on which the Excise Duty is calculated by the manufacturer)
   - Under **Manufacturer / Importer Invoice Details** section
     - In **Name** field select the **Manufacturer** from the List of Ledger Accounts.
     - In **Invoice Number** field mention the invoice number of the **Manufacturer** under which the stock item was purchased (by the supplier)
     - The **Invoice Date** field mention the manufacturers sales invoice number
- Specify the **PLA/RG 23D Entry No.** (This field represents the relevant page of PLA Register of the Manufacturer, where the information of the Duty paid is available)
- In the **Billed Quantity** field enter the actual quantity billed to the **First Stage Dealer.**
- In **Assessable Value** enter the actual **Assessable Value** of the stock item

Duty Details displays the **Duty Amount** of both the **First Stage Dealer** and **Manufacturer/Importer.**

![Excise Details Screen for Iron Bar](image)

- The **Excise Duty, Education Cess** and **Additional Education Cess** amounts are automatically calculated and prefilled
- Accept the **Excise Details** screen

14. In the **Accounting Details** screen, select **Purchase @ 5%** in the **Particulars** field and the **VAT/Tax Class** is automatically defaulted as **Purchase @ 5%**
15. Select **Input VAT @ 13.5%** ledger and press **Enter**, the **VAT amount** is calculated and displayed automatically
16. Select **Input VAT @ 5%** ledger and press **Enter**, the **VAT amount** is calculated and displayed automatically
17. To view the **statutory details** of the transactions set **Show Statutory Details** to **Yes**
18. In the **Bill-wise Details** screen accept the default bill allocation.
19. Enter the transaction details in **Narration** field
The completed **Excise Purchase Invoice** is displayed as shown.

![Figure 4.24 Completed Purchase Voucher - First Stage Dealer](image)

20.**Press Enter** to accept.

### 4.1.6 Purchase From Agent of Dealer

From Agent of Dealer is a supplier who acts as a commission agent of the First Stage Dealer. On sales made Agent of Dealer issues only a commercial invoice and Rule 11 invoice is issued by the Dealer.

Tally.ERP 9 allows to record the excise purchases made from a commission agent of dealer and pass on the CENVAT Credit on Sale of Goods.

**Example 6:**

*On 11th April 2012, Steelage Industries purchased the following goods from Indus Mega Traders vide B.No. 6254.*

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Rate</th>
<th>Assessable Value</th>
<th>BED @ 12%</th>
<th>Educ Cess @ 2%</th>
<th>Higher Educ. Cess @ 1%</th>
<th>Total</th>
<th>VAT Rate</th>
<th>VAT Amount</th>
<th>Invoice Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>200</td>
<td>950</td>
<td>190000</td>
<td>12800</td>
<td>456</td>
<td>228</td>
<td>203484</td>
<td>5%</td>
<td>10174</td>
<td>2,13,658</td>
</tr>
</tbody>
</table>
Go to Gateway of Tally > Accounting Vouchers > F9: Purchase

Setup:

In F12: Configure (Purchase Invoice Configuration)

- Enable the option **Allow Separate Buyer and Consignee Names** to Yes

![Figure 4.25  Purchase Invoice Configuration](image)

1. Select the **Excise - Purchase** as the **Voucher Type** from the list of types.
2. Select **Alt + I: Item Invoice** if it is in Acct Invoice mode
3. Press **F2** and enter the date as **11-4-2012**
4. Enter the **Supplier Invoice No.** as **6254** and **Date** as **11-4-2012**
5. By default, Tally.ERP 9 displays the **Excise Unit** as **Steelage Industries (P) Ltd.** as defined during voucher type creation.
6. Select the **Party’s A/c Name** from the **List of Ledger Accounts** e.g. **Indus Mega Traders**
7. The **Supplier's Details** sub-form will appear.
Enter the **Dealer Name** in **Consignee** field and enter other details like **address**, **TIN/Sales Tax No.**, **CST Number**, **Excise Registration Number**, **Range**, **Division** and **Commissionerate**.

In **Supplier** field the name of the agent of the Dealer will be displayed along with address and other related information.

In **Manufacturer/Importer Details** section, select the **manufacturer** from the goods were purchased by the Excise Dealer. For this purchase Inland Traders are not the manufacturer. Manufacturer is **Sterling Steel Industries**. Specify the details of the manufacturer.

8. By default the **Nature of Purchase** will be displayed as **From Agent of Dealer** as defined in the party ledger. This field defines the Supplier's role in selling the product.

9. In **Purchase Ledger** field select **Purchases @ 5%** from the list of Ledger Accounts. **VAT/Tax Class** will be defaulted to **Purchases @ 5%**

10. In **Name of Item** field select **Hot Rolled Coils 100mm** form List of Excise Stock Items

11. In **Quantity** field enter **200** and enter **Rs. 2,03,484** in **Amount** field. Press **Enter** to view Excise Details screen

12. In **Excise Details** screen
   - In **RG 23D Entry No.** field enter the RG 23D entry number of this purchase in your books.
   - In **Supplier Invoice Details** section
     - **Supplier Invoice Number** will be captured form the **Supplier Invoice No.** field if entered. Other wise enter the supplier Invoice number
     - By default the voucher date is displayed as the **Supplier Invoice Date**
     - In **PLA/ RG 23D Entry no.** field enter the PLA number where the reference of duty paid on the goods sold are entered.
- Enter the **Assessable Value** (it is the amount on which the Excise Duty is calculated by the manufacturer) on which the Excise Duty is calculated. Enter **Rs. 1,90,000**

- **Duty Amount** will be calculated and displayed automatically

- In **Manufacturer/Importer Invoice Details** section
  - In **Name** field select the **Manufacturer** from the List of Ledger Accounts.
  - In **Invoice no.** field the Invoice Number specified in the Party Details screen will be displayed.
  - In **Invoice Date** field the invoice date specified in the Party Details screen will displayed.
  - In **PLA/RG 23 Entry No.** field enter the PAL entry number against the goods sold
  - In **Billed Qty** field enter the quantity of item sold
  - In **Assessable Value** field specify the assessable value of the item on which the duty was paid on removal of goods

![Excise Details Screen](image)

Figure 4.27 Excise Details Screen

13. Select Input VAT ledger - **Input VAT @ 5%** to account the VAT amount
The completed purchase voucher is displayed as shown:

![Completed Purchase Voucher](image)

**Figure 4.28 Completed Purchase Voucher**

14. Press **Enter** to accept.

### 4.1.7 Purchases from Importer

While carrying on business a excise dealer may purchase the goods from different type of suppliers including **Importer** (one who imported the goods). Tally.ERP 9 allows to account the Purchases form Importer.

**Example 7:**

*On 11th April 2012, Steelage Industries purchased the following goods from Excellor Impex (P) Ltd. vide B.No. 9254.*

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Rate</th>
<th>Assessable Value</th>
<th>CVD @12%</th>
<th>Educ Cess on CVD @ 2%</th>
<th>Higher Educ. Cess on CVD @ 1%</th>
<th>Additional Duty</th>
<th>Total</th>
<th>VAT Rate</th>
<th>VAT Amount</th>
<th>Invoice Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper Alloy Strips</td>
<td>300</td>
<td>500</td>
<td>150000</td>
<td>18,000</td>
<td>360</td>
<td>180</td>
<td>7200</td>
<td>175740</td>
<td>13.5%</td>
<td>23725</td>
<td>1,99,465</td>
</tr>
</tbody>
</table>
Go to Gateway of Tally > Accounting Vouchers > F9: Purchase

1. Select the **Excise - Purchase** as the **Voucher Type** from the list of types.
2. Select **Alt + I: Item Invoice** if it is in **Acct Invoice mode**
3. Press **F2** and enter the date as **11-4-2012**
4. Enter the Supplier Invoice No. as **9254** and **Date** as **11-4-2012**
5. By Default, Tally.ERP 9 displays the **Excise Unit** as **Steelage Industries (p) Ltd** as defined during voucher type creation.
6. Select the **Party’s A/c Name** from the list of Ledger Accounts e.g. **Excellor Impex (P) Ltd**.
7. The **Supplier’s Details** sub-form will appear. **Supplier’s Details** will include the **supplier contact details**, **Sales Tax number** and the **Excise registration** details. The details will appear automatically if they are provided during the Supplier Ledger Creation. If the supplier of the goods is not the **importer**, specify the details of the importer of the goods in the **Manufacturer / Importer** details section.
8. By default, the **Nature of Purchase** will be displayed as **Purchase from Importer** as defined in the party ledger. This field defines the **Supplier’s Role** in selling the product.

![Image of Accounting Voucher Creation](image)

**Figure 4.29 Selection of Nature of Purchase**

9. In **Purchase Ledger** field select **Purchases @ 13.5%** from the list of Ledger Accounts. **VAT/Tax Class** will be defaulted to **Purchases @ 13.5%**.
10. In **Name of Item** field select **Copper Alloy Strips** from **List of Excise Stock Items**.
11. In **Quantity** field enter **300** and Amount as **1,75,740**. Press **Enter** to view **Excise Details** screen.
12. In **Excise Details** screen
   - In **RG 23D Entry No** field enter the **RG 23D entry number** of this purchase in your books.
   - **Supplier Invoice Details**: In this section specify the supplier invoice details
     - **Supplier Invoice Number** will be captured form the Supplier Invoice No. field if entered. Other wise enter the supplier Invoice number
     - By default the voucher date is displayed as the **Supplier Invoice Date**
     - In **PLA/ RG 23D Entry no.** field enter the PLA number where the reference of duty paid on the goods sold are entered.
     - Enter the **Assessable Value** (it is the amount on which the Excise Duty is calculated by the manufacturer) on which the Excise Duty is calculated. Enter Rs. **1,50,000**
Duty Amount will be calculated and displayed automatically.

Manufacturer/Importer Invoice Details: In this section specify the Importer Invoice Details

When the Nature of Purchase - Purchase From Importer is selected in Excise Details screen Tally.ERP 9 gives the provision to specify both Supplier and Importer invoice details.

Separate Supplier & Importer invoice details section will be useful when the sales are made by the agent of the Importer where we need to enter the invoice details of Two parties (Importer & Agent of Importer).

In this case Excellor Impex (P) Ltd. is the Importer & Supplier of goods to Steelage Industries (P) Ltd. Hence specify the same invoice details as entered under Supplier Invoice Details section.

Countervailing Duty, Education Cess on CVD & Secondary Education Cess on CVD will be calculated & displayed automatically. For Additional Duty (Imports) specify the additional Duty Amount - Rs. 7200.

Figure 4.30 Excise Details Screen

13. Select Input VAT ledger - Input VAT @ 13.5% to account the VAT amount.
The completed purchase voucher is displayed as shown:

![Completed Purchase Voucher](image)

Figure 4.31  Completed Purchase Voucher

14. Press **Enter** to accept.

### 4.1.8 Purchases from Agent of Importer (Consignment Agent)

If a **Registered Excise Dealer** receives (Purchases) goods from Consignment Agent where, the consignment agent has raised the sales bill marking as **Consignment Sales Invoice**. In this case Excise Dealer who buys the goods from first consignment agent will be assumed to be acting as a **Agent of Importer (Consignment Agent)**.

**Example**: **Ziga Traders** is an **Agent of Importer (Consignment Agent)** of **Excellor Impex (P) Ltd**. Ziga Traders sells the goods to **Steelage Industries (P) Ltd** and raises the sales invoice by marking the Steelage Industries (P) Ltd as “Consignment Agent of Importer”.

Agent of Importer (Consignment Agent) will be registered under excise and issues **Rule 11 invoice** for the sales made by printing the Title as - **Sale by Consignment Agent**.

Tally.ERP 9 allows you to account the transactions where the dealer is acting as the Agent of Importer & Print Rule 11 invoice with the title - **Sale by Consignment Agent**.
Example 8:

On 12th April 2012, Steelage Industries purchased the following goods from Ziga Traders vide B.No. 1052.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Rate</th>
<th>Assessable Value</th>
<th>CVD @12%</th>
<th>Educ Cess on CVD @ 2%</th>
<th>Higher Educ. Cess on CVD @ 1%</th>
<th>Add. Duty</th>
<th>Total</th>
<th>VAT Rate</th>
<th>VAT Amount</th>
<th>Invoice Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper Alloy Strips</td>
<td>150</td>
<td>500</td>
<td>75000</td>
<td>9,000</td>
<td>180</td>
<td>90</td>
<td>3600</td>
<td>87870</td>
<td>13.5 %</td>
<td>11866</td>
<td>99,736</td>
</tr>
</tbody>
</table>

Go to Gateway of Tally > Accounting Vouchers > F9: Purchase
1. Select Excise - Purchase as the Voucher Type from the list of types.
2. Select Alt + I: Item Invoice if it is in Acct Invoice mode
3. Press F2 and enter the date as 12-4-2012
4. Enter Supplier Invoice No. as 1052 and Date as 12-4-2012
5. By Default Tally,ERP 9 displays Excise Unit as Steelage Industries (P) Ltd as defined during voucher type creation.
6. Select Party’s A/c Name from the list of Ledger Accounts e.g. Ziga Traders
7. The Supplier's Details sub-form will appear. Supplier’s Details will include supplier contact details, Sales Tax number and Excise registration details. The details will appear automatically if they are provided during the Supplier Ledger Creation. If the supplier of the goods is not the Importer, specify the details of Importer in Manufacturer / Importer Details section.

For this purchase Ziga Traders is not the Importer. Importer is Excellor Impex (P) Ltd. Specify the details of Importer.

![Figure 4.32 Supplier’s Details Screen](image-url)
8. By default the **Nature of Purchase** will be displayed as **Agent of Importer (Consignment Agent)** as defined in the party ledger. This field defines the Supplier’s role in selling the product.

9. In Purchase Ledger field select **Purchases @ 13.5%** from the list of Ledger Accounts. VAT/Tax Class will be defaulted to Purchases @ 13.5%

10. In **Name of Item** field select **Copper Alloy Strips** from List of Excise Stock Items

11. In **Quantity** field enter 150 and **Amount** as 87,870. Press **Enter** to view **Excise Details** screen

12. In **Excise Details** screen
   - In **RG 23D Entry No** field enter the RG 23D entry number of this purchase in your books
   - **Supplier Invoice Details**: Under this section specify the supplier invoice details
     - **Supplier Invoice Number** will be captured form the Supplier Invoice No. field if entered. Other wise enter the supplier Invoice number
     - By default the voucher date is displayed as **Supplier Invoice Date**
     - In **PLA/ RG 23D Entry no.** field enter the PLA number where the reference of duty paid on the goods sold are entered.
     - Enter **Assessable Value** (it is the amount on which the CVD is calculated by the manufacturer) on which the Excise Duty is calculated. Enter Rs. **75,000**
     - **Duty Amount** will be calculated and displayed automatically.
   - **Manufacturer/Importer Invoice Details**: Under this section specify manufacturer or importer invoice details
     - In **Name** field select the **Importer** from the List of Ledger Accounts.
     - **Invoice Number**: By default the invoice number entered in the Party details screen for Manufacturer/ importer will be displayed
     - **Invoice Date**: By default the invoice date entered in Party details screen for Manufacturer/ importer will be displayed
     - **PLA/ RG 23 Entry No**: Enter PLA Number of the Manufacturer/ Importer. This number represents the transaction details of sales made to the supplier in the relevant page of PLA Register of manufacturer.
     - **Billed Quantity**: Enter the actual Billed Quantity sold to Agent of Importer
     - **Assessable Value**: Enter actual Assessable Value of the stock item
countervailing duty, education cess on cvd & secondary education cess on cvd will be calculated & displayed automatically. For special aed of cvd specify the additional duty amount - Rs. 3600.

figure 4.34 excise details screen

13. select input vat ledger - Input VAT @ 13.5% to account the vat amount. The completed purchase voucher is displayed as shown:

figure 4.35 completed purchase voucher

14. press enter to accept.
4.1.9 Purchases From Agent of Importer

From Agent of Importer is a supplier who acts as a commission agent of an importer. On sales made, this supplier issues only a commercial invoice and Rule 11 invoice is issued by the Importer.

Example 9:
On 13th April 2012, Steelage Industries purchased the following goods from Alpine Traders vide B.No. 1174.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Rate</th>
<th>Assessable Value</th>
<th>CVD @12%</th>
<th>Educ Cess on CVD @ 2%</th>
<th>Higher Educ. Cess on CVD @ 1%</th>
<th>Addional Duty</th>
<th>Total</th>
<th>VAT Rate</th>
<th>VAT Amount</th>
<th>Invoice Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper Alloy Strips</td>
<td>50</td>
<td>500</td>
<td>25000</td>
<td>3,000</td>
<td>60</td>
<td>30</td>
<td>1200</td>
<td>29290</td>
<td>13.5 %</td>
<td>3954</td>
<td>33,244</td>
</tr>
</tbody>
</table>

Go to Gateway of Tally > Accounting Vouchers > F9: Purchase
1. Select Excise - Purchase as the Voucher Type from the list of types.
2. Select Alt + I: Item Invoice if it is in Acct Invoice mode
3. Press F2 and enter the date as 13-4-2012
4. Enter Supplier Invoice No. as 1174 and Date as 13-4-2012
5. By Default Tally.ERP 9 displays Excise Unit as Steelage Industries (P) Ltd as defined during voucher type creation.
6. Select Party’s A/c Name from the list of Ledger Accounts e.g. Alpine Traders
7. The Supplier’s Details sub-form will appear. Supplier’s Details will include supplier contact details, Sales Tax number and Excise registration details. The details will appear automatically if they are provided during the Supplier Ledger Creation. If the supplier of the goods is not the Importer, specify the details of Importer in Manufacturer / Importer Details section.
For this purchase **Alpine Traders** is not the Importer. Importer is **Excellor Impex (P) Ltd.** Specify the details of Importer.

![Supplier’s Details Screen](image)

**Figure 4.36** Supplier’s Details Screen

8. By default the **Nature of Purchase** will be displayed as **From Agent of Importer** as defined in the party ledger. This field defines the Supplier's role in selling the product.

![Selection of Nature of Purchase](image)

**Figure 4.37** Selection of Nature of Purchase

9. In Purchase Ledger field select **Purchases @ 13.5%** from the list of Ledger Accounts. VAT/Tax Class will be defaulted to Purchases @ 13.5%

10. In **Name of Item** field select **Copper Alloy Strips** from List of Excise Stock Items

11. In **Quantity** field enter **50** and **Amount** as **29,290**. Press **Enter** to view **Excise Details** screen

12. In **Excise Details** screen

   - In **RG 23D Entry No** field enter the RG 23D entry number of this purchase in your books
   - **Supplier Invoice Details**: Under this section specify the supplier invoice details
     - **Supplier Invoice Number** will be captured form the Supplier Invoice No. field if entered. Other wise enter the supplier invoice number
- By default the voucher date is displayed as **Supplier Invoice Date**
- In **PLA/ RG 23D Entry no.** field enter the PLA number where the reference of duty paid on the goods sold are entered.
- Enter **Assessable Value** (it is the amount on which the CVD is calculated by the manufacturer) on which the Excise Duty is calculated. Enter **Rs. 25,000**
- **Duty Amount** will be calculated and displayed automatically.

- **Manufacturer/Importer Invoice Details**: Under this section specify manufacturer or importer invoice details
  - In **Name** field select the **Importer** from the List of Ledger Accounts.
  - **Invoice Number**: By default the invoice number entered in the Party details screen for Manufacturer/ importer will be displayed
  - **Invoice Date**: By default the invoice date entered in Party details screen for Manufacturer/ importer will be displayed
  - **PLA/ RG 23 Entry No**: Enter PLA Number of the Manufacturer/ Importer. This number represents the transaction details of sales made to the supplier in the relevant page of PLA Register of manufacturer.
  - **Billed Quantity**: Enter the actual Billed Quantity sold to Agent of Importer
  - **Assessable Value**: Enter actual Assessable Value of the stock item
  - **Countervailing Duty, Education Cess on CVD & Secondary Education Cess on CVD** will be calculated & displayed automatically. For **Additional Duty (Imports)** specify the additional Duty Amount - **Rs. 1200**.

![](image.png)

**Figure 4.38 Excise Details Screen**

13. Select Input VAT ledger - **Input VAT @ 13.5%** to account the VAT amount.
The completed purchase voucher is displayed as shown:

![Completed Purchase Voucher](image)

Figure 4.39  Completed Purchase Voucher

Press Enter to accept.

### 4.1.10 Selection of Same Item Multiple Times in Excise Purchase

In **Dealer Excise Purchase Invoice** you can select the same item multiple times. Tally.ERP 9 allows the user to select the items with **different assessable value, different rate of Duty** and even the stock items purchased against different invoices (from manufacturer).

**Example 10:**

On 14th April 2010, Steelage Industries purchased the following goods from MM Iron & Steel vide invoice no. 9682

<table>
<thead>
<tr>
<th>Stock Item</th>
<th>Qty</th>
<th>Purchase Cost</th>
<th>Assessable Value</th>
<th>Rate of Duty%</th>
<th>Manufacturers Invoice against which the Stock Item is Purchased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>1000</td>
<td>1500000</td>
<td>1200000</td>
<td>12</td>
<td>SI/758/11-12, dated 25-3-2012</td>
</tr>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>500</td>
<td>800000</td>
<td>650000</td>
<td>10</td>
<td>SI/968/11-12, dated 30-4-2011</td>
</tr>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>750</td>
<td>1350000</td>
<td>1100000</td>
<td>12</td>
<td>SI/1052/11-12, dated 5-3-2012</td>
</tr>
</tbody>
</table>

**Record the Transaction in Excise Purchase Invoice**

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

1. Select the **Excise - Purchase** as the **Voucher Type** from the list of types.
2. Select Alt + I: Item Invoice if it is in Acct Invoice mode
3. Enter the Supplier Invoice No. as 9682 and Date as 14-4-2012
4. By default Tally.ERP 9 displays the Excise Unit as Steelage Industries (P) Ltd. as defined during voucher type creation.
5. Select the Party’s A/c Name from the list of Ledger Accounts e.g. MM Iron & Steel
6. Supplier’s Details will include the Supplier and Manufacturer/Importer Details like, contact details, Sales Tax number and the Excise registration details. The details will appear automatically if they are provided during the Supplier Ledger Creation.

If the supplier of the goods is not the manufacturer, specify the details of the manufacturer of the goods in the Manufacturer / Importer Details section.

7. Select the Nature of Purchase from the list of Nature of Purchase. This field defines the Supplier’s role in selling the product. E.g. First Stage Dealer
8. Select the Purchase Ledger from the list of ledger accounts. E.g. Purchases @ 5%. VAT/Tax Class will be defaulted based on the tax class selected in the ledger.
9. Select the Stock Item e.g. Hot Rolled Coils 100mm from the List of Excise Stock Items
10. Enter Quantity as 1000
11. In the Amount field enter the purchase Cost of Rs. 15,00,000 to view Excise Details screen
12. In the Excise Details screen

---

In the Supplier’s Details by using Alt+M key or by clicking on the M: Manual button in the buttons bar, Manufacturer /Importer details can be entered manually or you can select the Manufacturer ledger from the List of Ledger Accounts if the Manufacturer ledger is created and available.

![Figure 4.40 Supplier’s Details Screen](image)

---

Notes
In **RG 23D Entry No.** field enter your RG 23D entry. E.g. 11

In **Supplier Invoice Details** section

- **Supplier Invoice No:** by default displays the Invoice No. details provided in the supplier Invoice No. field in the voucher entry screen. However, it is an editable field.
- **Supplier Invoice Date:** by default displays the voucher date.
- Specify the **RG 23D Entry No.** as 4561. This Number represents the suppliers RG 23D entry no, where the details of the particular transaction is available.
- Enter the **Assessable Value** – **Rs. 12,00,000** on which the Excise Duty to be calculated. The amount specified in this amount should the amount on which the Excise Duty is calculated by the manufacturer.

In **Manufacturer/Importer Invoice Details** section

- **Name:** Select the **Manufacturer** ledger from the List of Ledger Accounts.
- **Invoice Number:** Specify the manufacturers Invoice Number as SI/758/11-12
- **Invoice Date:** Specify the manufacturers invoice date as **25-3-2012**
- **RG 23 D Entry No:** Enter the RG 23 Entry Number of the Manufacturer 554
- **Billed Quantity:** Enter the actual Billed Quantity sold to the First Stage Dealer
- **Assessable Value:** Enter the actual Assessable Value i.e. **12,00,000** of the stock item

- **Duty Details:** Duty Details displays the Duty Amount calculated for, First stage Dealer and Manufacturer/Importer.

![Excise Details Screen](image)

**Figure 4.41 Excise Details Screen**

13. In **Name of Item** field select **Hot Rolled Coils 100mm** again as **second line Item**
14. Enter **500** in **Quantity** field and **Rs. 8,00,000** in **Amount** field
15. In the **Excise Details** screen
   - In **RG 23D Entry No.** field enter your **RG 23D Entry Number.** E.g. 12
In **Supplier Invoice Details** section

- **Supplier Invoice No**: By default displays the Invoice No. details provided in the supplier Invoice No. field in the voucher entry screen. Alter the Invoice Number as **9682-1**.

  The *Invoice Number* is altered in order to identify the *Invoice Number for the Stock Item* – *Hot Rolled Coils selected as a second line item*.

  Even though you alter the Invoice number for the second line item, in all the reports the Invoice number entered in the Supplier Invoice No. field will be displayed.

- **Supplier Invoice Date**: by default displays the voucher date.
- Specify the **RG 23D Entry No. - 7584**. This Number represents the suppliers RG 23D entry no, where the details of the particular transaction is available.
- Enter the **Assessable Value** – **Rs. 6,50,000** on which the Excise Duty to be calculated. The amount specified in this amount should the amount on which the Excise Duty is calculated by the manufacturer.

In **Manufacturer/Importer Invoice Details** section

- **Invoice Number**: Specify the manufacturers Invoice Number as **SI/968/11-12**
- **Invoice Date**: Specify the manufacturers invoice date as **30-4-2011**
- **RG 23 D Entry No**: Enter the RG 23 Entry Number of the Manufacturer - **965**
- **Billed Quantity**: Enter the actual Billed Quantity sold to the First Stage Dealer
- **Assessable Value**: Enter the actual Assessable Value i.e. **6,50,000** of the stock item.
- **Duty Details**: In Duty Details section, for Basic Excise Duty Type change the Rate of Duty as **10%**. Duty amount will be calculated and displayed based on the rate of duty specified.

![Figure 4.42 Excise Details Screen](image-url)
16. In **Name of Item** field select **Hot Rolled Coils 100mm** again as **third line Item**
17. Enter **750** in **Quantity** field and **Rs. 13,50,000** in **Amount** field
18. In the **Excise Details** screen
   - In **RG 23D Entry No.** field enter your RG 23D entry No. - **13**
   - In **Supplier Invoice Details** section
     - **Supplier Invoice No:** By default displays the Invoice No. details provided in the supplier Invoice No. field in the voucher entry screen. Alter the Invoice Number as **9682-2**.

   *The Invoice Number is altered in order to identify the Invoice Number for the Stock Item – Hot Rolled Coils selected as a third line item.*

   *Even though you alter the Invoice number for the third line item, in all the reports the Invoice number entered in the **Supplier Invoice No.** field will be displayed.*

   - **Supplier Invoice Date:** by default displays the voucher date.
   - Specify the **RG 23D Entry No. - 9650**. This Number represents the suppliers RG 23D entry no, where the details of the particular transaction is available.

   *The Quantity of **750** is purchased under the Invoice no- **SI/1052/10-11** which is different from the earlier Invoice Number. So appropriate RG 23D entry no, corresponding the purchase invoice is specified.*

   - Enter the **Assessable Value – Rs. 11,00,000** on which the Excise Duty to be calculated. The amount specified in this amount should the amount on which the Excise Duty is calculated by the manufacturer.

   - In **Manufacturer/Importer Invoice Details** section
     - **Invoice Number:** Specify the manufacturers Invoice Number as **SI/1052/11-12**
     - **Invoice Date:** Specify the manufacturers invoice date as **5-3-2012**
     - **RG 23 D Entry No:** Enter the RG 23 Entry Number of the Manufacturer - **524**
     - **Billed Quantity:** Enter the actual Billed Quantity sold to the First Stage Dealer
     - **Assessable Value:** Enter the actual Assessable Value i.e. **11,00,000** of the stock item.
     - **Duty Details:** Duty Details displays the Duty Amount calculated for, First Stage Dealer and Manufacturer/Importer
19. Select the applicable **Input VAT ledger** and press Enter, VAT Rate and amount is defaulted automatically.

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

The completed Excise-Purchase Voucher is displayed as shown:

21. Press **Enter** to accept.
Excise Stock Register

Go to Gateway of Tally > Display > Statutory Reports > Excise Reports > Dealer > Excise Stock Register. Excise Stock Register as on 14-4-2012 is displayed as shown.

In all the reports the stock items selected multiple times in a purchase invoice will be displayed one after another one based on the selection in the purchase Invoice. Observe, in the Invoice/Bill of Entry No. with Date column the Invoice Number as specified in Supplier Invoice No. field in voucher entry screen is displays irrespective of alteration done (as 9682-1 and 9682-2) in the Excise Details screen for the second and third line items.

Figure 4.45 Excise Stock Register
4.2 Sale of Excisable Goods

A dealer of excisable goods (First Stage / Second Stage dealer) is required to issue an invoice as per Rule 11 of the Central Excise Rules 2002, on sale of excisable goods to registered Excise dealers/ manufacture, in order to pass the CENVAT Credit to the subsequent dealer/ manufacturer. However, where there is no provision to pass the CENVAT Credit to the subsequent dealer, he may issue a Commercial Invoice to the buying dealer/ customer.

Tally.ERP 9 allows you to generate and print Invoice as per Rule 11 for all the sales effected to CENVAT Customers in the prescribed format besides facilitating generation of Non-CENVATable Invoice viz., Commercial Invoice where sale is made to dealers other than manufacturers and thus duty is not passed. The Commercial Invoices are not required to be issued in the prescribed proforma.

Requirements of Excise Invoice

The Registered Location of the dealer is required to issue invoice in the prescribed format containing the following details:

- Minimum Three copies of Invoice are required to be prepared and the copies of the invoice should be marked at the top in the following manner:
  - Original copy being marked as Original for Buyer
  - Duplicate copy being marked as Duplicate for Transporter
  - Triplicate copy being marked as Triplicate for Assessee

- The dealer is required to issue only one invoice in respect of the consignment wherein all the packages are dispatched in one lot however, in cases where the consignment is dispatched separately either on the same day or different days or loaded on more than one vehicle, a separate invoice shall be made out for each lot or consignment.

- The copies of the invoices issued by a first stage dealer and a second stage dealer shall be marked at the top as First Stage Dealer and Second Stage Dealer respectively.

- Name, address and Central Excise Registration number of the registered location issuing the invoice, name of the jurisdictional range / Division / Commissionerate and company's Income Tax Number and Sales Tax Registration Number should pre-printed on the Invoice.

- Only one invoice book of each type shall be used by the registered location.

- Each CENVAT Invoice issued by the location should bear a printed serial number, beginning from 1st April of the year.

- The serial numbers of the invoices to be used are to be intimated to the respective jurisdictional Assistant Commissioner of Central Excise and obtain a dated acknowledgement of such intimation.

- Records and Invoice generated through computer are also recognized. In that case, the serial number likely to be used in the forthcoming quarter should be intimated to the Asst. Commissioner. As soon as the said serial Nos. are exhausted, a revised intimation may be sent. Such registered Location should also send details of the software used including the format for information of the Asst. Commissioner in case he demands.

- In case of Records and Invoice generated through computer, the serial number likely to be used in the forthcoming quarter should be intimated to the jurisdictional Assistant Commis-
sioner of Central Excise. The details of software used including a format used for information, is also required to be sent to the Assistant Commissioner.

Now, let us consider the following scenarios to illustrate Excise Sales transactions in Tally.ERP 9:

- Excise Invoice
- Excise Invoice without Supplier Trader Information
- Excise Invoice cum Commercial Invoice
- Commercial Invoice
- Sale of Goods Purchased From Agent of Manufacturer
- Sale of Goods Purchased from Manufacturer Depot
- Sale of Goods Purchased from Agent of Manufacturer (Consignment Agent)
- Sales of Goods purchased from Agent of Dealer
- Sale of Goods purchased from Importer
- Sale of Goods Purchased from Agent of Importer (Consignment Agent)
- Sale of Goods Purchased from Agent of Importer
- Selection of Same Item Multiple Times in Excise Sales
- Sale of Goods purchased form Multiple Manufacturers/Suppliers
- Sale of Goods bought under an excise Purchase invoice at Different Rates

### 4.2.1 Excise Sales (Excise Invoice)

**Example 11:**

*On 16th April 2012, Steelage Industries sold the following goods to M/s. Decora Equipments, Bangalore*

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Rate</th>
<th>VAT</th>
<th>Supplier Invoice Number / Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>250</td>
<td>900</td>
<td>5%</td>
<td>457 dt.05/04/12</td>
</tr>
<tr>
<td>Cold Rolled Coils 64mm</td>
<td>300</td>
<td>850</td>
<td>5%</td>
<td>457 dt.05/04/12</td>
</tr>
</tbody>
</table>

The same is accounted as shown

**Step 1: Create Sales Invoice**

Go to Gateway of Tally > Accounting Vouchers > Press F8: Sales
1. In Voucher Type subscreen select Excise–Sales from the List of Types
2. Press F2 and change date to 16-04-2012
3. In Ref field, enter the reference number of the transaction. E.g. 981\12-13
4. The **Excise Unit** field displays **Steelage Industries (P) Ltd.** as selected during voucher type creation.

5. **Excise Book Name** field displays the name of the excise invoice book (SAI/2012-13) created for the Excise Unit.

6. **Serial No.** field displays the Rule 11 invoice Number e.g. SAI\2\12-13.

7. Select **Decora Equipments** in **Party’s A/c Name** field

8. In the **Despatch Details** screen
    - Specify the **Despatch Details** and **Order Details**
    - The **Date & Time** of the consignment is automatically recorded in the **Excise details** column along with the Buyer’s Details.

![Despatch Details Screen](image)

9. Select **Sales @ 5%** in the **Sales Ledger** field and the **VAT/Tax class** appears by default as **Sales @ 5%**

10. Select **Hot Rolled Coils 100mm** in the **Name of Item** field and press **Enter** to view supplier details screen

11. In the **Supplier Details** screen
Select the Invoice No. 457 from the List of Purchases.

The List of Purchases displays the list of purchases made for the selected item from different Suppliers (Manufacturer / First Stage Dealer / Second Stage Dealer). However, once the goods purchased from a Manufacturer is selected for Invoicing, only goods purchased from Manufacturer will be displayed and If goods purchased from a First Stage Dealer is selected, only purchases from First Stage Dealer will be displayed for Invoicing.

Specify the Quantity as 250.
12. Specify the Rate as 900. Amount gets calculated and displayed automatically.

13. In the Name of Item field select Cold Rolled Coils 64mm as the second item.

14. In the Supplier Details screen:
   - Select the Invoice No. 457 from the List of Purchases.
   - Specify the Quantity as 300.
Once the bill of goods purchased from Manufacturer are selected for Invoicing subsequently only Manufacturer’s Purchase bills will be displayed for selection under List of Purchases.

- Accept the Suppliers Details.

15. Specify the and Rate as 850 (the Amount is calculated and prefilled automatically)
16. Select Output VAT @ 5% ledger and press Enter, the VAT amount is calculated and pre-filled as 24,000.
17. To view the Statutory Details set the option Show Statutory Details to Yes
18. In the Bill-wise Details screen, accept the default bill allocations.
19. Enter the transaction details in the Narration field

The completed Sales Invoice is displayed as shown.

![Completed Excise Sales Invoice Screen](image)

Figure 4.50 Completed Excise Sales Invoice Screen

20. Press Enter to accept.
Step 2: Print Sales Invoice

The Voucher Printing screen appears as shown since, Print after Saving option is enabled in Excise Sales Voucher Type, if not enabled press Alt+P from the above screen.

- Press F12: Configure, to view the Invoice Printing Configuration screen.
- Enable the options as shown below

After configuration accept the Invoice Printing Configuration screen

Press Enter from the Voucher Printing screen to print Excise Invoice under Rule 11 of Central Excise Rules 2002
The Print preview of **Excise Invoice** (from the First Stage Dealer to a second stage dealer) is as shown:

![Printed Excise Invoice](image)

You will find that the above Invoice precisely displays Excise details of the Buyer, seller and the Manufacturer in accordance with the Excise rules. It reveals the Item history (i.e, details of purchases of the transacted goods with their respective Assessable Value, Duty Value & tariff...
classification details) of the referred goods which evidences the passing of CENVAT Credit to the subsequent dealer / manufacturer.

It also comments on the manufacturer's name, address & Excise details besides recording the date and time of the removal of goods from the dealer's premises. The Invoice is marked as First Stage Dealer on the top, depicting the position of the selling dealer. The above-generated Invoice is required to be authenticated by the authorised signatory in the relevant space provided in the document.

4.2.2 Excise Invoice without Supplier Trader Information

If the dealer does not intend to disclose the Supplier/ Manufacturer Information to the buyer of excisable goods, in such cases, follow the steps as explained in the illustration.

Consider the above example and generate an Excise Invoice without Supplier Trader information.

- Press **Alt+P** from the **Excise Sales Voucher** screen, the **Voucher Printing** screen appears
- In the **Voucher Printing** screen,
  - Press **F12: Configure** and set **Print Trader Supplier Info** to **No** as shown:

![Invoice Printing Configuration screen](image)

- Accept the Invoice Print Configuration screen
- Press **Enter** from the **Voucher Printing** screen to view print preview of **Sales Invoice**
The print preview of **Excise Invoice** without Supplier information is displayed as shown.

![Excise Invoice Preview](image)

**Figure 4.55 Print Preview of Excise Invoice without Supplier Information**
4.2.3 Excise Invoice cum Commercial Invoice

Tally.ERP 9 allows you to generate Commercial Invoice directly from the Excise Invoice Voucher. To print the commercial invoice follow the steps explained in the illustration.

Example 12:

On 17th April 2012, Steelage Industries sold the following goods to M/s. EMPEE Engineering.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Quantity</th>
<th>Rate (Rs.)</th>
<th>VAT (%)</th>
<th>Supplier Invoice Number / Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>90</td>
<td>1150</td>
<td>5%</td>
<td>321 dt. 9/04/12</td>
</tr>
</tbody>
</table>

The same is accounted as shown:

Step 1: Create Sales Invoice

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

1. In Voucher Type subscreen select Excise–Sales from the List of Types
2. Press F2 and change date to 17-04-2012
3. In Ref field, enter the reference number of the transaction. E.g. 895/12-13
4. The Excise Unit field displays Steelage Industries (P) Ltd. as selected during voucher type creation.
5. Excise Book Name field displays the name of the excise invoice book (SAI/2012-13) created for the Excise Unit.
6. Serial No. field displays the Rule 11 invoice Number e.g. SAI\3\12-13.
7. Select EMPEE Engineering in Party’s A/c Name field
8. Specify the details of despatch in the Despatch details screen
9. Select Sales @ 5% in the Sales Ledger field, the VAT/Tax Class field is defaulted automatically as Sales @ 5%
10. Select Hot Rolled Coils 100mm in the Name of Item field and press Enter to view Supplier Details screen
11. In the Supplier Details screen
   - In Supplier Invoice Number / Date field select 321 from the List of Purchases.
   - Specify the 90 as the Quantity Utilised
12. In the Rate column Specify 1150 as the rate, the Amount gets pre-filled
13. Select Output VAT @ 5% and VAT Amount is calculated and displayed automatically.
14. To view the statutory details of the transaction set Show Statutory Details to Yes
15. In the Bill-wise Details screen accept the default bill allocation.
16. Enter the transaction details in the Narration field.
The completed Excise Sales Invoice is displayed as shown.

![Excise Sales Voucher](image)

Figure 4.56 Excise Sales Voucher

17. Press **Enter** to accept.

**Step 2: Print Excise Invoice as Commercial Invoice**

- Press **Alt+P** the Voucher Printing screen appears (if **Print after is saving** is set to **Yes** in Voucher Type master, Voucher Printing is automatically prompted)
- Press **F12: Configure** from the Voucher Printing screen
  - Type **Tax Invoice** in the Title of Document field
  - Set Print as Commercial Invoice to **Yes**
  - Set Print Trader Supplier Info to **No**
Accept the **Invoice Printing Configuration** screen and press **Enter** to view the print preview of **Commercial Invoice**
The print preview of **Commercial Invoice** is displayed as shown.

![TAX INVOICE]

<table>
<thead>
<tr>
<th>Description of Goods</th>
<th>Quantity</th>
<th>Rate per</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>90 MT</td>
<td>1,150.00</td>
<td>1,03,500.00</td>
</tr>
</tbody>
</table>

**Output VAT @ 6%**

<table>
<thead>
<tr>
<th>Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 %</td>
<td>5,175.00</td>
</tr>
</tbody>
</table>

**Total**

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>90 MT</td>
<td>1,08,675.00</td>
</tr>
</tbody>
</table>

**Declaration**

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

**SUBJECT TO BANGALORE JURISDICTION**

This is a Computer Generated Invoice

Figure 4.58 Print Preview of Commercial Invoice
4.2.4 Commercial Invoice

Where the dealer sells excisable goods to consumers or dealers, who does not have any proposal to claim CENVAT Credit (or dealer does not intend to pass CENVAT credit to subsequent dealer (Purchasing Dealer), in such cases the sale of excisable goods is required to be recorded through a Commercial Invoice.

Example 13:

On 18th April 2012, Steelage Industries sold the following goods to M/s. Innova Steel Traders.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Rate (Rs.)</th>
<th>VAT</th>
<th>Supplier Invoice Number / Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iron Bars</td>
<td>150</td>
<td>700</td>
<td>5%</td>
<td>1707 dt.10/04/12</td>
</tr>
</tbody>
</table>

The same is accounted as shown

Setup:

In F12: Configure (Purchase Invoice Configuration)

- Set Use Common Ledger A/c for Item Allocation to No.

Step 1: Create Sales Invoice

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

1. In Voucher Type subscreen select Commercial Invoice from the List of Types
2. In the Class field select Commercial Invoice from Voucher Class List
3. Press F2 and change date to 18-04-2012
4. In Ref field, enter the reference number of the transaction. E.g. 901/12-13
5. The Excise Unit field displays Steelage Industries (P) Ltd. as selected during voucher type creation.
6. Select Innova Steel Traders in Party’s A/c Name and press Enter
7. Specify the details of Despatch in the Despatch details sub-screen and press Enter
8. In the Name of Item field select Iron Bars
9. In the Supplier Details screen,
   - Select 1707 in the Supplier Invoice Number / Date column
Figure 4.59  Commercial Invoice - Supplier Details sub-screen

- Specify the Quantity as 150
- Select End of List and press Enter to accept the screen

10. Specify Rate as 700 and press Enter (the Amount is prefilled automatically)

11. As per the Voucher Class created for the Commercial Invoice Input VAT amount @ 5% is calculated and displayed automatically.

12. To view the statutory details of the transaction set Show Statutory Details to Yes

13. In the Bill-wise Details screen, accept the default Bill Allocations

14. Enter the transaction details in the Narration field.
The completed **Commercial Invoice** is displayed as shown.

![Completed Commercial Invoice Screen](image)

Figure 4.60  Completed Commercial Invoice Screen

15. Press **Enter** to accept.

**Step 2: Print Commercial Invoice**

- Press **Alt+P** the **Voucher Printing** screen appears (if **Print after is saving** is set to **Yes** in **Voucher Type** master, Voucher Printing is automatically prompted).

![Voucher Printing Screen](image)

Figure 4.61  Voucher Printing screen

- Press **Enter** to Print.
The print preview of **Commercial Invoice** is displayed as shown.

![Figure 4.62 Print Preview of Commercial Invoice](image-url)
4.2.5 Sale of Goods Purchased from Agent of Manufacturer (Consignment Agent)

On selling the goods purchased from a Agent of Manufacturer (Consignment Agent), Rule 11 invoice is issued for the sales made by printing the Title as - Sale by Consignment Agent.

Example 14:

On 19th April 2012, Steelage Industries sold the following goods to M/s. Decora Equipments, Bangalore.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Rate (Rs.)</th>
<th>VAT</th>
<th>Supplier Invoice Number / Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engine Valves - 5&quot;</td>
<td>110</td>
<td>1250</td>
<td>5%</td>
<td>764, dated 06/04/2012</td>
</tr>
</tbody>
</table>

Record the transaction in Excise - Sales

Go to Gateway of Tally > Accounting Vouchers > F8: Sales (select Excise - Sales)

1. In Ref field, enter the reference number of the transaction. E.g. 1023/12-13
2. In Party A/c Name field select Decora Equipments ledger
3. In Despatch Details screen, enter the despatch details
4. In Sales Ledger field select Sales @ 5% ledger. VAT/Tax Class field is defaulted automatically as Sales @ 5%
5. In Name of Item field select Engine Valves - 5” and press enter to view Supplier Details screen
6. In Supplier Details screen, select the purchase bill - 764 of purchases made from Agent of Manufacturer (Consignment Agent).

Figure 4.63 Selection of Agent of Manufacturer’s Bill
7. Enter **110** in **Quantity Utilised** field.
8. Enter **Rs. 1,250** in **Rate** field. **Amount** will be calculated and displayed automatically.
9. Select the output VAT ledger - **Output VAT @ 5%** to account VAT on the sale

Completed Sales Voucher appears as shown.

![Completed Excise Sales Voucher](image)

10. Press **Enter** to accept.
On accepting the Sales Invoice the Rule 11 Invoice appears as shown

Figure 4.65 Print Preview of Rule 11 Invoice
4.2.6 Sale of Goods Purchased From Agent of Manufacturer

Print Title of Rule 11 invoice generated for the goods sold which were purchased from From Agent of Manufacturer will be First Stage Dealer.

Example 15:

On 20th April 2012, Steelage Industries sold the following goods to M/s. Decora Equipments, Bangalore.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Rate (Rs.)</th>
<th>VAT</th>
<th>Supplier Invoice Number / Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>100</td>
<td>1200</td>
<td>5%</td>
<td>8695 dated 7/04/2012</td>
</tr>
</tbody>
</table>

Record the transaction in Excise - Sales

Go to Gateway of Tally > Accounting Vouchers > F8: Sales (select Excise - Sales)

1. In Party A/c Name field select Decora Equipments ledger
2. In Despatch Details screen, enter the despatch details
3. In Sales Ledger field select Sales @ 5% ledger. VAT/Tax Class field is defaulted automatically as Sales @ 5%
4. In Name of Item field select Hot Rolled Coils 100mm and press enter to view Supplier Details screen
5. In Supplier Details screen, select the purchase bill - 8695 purchases made From Agent of Manufacturer

Figure 4.66 Selection of From Agent of Manufacturer’s Bill
6. Enter **100** in **Quantity Utilised** field.
7. Enter **Rs. 1200** in **Rate** field. **Amount** will be calculated and displayed automatically.
8. select the output VAT ledger - **Output VAT @ 5%** to account VAT on the sale

Completed Sales Voucher appears as shown.

Figure 4.67  Completed Sales Voucher

9. Press **Enter** to accept.
Rule 11 invoice generated for sale of goods purchased from - **From Agent of Manufacturer** is displayed as shown.

![Invoice Image]

Figure 4.68 Print Preview of Rule 11 Invoice
4.2.7 Sale of Goods Purchased from Manufacturer Depot

Print Title of Rule 11 invoice generated for the goods sold which were purchased from manufacturer Depot will be First stage Dealer.

Example 16:

On 21\textsuperscript{st} April 2012, Steelage Industries sold the following goods to M/s. Decora Equipments, Bangalore.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Rate (Rs.)</th>
<th>VAT</th>
<th>Supplier Invoice Number / Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>200</td>
<td>1175</td>
<td>5%</td>
<td>321 dated 9/04/2012</td>
</tr>
</tbody>
</table>

Record the transaction in Excise - Sales

Go to Gateway of Tally > Accounting Vouchers > F8: Sales (select Excise - Sales)

1. In Party A/c Name field select Decora Equipments ledger
2. In Despatch Details screen, enter the despatch details
3. In Sales Ledger field select Sales @ 5\% ledger. VAT/Tax Class field is defaulted automatically as Sales @ 5\%
4. In Name of Item field select Hot Rolled Coils 100mm and press enter to view Supplier Details screen
5. In Supplier Details screen, select the purchase bill - 321, purchases made Manufacturer Depot.

![Figure 4.69 Selection of Manufacturer’s Depot Bill](image)
6. Enter **200** in **Quantity Utilised** field.
7. Enter **Rs. 1,175** in **Rate** field. **Amount** will be calculated and displayed automatically.
8. select the out put VAT ledger - **Output VAT @ 5%** to account VAT on the sale

Completed Sales Voucher appears as shown.

![Completed Excise Sales Voucher](image)

9. Press **Enter** to accept.
Rule 11 invoice generated for sale of goods purchased from - **Manufacturer Depot** is displayed as shown.

![EXCISE INVOICE](image)

**Figure 4.71  Rule 11 Invoice**
4.2.8 Sales of Goods Purchased From Agent of Dealer

In Rule 11 invoice, in Supplier Name and Address box the Name and address of the Consignee (dealer) on behalf of whom the goods were sold will be printed and not of the Agent of the Dealer.

Example 17:

On 23rd April 2012, Steelage Industries sold the following goods to M/s. Decora Equipments, Bangalore.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Rate (Rs.)</th>
<th>VAT</th>
<th>Supplier Invoice Number / Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>170</td>
<td>1300</td>
<td>4%</td>
<td>6254 dated 11/04/2012</td>
</tr>
</tbody>
</table>

Record the transaction in Excise - Sales

Go to Gateway of Tally > Accounting Vouchers > F8: Sales (select Excise - Sales)

1. In Party A/c Name field select Decora Equipments ledger
2. In Despatch Details screen, enter the despatch details
3. In Sales Ledger field select Sales @ 5% ledger. VAT/Tax Class field is defaulted automatically as Sales @ 5%
4. In Name of Item field select Hot Rolled Coils 100mm and press enter to view Supplier Details screen
5. In Supplier Details screen, select the purchase bill - IMT/7960 of purchases made From Agent of Dealer

6. Enter 170 in Quantity Utilised field.
7. Enter Rs. 1,300 in Rate field. Amount will be calculated and displayed automatically.
8. Select the output VAT ledger - **Output VAT @ 5%** to account VAT on the sale

Completed Sales Voucher appears as shown

![Completed Excise Sales Voucher](image)

9. Press **Enter** to accept.
On accepting the Sales Invoice the Rule 11 Invoice appears as shown

![Rule 11 Invoice](image)

**Figure 4.74 Print Preview of Rule 11 Invoice**
4.2.9 Sale of Goods purchased from Importer

Print Title of Rule 11 invoice generated for the goods sold which were purchased from Importer will be First Stage Dealer.

Additional Duty Paid on Imported Goods can be passed to the subsequent dealer

**Example 18:**
On 24th April 2012, Steelage Industries sold the following goods to M/s. Decora Equipments, Bangalore.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Rate (Rs.)</th>
<th>VAT</th>
<th>Supplier Invoice Number / Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper Alloy Strips</td>
<td>130</td>
<td>800</td>
<td>13.5%</td>
<td>9254 dated 11/04/2012</td>
</tr>
</tbody>
</table>

Record the transaction in Excise - Sales

Go to Gateway of Tally > Accounting Vouchers > F8: Sales (select Excise - Sales)

1. In Party A/c Name field, select Decora Equipments ledger
2. In Despatch Details screen, enter the despatch details
3. In Sales Ledger field select Sales @ 13.5% ledger. VAT/Tax Class field is defaulted automatically as Sales @ 13.5%
4. In Name of Item field select Copper Allow Strips and press enter to view Supplier Details screen
   In Supplier Details screen, select the purchase bill - 9254 of purchases made From Agent of Dealer

![Figure 4.75 Selection of Purchase From Importer bill](image)

5. Enter 130 in Quantity Utilised field.
6. Set the option **Is Additional Duty Imports (SAD) Not Pass On** to Yes as Steelage Industries does not want to pass the credit.

![Figure 4.76 Additional Duty Imports](image)

7. Enter **Rs. 800** in **Rate** field. **Amount** will be calculated and displayed automatically.

8. Select the output VAT ledger - **Output VAT @ 13.5%** to account VAT on the sale. Completed Sales Voucher appears as shown

![Figure 4.77 Completed Excise Sales Voucher](image)

9. Press **Enter** to accept.
On accepting the Sales Invoice the Rule 11 Invoice appears as shown.

![Print Preview of Rule 11 Invoice](image-url)

---

**EXCISE INVOICE**

*Issue of Invoice Under Rule 11 of Central Excise Rules 2002*

**First Stage Dealer:** Steelage Industries (P) Ltd.

**VAT Tin:** 1100228671

**CST No.:** 56467512330

**Excise Regn No.:** AABFS71694X0001

**Import Expiry Code:** 0200354628

---

**Consignee**

<table>
<thead>
<tr>
<th>Description of Goods</th>
<th>Tariff Heading Classification</th>
<th>Quantity</th>
<th>Rate per</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper Alloy Billets</td>
<td>72271054</td>
<td>130 Kgs</td>
<td>150.00</td>
<td>19,500.00</td>
</tr>
</tbody>
</table>

**Total:** 130 Kgs

**Rate of Duty:**

<table>
<thead>
<tr>
<th>Description of Goods</th>
<th>Rate of Duty</th>
<th>DdV Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper Alloy Billets</td>
<td>12%</td>
<td>7,800.00</td>
</tr>
</tbody>
</table>

**Total:** 7,800.00

---

**Name & Address of Supplier of Goods**

- **Manufacturer/Importer:** Escalor Impax (P) Ltd., No 679, Boromandal Industrial Area, Bengaluru
- **Excise Regn No.:** AEEFS0746X0003
- **Invoice No.:** 5554/11-Apr-2012

---

**Name & Address of the Manufacturer/Importer:** Escalor Impax (P) Ltd., No 679, Boromandal Industrial Area, Bengaluru

---

**MANUFACTURER/IMPORTER DUTY DETAILS**

<table>
<thead>
<tr>
<th>Description of Goods</th>
<th>Tariff Heading Classification</th>
<th>Quantity</th>
<th>Adval Value</th>
<th>DdV Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper Alloy Billets</td>
<td>72271054</td>
<td>300 Kgs</td>
<td>18,000.00</td>
<td>7,200.00</td>
</tr>
</tbody>
</table>

**Total:** 300 Kgs: 1,60,000.00 | 18,000.00 | 7,200.00 | 360.00 | 180.00 | 25,740.00

**Duty per kg:** 85.80

---

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

**Signature:**

---

**Figure 4.78 Print Preview of Rule 11 Invoice**
4.2.10 Sale of Goods Purchased from Agent of Importer (Consignment Agent)

Print Title of Rule 11 invoice generated for the goods sold which were purchased from Agent of Importer (Consignment Agent) will be Sale by Consignment Agent.

Example 19:
On 25th April 2012, Steelage Industries sold the following goods to M/s. EMPEE Engineering, Bangalore.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Rate (Rs.)</th>
<th>VAT</th>
<th>Supplier Invoice Number / Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper Alloy Strips</td>
<td>50</td>
<td>800</td>
<td>13.5%</td>
<td>1052 dated 12/04/2012</td>
</tr>
</tbody>
</table>

Record the transaction in Excise - Sales Voucher

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

1. Select Excise - Sales Voucher type from the list of Voucher Types.
2. In Excise Unit field Tally.ERP 9 displays Steelage Industries (P) Ltd., as selected during voucher type creation
3. Select the Party’s A/c Name from the List of ledgers e.g. EMPEE Engineering
4. The Buyer’s Details sub-form appears enter Despatch and Order details in corresponding fields and accept the screen to save.
5. Select the Sales Ledger from the list of ledger accounts. By default the VAT/Tax Class selected in the Sales Ledger appears.
6. Select the Stock Item - Copper Alloy Strips from the list of excise stock items. On selecting the item, Supplier Details sub-screen for the item appears.
7. Select the appropriate purchase e.g. 1052 from the List of Purchases table. This table lists all the purchases made for the Stock Item.

Figure 4.79 Suppliers Details Screen
8. Upon selecting a Purchase, the cursor moves to **Quantity Utilised** field. Enter **50**.

9. Set the option **Is Additional Duty Imports (SAD) Pass On** to **Yes**, as Steelage Industries (P) Ltd. is not passing on the credit to EMPEE Engineering.

10. Enter **Rs. 800** in **Rate** field. **Amount** will be calculated and displayed automatically.

11. Select Output VAT ledger to account the VAT on the goods sold. Completed Sales Voucher is displayed as shown

12. Press **Enter** to accept.
On accepting the Sales Invoice the Rule 11 Invoice appears as shown

**EXCISE INVOICE**

*Issue of Invoice Under Rule 11 of Central Excise Rules, 2002*

<table>
<thead>
<tr>
<th>Description of Goods</th>
<th>Tariff / HSN Classification</th>
<th>Quantity</th>
<th>Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper Alloy Sheets</td>
<td></td>
<td>50 Kgs</td>
<td>88.0%</td>
<td>40,600.00</td>
</tr>
</tbody>
</table>

**Amount payable (in words): INR Forty Five Thousand Four Hundred Only**

**Total**

<table>
<thead>
<tr>
<th>Description of Goods</th>
<th>Rate of CVD</th>
<th>CVD Amount</th>
<th>Rate of SDL</th>
<th>SDL Amount</th>
<th>Rate of SEZ</th>
<th>SEZ Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper Alloy Sheets</td>
<td>12.0%</td>
<td>3,000.00</td>
<td>2.0%</td>
<td>60.00</td>
<td>1.0%</td>
<td>20.00</td>
</tr>
</tbody>
</table>

**Amount of Duty (in words): INR Three Thousand Only**

**Name & Address of Supplier:**

Ziga Traders

**Name & Address of the Manufacturer/Importer:**

Excitew Impact (P) Ltd.

**Manufacturer/Importer Data Details:**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Quantity</th>
<th>Assessable Value</th>
<th>CVD Amount</th>
<th>SDL Amount</th>
<th>SEZ Amount</th>
<th>Total Duty</th>
<th>Duty per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper Alloy Sheets</td>
<td>150 Kgs</td>
<td>70,000.00</td>
<td>9,000.00</td>
<td>3,000.00</td>
<td>90.00</td>
<td>12,870.00</td>
<td>85.83</td>
</tr>
</tbody>
</table>

**Total**

**Figure 4.82 Print Preview of Rule 11 Invoice**
4.2.11 Sale of Goods Purchased from Agent of Importer

Print Title of Rule 11 invoice generated for the goods sold which were purchased From Agent of Importer will be First Stage Dealer.

Example 20:
On 25th April 2012, Steelage Industries sold the following goods to M/s. Decora Equipments, Bangalore.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Rate (Rs.)</th>
<th>VAT</th>
<th>Supplier Invoice Number / Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper Alloy Strips</td>
<td>20</td>
<td>800</td>
<td>13.5%</td>
<td>1174 dated 13/04/2012</td>
</tr>
</tbody>
</table>

Record the transaction in Excise - Sales Voucher

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

1. Select Excise - Sales Voucher type from the list of Voucher Types.
2. In Excise Unit field Tally.ERP 9 displays Steelage Industries (P) Ltd., as selected during voucher type creation.
3. Select the Party's A/c Name from the List of ledgers e.g. Decora Equipments
4. The Buyer's Details sub-form appears enter Despatch and Order details in corresponding fields and accept the screen to save.
5. Select the Sales Ledger from the list of ledger accounts. By default the VAT/Tax Class selected in the Sales Ledger appears.
6. Select the Stock Item - Copper Alloy Strips from the list of excise stock items. On selecting the item, Supplier Details sub-screen for the item appears.
7. Select the appropriate purchase e.g. 1174 from the List of Purchases table. This table lists all the purchases made for the Stock Item.

8. Upon selecting a Purchase, the cursor moves to Quantity Utilised field. Enter 20.
9. Set the option **Is Additional Duty Imports (SAD) Pass On** to **Yes**, as Steelage Industries (P) Ltd. is not passing on the credit to Decora Equipments.

![Image of a detailed spreadsheet showing supplier details for copper alloy strips with columns for supplier name/nature of purchase, quantity, and whether the additional duty imports (SAD) pass on.]

**Figure 4.84 Additional Duty Imports Pass On**

10. The rate per Kg of Copper Alloy Strips gets prefilled in the Rate column.
11. Select Output VAT ledger to account the VAT on the goods sold. Completed Sales Voucher is displayed as shown.

![Image of a completed excise sales voucher with details for copper alloy strips and output VAT at 13.5%.

**Figure 4.85 Completed Excise Sales Voucher**

12. Press **Enter** to accept.
On accepting the Sales Invoice the Rule 11 Invoice appears as shown

**Figure 4.86 Print Preview of Rule 11 Invoice**
4.2.12 Selection of Same Item Multiple Times in Excise Sales

In Dealer Excise Sales Invoice you can select the same item multiple times. Tally.ERP 9 allows the user to select the items with different duty per unit and even the stock items purchased under different invoices (from same supplier with the same Nature of Purchase).

Selection of same item multiple times is useful where user wants to sell the goods purchased under Multiple Bills (from same supplier with same nature of purchase & the manufacture is also same) & the duty per unit is different for all the bills or few bills. In this case, while recording the sales if the stock item is selected once and all the bills (with different duty per unit) are selected for the same item, in all the Excise reports the duty per unit will display the average duty of all the bills selected in the invoice as system cannot decide on displaying the duty appropriately.

Hence to get appropriate duty details in all the Excise Reports (including E - Returns), while recording excise sales select same item multiple times with proper bill selection.

Example 21:

On 26th April 2012, Steelage Industries sold the following goods to M/s. Decora Equipments, Bangalore.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Rate (Rs.)</th>
<th>VAT</th>
<th>Supplier Invoice Number / Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>1000</td>
<td>650</td>
<td>5%</td>
<td>9682, dated 14/04/2012</td>
</tr>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>50</td>
<td>650</td>
<td>5%</td>
<td>9682-1, dated 14/04/2012</td>
</tr>
</tbody>
</table>

Record the Transaction in Excise Sales Invoice

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

1. Select Excise - Sales Voucher type from the list of Voucher Types.
2. In Excise Unit field Tally.ERP 9 displays Steelage Industries (P) Ltd., as selected during voucher type creation
3. Select the Party's A/c Name from the List of ledgers e.g. Decora Equipments
4. The Buyer's Details sub-form appears enter Despatch and Order details in corresponding fields and accept the screen to save.
5. Select the Sales Ledger from the list of ledger accounts. VAT/ Tax Class selected in the ledger master will be defaulted in the VAT/Tax Class
6. Select the Stock Item - Hot Rolled Coils 100mm from the list of excise stock items. On selecting the item, the Supplier Details sub-screen for the item appears

Select the appropriate purchase e.g. 9682 from the List of Purchases table. This table lists all the purchases made for the Stock Item.

The List of Purchases displays the list of purchases made for the selected item from different Suppliers (Manufacturer / First Stage Dealer / Second Stage Dealer/ Manufacturer Depot etc). However, once the goods purchased from a Manufacturer is selected for Invoicing, only goods purchased from Manufacturer will be displayed and If goods purchased from a First Stage Dealer is selected, only purchases from First Stage Dealer will be displayed for selection.
7. Upon selecting a Purchase, the cursor moves to **Quantity Utilised** field. The value in this filed can be altered. Retain **1000 MT** as Steelage Industries (P) Ltd. is selling the all the 1000 MT to the dealer.

![Supplier Details Screen](image)

Figure 4.87 Supplier Details Screen

*If the Quantity Utilised is more than the purchased quantity the cursor remains in that field and Tally.ERP 9 warns you with a message.*

The **Supplier Details** sub-form can hold the details belonging to a Single Supplier and for one type of purchase only. Tally.ERP 9 allows to select Multiple bills in **Supplier Details** screen, if the **Duty per Unit** of the Stock item is different from **Bill to Bill**, it is suggested to select the stock item as a **second item** in the voucher & then select the appropriate bill.

8. In **Item Allocation** screen enter the **Quantity** (1000) and **Rate** (650). **Amount** will be displayed automatically.

9. In **Name of Item** field select **Hot Rolled Coils 100mm** again as second line Item

   For **Hot Rolled Coils 100mm** the duty per unit paid for purchase made under bill **9682-1** is **133.90** & Duty per unit for Purchase made under **9682** is **148.32**. As the Duty per unit is different, **Hot Rolled Coils 100mm** is selected as the second line item to select the second bill to sell the remaining Quantity of **50 MT**.

   - In **Supplier Details** screen select the second **9682-1** & in **Quantity** field specify **50**
10. Select the applicable **Output VAT Ledger**, and press **Enter**, VAT Rate and amount is defaulted automatically.

11. In **Item Allocation** screen enter the **Quantity** (50) and **Rate** (650). **Amount** will be displayed automatically.

The completed Excise Sales voucher is displayed as shown:

12. Press **Enter** to accept.
The Rule 11 invoice generated of a sales invoice where same item is selected multiple times appears as shown

![Image of an invoice]

**Figure 4.90 Rule 11 Invoice for Multiple Items Selected in the Same Invoice**
4.3 Customs Clearance

In case of Imports, goods imported on receipt will be stored in Customs Bonded Warehouse. Imported goods will be released from the bonded warehouse only on the payment of Customs duty. In practice Importers withdraw the goods partially or wholly from the bonded warehouse as and when they require by paying the customs duty.

Tally.ERP 9 supports to record the Full /Partial clearance of goods imported and pass on the CENVAT Credit.

4.3.1 Full Clearance of Imported Goods

In practice, depending on the requirement goods imported are cleared from bonded warehouse in full or partially by paying the customs duty.

Example 22:
On 26th April 2012, Steelage Industries (P) Ltd. imported Copper Alloy Strips from Excellor Impex (P) Ltd. (Malaysia) and received invoice towards the purchases.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty (Kgs)</th>
<th>Rate</th>
<th>Assessable Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper Alloy Strips</td>
<td>50,000</td>
<td>150</td>
<td>75,00,000</td>
</tr>
</tbody>
</table>

Let us consider the below calculation for entering the imports in Tally.ERP 9

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity/Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total quantity of Material</td>
<td>50,000 kg</td>
</tr>
<tr>
<td>Assessable Value of the goods imported (50,000 kg @ Rs. 150)</td>
<td>75,00,000</td>
</tr>
<tr>
<td>Customs duty @ 30% (on assessable value)</td>
<td>22,50,000</td>
</tr>
<tr>
<td>CVD @ 12% (is calculated on Assessable value + Customs Duty)</td>
<td>11,70,000</td>
</tr>
<tr>
<td>Education Cess on CVD @ 2% (calculated on CVD)</td>
<td>23,400</td>
</tr>
<tr>
<td>Secondary Education Cess on CVD @ 1% (calculated on CVD)</td>
<td>11,700</td>
</tr>
<tr>
<td>Education Cess on Customs Duty @ 2% (calculated on Customs Duty + CVD + Edu Cess on CVD + Sec Edu Cess on CVD)</td>
<td>69,102</td>
</tr>
<tr>
<td>Secondary Education Cess on Customs Duty @ 1% (calculated on Customs Duty + CVD + Edu Cess on CVD + Sec Edu Cess on CVD)</td>
<td>34,551</td>
</tr>
<tr>
<td>Addl Duty on Imports @ 4% (Assessable Value + Customs Duty + CVD + Edu Cess on CVD + Sed Edu Cess on CVD + Edu Cess on Customs Duty + Sec Edu Cess on Customs Duty)</td>
<td>4,42,350</td>
</tr>
</tbody>
</table>

- Customs Duty, Education Cess on Customs duty and Sec Edu Cess on Customs duty are not passed on, they will be apportioned to the item cost.
- CVD, Education Cess on CVD, Secondary Education Cess on CVD and Additional Duty on Imports are pass on duties.
Record the Transaction in Purchase Voucher

Setup:

In F11: Features (F2: Inventory Features)

- Set the option Use Tracking Numbers (Delivery/Receipts Notes) to Yes

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

1. Select the Excise - Purchase as the Voucher Type from the list of types.
2. Select Alt + I: Item Invoice if it is in Acct Invoice mode
3. Press F2 and enter the date as 26-4-2012
4. Enter the Supplier Invoice No. as EI/9568 and Date as 26-4-2012
5. By default, Tally.ERP 9 displays the Excise Unit as Steelage Industries (P) Ltd. as defined during voucher type creation.
6. Select the Party’s A/c Name from the list of Ledger Accounts e.g. Excellor Impex (P) Ltd.
7. In Party Details screen, in Manufacturer /Importer Details section specify your company details with excise details, since you can declare as Self Importer which is equivalent to Manufacturer.

You can create a ledger in your company name with excise details so that you can select the ledger to avoid repeated entry of details.

To select Party Ledger press Alt + M keys or click on M: Manual button to view the party list for selection.

8. Select Imports as the Nature of Purchase
9. In Purchase Ledger field select **Purchase - Imports** from the List of Ledger Accounts. VAT/Tax Class will be defaulted to **Imports**

10. In Name of Item field select **Copper Alloy Strip** in Stock Item Allocation screen

11. In Tracking Number field select the option **Not Applicable** if all the goods imported are cleared at once.

12. Select the Godown and specify Quantity as **50,000** and Rate as **150**. Amount will be calculated and displayed.

![Figure 4.92 Item Allocation screen](image)

13. In **Excise Details** screen
   - In RG 23D Entry No field enter the **RG 23D entry number** of this purchase in your books.
   - **Supplier Invoice Details**: In this section specify the supplier invoice details
     - **Supplier Invoice Number** will be captured form the Supplier Invoice No. field if entered. Other wise enter the supplier Invoice number
     - By default the voucher date is displayed as the **Supplier Invoice Date**
     - In PLA/ RG 23D Entry no. field enter the PLA number where the reference of duty paid on the goods sold are entered.
     - Enter the **Assessable Value (Rs.97,50,000)** (Purchase Cost + Customs Duty). Assessable value to be calculated manually.
     - **Duty Amount** will be calculated and displayed automatically.
   - Calculate **Additional Duty (Imports)** amount (on Purchase Cost + CVD Duties + Customs Duties) and specify manually. Enter **Rs. 4,42,350**

*Notes: Tally.ERP9 will not auto calculate the **Additional Duty (Imports)** amount. You have to enter manually.*
The completed purchase voucher is displayed as shown.

14. Press **Enter** to accept.
On booking the purchase entry for imports based on the invoice received and all the goods imported are cleared from the customs bonded warehouse stock details will be displayed in Stock Summary

Go to **Gateway of Tally > Stock Summary**

![Stock Summary](Figure 4.95 Stock Summary)
4.3.2 Partial Clearance of Imported Goods

In practice, depending on the requirement goods imported are cleared from bonded warehouse in Full or Partially by paying the customs duty.

In Tally.ERP 9, partial clearance can be recorded using Excise - Receipt Note. Let us see how to record the partial clearance of the goods.

Example 23:
On 27th April 2012, Steelage Industries (P) Ltd. imported Copper Alloy Strips from Excellor Impex (P) Ltd. (Malaysia) and received invoice towards the purchases.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty (Kgs)</th>
<th>Rate</th>
<th>Assessable Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper Alloy Strips</td>
<td>50,000</td>
<td>150</td>
<td>75,00,000</td>
</tr>
</tbody>
</table>

On 28th April 2012 Steelage Industries (P) Ltd. did partial clearance of goods - 10,000 KG of Copper Alloy Strips by paying customs duty.

To record the above transaction
1. Create Excise - Receipt Note Voucher Type
2. Record the Imports in Purchase Voucher
3. Record Partial Clearance of Imported Goods

Step 1: Create Excise - Receipt Note Voucher Type
Go to Gateway of Tally > Accounts Info. > Voucher Types > Create
- In Name field enter the receipt name as Excise - Receipt Note
- In Type of Voucher select Receipt Note. Abbreviation will be defaulted
- Select Automatic in Method of Voucher Numbering field
- Set Use Advance Configuration to No
- Retain the default settings for other fields.
- Set the option Use for Excise to Yes
- In Default Excise Unit field select Steelage Industries (P) Ltd.
Step 2: Record the Imports in Purchase Voucher

Setup:
Ensure in **F11: Features (F2: Inventory Features)**
- The option **Use Tracking Numbers (Delivery/Receipts Notes)** is set to **Yes**

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchase**
1. Select the **Excise - Purchase** as the Voucher Type from the list of types.
2. Select **Alt + I: Item Invoice** if it is in Acct Invoice mode
3. Press **F2** and enter the **date** as **27-4-2012**
4. Enter the **Supplier Invoice No.** as **EI/3652** and **Date** as **27-4-2012**
5. By default Tally.ERP 9 displays the **Excise Unit** as **Steelage Industries (P) Ltd.** as defined during voucher type creation.
6. Select the **Party’s A/c Name** from the list of Ledger Accounts e.g. **Excellor Impex (P) Ltd.**
7. In **Party Details** screen, in **Manufacturer /Importer Details** section specify your company details with excise details, since you can declare as **Self Importer** which is equivalent to Manufacturer.

You can create a ledger in your **company name** with excise details so that you can select the ledger to avoid repeated entry of details.

To select **Party Ledger** press **Alt + M** keys or click on **M: Manual** button to view the party list for selection.
8. **Nature of Purchase** will be defaulted to **Importer** as defined in the party ledger.

9. In **Purchase Ledger** field select **Purchase - Imports** from the List of Ledger Accounts. **VAT/Tax Class** will be defaulted to **Imports**.

10. In **Name of Item** field select **Copper Alloy Strips**

11. In **Stock Item Allocation** screen
   - In **Tracking Number** field select the option **New Number** and specify the **Bill of Entry No** (Bill of entry number is the number is issued by the clearing agent of customs department).

   ![New Number.png](image)
   
   **Figure 4.97** Bill of Entry number

   - Specify **Quantity** as **50,000** and rate as **150**. **Amount** will be calculated and displayed.

   ![Item Allocations.png](image)
   
   **Figure 4.98** Item Allocation Screen

12. In **Excise Details** screen
   - Set the option **Customer Clearance Pending** to **Yes**. Once the option is set to **YES** details displayed in Excise Details screen will be erased indicating separate clearance entry will be recorded.

   ![Excise Details.png](image)
   
   **Figure 4.99** Excise Details Screen
The completed purchase voucher is displayed as shown.

![Completed Purchase Voucher](image)

**Figure 4.100 Completed Purchase Voucher**

13. Press **Enter** to accept.

On booking the purchase entry for imports based on the invoice received and if goods are not cleared then entry will affect the books of Inventory. To verify

Go to **Gateway of Tally > Stock Summary** > select **Copper Alloy Strips** and press enter till you reach **Stock Voucher** report for the month of **April**
Observe the purchase made on **27-4-2012** has not affected the books of inventory and the closing balance has not changed.

![Stock Summary Table](image)

**Figure 4.101  Stock Summary**

### 3. Record Partial Clearance of Imported Goods

The Assessable vale and Duty Details of goods cleared are as shown in the table.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity/Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total quantity of Material</td>
<td>10,000 kg</td>
</tr>
<tr>
<td>Assessable Value of the goods cleared (10,000 kg @ Rs. 150)</td>
<td>15,00,000</td>
</tr>
<tr>
<td>Customs duty @ 30% (on assessable value)</td>
<td>4,50,000</td>
</tr>
<tr>
<td>CVD @ 12% (is calculated on Assessable value + Customs Duty)</td>
<td>2,34,000</td>
</tr>
<tr>
<td>Education Cess on CVD @ 2% (calculated on CVD)</td>
<td>4,680</td>
</tr>
<tr>
<td>Secondary Education Cess on CVD @ 1% (calculated on CVD)</td>
<td>2,340</td>
</tr>
<tr>
<td>Education Cess on Customs Duty @ 2% (calculated on Customs Duty + CVD + Edu Cess on CVD + Sec Edu Cess on CVD)</td>
<td>13,820</td>
</tr>
<tr>
<td>Secondary Education Cess on Customs Duty @ 1% (calculated on Customs Duty + CVD + Edu Cess on CVD + Sec Edu Cess on CVD)</td>
<td>6,910</td>
</tr>
<tr>
<td>Addl Duty on Imports @ 4% (Assessable Value + Customs Duty + CVD + Edu Cess on CVD + Sec Edu Cess on CVD + Edu Cess on Customs Duty + Sec Edu Cess on Customs Duty)</td>
<td>88,470</td>
</tr>
</tbody>
</table>
Go to Gateway of Tally > Accounting Vouchers > F9: Receipt Note

1. Select the Excise - Receipt Note as the Voucher Type from the list of types.
2. Select Alt + I: Item Invoice if it is in Acct Invoice mode
3. Press F2 and enter the date as 28-4-2012
4. By default Tally.ERP 9 displays the Excise Unit as Steelage Industries (P) Ltd. as defined during voucher type creation.
5. Select the Party’s A/c Name from the list of Ledger Accounts e.g. Excellor Impex (P) Ltd.
6. In Party Details screen, in Manufacturer /Importer Details section specify your company details with excise details as selected in while booking imports.
7. Nature of Purchase will be defaulted to Importer
8. In Purchase Ledger field select Purchase - Imports from the List of Ledger Accounts. VAT/Tax Class will be defaulted to Imports
9. In Name of Item field select Copper Alloy Strips
10. In Stock Item Allocation screen
    - In Tracking No. field select bill of entry number against which the goods are cleared from the boned warehouse. Select BEN-2545/12-13. Quantity and Rate of the stock Item will be displayed based on the bill of entry number selected
    - In Quantity field enter the quantity cleared. Enter 10,000. Amount gets re-calculated based on the quantity specified.

    ![Figure 4.102 Item Allocation Screen](image)

11. In Excise Details screen
    - In RG 23D Entry No field enter the RG 23D entry number of this purchase in your books
    - Invoice/ Bill of Entry Number enter the bill of entry number against which the goods are cleared from the boned warehouse. Enter BEN-2545/10/11
    - In Invoice/Bill of Entry Date field enter the date of clearance of goods. By default the voucher date is displayed as the Invoice/Bill of Entry Date.
    - PLA/ RG 23D Entry no. is not required in case of goods imported.
    - In Assessable Value field specify Rs.19,50,000 (Purchase Cost + Customs Duty). Assessable value to be calculated and manually.
Calculate **Additional Duty (Imports)** amount (on Purchase Cost + CVD Duties + Customs Duties) and specify manually. Enter **Rs. 88,470**. Tally.ERP9 will not auto calculate the Special AED of CVD amount. You have to enter manually.

![Excise Details Screen](image1)

The completed Excise - Receipt Note is displayed as shown.

![Completed Excise - Receipt Note](image2)

12. Press **Enter** to accept.
To check the Inventory status:

Go to Gateway of Tally > Stock Summary > select Copper Alloy Strips and press enter till you reach Stock Voucher report for the month of April.

The Goods Cleared is considered as the goods imported and added to the stock closing balance and the balance of 40000 displayed with Negative sign indicating stock not cleared from bonded warehouse.

Figure 4.105 Stock Summary Report
4.4 Conditional Pass on of Additional Duty (Imports)

Additional Duty (Imports) paid on Imported goods are some times passed on to the subsequent dealer and in some cases importer may opt to avail credit/ reimbursement by not passing on the special additional duty.
Tally.ERP now supports conditional pass on of Additional Duty (Imports).

Example 24:
On 30th April 2012 Steelage Industries (P) Ltd. sold Copper Alloy Strips (purchased against the Bill BEN-2545/12-13) to Decora Equipments by not passing on the Additional Duty (Imports).

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty (Kgs)</th>
<th>Rate</th>
<th>Assessable Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper Alloy Strips</td>
<td>5,000</td>
<td>450</td>
<td>22,50,000</td>
</tr>
</tbody>
</table>

Record the transaction in Excise - Sales Voucher

Go to Gateway of Tally > Accounting Vouchers > F8: Sales
1. Select Excise - Sales Voucher type from the list of Voucher Types.
2. In Excise Unit field Tally.ERP 9 displays Steelage Industries (P) Ltd., as selected during voucher type creation
3. Select the Party's A/c Name from the List of ledgers e.g. Decora Equipments
4. The Buyer's Details sub-form appears enter Despatch and Order details in corresponding fields and accept the screen to save.
5. Select the Sales Ledger from the list of ledger accounts. By default the VAT/Tax Class selected in the Sales Ledger appears.
6. Select the Stock Item - Copper Alloy Strips from the list of excise stock items. On selecting the item, Supplier Details sub-screen for the item appears.
7. Select the appropriate purchase e.g. BEN - 2545/12-13 from the List of Purchases table. This table lists all the purchases made for the Stock Item.
8. Upon selecting a Purchase, the cursor moves to Quantity Utilised field. Enter 5,000.
9. Set the option **Is Additional Duty Imports (SAD) Not Pass On** to **Yes**, as Steelage Industries (P) Ltd. is not passing on the credit to Decora Equipments.

![Figure 4.106 Suppliers Details Screen](image)

10. In **Stock Item Allocations** screen, **Quantity** will be defaulted to **5,000**. Mention **Rs. 450** in **Rate** field. **Amount** will be calculated and displayed.

11. Select Output VAT ledger to account the VAT on the goods sold.

Completed Sales Voucher is displayed as shown

![Figure 4.107 Completed Sales Voucher](image)

12. Press **Enter** to accept.
**Rule 11 Invoice**

In Rule 11 Invoice the Duty pass on details will not display the Additional Duty (Import) value as the duty is not passed on to the subsequent dealer.

Under **Manufacturer/Importer Duty Details**, duty details of the goods imported will display the all the duty details including Additional Duty (Imports) value.

---

**Figure 4.108 Rule 11 Invoice**
4.5 Duty Charging on Excise Purchases and Sales

Excise Duty on Purchases may be accounted in two ways - Inclusive and Exclusive.

Under Inclusive method, the value of Excise Duty and other Cess amounts are debited to Purchase Accounts, i.e., apportioned to the Purchase Cost. The applicable Duties of Excise and Cess are calculated in the Excise Details sub-screen based on the Rates defined in the Stock Item master.

Under Exclusive method, Excise Duty, Education Cess, Secondary Education Cess and other Excise Duty ledgers are created and itemised separately in the Purchase Invoice, as a result of which, the Excise duty paid values will reflect the balances of these ledgers. Similarly, in the Excise Sales Invoice, the duty ledgers are selected in the Invoice to pass on the duty to the dealers.

All the above scenarios explained in this chapter, are accounted using Inclusive Method. In most cases, Excise Dealers follow Inclusive method. But, there are dealers who follow Exclusive method also. Tally.ERP 9 supports recording of Excise Purchase and Sales Invoice in Exclusive method.

4.5.1 Charging Duty on Excise Purchases

Example 25:

On 1st May 2012, Steelage Industries purchased the following goods from Sterling Steel Industries vide B.No. 9328.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Rate</th>
<th>Assessable Value</th>
<th>BED @ 12%</th>
<th>Educ Cess @ 2%</th>
<th>Higher Educ. Cess @ 1%</th>
<th>Total</th>
<th>VAT Rate</th>
<th>VAT Amount</th>
<th>Invoice Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>400</td>
<td>1100</td>
<td>440000</td>
<td>52800</td>
<td>1056</td>
<td>528</td>
<td>494384</td>
<td>5%</td>
<td>24719</td>
<td>5,19,103</td>
</tr>
</tbody>
</table>

Step 1: Setup

- In F12: Configure (Purchase Invoice Configure)
  - Set the option Use Common Ledger A/c for Item Allocation to Yes.

Step 2: Creation of Duty Ledgers

1. Creating Excise Duty Ledger:

To create a Ledger,

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

1. Enter the Name of the Excise duty ledger you wish to create.
2. Select Duties & Taxes as the group name in the Under field.
3. Select Excise from the Type of Duty/Tax list in the field Type of Duty/Tax.
4. In Excise Accounting Code field enter the accounting code of Basic Excise Duty- 00380003
5. In **Duty Head** field select **Excise Duty**
6. In **Percentage of Calculation** field enter **12%** as the percentage of calculation
7. In **Method of Calculation** field, select **Method of Calculation**
8. Select **Not Applicable** in **Rounding Method** field

The completed ledger appears as shown

![Figure 2.109 Completed Ledger Creation screen](image)

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

*Excise Duty* is calculated on the **assessable value** (Stock item value + indirect expenses) of the transaction.
2. Creating Education Cess Ledger

To create a **Education Cess** Ledger,

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

1. Enter the **Name** of the **Education Cess** ledger you wish to create, for e.g., **Education Cess @ 2%**

2. Select **Duties & Taxes** as the group name in the **Under** field.

3. Select **Excise** from the Type of Duty/Tax list in **Type of Duty/Tax** field.

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

5. In **Duty Head** field select **Cess On Duty**

6. In **Percentage of Calculation** field enter **2%** as the percentage of calculation

7. In **Method of Calculation** field, select **Additional Duty** as the method of calculation.

8. Select **Not Applicable** in **Rounding Method** field.

The completed Education Cess ledger appears as shown:

![Education Cess Ledger Creation Screen](image)

9. Press **Enter** to accept the ledger.
3. Creating Secondary Education Cess Ledger

To create a Secondary Education Cess Ledger, 

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

1. Enter the Name of the Secondary and Higher Education Cess ledger you wish to create, for e.g., Secondary Education Cess @ 1%
2. Select Duties & Taxes as the group name in the Under field.
3. Select Excise from the Type of Duty/Tax list in the field Type of Duty/Tax.
5. In Duty Head field select Cess on Duty
6. In Percentage of Calculation field enter 1% as the percentage of calculation
7. In Method of Calculation field, select Surcharge on Tax as the method of calculation.
8. Select Not Applicable in Rounding Method field

The completed Secondary Education Cess ledger appears as shown:

![Secondary Education Cess Ledger](image)

9. Press Enter to accept the ledger.
Step 3: Create an Excise Purchase Invoice

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

1. In Voucher Type subscreen select Excise–Purchases from the List of Types
2. Press F2 and change date to 01-05-2012
3. Enter 9328 in the Supplier Invoice No. and 01-05-2012 in the Date field
4. Excise Unit field defaults Steelage Industries (P) Ltd. as selected during voucher Type creation.
5. Select Sterling Steel Industries in Party’s A/c Name field
6. Accept the Supplementary Details screen
7. In Nature of Purchase field, nature of purchase Manufacturer appears by default based on the predefinition in the ledger master.
8. Select Purchases @ 5% in the Purchase Ledger field, the VAT/Tax Class appears by default as Purchases @ 5% based on the predefinition in ledger master.
9. Select Hot Rolled Coils 100mm in the Name of Item field
10. Type the Quantity as 400 and Rate as 1100
11. The Excise Details screen is displayed.
   - Specify 15 in the RG 23D Entry No. field (The RG 23D Entry No. represents the display of this particular transaction in the relevant page of RG 23 D Register)
   - Accept the Supplier Invoice No. as 9328 and Supplier Invoice Date as 01-05-2012 (The Supplier Invoice No. & Supplier Invoice Date is defaulted from voucher screen)
   - Specify 92 in the PLA/ RG 23D Entry No. field (This field represents the display of this particular transaction in the relevant page of RG 23 D Register of the supplier)
   - Accept the Assessable Value that is prefilled.

The completed Excise Details subscreen is displayed as shown.

Figure 4.112 Completed Excise Details sub-screen
The **Excise Duty**, **Education Cess** and **Secondary Education Cess** amounts are automatically calculated on the basis of configurations in the stock item master.

12. Press **Enter** to accept the **Excise Details** screen.

13. Select **Basic Excise Duty @ 12%**, **Education Cess** and **Secondary Cess Ledgers**. The duty amount will be automatically calculated.

14. Select **Input VAT @ 5%** ledger, VAT amount of **Rs. 26,405** is defaulted automatically.

15. Set **Show Statutory Details** to Yes to view **Statutory Details** of the transaction.

16. In the **Bill-wise Details** screen,
   - Select New Ref in the **Type of Ref**.
   - Enter 9328 in the **Name** field.
   - Accept the bill-wise details.

17. Enter the transaction details in the **Narration** field.

The completed **Excise Purchase Invoice** is displayed as shown:

![Completed Excise Purchase Invoice](image)

Figure 4.113  Completed Excise Purchase Invoice

18. Press **Enter** to accept.
### 4.5.2 Charging Duty on Excise Sales

Certain dealers issue Excise Sales Invoice by charging the Excise Duty.

In Tally.ERP 9, duty charging entry can be recorded by selecting Duty ledgers in Excise Sales voucher. On selection of the duty ledgers in Excise Sales Invoice, the value of Excise Duty \ Cess ledgers will be displayed based on the Duty \ Cess paid at the time of purchase of Stock Item and not on the Total Sales Amount.

#### Example 26:

On 4\textsuperscript{th} May 2012, Steelage Industries sold the following goods to M/s. Decora Equipments, Bangalore.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Rate (Rs.)</th>
<th>VAT</th>
<th>Supplier Invoice Number / Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>100</td>
<td>1500</td>
<td>5%</td>
<td>9328 dated 01/05/2012</td>
</tr>
</tbody>
</table>

Record the transaction in Excise - Sales Voucher

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

1. Select **Excise - Sales** Voucher type from the list of Voucher Types.
2. In **Excise Unit** field Tally.ERP 9 displays **Steelage Industries (P) Ltd.**, as selected during voucher type creation.
3. Select the **Party's A/c Name** from the List of ledgers e.g. **Decora Equipments**
4. The **Buyer's Details** sub-form appears enter **Despatch and Order details** in corresponding fields and accept the screen to save.
5. Select the **Sales Ledger** from the list of ledger accounts. By default the VAT/Tax Class selected in the Sales Ledger appears.
6. Select the **Stock Item - Hot Rolled Coils 100mm** from the list of excise stock items. On selecting the item, Supplier Details sub-screen for the item appears.
7. Select the appropriate purchase e.g. 9328 from the List of Purchases table. This table lists all the purchases made for the Stock Item.

```
<table>
<thead>
<tr>
<th>No.</th>
<th>Supplier Name</th>
<th>Nature of Purchase</th>
<th>Quantity Utilised</th>
</tr>
</thead>
<tbody>
<tr>
<td>321</td>
<td>Sterling Steel Industries</td>
<td>Manufacturer Depot</td>
<td>210 MT</td>
</tr>
<tr>
<td>457</td>
<td>Sterling Steel Industries</td>
<td>Manufacturer</td>
<td>145 MT</td>
</tr>
<tr>
<td>457</td>
<td>Sterling Steel Industries</td>
<td>Manufacturer</td>
<td>55 MT</td>
</tr>
<tr>
<td>6204</td>
<td>Indus Mega Traders</td>
<td>Penner Agent of Dealer</td>
<td>30 MT</td>
</tr>
<tr>
<td>8605</td>
<td>Indus Trackers</td>
<td>Trans Agent of Manufacturer</td>
<td>900 MT</td>
</tr>
<tr>
<td>9662</td>
<td>Sterling Steel Industries</td>
<td>Manufacturer</td>
<td>540 MT</td>
</tr>
<tr>
<td>9662</td>
<td>Sterling Steel Industries</td>
<td>Manufacturer</td>
<td>250 MT</td>
</tr>
</tbody>
</table>
```

Figure 4.114 Suppliers Details Screen

8. Upon selecting a Purchase, the cursor moves to **Quantity Utilised** field. Enter **200**.

9. Specify the Rate per MT of Hot Rolled Coils 100mm as **1500** in the Rate column.

10. Select **Basic Excise Duty @ 12%, Education Cess and Secondary Cess** Ledgers. The duty amount will be automatically calculated. This duty amount will be calculated on the basis of Excise Purchase voucher recorded as on 1-5-2012 and not as per the sale value.

11. Select Output VAT ledger to account the VAT on the goods sold.

Completed Sales Voucher is displayed as shown

```
<table>
<thead>
<tr>
<th>Name of Item</th>
<th>Quantity</th>
<th>Rate per</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>200 MT</td>
<td>1,500.00</td>
<td>3,000.00</td>
</tr>
<tr>
<td>Basic Excise Duty @ 12%</td>
<td>12 %</td>
<td>26,400.00</td>
<td></td>
</tr>
<tr>
<td>Education Cess @ 2%</td>
<td>2%</td>
<td>520.00</td>
<td></td>
</tr>
<tr>
<td>Secondary Education Cess @ 1%</td>
<td>1%</td>
<td>264.00</td>
<td></td>
</tr>
<tr>
<td>Output VAT @ 5%</td>
<td>5%</td>
<td>16,380.00</td>
<td></td>
</tr>
</tbody>
</table>
```

Figure 4.115 Completed Excise Sales Voucher
12. Press **Enter** to accept.

On accepting the Sales Invoice the Rule 11 Invoice appears as shown:

![Rule 11 Invoice](Image)

**Figure 4.116 Print Preview of Rule 11 Invoice**
Lesson 5: Return of Goods

In the normal course of business, customers may return goods sold for numerous reasons such as defect in the product, price differences and so on. In this section, entries for transactions involving return of excisable goods using Credit Note and Debit Note are examined.

5.1 Sales Returns

Example 1:

On 30th April 2012, Decora Equipments returned the following goods to Steelage Industries Pvt. Ltd. supplied on 16-04-2010 vide Bill.No.981/12-13

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty (Mts)</th>
<th>Rate (Rs.)</th>
<th>VAT Charged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>10</td>
<td>900</td>
<td>5%</td>
</tr>
</tbody>
</table>

Setup:

In F11 Features (Accounting Features)
- Set Use Debit/Credit Notes to Yes
- Set Use Invoice mode for Credit Notes to Yes

Go to Gateway of Tally > Accounting Vouchers > Press Ctrl+F8
1. In Voucher Type sub screen select Ex-Sales Return from the List of Types
2. Press F2 and change date to 30-04-2012
3. In the Used for field select Goods Sold Returned as the type of VAT Adjustments
4. In the **Excise Unit Name** field **Steelage Industries (P) Ltd.** is defaulted as selected during the Voucher Type creation.

5. Select **Decora Equipments** in **Party's A/c Name** and press **Enter**.

6. Press **Enter** to accept the **Receipt Details**.

7. In **Sales Ledger** field select the applicable sales ledger. Based on the VAT/Tax Class defined in the ledger master VAT/Tax Class will be defaulted automatically.

8. In the **Name of Item** field select **Hot Rolled Coils 100mm**.

9. The **Supplier Details** screen displays:
   - Specify the **Sales Invoice Number** as SAI\2\12-13 and the **Sales Invoice date** is automatically displayed as **16-04-2012**.

   □ If an Excise Book is created in Excise Registration Details of F11: Statutory and Taxation, then the **Serial Number** stated in the Excise Sales Invoice should be specified in the Supplier Details screen of an Excise Credit Note Voucher (Sales Return).

   □ If an Excise Book is not created in the Excise Registration Details screen, then the **Excise Sales Invoice number** should be specified in the Supplier Details of the Excise Credit Note Voucher.

   □ Select **457** as the **Supplier Invoice No.** from the **List of Purchases**.
   □ Type the returned quantity as **10** in the **Quantity Return** column.

   Figure 5.2 Excise Credit Note Voucher - Supplier Details

   □ Accept the **Supplier\ Details** screen.

10. Specify the **Rate** as **900**, **Amount** is calculated and displayed automatically.

11. Select **Output VAT @ 5%** ledger, the **VAT Amount** is automatically calculated and pre-filled as **Rs. 450**.

12. To view the statutory details of the transaction set **Show Statutory Details** to **Yes**.

13. In the **Bill-wise Details** screen.
Select **Agst Ref** in the **Type of Ref** filed

- In the **Name** field select **981/12-13**, dated **16-04-2012**
- Press **Enter**, the **Amount** appears by default.

![Figure 5.3 Bill-wise Details Screen](image)

14. Enter the transaction details in the **Narration** field.

The completed **Excise Sales Returns** voucher is displayed as shown.

![Figure 5.4 Completed Excise Sales Returns Voucher](image)

15. Press **Enter** to accept
5.2 Purchase Returns

Example 2:

On 30th April 2012, M/s. Steelage Industries (P) Ltd., returned the following goods to M/s. Sterling Steel Industries (purchased vide B.No. 457 dt. 05/04/2012).

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty (MT)</th>
<th>Rate (Rs.)</th>
<th>VAT Charged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled Coils 100mm</td>
<td>15</td>
<td>551.30</td>
<td>5%</td>
</tr>
</tbody>
</table>

The same is accounted as shown

Go to Gateway of Tally > Accounting Vouchers > Press Ctrl+F9
1. In Voucher Type sub screen select Ex-Purchase Return from the List of Types
2. Select Alt + I: Item Invoice, if voucher is in Acct Invoice mode
3. Press F2 and change date to 30-04-2012
4. In the Excise Unit Name field Steelage industries (P) Ltd. is defaulted as selected during the Voucher Type creation
5. Select Sterling Steel Industries in the Party’s A/c Name field
6. Press Enter to accept the Order details screen
7. In the Purchase Ledger field select Purchases @ 5% in the particulars column. VAT/Tax Class and Amount is defaulted automatically.
8. In the Name of Item field select Hot Rolled Coils 100mm
9. The Excise Details for sub-screen appears,
   a. Select 457 as the Supplier Invoice Number

   ![Figure 5.5 Excise Debit Note - Excise Details screen]

   - The Supplier Invoice Date, Nature of Purchase and the Quantity Purchased are pre-filled automatically as 05-04-2012, Manufacturer & 400 MT respectively
   - Specify the Quantity Return as 15 MT
- Press **Enter** to accept the Assesable Value as Rs. **7500** (i.e., 15MT X Rs. 500 [before Excise Duty])

![Excise Details](image)

**Figure 5.6  Excise Details for Sub screen**

10. Specify **551.30** in the **Rate** column and press **Enter** to accept the amount
11. Select **Input VAT @ 5%** ledger and the **VAT amount** is automatically calculated and prefilled as **413** - (i.e., 5% of Rs. 8259.50)
12. To view the statutory details of the transaction set **Show Statutory Details** to **Yes**
13. In the **Bill-wise Details** screen
   - Select **Agst Ref** in the **Type of Ref** field
   - In the **Name** field select **457** dated **05-10-2012**
   - Accept the default **Amount** and **Dr/Cr** allocation
14. Enter the transaction details in the **Narration** field
The completed *Excise Purchases Returns Voucher* is displayed as shown.

![Excise Purchase Return Voucher](image)

Figure 5.7  Excise Purchase Return Voucher

15. Press **Enter** to accept.

*In case of Debit Notes/ Credit Notes, same Accounting & VAT ledgers transacted during purchases / sales entries should be used, in order to reverse the turnover and the tax amount accordingly.*
Lesson 6: Reports

Dealers registered with the Central Excise are required to maintain prescribed registers in the godown/store room. The Dealer should ensure proper entry of each consignment received or issued by them in the prescribed register.

A dealer registered under Excise Rules are required to submit quarterly returns in prescribed format and other documents namely, Stock Register (RG 23D) and Form II to the Assessing Authority within the stipulated time.

In Tally.ERP 9, you can generate and print all statutory & excise related forms & reports as required by a dealer of excisable goods at the end of month or a quarter or annually or at any point of time. The following Excise reports are available in Tally.ERP 9:

- Excise Stock Register
- Excise Purchase Bill Register
- Excise Stock CENVAT Register
- Party Wise Duty Extract
- Customs Clearance Register
- Sales and Purchase Extract
- Form RG 23D
- Form 2
- E-Return

6.1 Excise Stock Register

Excise Stock Register is a commodity wise (Stock Item wise) report displaying the details of purchases (Receipts) and sales (Issues) of excisable goods in a given period. It also shows information on the sales transactions, which were sold under Excise Invoice and Commercial Invoice besides capturing details of the Supplier/Manufacturer.

It clearly comments on the duty (CENVAT) amount passed, duty amount not passed and the balance of duty including Cess amount available during the specified period.

Go to Gateway of Tally > Display > Statutory Reports > Excise Reports > Dealer > Excise Stock Register
In the **Select Excise Unit** screen

- In **Name of Excise Unit** field Tally.ERP 9 displays Steelage Industries (P) Ltd.
  
  In case where there are more than one dealer unit select the appropriate **Excise Unit** from the List of Excise Units for which you want to view the **Excise Stock Register**

- In **Name of Tariff** field select Hot Rolled Coils from the List of Tariff Classifications

- In **Name of Item** field select Hot Rolled Coils 100mm
  
  Select the appropriate **Stock item** from the List of Excise Stock Items to view the **Excise Stock Register**

The **Select Excise Unit** screen will be displayed as shown

![Select Excise Unit Screen](image1)

The **Excise Stock Register** of Steelage Industries (P) Ltd. is displayed as shown

![Excise Stock Register](image2)
Scroll to the right using Right ➔ arrow button

Tally.ERP 9 also allows you view Excise Stock Register in detailed mode, by pressing Alt + F1

![Figure 6.3 Detailed Excise Stock Register]

The Excise Stock Register in detailed mode, displays the complete list of Sales transactions pertaining to the selected Excisable commodity.

- Press Alt+P to print Excise Stock Register
The print preview of **Excise Stock Register** is displayed as shown

![Excise Stock Register](image)

Figure 6.4 Print Preview of Excise Stock Register
6.2 Excise Purchase Bill Register

Excise Purchase Bill Register is a Purchase bill wise report displaying the details of purchases (Receipts) and sales (Issues) of excisable goods in a given period. It precisely shows Receipts and Issues of Excisable goods along with the information on the duty amount passed, duty amount not passed and the balance of duty including Cess amount available during the specified period.

Go to Gateway of Tally > Display > Statutory Reports > Excise Reports > Dealer > Excise Purchase Bill Register

- In the Select Excise Unit screen select Steelage Industries (P) Ltd. in the Name of Excise Unit field

![Select Excise Unit](image)

The Excise Purchase Bill Register of Steelage Industries (P) Ltd., is as shown.

![Excise Purchase Bill Register - Receipt Section](image)
Scroll to the right using **Right ➔** arrow button

Figure 6.7  Excise Purchase Bill Register - Issues Section

You can further scroll down to view the complete report.

### 6.3 Excise Stock CENVAT Register

Excise Stock CENVAT Register displays the CENVAT details of Goods Purchased. Using this report, an Excise Dealer can ascertain the pending quantity and CENVAT duty per unit which he can pass on to the subsequent buyers.

To view Excise Stock CENVAT Register,

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Dealer > Excise Stock CENVAT Register**

Excise Stock CENVAT Register can be viewed for **All Items** or **One Item**.
6.3.1 Excise Stock CENVAT Register - All Items

To view Excise Stock CENVAT Register for All Items

Go to Gateway of Tally > Display > Statutory Reports > Excise Reports > Dealer > Excise Stock CENVAT Register > All Items

In Select Excise Unit screen,

- **Name of Excise Unit**: In this field, select the Excise Unit. If you have more than one manufacturing unit select the appropriate Excise Unit from the List of Excise Units to view the pending quantity and CENVAT duty per unit that can be passed on.

![Figure 6.8 Select Excise Unit](image)

The Excise Stock CENVAT Register of Steelage Industries (P) Ltd., is as shown

![Figure 6.9 Excise Stock CENVAT Register](image)
6.3.2 Excise Stock CENVAT Register - One Item

To view Excise Stock CENVAT Register for All Items

Go to Gateway of Tally > Display > Statutory Reports > Excise Reports > Dealer > Excise Stock CENVAT Register > One Item

In Select Ledger screen

- **Name of Excise Unit**: In this field select the Excise Unit. If you have more than one manufacturing unit select the appropriate Excise Unit from the List of Excise Units to view the party Wise Duty Extract of parties who carried out transaction with the Unit.

- **Name of Group**: In this field select the Group to select the ledgers created under the Group selected.

- **Name of Ledger**: In this field select the ledger from the List of ledgers e.g. Decora Equipment
Figure 6.11  Select Excise Unit

The Excise Stock CENVAT Register of Steelage Industries (P) Ltd., is as shown:

Figure 6.12  Excise Stock CENVAT Register
6.4 Party Wise Duty Extract

Party Wise Duty Extract report displays party wise duty details of Purchases or Sales or Both (Purchases & Sales) till the Last Date of Entry in the Books of Accounts.

To view Party Wise Duty Extract report

Go to Gateway of Tally > Display > Statutory Reports > Excise Reports > Dealer > Party Wise Duty Extract

In Select Ledger screen

- **Name of Excise Unit**: In this field select the Excise Unit. If you have more than one manufacturing unit select the appropriate Excise Unit from the List of Excise Units to view the party Wise Duty Extract of parties who carried out transaction with the Unit.

- **Name of Group**: In this field select the Group to select the ledgers created under the Group selected.

- **Name of Ledger**: In this field select the ledger from the List of ledgers e.g. Decora Equipment

![Selection of Ledger](image)

The Party Wise Duty Extract report is displayed as shown

![Party Wise Duty Extract Report](image)
6.5 Customs Clearance Register

Customs Clearance Register is a import bill-wise report displaying the details of imports of Excisable goods having stock pending for Clearance. It is Purchase invoice Date-wise Report. This report captures the information of goods Imported, Cleared from customs warehouse and stock Pending for clearance.

To view Customs Clearance Register
Go to Gateway of Tally > Display > Statutory Reports> Excise Reports > Dealer > Customs Clearance Register

You can view Customs Clearance Register for All Item or One Item

![Customs Clearance Register Menu](image)

1. All Item - Customs Clearance Register
To view Customs Clearance Register for all items select All Items and press enter to view Select Excise Unit screen
In Select Excise Unit screen
- Select Steelage Industries (P) Ltd. in Name of Excise Unit filed.

![Select Excise Unit Screen](image)
The **Customs Clearance Register** appears as shown

![Customs Clearance Register](image)

**Figure 6.17  Customs Clearance Register – All Item**

2. **One Item - Customs Clearance Register**

To view Customs Clearance Register for one items select One Items and press enter to view Select Excise Unit screen

In **Select Excise Unit** screen

- Select **Steelage Industries (P) Ltd.** in Name of Excise Unit filed
- In Name of Tariff field select the tariff classification of the stock item for which the report to be viewed. Select **Copper Alloy Strip**
- In Name of Item field select **Copper Alloy Strips**

![Select Excise Unit](image)

**Figure 6.18  Select Excise Unit Screen**
Customs Clearance Register is displayed as shown

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Invoice No. / Date</th>
<th>Bill of Entry No. / Date</th>
<th>Voucher Type</th>
<th>Name and Address of the Supplier</th>
<th>Tracking No.</th>
<th>Purchased Quantity</th>
<th>Cleared Quantity</th>
<th>Pending Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>27 Apr 2012</td>
<td>BEN - 2548/12-13</td>
<td>Excise - Purchases</td>
<td>Excel Impex (P) Ltd. No 67/9, Bommanahalli Industrial Area, Bangalore</td>
<td>BEN 2548/12-13</td>
<td>50,000 Kgs</td>
<td>50,000 Kgs</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>28 Apr 2012</td>
<td>Excise - Receipt Note</td>
<td>Excel Impex (P) Ltd. No 67/8, Bommanahalli Industrial Area, Bangalore</td>
<td>BEN 2548/12-13</td>
<td>10,000 Kgs</td>
<td>40,000 Kgs</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td>50,000 Kgs</td>
<td>10,000 Kgs</td>
<td>40,000 Kgs</td>
</tr>
</tbody>
</table>

Figure 6.19 Customs Clearance Register – One Item
6.6 Sales and Purchase Extract

Excise Sales and Purchase Extract report displays the details of purchase and sales transactions of all excisable goods (Excise Invoice as well as Commercial Invoice).

Go to Gateway of Tally > Display > Statutory Reports > Excise Reports > Dealer > Sales and Purchase Extract

In the Sales and Purchase Extract printing screen,

- Press Backspace and select the Excise Unit - Steelage Industries (P) Ltd.
- Specify the From date as 1-4-2012 and To date as 30-6-2012
- Specify the Place and Date

The completed report printing screen appears as shown

![Figure 6.20 Report Printing Configuration Screen](image)

- Press Enter to Print
The print preview of **Sales and Purchase Extract** of Steelage Industries (P) Ltd. is displayed as shown.

**Page - 1**

![Image of Sales and Purchase Extract]

**Figure 6.21 Sales and Purchase Extract**
<table>
<thead>
<tr>
<th>SL No</th>
<th>Invoice / Bill of Entry</th>
<th>Name and Address of the First Stage Dealer / Manufacturer / Importer</th>
<th>Name and Address of the Second Stage Dealer / Manufacturer / Importer</th>
<th>Description of Goods</th>
<th>Central Excise Tariff Heading</th>
<th>Amount of Duty</th>
<th>Amount of Ed Cess</th>
<th>Amount of Sec Ed Cess</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>457 / 5-Apr-2012</td>
<td>Sterling Steel Industries # 854, Industrial Area, Yeshwanthpur, Bangalore</td>
<td>Sterling Steel Industries # 854, Industrial Area, Yeshwanthpur, Bangalore</td>
<td>Cold Rolled Coils 64 mm</td>
<td>72271008</td>
<td>500 MT</td>
<td>32,400.00</td>
<td>648.00</td>
</tr>
<tr>
<td>3</td>
<td>9095 / 7-Apr-2012</td>
<td>Sterling Steel Industries # 854, Industrial Area, Yeshwanthpur, Bangalore</td>
<td>Sterling Steel Industries # 854, Industrial Area, Yeshwanthpur, Bangalore</td>
<td>Hot Rolled Coils 100mm</td>
<td>72271000</td>
<td>400 MT</td>
<td>24,600.00</td>
<td>480.00</td>
</tr>
<tr>
<td>4</td>
<td>321 / 9-Apr-2012</td>
<td>Sterling Steel Industries # 854, Industrial Area, Yeshwanthpur, Bangalore</td>
<td>Sterling Steel Industries # 854, Industrial Area, Yeshwanthpur, Bangalore</td>
<td>Hot Rolled Coils 100mm</td>
<td>72271000</td>
<td>1,000 MT</td>
<td>96,000.00</td>
<td>1,920.00</td>
</tr>
<tr>
<td>5</td>
<td>1707 / 10-Apr-2012</td>
<td>MM Iron &amp; Steel # 509, Madivala, BNM, Bangalore</td>
<td>MM Iron &amp; Steel # 509, Madivala, BNM, Bangalore</td>
<td>Iron Bars</td>
<td>72571615</td>
<td>300 Kgs</td>
<td>22,500.00</td>
<td>450.00</td>
</tr>
<tr>
<td>6</td>
<td>624 / 11-Apr-2012</td>
<td>Indus Mega Traders # 5652, 10th Main, HSR Layout, Bangalore</td>
<td>Indus Mega Traders # 5652, 10th Main, HSR Layout, Bangalore</td>
<td>Engine Valves - 5&quot;</td>
<td>72172015</td>
<td>200 Nets</td>
<td>14,400.00</td>
<td>288.00</td>
</tr>
<tr>
<td>7</td>
<td>1652 / 12-Apr-2012</td>
<td>Ziga Traders No 78, 8th Main, 10th Cross, Koramangala, Bangalore</td>
<td>No 78, 8th Main, 10th Cross, Koramangala, Bangalore</td>
<td>Copper Alloy Strips</td>
<td>72271004</td>
<td>150 Kgs</td>
<td>12,600.00</td>
<td>150.00</td>
</tr>
</tbody>
</table>

Figure 6.22 Sales and Purchase Extract
The registered dealer issuing invoices for CENVATable goods is required to maintain a stock account as prescribed in form RG – 23D and record details of consignments received under the cover of any invoice issued in terms of the provisions of Central Excise Rules, 2002. However, consignments for which it has no proposal to issue CENVATable Invoice need not be entered.

In respect of any consignment, part of which is sold under Centavable invoice, and the other part under the cover of non-CENVATable invoice, then the details of sales under non-CENVATable invoices have also to be entered in the prescribed stock register by making a consolidated entry at the end of the day indication such quantity and invoice numbers.

Whenever, a registered location receives a consignment and in respect of the same, the location proposes to issue either one or more CENVATable invoices, then the location should keep complete account of each such consignment and all transactions relating thereto in the stock register.
The details of excisable goods sold under CENVAT Invoice and the corresponding excise duty passed to the subsequent dealer / manufacturer, is required to be reported as **Duty Passed On** in the Issues column of the **Stock Register** *(formerly RG 23D)* and likewise, the details of the excisable goods sold under Commercial Invoice and the duty to the extent not passed on, is required to be reported as **Duty Not Passed On** in the Issues column of the Stock Register, during the respective financial period.

**Form RG 23 D** can be viewed for **All Items, One Item or Sales Bill Wise**

**1. Form RG 23D – All Item**

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Dealer > Form RG 23D**

In the **Select Excise Unit** screen

- In **Name of Excise Unit** field Tally.ERP 9 displays **Steelage Industries (P) Ltd**.
  
  In case where there are more than one dealer unit select the appropriate **Excise Unit** from the **List of Excise Units** for which you want to view the **Excise Stock Register**

From RG 23D for All Items is displayed as shown

![Form RG 23 D](image)

Figure 6.24  Form RG 23 D
Form RG 23D displays the details of Receipts and sales (Issues) of excisable goods in a given period. It precisely shows Receipts and Issues of Excisable goods along with the information on the duty amount passed, duty amount not passed and the balance of duty including Cess amount available during the specified period.

Press Alt+F1 or click on F1: Detailed button on the buttons bar to view the report in detailed mode.

Print RG 23D

- Press Alt+P or click on P: Print button to view report printing configuration screen

![Figure 6.25 RG 23D Printing Configuration](image)

- Press Enter to Print
The print preview of **Form RG 23D – All Item** is displayed as shown

![Form RG 23D All Item Print Preview](image)

**Figure 6.26 Print Preview of Form RG 23D**

2. **Form RG 23D – One Item**

Go to Gateway of Tally > Display > Statutory Reports > Excise Reports > Dealer > Form RG 23D

In the **Select Excise Unit** screen

- In **Name of Excise Unit** field Tally.ERP 9 displays **Steelage Industries (P) Ltd.**
- In **Name of Tariff** field select the **Tariff Classification** of the stock item for which the report to be viewed. Select Hot Rolled Coils
- In **Name of Item** field select **Hot Rolled Coils 100 mm** from the **List of Excise Stock Items**.
Form RG 23 D – One Item is displayed as shown

![Form RG 23 D – One Item](image)

Figure 6.27 Form RG 23 D – One Item

3. Form RG 23D – Sales Bill Wise

Select Sales Bill Wise to view Sales Bill wise Form RG 23D report. This report displays the details of sales transactions based on the period selected to view the report.

- Select Steelage Industries (P) Ltd. from the List of Excise Units in Name of Excise Unit field
- In Name of Tariff field select the tariff classification - Hot Rolled Coils
- Select Hot Rolled Coils 100mm in Name of Item field

Sales Bill Wise Form RG 23D report appears as shown
6.8 Quarterly Return - Form 2

A first stage dealer or a second stage dealer, as the case may be, is required to submit a return in the form as specified by notification or by the Board within fifteen days from the close of each quarter of a year to the Superintendent of Central Excise.

Go to Gateway of Tally > Display > Statutory Reports > Excise Reports > Dealer > Form–2

In the Form 2 printing configuration screen
- Press Backspace and select Steelage Industries (P) Ltd. in Excise Unit filed
- specify the From date as 1-4-2012 and To date as 30-6-2012
- Specify Place and Date details
Figure 6.29  Form 2 Printing Configuration Screen

The Print Preview of **Form 2** is displayed as shown
Figure 6.30 Form 2
<table>
<thead>
<tr>
<th>SL No.</th>
<th>Invoice / Bill of Entry Number with Date</th>
<th>Name and Address of the First Stage Second Stage Dealer / Manufacturer / Importer</th>
<th>Name and Address of the Manufacturer / Importer</th>
<th>For the Main Item in the Document</th>
<th>Description of the Goods</th>
<th>Central Excise Tariff Heading</th>
<th>Quantity</th>
<th>Amount of Duty</th>
<th>Amount of Ed Cess</th>
<th>Amount of Sec Ed Cess</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>8091/7-Apr-2012</td>
<td>Sterling Steel Industries # 854, Industrial Area, Yeshwanthpur, Bangalore, Bangalore</td>
<td>Sterling Steel Industries</td>
<td>Hot Rolled Coils 100mm</td>
<td>72271609</td>
<td>1,000 MT</td>
<td>90,490.00</td>
<td>1,920.00</td>
<td>909.00</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>321/9-Apr-2012</td>
<td>Sterling Steel - Depot No-10, 3rd Main, BTM, Bangalore</td>
<td>Sterling Steel Industries</td>
<td>Hot Rolled Coils 100mm</td>
<td>72271609</td>
<td>500 MT</td>
<td>45,090.00</td>
<td>900.00</td>
<td>450.00</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>1707/19-Apr-2012</td>
<td>MM Iron &amp; Steel # 559, Madivala, BTM, Bangalore</td>
<td>Sterling Steel Industries</td>
<td>Iron Bars</td>
<td>72571615</td>
<td>300 Kgs</td>
<td>22,590.00</td>
<td>450.00</td>
<td>225.00</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>625/11-Apr-2012</td>
<td>Indus Mega Traders # 8552, 16th Main, HSR Layout, Bangalore</td>
<td>Sterling Steel Industries</td>
<td>Hot Rolled Coils 100mm</td>
<td>72271609</td>
<td>200 MT</td>
<td>22,890.00</td>
<td>456.00</td>
<td>228.00</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>1052/12-Apr-2012</td>
<td>Ziga Traders No-78, 8th Main, 16th Cross, Koramangala, Bangalore</td>
<td>Excello Inprex(P) Ltd</td>
<td>Copper Alloy Strips</td>
<td>72271004</td>
<td>150 Kgs</td>
<td>12,500.00</td>
<td>190.00</td>
<td>90.00</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>3062/14-Apr-2012</td>
<td>MM Iron &amp; Steel # 559, Madivala, BTM, Bangalore</td>
<td>Sterling Steel Industries</td>
<td>Hot Rolled Coils 100mm</td>
<td>72271609</td>
<td>1,000 MT</td>
<td>1,440,000</td>
<td>2,090.00</td>
<td>1,440.00</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>358/15-Mar-2012</td>
<td>MM Iron &amp; Steel # 559, Madivala, BTM, Bangalore</td>
<td>Sterling Steel Industries</td>
<td>Copper Alloy Strips</td>
<td>72271604</td>
<td>10,000 Kgs</td>
<td>32,240.00</td>
<td>4,800.00</td>
<td>2,340.00</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>329/1-May-2012</td>
<td>MM Iron &amp; Steel # 559, Madivala, BTM, Bangalore</td>
<td>Sterling Steel Industries</td>
<td>Hot Rolled Coils 100mm</td>
<td>72271609</td>
<td>400 MT</td>
<td>52,800.00</td>
<td>1,056.00</td>
<td>528.00</td>
<td></td>
</tr>
</tbody>
</table>

Total: 1,674,570.00 13,650.00 909.00

Figure 6.31 Form 2 - Page 2
As discussed above, **Form 2** displays the details of the Stock item with the maximum duty value. However, you may configure **Form 2** to show details of all stock items.

To view the details of all the stock items:

- Press **F12: configure** from the **Report Generation** screen and set the options **Show All Items**, **Show Separate Special Excise Duty Column** and **Show Purchase Reference** to **Yes**.

- Accept the configuration screen and press **Enter** from the **Report Generation** screen to view the print preview of Form 2.
6.9 E-Returns

The Central Board of Excise and Customs has issued a notification making e-filing mandatory for assesses with effect from 1-4-2010. As per the Notification, all the registered Excise Dealers would now be required to file quarterly returns as prescribed under the provision to sub-rule (8) of rule 9 of the CENVAT Credit Rules 2004, electronically irrespective of the amount of CENVAT credit taken by them or passed on by them in a year.

To assist and manage e-filing, Central Board of Excise & Customs has set up an e-governance portal – Automation of Central Excise and Service Tax (ACES) [http://aces.gov.in]

E-Filling of Dealer Return

Currently, ACES application allows filing Quarterly Return for the Registered Dealers online who are accessing the ACES site through PCs / Internet Browsers.

To make E-filing easy for the Excise Dealers to file returns in Automation Of Central Excise And Service Tax (ACES), department has given the options of off line filing using Excel utility or XML schema.

Assessees who are not maintaining the records in computerised system, can down load the Excel utility and enter the details manually, validate and upload the Excel utility.

Assesses who have computerized systems in place and can generate their return from their existing application department has given the process to prepare return in XML format, validate and upload the Dealer return. Benefits of using the XML schema is that if user is having huge data to upload instead of entering manually they can use their application for generating XML schema.

Generating E-Returns from Tally.ERP9

Meeting all the requirements of E-Returns, Tally.ERP 9 now provides the option to generate the quarterly return with a click of a button.

For generating E-Returns from Tally.ERP9, let us take the example of Steelage Industries which is registered as per Excise Rules and engaged in Trading.

To generate E-Returns

Go to Gateway of Tally > Display > Excise Reports > Dealer > E-Return
The **Exporting Dealer E-Return** screen appears as shown

![Exporting Dealer E-Return Screen](image)

Figure 6.34  Exporting Dealer E-Returns Screen

Press **Backspace** to provide **Return’s period, Place, Date** of generating e-returns and other details

- **Excise Unit**: As Tally.ERP 9 allows creating and maintaining accounts of multiple units in a single company and allows to generate Excise Unit-wise e-returns, Excise Unit field is provided to select the Excise unit for which E-Return to be generated. **Example: Steelage Industries (P) Ltd**.

- **Language**: Language is fixed to **Restricted (ASCII Only)** and the application will not allow to move the cursor to change the language

- **Format**: Format is fixed to **XML (Data Interchange)**. Currently, the ACES application supports the uploading of E-Returns generated in XML format from computerised systems. Hence, the XML (Data Interchange) is defaulted and application does not allow to change the export format.

- **Export Location**: By default, it displays the path where Tally.ERP 9 is installed. In Export Location field enter the details of the path to where the XML file to be exported.

- **Output File Name**: Tally.ERP 9 by default displays the **Output File Name** in the **Format** as specified under **E-Return Requirements**.

  The E-Return Requirement has clearly indicated that the E-Return File Format should - **15 Digit ECC Number_ Month Date Year Hour Minutes Seconds AM/PM.xml**

  **Example**: AAPBF2149RXD001_04052011162347PM.xml
Tally.ERP 9 allows the user to change the **Output File Name** while generating the e-return in XML format.

But to upload the E-Returns, assessee has to follow the **file name structure as specified under E-Returns Requirement**. If the File name structure is different then, the ACES application will not allow the Assessee to upload the Returns.

- **From**: In this field enter the period (1-4-2012) from where the return to be generated.
- **To**: In this field enter the till (30-6-2012) date to generate the return
- **Place**: In this field enter the place of generating the return
- **Date**: In this field enter the Date on which e-Return is generated
- **Remarks**: In this field enter the details as **Quarterly Return for 1-4-2012 to 30-6-2012**

**From** and **To period, Place, Date and Remarks** are **Mandatory** fields. If the Assessee generates the returns without or incomplete details, the e-return generated will show the errors for the missing details.

- **Validation**: This field will be displayed in **Exporting Dealer E-Return** screen only when the **HSN Code** defined in **Tariff Classification**, **ECC Number** entered in **Party Ledger** are not correct and the **Stock Items** without valid **Reporting UOM**.

By default, **Validation** option will be set to **Yes**. Press **Enter** to view the **E-Return Validation** screen.
E-Return Validation screen appears as shown

![E-Return Validation Screen](image)

**E-Return Validation** screen displays the **Type of Error** with the **Error Count**. To rectify the error, select the error type and press **Enter**.

*The screens of E-Return Validation is captured from a different data to display different Errors.*

Some of the Error Types displaying in the **E-Return Validation** screen are stated below:

1. **Excise Reporting UOM Validation**

Under **Central Excise Tariff Act**, for every excise stock item **Unit of Quantity** is defined.

**Example: Unit of Quantity** is **U** for **Numbers**.

The act also makes it clear that all the reports relating to stock items are required to be indicated with the relevant **Unit of Quantity** as specified under Central Excise Tariff Act. It even applies to **E-returns**. In Tally.ERP 9 **Unit of Quantity** is termed as **Reporting UOM**.
In case, the users are not using the defined **Unit of Quantity** as **Unit of Measurement (base unit)** for the stock items then it is must to assign the appropriate Unit of Quantity to generate E-Returns. If there are any difference in the Unit of Quantity defined in the item master then the application will not allow to generate e-returns till such discrepancies are resolved.

*In Tally.ERP 9, while creating the stock item application gives the option to define the Base Unit and Reporting UOM.*

*Currently, for the stock items created under Dealer Unit the base unit defined will be considered as the Reporting UOM and system does not allow to alter the Reporting UOM.*

*In case the base unit defined is different from standard Unit of Quantity user has to select the correct Reporting UOM for the Stock Item.*

Following are the **Unit of Quantity** defined under **Central Excise Tariff Act**

<table>
<thead>
<tr>
<th>Unit of Quantity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>10GMS</td>
<td>10 Grams</td>
</tr>
<tr>
<td>1KKWH</td>
<td>1000 Kilowatt Hours</td>
</tr>
<tr>
<td>C/K</td>
<td>Carats</td>
</tr>
<tr>
<td>CM</td>
<td>Centimetre</td>
</tr>
<tr>
<td>CM3</td>
<td>Cubic Centimetre</td>
</tr>
<tr>
<td>G</td>
<td>Grams</td>
</tr>
<tr>
<td>GI F/S</td>
<td>Gram of Fissile Isotopes</td>
</tr>
<tr>
<td>KG</td>
<td>Kilograms</td>
</tr>
<tr>
<td>KL</td>
<td>Kilolitre</td>
</tr>
<tr>
<td>L</td>
<td>Litre</td>
</tr>
<tr>
<td>M</td>
<td>Metre</td>
</tr>
<tr>
<td>M2</td>
<td>Square Metre</td>
</tr>
<tr>
<td>M3</td>
<td>Cubic Metre</td>
</tr>
<tr>
<td>MM</td>
<td>Millimetre</td>
</tr>
<tr>
<td>MT</td>
<td>Metric Tonnes</td>
</tr>
<tr>
<td>PA</td>
<td>Number of Pairs</td>
</tr>
<tr>
<td>Q</td>
<td>Quintal</td>
</tr>
<tr>
<td>T</td>
<td>Ton</td>
</tr>
<tr>
<td>TU</td>
<td>Thousand in Nos</td>
</tr>
<tr>
<td>U</td>
<td>Numbers</td>
</tr>
</tbody>
</table>
To validate the Reporting UOM

- Select **No/Invalid Excise Reporting UOM for Stock Item** and press **Enter** to view Excise Reporting UOM validation Screen.

![Excise Reporting UOM Validation Screen](image)

- *Excise Reporting UOM Validation screen displays the details of Name of Stock Item, Tariff Name, HSN Code, Units Excise Reporting UOM and Remarks.*

- **Remarks** displays the reason why the Excise Reporting UOM to be validated. In the above screen the Reporting UOM is Empty.

  **Remark** will be displayed for all those Stock Items where the Reporting UOM is empty or Invalid. Specify the correct Reporting UOM. Once the correction is made, application will not display the remarks.
Press **Enter** to accept the **Excise Reporting UOM Validation**. On accepting the Excise Reporting UOM Validation, E-Return Validation screen will not display the Type of Error - No/Invalid Excise Reporting UOM for Stock Item and the corresponding Error Count.

In **Tally.ERP 9**, Excise Reporting UOM can also be updated for

- **Single Stock Item**: To update Reporting UOM to single stock item Go to **Gateway of Tally > Inventory Info. > Stock Items > Alter (Single Stock Item) > select the Stock Item from the List of Stock Items**

- **Multiple Stock Item**: To update Reporting UOM to multiple stock items **Gateway of Tally > Inventory Info. > Update Excise Info > Reporting UOM**

From Reporting UOM user can define the Reporting UOM to stock items in three ways

  i. **Excise Unit - wise**: Allows to define the Reporting UOM to all the excise Stock items of the Excise Unit.

  ii. **Tariff - wise**: Allows to define the reporting UOM to the excise Stock items grouped under the specific Tariff Classification.

  iii. **Base Units - wise**: Allows to define the reporting UOM to the excise Stock items grouped under the specific Base Unit.
2. Tariff/HSN Code Validation

To validate Tariff/HSN Code Validation

- Select **No/Invalid Tariff /HSN Code** and press **Enter** to view **Tariff/HSN Code Validation** screen

![Tariff/HSN Code Validation Screen](image)

**Figure 6.38 Tariff/HSN Code Validation Screen**

- **Tariff/HSN Code Validation** report displays the details of **Name of Tariff**, **HSN Code** and **Remarks**.

- **Remarks** displays the reason why the Tariff classification to be validated. In the above screen the **HSN Code** defined for the Tariff classification contains **6 digits** or **HSN Code is empty** whereas the HSN Code should of **8 digits**.

  - **Remark** will be displayed for all those Tariff classification where the HSN Code is **less/ more than 8 digits**. Correct the HSN code by specify the correct **8 digit** code. Once the correction is made, application will not display the remarks.
Figure 6.39 Completed Tariff/HSN Code Validation

Tally.ERP 9 looks only for 8 digits/numbers and ignores the dot or space between the numbers

- Press Enter to accept the Tariff/HSN Code Validation. On accepting the Tariff/HSN Code validation, E-Return Validation screen will not display the Type of Error - No/Invalid Tariff/HSN Code and the corresponding Error Count.

3. Party Excise Registration (ECC) No. Validation

To validate the excise registration

- Select No/Invalid Excise Registration (ECC) No. of Party and press Enter to view Party Excise Registration (ECC) No. Validation screen
Figure 6.40 Party Excise Registration (ECC) No. Validation Screen

- **Party Excise Registration (ECC) No. validation** report displays the details of Name of Party, Excise Registration (ECC) No. and Remarks.

- **Remarks** displays the reason why the Excise Registration number to be validated. In the above screen the Excise Registration number defined for the party contains special character, number is more than 15 digits, the registration number format is wrong.

Excise Registration Number is a PAN based 15 digit alpha numeric Number.

- The **first part** denotes 10 character (alpha numeric) Permanent Account Number issued by Income tax authorities to the concerned person to whom the ECC Number is allotted.

- **Second part** comprises of a fixed 2 character alpha code XD/ED (indicates the category as Excise Dealer)

- **Third part** comprises of a fixed 3 character numeric code - 001, 002, 003 etc.

Remark will be displayed for all those registration numbers which are more than 15 digits, contains special characters or space between the numbers. Once the correction is made, application will not display the Remarks.
Press **Enter** to accept the Party Excise Registration (ECC) No. Validation. On accepting the Party Excise Registration (ECC) No. Validation, E-Return Validation screen will not display the Type of Error - No/Invalid Excise Registration of Party and the corresponding Error Count.

**Notes**

Tally.ERP 9 looks for **length-15 digits/numbers** and the **Format of the Registration Number**.

Press **Escape** from E-Return Validation screen to view Exporting Dealer E-Return screen.
The completed Exporting Dealer E-Return screen is displayed as shown

![Exporting Dealer E-Return Screen](image)

Figure 6.42 Exporting Dealer E-Return Screen
Press **Enter** to export the Return.

**Before generating E-Return** ensure that all the transaction details are properly captured in **From 2**.

*Tally.ERP 9 allows to configure the E-Returns. To configure press **F12: Configure** from **Exporting Dealer E-Return** screen to view Configuration screen.*

Configuration screen displays 2 configuration options:

- **Show All Items**: Set this option to Yes to view all stock items purchased under a invoice.
  
  Enabling the option **Show all Items** is not mandatory while generating E-returns. It depends on the practice of the commissionerate of the Region. If the commissionerate is specific about the details of all the items purchased under the Invoice then set this option to **YES** and generate the E-return. Otherwise retain **NO** as the setting.

- **Show Excise Duty Amount Round Off**: By default, this option will be set to **Yes** because, the dealer **E-Return Requirement** has clearly stated that **all the duty amount has to rounded off to the nearest Rupee**.

<table>
<thead>
<tr>
<th>Configuration</th>
<th>?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Show All Items</td>
<td>No</td>
</tr>
<tr>
<td>Show Excise Duty Amount Round Off</td>
<td>Yes</td>
</tr>
<tr>
<td>Round Off Quantity to TWO decimals</td>
<td>Yes</td>
</tr>
</tbody>
</table>

If the user generates E-Returns by setting the option **Show Excise Duty Amount Round Off** to **No**, the ACES application will not allow the Assessee to upload the Returns.

- **Round Off Quantity to TWO Decimals**: By default this option will be set to **Yes** because, the Excise Duty to be Rounded off to Two decimals.

The exported file will be placed in the Tally.ERP 9 Directory with the file name as specified above and ready for **upload**.
Figure 6.43 Exported XML file in Tally.ERP 9 Folder
Users can verify the correctness of the E-Returns generated from Tally.ERP 9. The Excise department has provided a XSD file using which the xml has to be validated and then uploaded to the department website.

**XSD** stands for **XML Schema Definition**. XSD specifies how to formally describe the elements in an XML document. This description can be used to verify that each item in the XML document adheres to the description of the element in which the content is to be placed.

There are various tools available on net that can be downloaded for validating an XML against the XSD file. For ex. EditiX 2010, Stylus studio, etc. EditiX 2010 is a freeware.

To compare the data structure of file generated from Tally.ERP 9 to the data structure provided by the Excise Department:

- Copy **ACES_DLR.xsd** file into Tally.ERP 9 folder
- Open the **Returns** generated form Tally.ERP 9 in any of the XML validation tools like EditiX 2010, StylusStudio etc. (tool which is used to check the correctness of the XML files)
- Click on the option **Validate**, the tool compares the structure to **ACES_DLR.xsd** file available in Tally.ERP9 folder and gives the Output as **Valid (If there are no errors)** or will displays the errors found in the document.