Tally
POWER OF SIMPLICITY

**Getting Started with
Excise for Manufacturers**

Contents

Introduction

Introduction

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

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

Scope and Applicability

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

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

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

Manufacturer

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

Excisable Goods

Excisable Goods means goods specified in the schedule to the Central Excise Tariff Act, 1985 as being subject to a duty of Excise. The Basic requirements to be satisfied are,

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

Valuation Methods

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

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

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

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

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

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

3. **Value determined on the basis of Maximum Retail Sale Price**: Retail sale price means the maximum price at which the excisable goods in packaged form may be sold to the ultimate consumer and includes all taxes local or otherwise, freight, transport charges, commission payable to dealers, and all charges towards advertisement, delivery, packing, forwarding and the like, as the case may be, and the price is the sole consideration for such sale.

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

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

Excise Registration (of Factory/Warehouse)

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

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

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

> *Form A–2*: *Application form for central excise registration of powerloom weavers / hand processors / Dealers of Yarns and Fabrics/ manufacturers of ready made Garments*
>
> *Form A–3*: *Application form for central excise registration of manufacturers of hand rolled cheroots of tobacco falling under sub-heading no. 2402.00 of central excise tariff act, 1985*

Excise Control Code (ECC) Number

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

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

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

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

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

Central Excise Invoice System

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

Removals only on invoice

- Rule 11 of the Central Excise (No.2) Rules, 2001 provides that no excisable goods shall be removed from a factory or a warehouse except under an invoice signed by the owner of the factory or his authorised agent.

Serially numbered invoice

- The invoice shall be serially numbered and shall contain the registration number, description, classification, time and date of removal, rate of duty, quantity and value, of goods and the duty payable there on. The serial number shall commence from 1st April every year [beginning of a financial year].

- The serial number can be given at the time of printing or by using franking machine. But when the invoice book is authenticated in the manner specified in sub-rule (5) of rule 11, each leaf should contain serial number. Hand written serial number shall not be accepted.

- In case of computer-generated invoice, the serial number may be allowed to be generated and printed by computer at the time of preparation of invoice ONLY IF the software is such that computer automatically generates the number and same number cannot be generated more than once. For this purpose, the Central Excise Officers may check the system/software from time to time.

Number of Invoice copies

The invoice shall be prepared in triplicate:

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

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

Time and Mode of Payment of Duty

1. Fortnightly Payment of Duty

Assesses (Large Units) who are not availing the concession of duty based on turnover, have to pay duty on **fortnightly** basis. Duty in respect of clearances made between **1st** to **15th** of a month is payable by **20th** of a month. Duty in respect of clearances made between **16th** to **end of a month** is payable by **5th** of the following month. However, in respect of clearances made in the **second fortnight of March** should be paid by **31st of March**.

2. Monthly payment of Duty

◻ Assessees who are neither Large Units nor availing concession of duty based on turnover, and

◻ Assessees availing small scale industries (SSI) concession of duty based on turnover

Have to pay duty on **monthly basis**. Duty in respect for clearances made in a month should be paid by **15th** of the following month.

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

Returns & Timelines

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

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

Salient Features of Excise in Tally.ERP 9

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

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

Excise Process in Tally.ERP 9
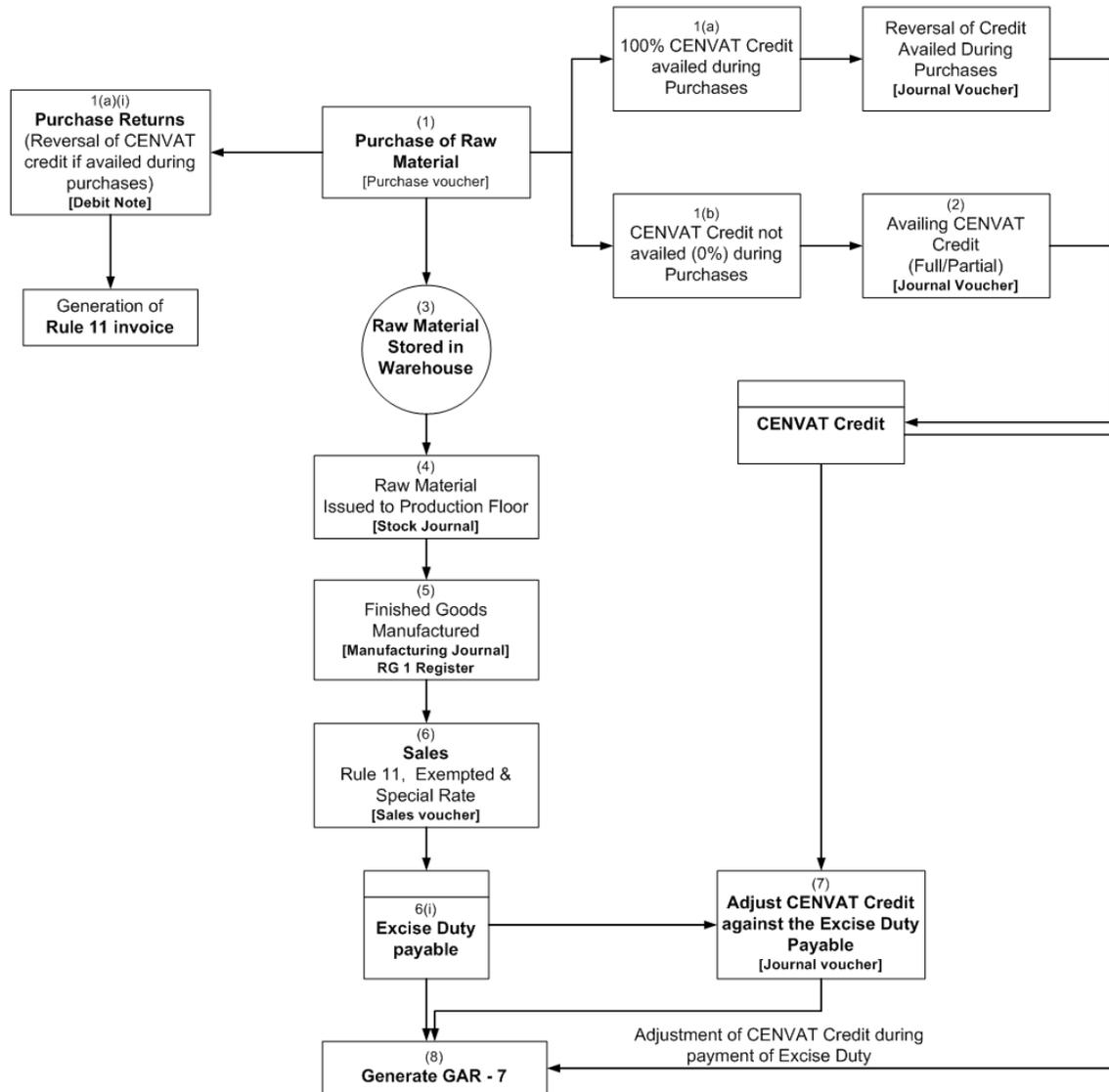
Excise Process in Tally.ERP 9

Lesson 1: Enabling Excise in Tally.ERP 9

Lesson Objectives

On completion of this lesson, you will learn to

- Create Company in Tally.ERP 9
- Enable Excise (for Manufacturers)

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, National Aqua Ltd.

1. Create Company
2. Enable Excise

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

Step 1: Create Company

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

In the **Company Creation** screen,

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

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

Company Creation		Ctrl + M

Directory : C:\Tally.ERP 9\Data
N a m e : **National Aqua Ltd.**

Mailing & Contact Details

Mailing Name : **National Aqua Ltd.**
Address : **# 81**
Rajajinagar Industrial Area
Bangalore

Company Details

Currency Symbol : ₹
Maintain : **Accounts with Inventory**
Financial Year from : **1-4-2010**
Books beginning from : **1-4-2010**

Security Control

Statutory compliance for : **India**
State : **Karnataka**
PIN Code : **560010**
Telephone No. : **55260911**
Mobile No. : **9586682231**
E-Mail :

TallyVault Password (if any) :
Repeat Password :
(WARNING: forgetting your TallyVault password will render your data unusable!!)
Use Security Control ? **No**
(Enable Security to avail Tally.NET Features)

Auto Backup Details

Enable Auto Backup : **Yes**

Base Currency Information

Base Currency Symbol : ₹
Formal Name : **INR**
Number of Decimal Places : **2**
Is Symbol SUFFIXED to Amounts ? **No**
Symbol for Decimal Portion : **paise**

Show Amounts in Millions ? **No**
Put a SPACE between Amount and Symbol ? **Yes**
Decimal Places for Printing Amounts in W

Accept ?

Yes or No

Figure 1.1 Completed Company Creation Screen

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

1.2 Enabling Excise in Tally.ERP 9

To enable **Excise Feature** for a company, Tally.ERP 9 provides you a unique feature called **Quick Setup**.

Quick Setup is a Single Window Statutory Masters Configuration Screen. This tool guides the starters to configure statutory masters required for the effective use of a particular statutory module.

To **Enable Excise** and to create Excise Establishment/ Factory

Go to **Gateway of Tally > Quick Setup > Excise for Manufacturer**

Quick Setup - Excise for Manufacturer will be displayed as shown
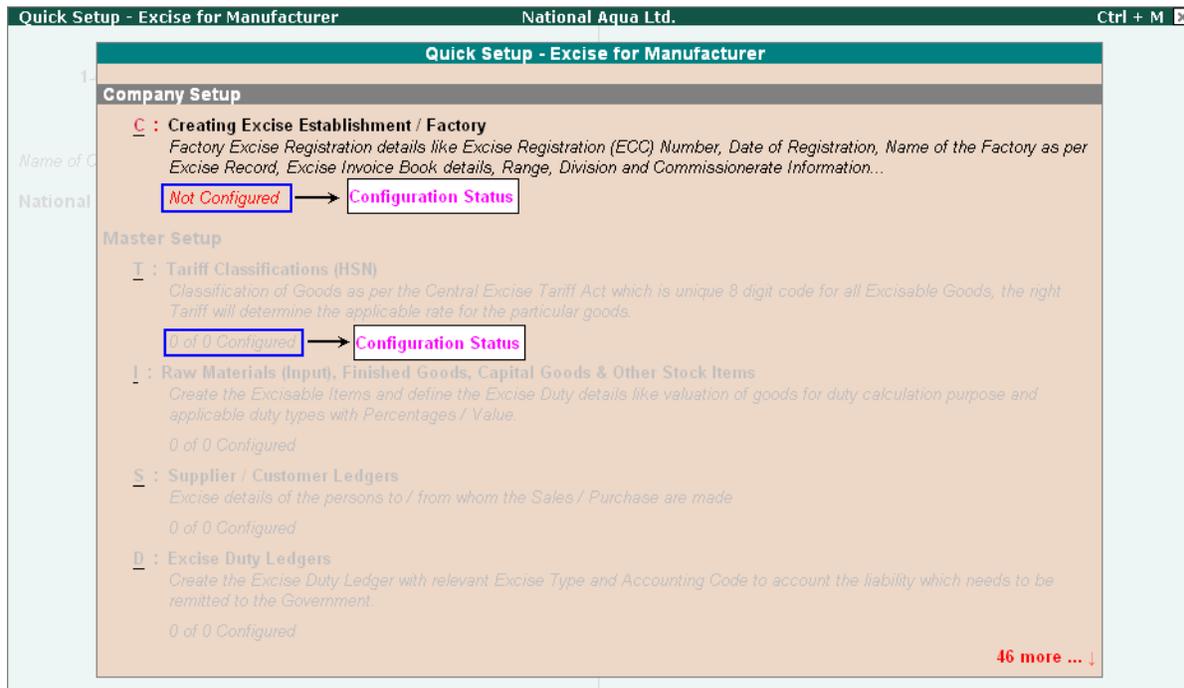
Figure 1.2 Quick Setup – Excise for Manufacturer

From this screen you can make required **basic configurations** like, **creating excise manufacturer establishment, masters, voucher types, additional voucher types** to account statutory transactions. It also allows making **advance configurations** wherever applicable.

Configuration details will be displayed below the setup options once the configuration is done other wise application will display the status as **Not Configured** for Company Setup and 0 of 0 Configured for other setups (Masters/Voucher Types setup etc.).

1. Company Setup

Company Setup guides you to create excise unit by providing relevant excise registration details.

To create excise establishment /factory press **Alt+C** or select the option <u>C</u>**: Creating Excise Establishment /Factory** and **press** Enter to view **Entering Company Excise for Manufacturer Details** sub-form.

The **Excise Establishment /Factory Setup** sub-form appears as shown

Figure 1.3 Excise Establishment /Factory Setup

1. **Registration Type**: By default Manufacturer will be displayed as the Registration Type.
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*.

❑ **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.

Notes

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

❑ **Excise Registration (ECC) No**.: It is a 15-Digit alphanumeric PAN based registration number mentioned in the Registration Certificate. The first part would be the 10-character (alphanumeric) Permanent Account Number [PAN] issued by the Income Tax Authorities to whom the registration number is allotted (includes a legal person).

The second part comprises a fixed 2-character alpha-code indicating the category of the Registrant (**XD** – For Dealers / **XM** – For Manufacturers). The third part is a 3-character numeric.

Enter **15** digits Excise Registration Number (ECC) of the Company/Unit, e.g. **AAPPL2148RXM001**

❑ **Date of Registration**: Enter the date of Excise registration, e.g. **15-6-2002**
❑ **Type of Manufacturer**: select the appropriate Manufacturer Type from the list of Types of Manufacturer, e.g. **Regular**

Figure 1.4 Selection of Type of Manufacturer

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

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

> *Notes*
>
> *Large Tax Payers are those assessees who pay large amount of Tax. They are the eligible taxpayer for the purposes of being served by the LTU. For e.g.:* **Rs.5 Crores**
>
> *Large Tax Unit is self-contained tax office under the Department of Revenue acting as a single window clearance point for all matters relating to Central Excise, Income Tax/ Corporate Tax and Service Tax. Eligible Tax Payers who opt for assessment in LTU shall be able to file their excise return, direct taxes returns and service tax return at such LTUs and for all practical purposes will be assessed to all these taxes there under. These units are being equipped with modern facilities and trained manpower to assist the tax payers in all matters relating direct and indirect tax/ duty payments, filing of documents and returns, claim of rebates/ refunds, settlement of disputes etc.*
>
> *Large Tax Unit location Code for* **Bangalore is L-10000**
>
> *More information on LTU is available on -* **http://www.cbec.gov.in/cae1-english.htm**

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

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

Serial Number Alteration (Secondary)	National Aqua Ltd.

Name : ▮
(alias) :

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

Restart Numbering			Prefix Details		Suffix Details	
Applicable From	Starting Number	Particulars	Applicable From	Particulars	Applicable From	Particulars
1-Apr-2010	1	Yearly	1-Apr-2010		1-Apr-2010	

Figure 1.5 Serial Number Alteration Screen

▪ **Name**: Enter the excise invoice book name allowed by the Commissioner of Central Excise for the company/unit, e.g. **NA/Rule11/Book1/10-11**

NA - Denotes Company Name.

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

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

10-11: Denotes the financial year.

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

> *Automatic (Manual override) method of numbering assures the Rule 11 requirement of maintaining invoices serially numbered and sequence of numbering.*

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

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

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

  Applicable From: Enter **1-4-2010** in **Applicable From** field. The date mentioned in this field indicates the date from when the prefix should be displayed along with the voucher number.

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

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

  Applicable From: Enter **1-4-2010** in **Applicable From** field. The date mentioned in this field indicates the date from when the suffix should be displayed along with the voucher number.

  Particulars: Enter the information to be suffixed to the voucher number E.g. **/10-11**

> *For complete details on **Restart Numbering, Prefix and Suffix Details** refer **Tally.ERP 9 Help**, topic **Voucher Types > Use Advance Configuration***

Serial Number Alteration (Secondary)		National Aqua Ltd.	

Name   : **NA/Rule11/Book1/10-11**
(alias)   :

Method of Numbering   ? **Automatic (Manual Override)**
  Prevent Duplicates   ? **Yes**
Starting Number   ? **101**
Width of Numerical Part   : **0**
Prefill with ZERO   ? **No**

Restart Numbering			Prefix Details		Suffix Details	
Applicable From	Starting Number	Particulars	Applicable From	Particulars	Applicable From	Particulars
1-Apr-2010	101	Yearly	1-Apr-2010	NA/	1-Apr-2010	/10-11

Accept ?

Yes or No

Figure 1.6 completed Serial Number Alteration Screen

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

To create more serial numbers, user can follow the above said procedure by selecting the option **New Number** or he can create serial numbers from the option **Additional Excise Bill Book** provided under **Advanced Setup** or he can create additional Excise Bill book from **Gateway of Tally > Accounts Info. > Serial Number**

4. **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 **Rajajinagar**

      ■ **Address**: Enter the **Range Address**

   ❑ **Division**: Enter the code Name and Address of the division under which your company is registered.

      ■ Code: Enter Division Code as **02**

      ■ Name: Enter Division Name as **Division II**

      ■ Address: Enter the **Division Address**

   ❑ **Commissionerate**: Enter the code Name and Address of the Commissionerate under which your company is registered.

- Code: Enter Commissionerate Code as **09**
- Name: Enter Commissionerate Name as **Bangalore I**
- Address: Enter the **Commissionerate Address**

Figure 1.7 Completed Excise Establishment/ Factory Setup screen

5. Press **Enter** to accept and save Excise Establishment/ Factory Setup screen.

1.2.1 Enabling VAT

To **Enable VAT** for a Excise Establishment/ Factory

Go to **Gateway of Tally > Quick Setup > Value Added Tax** and press enter to view **Quick Setup - Value Added Tax**.

1. Company Setup

Company Setup guides you to enter company VAT details.

To enter VAT details press **Alt+C** or select the option **C: Entering Company VAT Details** and **press** Enter to view **Company VAT Details Setup** sub-form.

In **Company VAT Details Setup** screen, enter the details as shown below
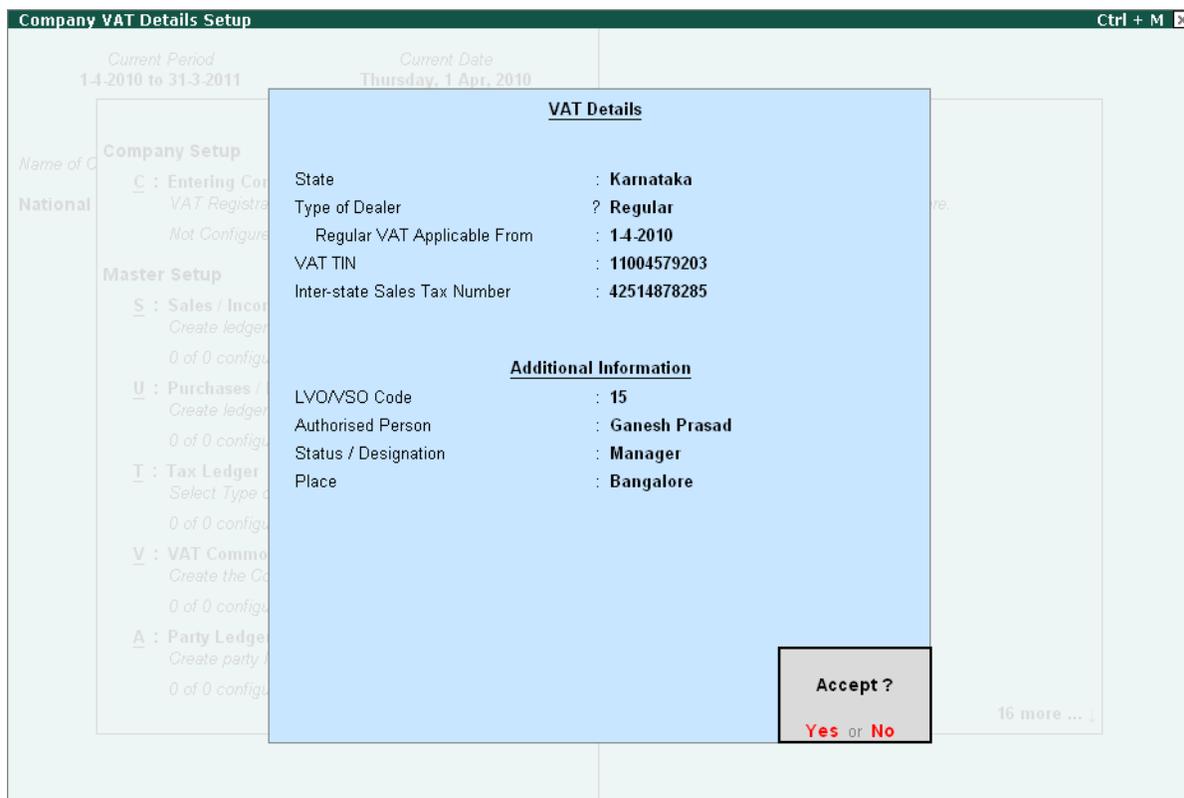

Figure 1.8 Company VAT Details Setup screen

12.Press **Enter** to accept and save Company VAT Details Setup screen.

Lesson 2: Creating Excise Masters

Lesson Objectives

On completion of this lesson, you will learn to create

- Tariff Classifications
- Raw Materials (Inputs)/Finished Goods
- Supplier/Customer Ledger
- Excise Duty Ledgers
- CENVAT Ledgers
- Excise Purchase/Sales Voucher Types
- CENVAT Availing Voucher
- CENVAT Adjustment Voucher
- Manufacturing Journal

To record basic Excise transactions in Tally.ERP 9 you require masters such as

- Tariff Classifications
- Raw Materials (Inputs)/Finished Goods
- Supplier/Customer Ledger
- Excise Duty Ledgers
- CENVAT Ledgers
- Excise Purchase/Sales Voucher Types
- CENVAT Availing Voucher
- CENVAT Adjustment Voucher
- Manufacturing Journal

All the excise masters can be configured from **Quick Setup -Excise for Manufacturer** screen.

> *Refer **Tally.ERP 9 Reference Manual (Local Help)**, for more details on other Setups like-*
>
> *i.* ***Additional Charges /Discount Ledgers***
>
> *ii.* ***Voucher Type Setup*** *- Purchase Returns*
>
> *iii.* ***Additional Voucher Types Setup*** *- Sales Order/Purchase Order/Delivery Note/Receipt Note*
>
> *iv.* ***Advanced Setup***
>
> ❑ *Creating Additional Excise Establishment /Factory*
>
> ❑ *Updating Excise Duty for Multiple Stock Items*
>
> ❑ *Additional Excise bill Book*

2.1 Master Setup

Master Setup guides you to create masters like **Tariff Classification, Stock Item and Supplier/ Customer ledgers, Excise Duty Ledgers, CENVAT Ledgers** and A**dditional charges or discount Ledgers** by enabling relevant excise options in the masters

2.1.1 Tariff Classifications

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

To create Tariff Classification

Go to **Gateway of Tally > Quick Setup > Excise for Manufacturer > Master Setup > T̲: Tariff Classifications (HSN)**

Press **Alt+T** or select the option **T̲: Tariff Classifications (HSN)** and press **Enter** to view **Tariff Classifications (HSN) Setup** screen.

In **Tariff Classifications (HSN) Setup** screen

1. Enter the name of the Tariff Classification e.g.**Water** in the **Name of Tariff** field.
2. In **Used For** field select **Excise** from **Tax Type** list.

> *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.*
>
> ***Both** will prompt the user to provide details of **Commodity Code, Schedule Number** and **Schedule Serial Number**.*

3. Enter the Tariff Classification Code e.g. **22011010** in **HSN Code** field

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

4. Enter the name of the Tariff Classification e.g. **Plastic Bottles** in the **Name of Tariff** field.
5. In **Used For** field select **Excise** from **Tax Type** list.
6. Enter the Tariff Classification Code e.g. **39233010** in **HSN Code** field
7. Enter the name of the Tariff Classification e.g. **Pet Bottle Caps** in the **Name of Tariff** field.
8. In **Used For** field select **Excise** from **Tax Type** list.
9. Enter the Tariff Classification Code e.g. **39235010** in **HSN Code** field

Completed **Tariff Classifications (HSN) Setup** screen is displayed as shown

S.No.	Name of Tariff	Used For	HSN Code	Commodity Code	Schedule Number	Schedule Serial Number
1.	Water	Excise	22011010			
2.	Plastic Bottles	Excise	39233010			
3.	Pet Bottle Caps	Excise	39235010			

Figure 2.1   Completed Tariff Classifications (HSN) Setup screen

> ❐ *It is required to create **separate Tariff classification** for **different stock items** (falling under different chapters/heading/subheading/sub-sub heading)*
>
> ❐ *You can also create Tariff Classification from **Gateway of Tally > Inventory Info. > Tariff/VAT Commodity***

10. Press **Enter** to save.

2.1.2 Stock Items

1. Raw Materials (Inputs) - Natural Water

To create **Raw Materials (Inputs)**

Go to **Gateway of Tally > Quick Setup > Excise for Manufacturer > Master Setup > I: Raw Materials (Inputs), Finished Goods, Capital Goods & Other Stock Items**

Press **Alt+I** or select **I: Raw Materials (Inputs), Finished Goods, Capital Goods & Other Stock Items** and press **Enter** to view **Stock Items Setup** screen

In **Stock Items Setup** screen

1. Enter the name of the Stock Item e.g. **Natural Water** in **Name of Item** field.
2. Select the Group Name e.g. **Primary** in the Under field.
3. In **Tariff Classification** field select the applicable tariff classification e.g. **Water** from the List of Tariff Classifications

Figure 2.2 Stock Item Setup screen

4. Select the **unit of measurement** e.g. **L (Liters)** of the stock item in the Units field (Use **Alt + C** to create **Unit of Measurement**)
5. In **Opening Stock** field specify opening stock of the stock item, if any.

6. In **Rate** field specify the rate of the opening stock, if any. **Amount** will be calculated and displayed automatically.

7. Enable the option **Set/Alter Excise Details** to **Yes** to view Excise Details screen.

8. In **Excise Details** Screen

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

> *Notes*
>
> *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***

  ❑ **Reporting UOM**: Select **L** as **Reporting UOM**. All the reports will display the Stock item details based on the reporting UOM selected. (Use **Alt + C** to create Unit of Measurement)

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

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

Figure 2.3 Excise Duty Details screen

9. In **Duty Details** screen

- In **Valuation Type** field select **Ad Valorem** from **List of Valuation Type**.

- Select **Basic Excise Duty** in the T**ype of Duty** filed from the **List of Excise Duty Classifications**

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

- Specify the **Rate of Duty** as **10%**

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

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

- Specify the **Rate of Duty** as **2%**

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

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

- Specify the **Rate of Duty** as **1%**

Figure 2.4 Duty Details screen

10.Press **Enter** to save **Excise Duty Details** screen.

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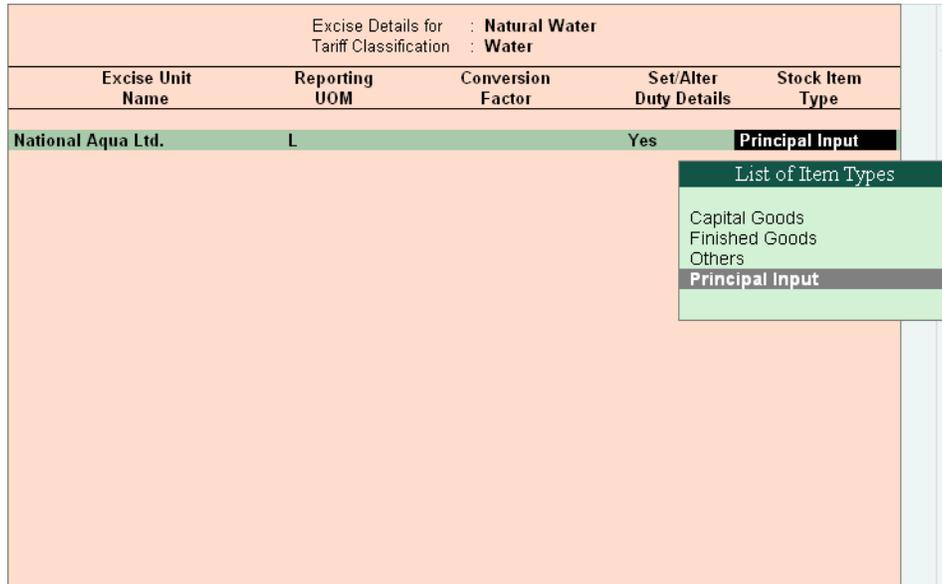

Figure 2.5 Selection of Stock item Type

12. Press **Enter** to save **Excise Details** screen.

Raw Materials (Inputs) - Pet Bottles – 1Ltr

In **Stock Items Setup** screen

1. Enter the name of the Stock Item e.g. **Pet Bottles – 1Ltr** in **Name of Item** field.
2. Select the Group Name e.g. **Primary** in the Under field.
3. In **Tariff Classification** field select the applicable tariff classification e.g. **Plastic Bottles** from the **List of Tariff Classifications**
4. Select the **unit of measurement** e.g. **U (Numbers)** of the stock item in the **Units** field (Use **Alt + C** to create **Unit of Measurement**)
5. In **Opening Stock** field specify opening stock of the stock item, if any.
6. In **Rate** field specify the rate of the opening stock, if any. **Amount** will be calculated and displayed automatically.
7. Enable the option **Set/Alter Excise Details** to **Yes** to view Excise Details screen.
8. In **Excise Details** Screen
   - **Excise Unit Name**: By default Tally.ERP 9 displays **National Aqua Ltd.** as Excise Unit Name.

□ **Reporting UOM**: Select **Kg** as **Reporting UOM**. All the reports will display the Stock item details based on the reporting UOM selected. (Use **Alt + C** to create Unit of Measurement)

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

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

> *Tally.ERP 9 prompts the user to select the **Conversion Factor** only when the unit of Measurement selected in **Units** field and **Reporting UOM** is different.*

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

Excise Unit Name	Reporting UOM	Conversion Factor	Set/Alter Duty Details	Stock Item Type
Excise Details for	: Pet Bottles – 1Ltr			
Tariff Classification	: Plastic Bottles			
National Aqua Ltd.	Kg	1 Kg = 100 U	Yes	Others

Figure 2.6 Excise Duty Details screen

9. In **Duty Details** screen
    □ In **Valuation Type** field select **Ad Valorem** from **List of Valuation Type**.
    □ Select **Basic Excise Duty** in the T**ype of Duty** filed from the **List of Excise Duty Classifications**
    □ In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
    □ Specify the **Rate of Duty** as **10%**

- Select the **Education Cess** as the second duty in the **Type of Duty** filed from the List of Excise Duty classifications
- In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
- Specify the **Rate of Duty** as **2%**
- Select the **Secondary Education Cess** as the third duty in the **Type of Duty** filed from the List of Excise Duty classifications.
- In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
- Specify the **Rate of Duty** as **1%**

10. Press **Enter** to save **Excise Duty Details** screen.
11. In **Excise Details** screen, under **Stock Item Type** field select as **Principal Input** from the **List of Item Types**.
12. Press **Enter** to save **Excise Details** screen.

2. Raw Materials (Inputs) - Bottle Caps

In **Stock Items Setup** screen

1. Enter the name of the Stock Item e.g. **Bottle Caps** in **Name of Item** field.
2. Select the Group Name e.g. **Primary** in the Under field.
3. In **Tariff Classification** field select the applicable tariff classification e.g. **Pet Bottle Caps** from the **List of Tariff Classifications**
4. Select the **unit of measurement** e.g. **U (Numbers)** of the stock item in the **Units** field (Use **Alt + C** to create **Unit of Measurement**)
5. In **Opening Stock** field specify opening stock of the stock item, if any.
6. In **Rate** field specify the rate of the opening stock, if any. **Amount** will be calculated and displayed automatically.
7. Enable the option **Set/Alter Excise Details** to **Yes** to view Excise Details screen.
8. In **Excise Details** Screen
   - **Excise Unit Name**: By default Tally.ERP 9 displays **National Aqua Ltd.** as Excise Unit Name.
   - **Reporting UOM**: Select **Kg** as **Reporting UOM**. All the reports will display the Stock item details based on the reporting UOM selected. (Use **Alt + C** to create Unit of Measurement)

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

   - In **Conversion Factor** field Set as **1 Kg = 500 U**

> **Notes** *Tally.ERP 9 prompts the user to select the **Conversion Factor** only when the unit of Measurement selected in **Units** field and **Reporting UOM** is different.*

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

9. In **Duty Details** screen
    - In **Valuation Type** field select **Ad Valorem** from **List of Valuation Type**.
    - Select **Basic Excise Duty** in the T**ype of Duty** filed from the **List of Excise Duty Classifications**
    - In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
    - Specify the **Rate of Duty** as **10%**
    - Select the **Education Cess** as the second duty in the **Type of Duty** filed from the List of Excise Duty classifications
    - In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
    - Specify the **Rate of Duty** as **2%**
    - Select the **Secondary Education Cess** as the third duty in the **Type of Duty** filed from the List of Excise Duty classifications.
    - In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
    - Specify the **Rate of Duty** as **1%**

10. Press **Enter** to save **Excise Duty Details** screen.
11. In **Excise Details** screen, under **Stock Item Type** field select as **Principal Input** from the **List of Item Types**.
12. Press **Enter** to save **Excise Details** screen.

3. Finished Goods - AquaPure – 1 Ltr

1. Enter the name of the Stock Item e.g. **AquaPure – 1 Ltr** in **Name of Item** field.
2. Select the Group Name e.g. **Primary** in the Under field.
3. In **Tariff Classification** field select the applicable tariff classification e.g. **Water** from the **List of Tariff Classifications**
4. Select the **unit of measurement** e.g. **L (Liters)** of the stock item in the **Units** field (Use **Alt + C** to create **Unit of Measurement**)
5. In **Opening Stock** field specify opening stock of the stock item, if any.
6. In **Rate** field specify the rate of the opening stock, if any. **Amount** will be calculated and displayed automatically.
7. Enable the option **Set/Alter Excise Details** to **Yes** to view Excise Details screen.
8. In **Excise Details** Screen
   - **Excise Unit Name**: By default Tally.ERP 9 displays **National Aqua Ltd.** as Excise Unit Name.
   - **Reporting UOM**: Select **L** as **Reporting UOM**. All the reports will display the Stock item details based on the reporting UOM selected.
   - **Set/Alter Duty Details**: Set this field to **Yes** to view the Duty Details screen
   - In **Duty Details** screen
     - In **Valuation Type** field select **MRP Based** from the List of Valuation Type. Press enter to view Excise MRP Rate Details screen
     - In **Excise MRP Rate Details s**creen
       - **Applicable From**: In this filed enter the date from when the specified MRP and Abatement are applicable
       - **MRP Rate**: In this column enter the Maximum Retails Price applicable for the stock item
       - **Abatement**: In this column specify the Abatement allowed for the stock item

Figure 2.7 Excise MRP Rate Details screen

*Observe, you can specify period wise **MRP Rate** and **Abatement** allowed. In this case ABC Company had the MRP Rate of 30 applicable form 1-4-2010 and the current MRP rate applicable is Rs.35 with abatement of 48%.*

❑ Press **enter** to accept **Excise MRP Rate Details** screen and return to Duty Details screen
❑ In **Excise Duty Details** screen
  ▪ **Applicable From**, **MRP** and **Abatement %** details will be defaulted based on the details specified in the Excise MRP Rate Details screen. Application will display the latest applicable From Date, MRP Rate and Abatement
  ▪ Select **Basic Excise Duty** in the T**ype of Duty** filed from the **List of Excise Duty Classifications**
  ▪ In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
  ▪ Specify the **Rate of Duty** as **10%**
  ▪ Select the **Education Cess** as the second duty in the **Type of Duty** filed from the List of Excise Duty classifications
  ▪ In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
  ▪ Specify the **Rate of Duty** as **2%**
  ▪ Select the **Secondary Education Cess** as the third duty in the **Type of Duty** filed from the List of Excise Duty classifications.
  ▪ In **Applicable From** field mention the **Date** from when the specified **Rate of Duty** is applicable
  ▪ Specify the **Rate of Duty** as **1%**

Figure 2.8 Duty Details Screen

9. Press **Enter** to save **Excise Duty Details** screen.

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

Figure 2.9 Selection of Stock Item Type

11. Press **Enter** to save **Excise Details** screen.

Completed **Stock Items Setup** screen is displayed as shown

Figure 2.10 Completed Stock Items Setup screen

12.Press **enter** to save **Stock items Setup** screen

2.1.3 Supplier / Customer Ledger

Supplier Ledger – Swastik Water Suppliers

To create Supplier Ledger

Go to **Gateway of Tally > Quick Setup > Excise for Manufacturer > Master Setup > <u>S</u>: Supplier /Customer Ledgers**

Press **Alt+S** or select **<u>S</u>: Supplier /Customer Ledgers** and press **Enter** to view **Party Ledgers Setup** screen

In **Party Ledgers Setup** screen

1. In **Name of Ledger** field enter the name of the supplier e.g **Swastik Water Suppliers**.
2. Select **Sundry Creditors** as the group name in **Under** field.
3. Enable **Set/Alter Excise Details** to **Yes** to view Excise Details screen.
4. In **Excise Details** screen,
   - Under **Mailing Details** enter party address
   - Under **Excise Details** enter party excise registration details
     - Enter the **Excise Registration Number** of the supplier. E.g. **ASEDF4567DXM001**
     - Enter the Date of Excise Registration in **Date of Registration** field. E.g. **15-May-2001**
     - Enter the **Range** under which the supplier's company is registered. E.g. **J.P.Nagar**
     - Enter the **Division** under which the supplier's company is registered. E.g. **Division III**
     - Enter the **Commissionerate** under which the premise of the supplier's company is registered.E.g. **Bangalore I**
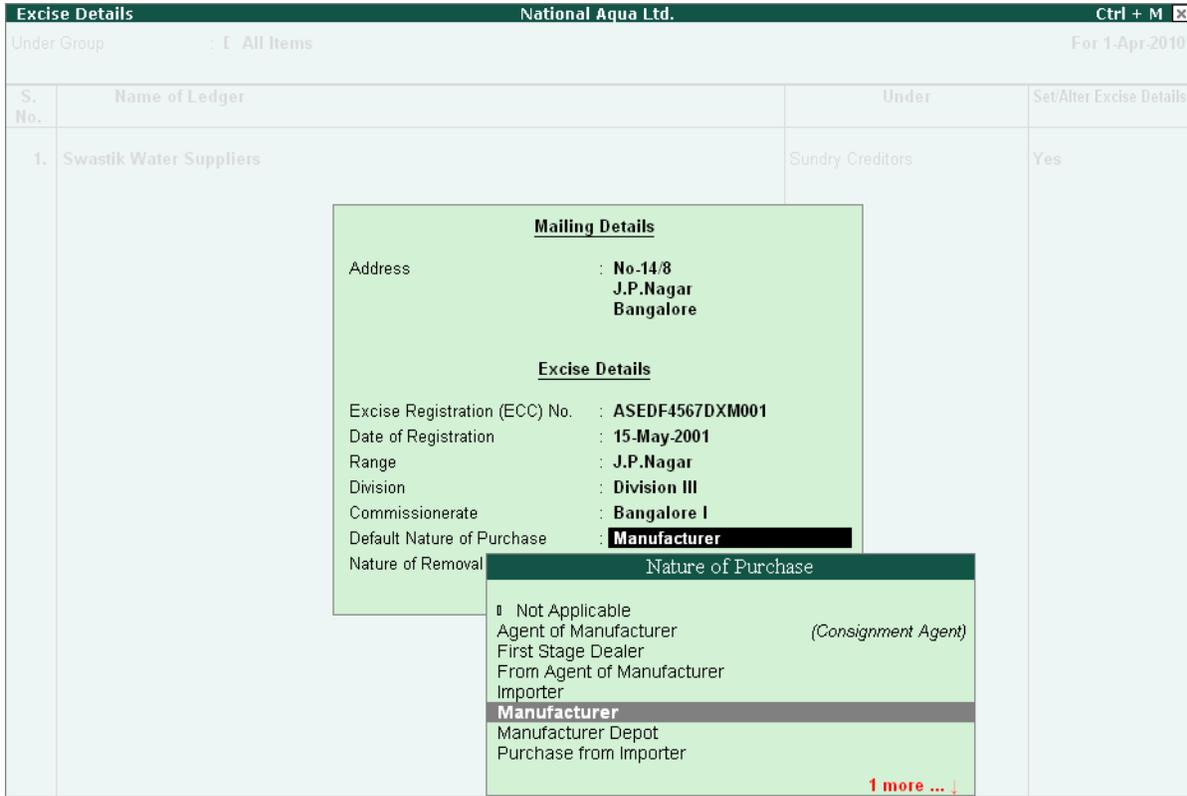   - In **Default Nature of Purchase** field select **Manufacturer** from the Nature of Purchase list.

Figure 2.11 Excise Details screen

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

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

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

5. Press **Enter** to save the **Excise Details** screen.

Supplier Ledger – Lamcy Manufacturers

In **Party Ledgers Setup** screen

1. In **Name of Ledger** field enter the name of the supplier e.g **Lamcy Manufacturers**.
2. Select **Sundry Creditors** as the group name in **Under** field.
3. Enable **Set/Alter Excise Details** to **Yes** to view Excise Details screen.
4. In **Excise Details** screen,
   - Under **Mailing Details** enter party address
   - Under **Excise Details** enter party excise registration details
     - Enter the **Excise Registration Number** of the supplier. E.g. **ADESR4033FXM001**
     - Enter the Date of Excise Registration in **Date of Registration** field. E.g. **1-Apr-2003**
     - Enter the **Range** under which the supplier's company is registered. E.g. **Peenya**
     - 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 **Manufacturer** from the Nature of Purchase list.

Figure 2.12 Excise Details screen

   - Press **Enter** to save the **Excise Details** screen.

Customer Ledger – Universal Distributors

In **Party Ledgers Setup** screen

1. In **Name of Ledger** field enter the name of the supplier e.g **Universal Distributors**
2. Select **Sundry Debtors** as the group name in **Under** field.
3. Enable **Set/Alter Excise Details** to **Yes** to view Excise Details screen.
4. In **Excise Details** screen,
   - Under **Mailing Details** enter party address
   - Under **Excise Details** enter party excise registration details
     - Enter the **Excise Registration Number** of the supplier. E.g. **ASFDE6581SXD001**
     - Enter the Date of Excise Registration in **Date of Registration** field. E.g. **25-Jun-2001**
     - Enter the **Range** under which the supplier's company is registered. E.g. **Yeshwanth-pur**
     - Enter the **Division** under which the supplier's company is registered. E.g. **Yeshwan-thpur I**
     - 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 **First Stage Dealer** from the **Nature of Purchase list**.

Figure 2.13 Excise Details screen

   - Press **Enter** to save the **Excise Details** screen.

Completed **Party Ledgers Setup** screen is displayed as shown

Figure 2.14 Completed Party Ledgers Setup screen

5. Press **enter** to save Party Ledgers Setup screen.

2.1.4 Excise Duty Ledgers

Excise Duty Ledgers are created to account the duty liability on the goods removed or to account duty paid while purchasing the goods and the CENVAT Credit is not availed during purchase of Inputs.

Basic Excise Duty

To create **Basic Excise Duty**

Go to **Gateway of Tally > Quick Setup > Excise for Manufacturer > Master Setup > D: Excise Duty Ledgers**

Press **Alt+D** or select **D: Excise Duty Ledgers** and press **Enter** to view **Excise Duty Ledgers Setup** screen

In **Excise Duty Ledgers Setup** screen

1. Enter the **Name** of the excise duty ledger you wish to create, for e.g., **Basic Excise Duty @ 10%** in **Name of Ledger** field
2. Select **Duties & Taxes** as the group name in the **Under** field.
3. In **Excise Duty Type** field select **Basic Excise Duty** from the **List of Excise Duty Ledger**
4. In **Duty Head** field based on the duty type selected in **Excise Duty Types** field duty head will be displayed automatically. e.g. **Basic Excise Duty**.
5. In **Excise Accounting Code** field enter the accounting code of Basic Excise Duty- **00380003**.

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

6. In **Rate of Duty** field mention the applicable rate of duty - **10%**

Education Cess Ledger

1. Enter the Name of the education cess ledger you wish to create, for e.g. **Education Cess @ 2%** in **Name of Ledger** field.
2. Select **Duties & Taxes** as the group name in the **Under** field.
3. In **Excise Duty Type** field select **Education Cess** from the **List of Excise Duty Ledger**
4. In **Duty Head** field based on the duty type selected in **Excise Duty Types** field duty head will be displayed automatically. e.g. **Education Cess**.
5. In **Excise Accounting Code** field enter the accounting code of Basic Excise Duty- **00380111**.
6. In **Rate of Duty** field mention the applicable rate of duty - **2%**

Secondary Education Cess Ledger

1. Enter the Name of the excise duty ledger you wish to create, for e.g., **Secondary Education Cess @ 1%** in **Name of Ledger** field.
2. Select **Duties & Taxes** as the group name in the **Under** field.
3. In **Excise Duty Type** field select **Secondary & Higher Education Cess** from the **List of Excise Duty Ledger**
4. In **Duty Head** field based on the duty type selected in **Excise Duty Types** field duty head will be displayed automatically. e.g. **Secondary Education Cess**.

In **Excise Accounting Code** field enter the accounting code of Basic Excise Duty- **00380115**.

5. In **Rate of Duty** field mention the applicable rate of duty - **1%**

Completed **Excise Duty Ledgers Setup** screen is displayed as shown

Excise Duty Ledgers Setup		National Aqua Ltd.			Ctrl + M ⊠
Under Group : [All Items					For 1-Apr-2010
S. No.	Name of Ledger	Under	Excise Duty Type	Duty Head	Excise Accounting Code	Rate of Duty
1.	Basic Excise Duty @ 10%	Duties & Taxes	Basic Excise Duty	Basic Excise Duty	00380003	10 %
2.	Education Cess @ 2%	Duties & Taxes	Education Cess	Education Cess	00380111	2 %
3.	Secondary Education Cess @ 1%	Duties & Taxes	Secondary & Higher Education Cess	Secondary Education Cess	00380003	1 %

Accept ?

Yes or No

Figure 2.15   Completed Excise Duty Ledgers Setup Screen

6. Press **enter** to save **Excise Duty Ledgers Setup** screen

2.1.5 CENVAT Ledgers

CENVAT Ledgers are created to avail and account the CENVAT Credit on the Raw Materials (Inputs) purchased.

Basic Excise Duty (CENVAT)

To create **Basic Excise Duty (CENVAT)**

Go to **Gateway of Tally > Quick Setup > Excise for Manufacturer > Master Setup > N: CENVAT Ledgers**

Press **Alt+N** or select **N: CENVAT Ledgers** and press **Enter** to view **CENVAT Ledgers Setup** screen

In **CENVAT Ledgers Setup** screen

1. Enter the **Name** of the excise duty ledger you wish to create, for e.g., **Basic Excise Duty (CENVAT)** in **Name of Ledger** field
2. Select **Current Assets** as the group name in **Under** field.

> *Tally.ERP 9 allows the user to create CENVAT Ledgers under Current Assets or Duties & Taxes. If the user*
>
> ☐ *Wants Net Group balance to be displayed then create CENVAT Ledger under Duties and Taxes*
>
> **Example**: *Tax Liability (Rs. 10000) – credit (Rs. 3000) = Net (Group) Duty Liability (Rs. 7000)*
>
> ☐ *To display separate balance of Tax Liability and Credit, create CENVAT Ledger under Current Assets*
>
> *Example: Tax Liability = Rs. 10000*
>
> *Credit Account = Rs. 3000*

3. In **Excise Duty Type** field select **CENVAT Basic Excise Duty** from the **List of Excise Duty Ledger**
4. In **Duty Head** field based on the duty type selected in **Excise Duty Types** field duty head will be displayed automatically. e.g. **Basic Excise Duty**.
5. Skip the **Excise Accounting Code** field. As the CENVAT Ledgers are not used to account duty payable it is not must to provide Excise Accounting Code. If required enter the accounting code.
6. In **Rate of Duty** field enter the duty rate as **10%**.

Education Cess (CENVAT)

1. Enter the **Name** of the excise duty ledger you wish to create, for e.g., **Education Cess (CEN-VAT)** in **Name of Ledger** field.
2. Select **Current Assets** as the group name in **Under** field.
3. In **Excise Duty Type** field select **CENVAT Education Cess** from the **List of Excise Duty Ledger**
4. In **Duty Head** field based on the duty type selected in **Excise Duty Types** field duty head will be displayed automatically. e.g. **Education Cess**.
5. Skip the **Excise Accounting Code** field. As the CENVAT Ledgers are not used to account duty payable it is not must to provide Excise Accounting Code. If required enter the accounting code.
6. In **Rate of Duty** field enter the duty rate as **2%**.

Secondary Education Cess (CENVAT)

1. Enter the **Name** of the excise duty ledger you wish to create, for e.g., **Secondary Education Cess (CENVAT)** in **Name of Ledger** field.
2. Select **Current Assets** as the group name in **Under** field.
3. In **Excise Duty Type** field select **CENVAT Secondary & Higher Education Cess** from the **List of Excise Duty Ledger**
4. In **Duty Head** field based on the duty type selected in **Excise Duty Types** field duty head will be displayed automatically. e.g. **Secondary Education Cess**.
5. Skip the **Excise Accounting Code** field. As the CENVAT Ledgers are not used to account duty payable it is not must to provide Excise Accounting Code. If required enter the accounting code.
6. In **Rate of Duty** field enter the duty rate as **1%**.

Completed **CENVAT Ledgers Setup** screen is displayed as shown

Figure 2.16   Completed CENVAT Ledgers Setup screen

7. Press **Enter** to save **CENVAT Ledgers Setup** screen.

2.2 Voucher Types Setup

In Tally.ERP 9, all the Excise transactions needs to be recorded in Excise Voucher Types. You can create or alter the existing default voucher types to meet the requirement.

Voucher Types Setup guides you to create excise voucher types required to record excise transactions

2.2.1 Excise Purchase

To create excise purchase voucher type

Go to **Gateway of Tally > Quick Setup > Excise for Manufacturer > Voucher Types Setup > F9: Excise Purchase**

Press **F9** or select **F9: Excise Purchase** and press enter to view **Excise Purchase Voucher Type Setup** screen

Notes

Here we are creating new voucher type by retaining the default voucher type available in Tally.ERP 9

In **Excise Purchase Voucher Type Setup** screen

1. Enter the name of the voucher type in **Name of Voucher Type** Field e.g. **Excise - Purchases**
2. In **Type of Voucher** field application defaults the voucher type as **Purchase**
3. Select the appropriate **Method of Voucher Numbering** e.g. **Automatic**
4. Set **Use for Excise** to **Yes** to enter Excise Purchase to capture Assessable Value and Excise Duty breakup.

Notes

❑ *The **Use for Excise** option will appear in Purchase/Debit Note and Sales/Credit Note only and if the **Excise Feature** is enabled*

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

5. In **Default Excise Unit** field select **National Aqua Ltd.** from the **List of Excise Units**
6. Skip **Name of Class** field.

Completed **Excise Purchase Voucher Type Setup** screen is displayed as shown

Excise Purchase Voucher Type Setup		National Aqua Ltd.				Ctrl + M ☒
Type of Voucher : Purchase						For 1-Apr-2010
S.No.	Name of Voucher Type	Type of Voucher	Method of Voucher Numbering	Use for Excise	Default Exicse Unit	Name of Class
1.	Purchase	Purchase	Automatic	No		
2.	Excise - Purchases	Purchase	Automatic	Yes	National Aqua Ltd.	

Accept ?

Yes or No

Figure 2.17   Completed Excise Purchase Voucher Type Setup screen

7. Press **enter** to save **Excise Purchase Voucher Type Setup** screen.

2.2.2 Rule 11 Invoice (Excise Sales Invoice)

To create excise sales voucher type

Go to **Gateway of Tally > Quick Setup > Excise for Manufacturer > Voucher Types Setup > F8: Rule 11 Invoice (Excise Sales Invoice)**

Press **F8** or select **F8: Rule 11 Invoice (Excise Sales Invoice)** and press enter to view **Rule 11 Invoice (Excise Sales Invoice) Voucher Type Setup** screen

Here we are creating new voucher type by retaining the default voucher type available in Tally.ERP 9

In **Rule 11 Invoice (Excise Sales Invoice) Voucher Type Setup** screen

1. Enter the name of the voucher type in **Name of Voucher Type** Field e.g. **Excise - Sales**
2. In **Type of Vouche**r field application defaults the voucher type as **Sales**
3. Select the appropriate **Method of Voucher Numbering** e.g. **Automatic**
4. Set **Use for Excise** to **Yes** to enter Excise Purchase to capture Assessable Value and Excise Duty breakup.
5. In **Default Excise Unit** field select **National Aqua Ltd.** from the **List of Excise Units**
6. Skip **Name of Class** field.

Completed **Rule 11 Invoice (Excise Sales Invoice) Voucher Types Setup** screen is displayed as shown

S.No.	Name of Voucher Type	Type of Voucher	Method of Voucher Numbering	Use for Excise	Default Exicse Unit	Name of Class
1.	Sales	Sales	Automatic	No		
2.	Excise - Sales	Sales	Automatic	Yes	National Aqua Ltd.	

Figure 2.18 Completed Rule 11 Invoice (Excise Sales Invoice) Voucher Type Setup screen

7. Press **Enter** to save **Rule 11 Invoice (Excise Sales Invoice) Voucher Type Setup** screen

2.2.3 CENVAT Credit Availing

In cases where you are not availing CENVAT credit on Inputs purchased while accounting purchases, same can be availed later. In Tally. ERP 9 CENVAT Availing entry can be recorded through a Debit Note (with Voucher Class).

To avail CENVAT credit you can alter Default Debit Note by creating CENVAT Availing Voucher Class or can create separate voucher type with Class under Debit note. It is suggested to alter the default Debit note by defining the CENVAT Availing Voucher Class.

To create voucher class in **Debit Note** to account CENVAT Credit Availing press **Alt+A** or select **A: CENVAT Credit Availing** to view **CENVAT Credit Availing Voucher Type Setup** screen

In **CENVAT Credit Availing Voucher Type Setup** screen, Tally.ERP 9 displays default Debit Note voucher along with the Excise Debit Note voucher if any.

1. Select **Debit Note** Voucher Type. Retain the default settings in **Name of Voucher Type**, **Method of Voucher Numbering**
2. Set the option **Use for Excise** to **NO**
3. In **Name of Class** field mention the class name as - **CENVAT Availing**

Figure 2.19 Debit Note- Name of Class

4. Press enter from **Name of Class** field to view **Voucher Type Class** screen
5. In **Voucher Type Class** screen
   - set the option **Use Class for Excise /CENVAT Adjustments** to **Yes**

Figure 2.20 Voucher Type Class screen

6. Press **Enter** to save **Voucher Type Class** screen.

Completed **CENVAT Credit Availing Voucher Type Setup** screen is displayed as shown

Figure 2.21 Completed CENVAT Credit Availing Voucher Type Setup screen

7. Press **enter** to save **CENVAT Credit Availing Voucher Type Setup** screen

2.2.4 Adjustment of CENVAT Credit / Advanced Adjustment

Under Central Excise Act Excise duty is payable monthly or quarterly depending on the Type of manufacturer. If you're a Regular Manufacturer, Excise Duty is payable Monthly and if you are SSI Excise Duty is payable Monthly. Hence the CENVAT Credit Adjustment entry is recorded at the end of Every month or Quarter depending on the type of Manufacturer.

For the payment of Excise Duty, **CENVAT Credit** available to a Unit will be adjusted towards the **Duty Payable** to arrive at the **Net Duty Payable** to the Government.

In Tally.ERP 9 CENVAT adjustment entry is recorded in **Journal Voucher** with a **CENVAT Adjustment Voucher Class** by **Crediting** - CENVAT Ledgers and **Debiting** - **Excise Duty Ledgers** to nullify their balances and the net balance in the Excise Duty ledgers will be paid to the Government.

> *Notes*
>
> *This Voucher Type can also be used to adjust the **Advance Excise duty** paid to the **Government** towards **Excise Duty payable** for the current month.*

To create **CENVAT Adjustment Class** in **Journal Voucher** press **F7** Key or select **F7: Adjustment of CENVAT Credit / Advanced Adjustment** and press enter to view **CENVAT Credit / Advanced Adjustment Voucher Type Setup** screen.

In **CENVAT Credit /Advanced Adjustment Voucher Type Setup** screen Tally.ERP 9 displays default Journal voucher.

1. Select **Journal** Voucher Type. Retain the default settings in **Name of Voucher Type**, **Method of Voucher Numbering**
2. In **Name of Class** field mention the class name as - **CENVAT Credit Adjustment**

S.No.	Name of Voucher Type	Type of Voucher	Method of Voucher Numbering	Name of Class
1.	Journal	Journal	Automatic	
2.				**CENVAT Credit Adjustment**

Figure 2.22 Journal Voucher - Name of Class

3. Press enter from **Name of Class** field to view **Voucher Type Class** screen
4. In **Voucher Type Class** screen
   - set the option **Use Class for Excise /CENVAT Adjustments** to **Yes**

Figure 2.23 Voucher Type Class screen

5. Press **Enter** to save **Voucher Type Class** screen.

Completed **CENVAT Credit /Advanced Adjustment Voucher Type Setup** screen is displayed as shown

Figure 2.24 Completed CENVAT Credit /Advanced Adjustment Voucher Type Setup screen

6. Press **enter** to save **CENVAT Credit Availing Voucher Type Setup** screen

2.2.5 Manufacturing / Stock Journal

In Tally.ERP 9 you can record production (of finished goods) entry through Manufacturing

Journal or Excise - Stock Journal.

- **Manufacturing Voucher type** – Used to record the production of **single Finished Goods**
- **Excise - Stock Journal** – Used to record the production of **multiple Finished Goods**

To create Manufacturing or Excise - Stock Journal press **Alt + F7** or select **F7: Manufacturing**/ **Stock Journal** and press Enter to view **Manufacturing / Stock Journal Voucher Type Setup** screen

Manufacturing Journal

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

Here we are creating new voucher type by retaining the default voucher type available in Tally.ERP 9.

In **Manufacturing / Stock Journal Voucher Type Setup** screen

1. Enter the name of the voucher type in **Name of Voucher Types** Field e.g. **Manufacturing Journal**
2. In **Type of Voucher** field Tally.ERP 9 defaults the voucher type as **Stock Journal**
3. Select the appropriate **Method of Voucher Numbering** e.g. **Automatic**
4. Set the option **Use As ManfJurl** to **Yes**

Completed **Manufacturing / Stock Journal Voucher Type Setup** screen is displayed as shown

S.No.	Name of Voucher Type	Type of Voucher	Method of Voucher Numbering	Use As MfgrJrnl	Use for Excise	Default Exicse Unit	Name of Class
1.	Stock Journal	Stock Journal	Automatic	No	No		
2.	Manufacturing Journal	Stock Journal	Automatic	Yes			

Figure 2.25 Completed Manufacturing / Stock Journal Voucher Type Setup screen

5. Press **Enter** to save **Manufacturing / Stock Journal Voucher Type Setup** screen

Lesson 3:   Excise Opening Balances

> **Lesson Objectives**
>
> On completion of this lesson, you will learn to
>
> - Record CENVAT Opening Balance
> - Record Excise Duty Opening Balance
> - Record PLA Opening Balance

3.1 Accounting CENVAT Credit Opening Balance

When the CENVAT Credit availed on the Principal Inputs purchased are not utilised at the closing of the financial year (i.e. 31st March 2011), in such cases the unutilised CENVAT credit has to be carried forward to the next financial year (1st April 2011) and manufacturer is entitled to utilise the CENVAT Credit availed on the inputs during the current year (2011-12) or with in any prescribed period on quantifying the following required information viz.

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

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

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

Example 1:

On 1/4/2011, National Aqua Ltd has opening CENVAT Credit of Rs.47,380 (Total) on the following Raw materials purchased under different purchase bills.

Invoice No. & Date	Supplier Name	Name of Item	Qty.	Duty Type	Assessable Value	Rate of Duty	Amount
152/09-10	Lamcy Man-ufacturers	Pet Bottles - 1Ltr	100000	BED	150000	10%	15,000
				ED Cess	15000	2%	300
				SED Cess	15000	1%	150
2052/09-10	Shubh Man-ufacturer	Pet Bottles - 1Ltr	200000	BED	240000	10%	24,000
				ED Cess	24000	2%	480
				SED Cess	24000	1%	240
		Bottle Caps	350000	BED	87500	8%	7,000
				ED Cess	7000	2%	140
				SED Cess	7000	1%	70

The Excise details of the supplier are as follows:

Supplier Name & Address	Nature of Purchase	Excise Regn. No.	Range	Division	Commi-sionerate
Lamcy Manu-facturers # 89 Peenya Indus-trial Area Bangalore	Manufacturer	ADESR4033FXM001	Peenya	Yes-hwanthpur	Bangalore - II
Shubh Manu-facturers # 658 Rajajinagar Industrial Area Rajajinagar Bangalore	Manufacturer	AESRD7485AXM002	Rajaji-nagar	Division II	Bangalore - I

The same is accounted for as shown.

To account the CENVAT Credit Opening Balance

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

1. Enter the **Date** on which the CENVAT Opening Balance is accounted.E.g.**1-4-2011**
2. In **Excise Unit** field select the Excise Unit for which the CENVAT Opening balance entry is recorded. e.g. **National Aqua Ltd**.

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

3. In **Nature of Purchase** field select the Purchase Nature (whether purchase was from manufacturer/ First/ Second /Importer) for which the CENVAT credit is available. E.g **Manufacturer**
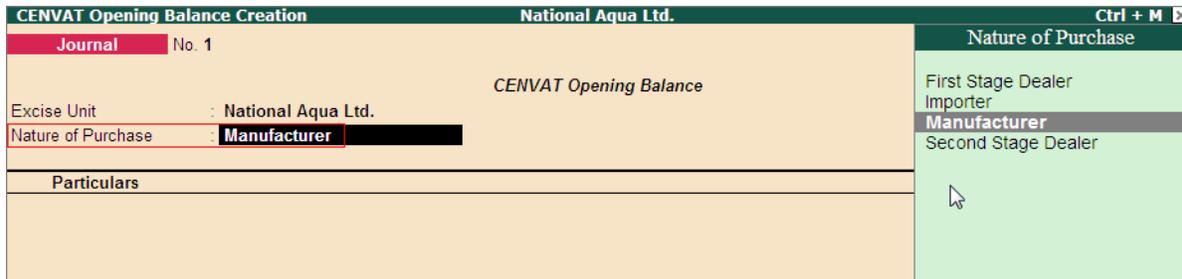
Figure 3.1 Selection of Nature of Purchase

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

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

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

5. In **Excise Duty Allocation** screen

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

   ❑ **Party Name**: In this field select the supplier from whom the purchase was made.

   ❑ **Name of Item**: Select the Stock item for which credit is available and accounted as opening balance

   ❑ **Quantity**: Specify the Quantity on which CENVAT Credit is available

   ❑ **Assessable Value**: Enter the Assessable values of the stock item on which the credit to be calculated.

   ❑ **Rate**: In this field rate of duty defined in the item master will be defaulted, which can be changed.

   ❑ **Amount**: CENVAT Credit Amount will be calculated and displayed automatically.

Excise Duty Allocation		National Aqua Ltd.				Ctrl + M ⊠
Journal	No. 1					1-Apr-2011 Friday
		CENVAT Opening Balance				
Excise Unit	: National Aqua Ltd.					
Nature of Purchase	: Manufacturer					
		Duty Details for : **Basic Excise Duty (CENVAT)**				Amount
Invoice No. / Bill of Entry No. & Date	Party Name	Name of Item	Quantity	Assessable Value	Rate	Amount
						46,000.00
152/09-10	Lamcy Manufacturers					
		Pet Bottles – 1Ltr	1,00,000 U	1,50,000.00	10 %	15,000.00 Dr
2052/09-10	Shubh Manufacturers					
		Pet Bottles – 1Ltr	2,00,000 U	2,40,000.00	10 %	24,000.00 Dr
		Bottle Caps	3,50,000 U	87,500.00	8 %	7,000.00 Dr
						46,000.00
						46,000.00 Dr

Figure 3.2 Completed Excise Duty Allocation Screen

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

6. Press **Enter** to save **Excise Duty Allocation** screen.
7. To account opening balance of Education Cess credit, under Particulars select **Education Cess (CENVAT)** and view Excise Duty Allocation screen
8. In **Excise Duty Allocation** screen

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

Figure 3.3 Excise Duty Allocation Screen

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

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

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

Figure 3.4 Completed Excise Duty Allocation Screen

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

10. In **Excise Duty Allocation** screen

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

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

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

Invoice No. / Bill of Entry No. & Date	Party Name	Name of Item	Quantity	Assessable Value	Rate	Amount
152/09-10	Lamcy Manufacturers					
		Pet Bottles – 1Ltr	1,00,000 U	15,000.00	1 %	150.00 Dr
2052/09-10	Shubh Manufacturers					
		Pet Bottles – 1Ltr	2,00,000 U	24,000.00	1 %	240.00 Dr
		Bottle Caps	3,50,000 U	7,000.00	1 %	70.00 Dr

Figure 3.5 Completed Excise Duty Allocation Screen

The completed CENVAT Opening Balance journal Voucher is displayed as shown

Figure 3.6 Completed CENVAT Opening Balance Journal Voucher

11. Press **enter** to accept.

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

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

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

3.2 Accounting Excise Duty Opening Balance

When the duty payable on the Excise Sales (Removal of Finished Goods) made not paid at the closing of the financial year (i.e. i.e. 31st March 2011), in such cases the unpaid duty has to be carried forward to the next financial year (1st April 2011) and manufacturer is liable to pay the duty during the current financial year (2011-12) by quantifying the following information

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

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

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

Example 2:

On 1/4/2011, National Aqua Ltd has opening Excise Duty of Rs.2,02,395 (Total) on the following Raw materials purchased under different purchase bills.

Invoice No. & Date	Customer Name	Name of Item	Qty.	Duty Type	Assess-able Value	Rate of Duty	Amount
AQ/785/ 10-11	Universal Distributors	AquaPure - 1Ltr	18,000	BED	540000	10%	54,000
				ED Cess	15000	2%	1080
				SED Cess	15000	1%	540
AQ/1025/ 10-11	National Distributors	AquaKing - 20Ltr	25,000	BED	1125000	10%	1,12,500
				ED Cess	24000	2%	2,250
				SED Cess	24000	1%	1,125
		AquaPure - 1Ltr	10,000	BED	300000	10%	30,000
				ED Cess	7000	2%	600
				SED Cess	7000	1%	300

The Excise details of the Customers are as follows:

Customer Name & Address	Nature of Purchase	Excise Regn. No.	Range	Division	Commi-sionerate
Universal Distributors # 568 Yeshwanthpur Bangalore	First Stage Dealer	ASFDE6581SXD001	Yes-hwanthpur	Yes-hwanthpur - I	Bangalore - II
National Distributors # 9685 5th Main BTM 3rd Block Bangalore	First Stage Dealer	ARMYD7910SXM001	Madiwala	Division IV	Bangalore - I

To account **Excise Duty Opening Balance**

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

1. Enter the **Date** on which the Excise Opening Balance is accounted.E.g.**1-4-2011**
2. In **Excise Unit** field select the Excise Unit for which the CENVAT Opening balance entry is recorded. e.g. **National Aqua Ltd**.

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

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

Figure 3.7 Selection of Nature of Removal

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

4. To account opening balance of Basic Excise Duty, under Particulars select **Basic Excise Duty @ 10%** and view **Excise Duty Allocation** screen

Figure 3.8 Selection of Duty Ledger

5. In **Excise Duty Allocation** screen

   □ **Invoice No./Bill of Entry No. & Date**: In this field enter the invoice number and date of sale of finished good on which excise duty has been charged

   □ **Party Name**: In this field select the supplier to whom the sale was made.

   □ **Name of Item**: Select the Stock item against which duty is payable and accounted as opening balance

   □ **Quantity**: Specify the Quantity on which Duty is payable

   □ **Assessable Value**: Enter the Assessable values of the stock item on which the excise duty to be calculated.

   □ **Rate**: In this field rate of duty defined in the item master will be defaulted, which can be changed if rate of duty is different.

   □ **Amount**: Excise duty Amount will be calculated and displayed automatically.

Figure 3.9 Excise Duty Allocation Screen

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

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

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

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

Figure 3.10 Excise Duty Details Screen

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

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

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

Figure 3.11 Completed Excise Duty Allocation Screen

9. To account opening balance of Secondary Education Cess, under Particulars select **Secondary Education Cess @ 1%** and view Excise Duty Allocation screen

10.In **Excise Duty Allocation** screen

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

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

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

Duty Details for : **Secondary Education Cess @ 1%**						
Copy Details from Previous Duty Ledger(s) ? **Yes**						
Invoice No. / Bill of Entry No. & Date	Party Name	Name of Item	Quantity	Assessable Value	Rate	Amount
AQ/785/10-11	**Universal Distributors**					
		AquaPure – 1 Ltr	18,000 L	54,000.00	1 %	540.00 Cr
AQ/1025/10-11	**National Distributors**					
		AquaKing - 20Ltr	25,000 L	1,12,500.00	1 %	1,125.00 Cr
		AquaPure – 1 Ltr	10,000 L	30,000.00	1 %	300.00 Cr

Figure 3.12 Completed Excise Duty Details Screen

The completed Excise Opening Balance Journal Voucher is displayed as shown

Excise Opening Balance Creation	National Aqua Ltd.	Ctrl + M ☒
Journal No. 1		1-Apr-2011 Friday
	Excise Opening Balance	
Excise Unit : **National Aqua Ltd.**		
Nature of Removal : **Domestic**		
Particulars		**Amount**
Basic Excise Duty @ 10%		1,96,500.00
Education Cess @ 2%		3,930.00
Secondary Education Cess @ 1%		1,965.00
		2,02,395.00
Narration:		Accept ? Yes or No

Figure 3.13 Completed Excise Opening Balance Journal Voucher

11.Press **Enter** to accept.

The above Excise Opening Balance entry will be displayed in

□ **Excise Computation** report under Excise Duty Payable against Regular Rate

□ **PLA Register**

3.3 Accounting PLA Opening Balance

Personal Ledger Account (PLA) is an account current through which Assessee discharges the duty liability to the Government.

When a customer moves from manual accounting to Tally.ERP 9 Series A, the balance available in PLA (Manual Books) can be brought into Tally.ERP9.

Support to account PLA Opening Balance in Tally.ERP 9 has been provided through PLA Opening Balance Journal Voucher in Tally.ERP Release 3.3. The PLA opening balance entry can be recorded on any day of the Financial Year (Ideally it should be recorded on the 1st of April or 1st of any month).

PLA Opening Balance [Payable (Credit Balance)/ advance duty paid (Debit Balance)], have to accounted in the books of accounts with in any prescribed period on quantifying the following required information viz.

- ❑ Excise Unit (Excise Factory for which the PLA opening balance is accounted)
- ❑ Bill of Entry & Date (if duty payable) / Reference Number of Advance paid
- ❑ Amount of Duty Payable/ Advance Paid

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

Example 3:

On 1/4/2011, National Aqua Ltd has PLA Opening balance of Rs.25000.

Type of Duty	Reference No.	Amount
Basic Excise Duty	ADV-001	22500
Education Cess	ADV-001	1500
Secondary Education Cess	ADV-001	1000

To account **PLA Opening Balance**

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

1. Enter the **Date** on which the Excise Opening Balance is accounted.E.g.**1-4-2011**
2. In **Excise Unit** field select the Excise Unit for which the PLA Opening balance entry is recorded. e.g. **National Aqua Ltd**.

> *As Tally.ERP 9 allows to maintain accounts of **Multiple Excise Units** in a **Single Company**, Excise Unit field is provided to select the appropriate excise unit in **PLA Opening Balance Journal Voucher**.*

3. To account opening balance Advance Duty paid towards Basic Excise Duty, under Particulars select **Basic Excise Duty @ 10%** and view **Excise Duty Allocation** screen
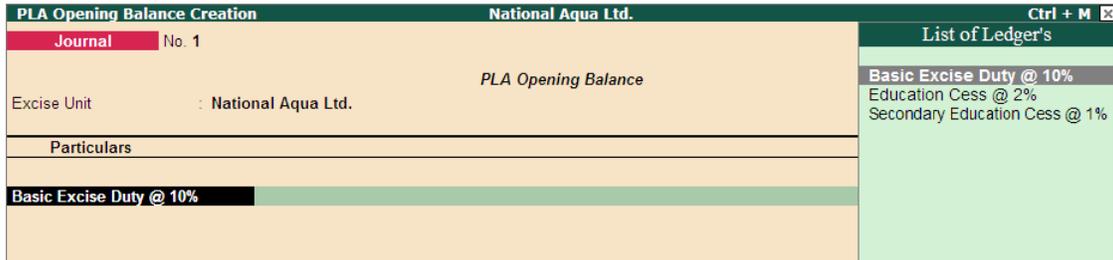

Figure 3.14 Selection of Duty Ledger

Notes

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

4. In **Excise Duty Allocation** screen
   - **Name**: In this field enter the reference number of advance duty paid.
   - **Amount**: In this field enter the advance duty amount paid to the department.
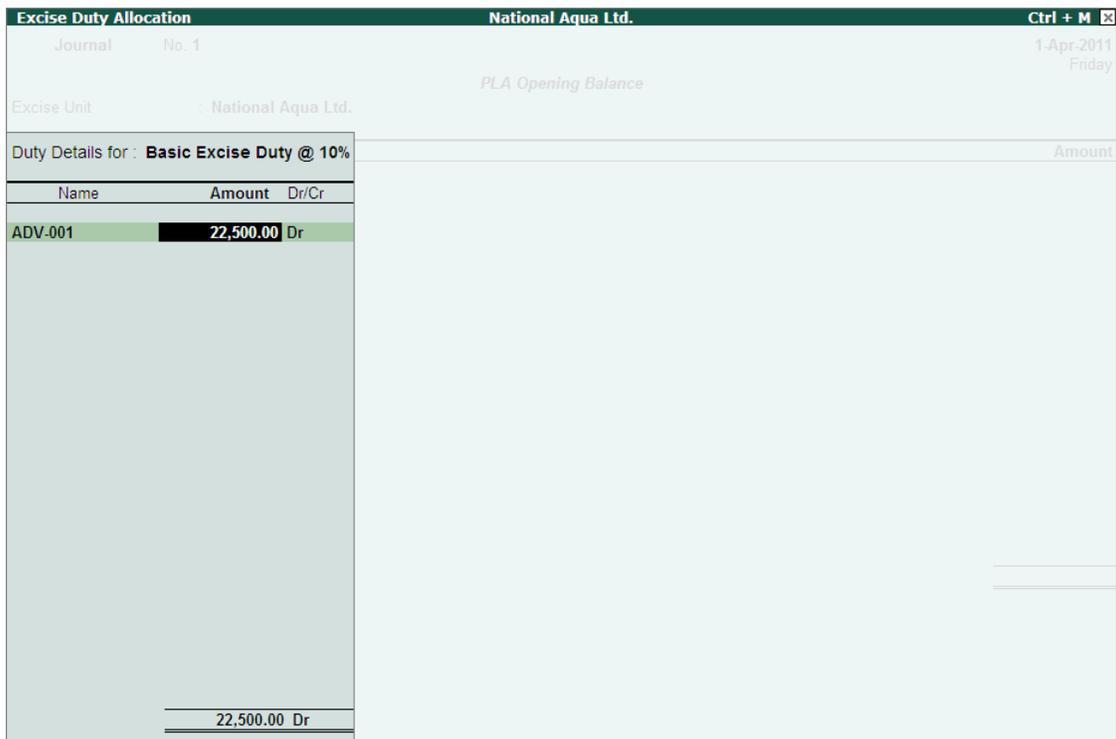
Figure 3.15 Excise Duty Allocation Screen

> ***Notes***
>
> *Supports to account **PLA opening Balance** of **multiple - advances paid** to the department/ **Invoices** against which the **Duty is payable**.*

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

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

7. In **Excise Duty Allocation** screen
   - Enter the **reference number** and advance education cess **amount** paid.

Figure 3.16 Completed Excise Duty Allocation Screen

8. Similarly, account the opening balance of **Secondary Education Cess**.

The completed Excise Opening Balance Journal Voucher is displayed as shown:

Figure 3.17 Completed PLA Opening Balance Journal Voucher

9. Press **Enter** to accept.

The above PLA Opening Balance entry will be displayed in:

- ❑ **Excise Computation** report under **Balance Input Credit** section against **Excise Duty Advance Paid**.

Excise Computation	National Aqua Ltd.	Ctrl + M ⊠
		National Aqua Ltd. **National Aqua Ltd.** 1-Apr-2011 to 30-Apr-2011
Particulars		**Assessable Value** / **Duty Amount**
Excise Duty Payable		
A. Excise Sales		
Regular Rate		19,65,000.00 / 2,02,395.00
	Total Excise Sales (A)	19,65,000.00 / 2,02,395.00
B. Payable from previous period		
	Total Excise Duty Payable (A+B)	2,02,395.00
	Total Excise duty paid / Adjusted (C)	
	Balance Excise Duty Payable ((A+B)-C)	2,02,395.00
Balance Input Credit		
CENVAT Credit on Inputs		47,380.00
Excise Duty Advance Paid		25,000.00
	Total Available CENVAT credit	72,380.00

Figure 3.18 Excise Computation Report

- ❑ **PLA Register**: The **Debit PLA Balance** accounted will be displayed as **Opening Balance** with **Negative Sign** indicating that the **assessee** has **deposited duty in advance** to the Government.

PLA Register		National Aqua Ltd.							Ctrl + M ⊠		
Excise Unit Name : **National Aqua Ltd.**								1-Apr-2011 to 30-Apr-2011			
Particulars of Credit / Debit Document **Description of Documents with name of treasury where necessary**	**ECC No. of the Buyer**	**Basic Excise Duty**			**Education Cess**			**Secondary Education Cess**			
		Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance
Opening Balance				(-)22,500.00			(-)1,500.00			(-)1,000.00
	← ... 2 more									

Figure 3.19 PLA Register

Lesson 4: Excise Transactions

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Lesson Objectives

On completion of this lesson, you will learn to

- ◻ Record basic excise transactions.
- ◻ Avail CENVAT Credit
- ◻ Adjust the availed CENVAT credit against the duty payable
- ◻ Record payment of Excise Duty to Government and Generate G.A.R. -7

</div>

In this section we shall emphasis on understanding how Tally.ERP 9's Excise for Manufacturers feature can be effectively used to record basic Excise transactions to generate G.A.R.-7

Let us take the example of National Aqua Ltd. (Created and Excise enabled, as discussed in the earlier chapter) to record Excise transactions such as

- ◻ Excise Purchases (Purchase of Raw Materials)
- ◻ Availing CENVAT Credit
- ◻ Manufacture of Finished Goods
- ◻ Excise Sales
- ◻ Adjustment of CENVAT Credit availed against the Duty Payable.
- ◻ Payment of Excise Duty
- ◻ Generating G.A.R.- 7

Notes

*To record advanced Excise transactions refer **Tally.ERP 9 Reference Manual (Local Help)** or **Implementation Guide** available in the website - **www.tallysolutions.com***

4.1 Accounting Excise Purchases

A Manufacturer may buy raw materials from different Suppliers. Suppliers may be manufacturers/ Dealers (First Stage/second Stage) registered under excise rules or not registered under excise rules.

In this scenario, we are explaining the procedure to account only those **purchases** which are made from the **suppliers** who are **registered under excise rules**.

4.1.1 Accounting Excise Purchases – Availing CENVAT Credit

In case of Excise Purchases, user can avail the CENVAT Credit while accounting the purchases or later.

Here we are illustrating the procedure to account the purchase and avail CENVAT Credit in the same voucher.

Example 1:

On 1-4-2010 National Aqua Ltd. purchased 10,00,000 Liters of Water from Swastik Water Suppliers @ of 2 per Liter (vide Invoice No. SI/568)

To account the above transaction

1.Create Master

      i. Purchase Ledger

2. Record a Excise Purchase Voucher

1. Create Masters

i. Purchase Ledger

Ledger	Under	Used in VAT Returns	VAT/Tax Class
Purchase of Raw Materials	Purchase Accounts	Yes	**Purchases @ 4%**
Set **Inventory values are affected** to **Yes**			

To create a **Purchase Ledger**,

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

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

Figure 4.1 VAT/Tax Class

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

Figure 4.2 Purchase Ledger

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

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

2. Record a Excise Purchase Voucher

To record a **Purchase Voucher**

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

1. In **Voucher Type** sub form select **Excise - Purchases** as the voucher type

Set Up:

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

  ❑ Ensure the option **Use Common Ledger A/c for Item Allocation** is set to **Yes**
  ❑ Set the option **Use Defaults for Bill Allocations** to **No**
  ❑ Set the option **Allow selection of VAT/Tax Class during entry** to **Yes**

2. Ensure that the **Purchase Voucher** is in **Item Invoice** Mode
3. Enter the **Date** as **1-4-2010**

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

4. In **Supplier Invoice No.** field enter the Invoice No. as **SI/568**
5. In **Party's A/c Name** field select the supplier i.e. **Swastik Water Suppliers** from the List of Ledger Accounts
6. In **Nature of Purchase** field **Manufacturer** is displayed automatically
7. In **Purchase Ledger** field select the ledger **Purchase of Raw Materials** from List of Ledger Accounts
8. In **VAT/Tax Class** field select the VAT class as **Not Applicable**

***Natural Water** is exempted under VAT Act in Karnataka so VAT is not applicable.*

9. In **Name of Item** field select the Stock Item i.e. **Natural Water**

10. In **Quantity** field enter the quantity as **10,00,000**

11. In **Rate** field enter the rate as **Rs. 2**

12. **Amount** will be displayed automatically.

13. Select CENVAT duty ledger i.e. **Basic Excise Duty (CENVAT)**. **Amount** will be calculated and displayed automatically.

14. Select **Education Cess (CENVAT)** and **Secondary Education Cess (CENAVT)** ledgers. **Amount** will be calculated and displayed automatically

> ![Notes]
>
> □ *To avail **Cenvat Credit**, select the duty ledgers created by selecting duty/tax type as **CENVAT** in the **Type of Duty/Tax** field.*
>
> □ *It is possible that in the invoice received from **Manufacturer** there may be some calculation errors (when invoice prepared manually) or Duty value may be rounded off. As per excise rule, receiving party can not make changes in the suppliers invoice. Even if it is a mistake in the excise calculations, buyer is supposed to enter the invoice as it is without making any correction. In this scenario you have to alter the duty amount while recording the transaction.*
>
> *In Tally.ERP 9, from Release 3.0 you can alter the Duty amount while availing the CENVAT Credit on purchases from Manufacturer.*
>
> *To **Alter the Duty value** while recording Excise Purchase in **F12: Configuration** set the option **Allow modification in Duty for Purchase from Manufacturer** to **Yes***

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

Figure 4.3 Purchase Voucher

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

Figure 4.4 Statutory Details Screen

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

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

Figure 4.5 Bill-wise Details

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

Figure 4.6 Purchase Voucher

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

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

To check the **duty ledger balance**

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

Figure 4.7 Ledger Vouchers report

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

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

In **F12: Configuration**

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

Figure 4.8 Stock Vouchers

Observe, in Stock Vouchers report stock item rate is displayed as **Rs. 2** which is the actual purchase rate. I this case the duty amount is not apportioned to the Stock item.

4.1.2 Accounting Excise Purchases – without Availing CENVAT Credit

Example 2:

On 3-4-2010 National Aqua Ltd. purchased the following Stock items from Lamcy Manufacturers (vide Bill No- LM/423)

Stock Item	Quantity	Rate
Pet Bottles - 1 Ltr	*5,00,000*	*Rs. 1.00*
Bottle Caps	*5,00,000*	*Rs. 0.25*

To Account the above transaction follow the steps given below

1. Create Masters
    i. VAT Duty Ledger

2. Record Purchase Voucher

1. Create Masters

i. VAT Duty Ledger

Ledger	Under	Type of Duty/Tax	VAT SubType	Default VAT/Tax Class
Input VAT @ 4%	Duties & Taxes	VAT	Input VAT	Input VAT @ 4%

Completed Input VAT Ledger appears as shown

Figure 4.9 Input VAT Ledger

2. Record Purchase Voucher

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

1. In **Voucher Type** sub form select **Excise - Purchases** as the voucher type
2. Ensure that the **Purchase Voucher** is in **Item Invoice** Mode
3. Enter the **Date** as **3-4-2010**
4. In **Supplier Invoice No.** field enter the Invoice No. as **LM/423**
5. In **Party's A/c Name** field select the supplier i.e. **Lamcy Manufacturers** from the **List of Ledger Accounts**
6. In **Nature of Purchase** field the option **Manufacturer** is displayed automatically (based on the Nature of Payment selected in the ledger master)
7. In **Purchase Ledger** field select the ledger **Purchase of Raw Materials** from List of Ledger Accounts
8. **VAT/Tax Class** field automatically gets updated with the VAT/Tax class as selected in the purchase ledger, which can be changed.
9. In **Name of Item** field select the Stock Item i.e. **Pet Bottles - 1 Ltr**
10. In **Quantity** field enter the quantity as **5,00,000**. In **Rate** field enter the rate as **Rs. 1**
11. **Amount** will be displayed automatically
12. Select **Bottle Caps** as second item and specify **Quantity** as **5,00,000** and **Rate** as **Rs. 0.25**
13. Select **Basic Excise Duty @ 10%** ledger. Amount will be calculated and defaulted automatically.
14. Similarly select **Education Cess @ 2%** and **Secondary Education Cess @ 1%**. **Amount** will be defaulted automatically.

> *To account purchases without availing Cenvat Credit select **Excise Duty ledgers** created under **Duties & Taxes** with **Duty/Tax Type** as **Excise***

15. Select **Input VAT @ 4%** as the VAT duty ledger. **Amount** will be displayed automatically
16. Set the option **Show Statutory Details** to **Yes** to view **Statutory Details** screen. Press **Alt + F1: Detailed** to view details of duty calculation

Figure 4.10 Statutory Details

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

Completed Purchase Ledger is displayed as shown

Figure 4.11 Purchase Voucher

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

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

Go to **Gateway of Tally > Display > Account Books > Ledgers >** select **Basic Excise Duty @ 10%**

Ledger Vouchers	National Aqua Ltd.					Ctrl + M ⊠
Ledger: **Basic Excise Duty @ 10%**						1-Apr-2010 to 3-Apr-2010
Date	Particulars		Vch Type	Vch No.	Debit	Credit
				Opening Balance :		
				Current Total :		
				Closing Balance :		

Figure 4.12 Ledger Vouchers

To view the **duty apportionment to Stock Item**
Go to **Gateway of Tally > Display > Inventory Books > Stock Item > Pet Bottles – 1Ltr > Stock item Monthly Summary > Stock Vouchers**

In **F12: Configuration**

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

Figure 4.13 Stock Vouchers

Purchase rate of natural Water is **Rs.1** per Liter. Observe, in the above screen stock item rate is displayed as **1.10** which includes the excise duty amount.

4.2 Availing CENVAT Credit on Purchases

As already explained, CENAVT credit on purchases from manufacturer and Dealers can be availed while accounting the purchases or Later.

In the first Excise Purchase (1-4-2010) we have explained how to avail the CENVAT Credit in the same Purchase voucher while accounting the purchase of Raw Materials.

In the second Excise Purchase (3-4-2010) CENVAT Credit is not availed on the purchases made. National Aqua Ltd. can avail CENVAT Credit towards 3-4-2010 transaction at any point of time by recording a separate Debit Note.

In this illustration we will see how to avail CENVAT credit on Purchases which are already accounted with out taking credit.

In **Tally.ERP 9 Release 3.0**, in **CENVAT Availing Debit Note**, a new option **Copy Details from previous Ledger(s)** has been provided in **Excise Duty Allocation** screen to copy Invoice **Number/ Bill of entry No. & Date, Party Name, Name of Item, Quantity,** and **Assessable Value** of a CENVAT Ledger to other the CENVAT ledgers selected in the voucher. This option helps the users in copying the duty details of previous ledger to subsequent ledger instead of entering the details manually.

Example 3:

On 10-4-2010 National Aqua Ltd. avails the CENVAT Credit against the purchase made on 3-4-2010.

To account the above transaction follow the steps given

1. Record a Debit Note Voucher

1. Record a Debit Note Voucher

Set Up:

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

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

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

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

Figure 4.14 Voucher Class Selection

2. In **Used For** field **CENVAT Availing** will be displayed automatically
3. Ensure that the **Purchase Voucher** is in **Item Invoice** Mode
4. Enter the **Date** as **10-4-2010**

5. In **Excise Unit** field select **National Aqua Ltd.**
6. In **Nature of Purchase** field select **Manufacturer**
7. In **Debit** field select **Basic Excise Duty (CENVAT)** to view Excise Duty Allocation screen
8. In **Excise Duty Allocation** screen
   - In **Type of Ref** field **New Ref** will be defaulted
   - In **Name** field enter the reference name. Here enter the reference name used in the purchase voucher. e.g. **LM/423**
   - In **Party Name** field select **Lamcy Manufacturers** from the List of Ledger Accounts
   - In **Name of Item** field select **Pet Bottles – 1Ltr**
   - In **Quantity** field enter **5,00,000**
   - In the **Assessable Value** field enter **Rs. 5,00,000**
   - In the **Rate** field the rate of duty i.e. **10%** defined in the stock item will be defaulted (if the rate of duty is not defined during item creation enter the applicable rate of duty.
   - The **duty amount** will be calculated and displayed in the **Amount** field
   - In **Name of Item** field select **Bottle Caps**
   - In **Quantity** field enter **5,00,000**
   - In the **Assessable Value** field enter **Rs. 1,25,000**
   - In the **Rate** field the rate of duty i.e. **10%** defined in the stock item will be defaulted (if the rate of duty is not defined during item creation enter the applicable rate of duty)
   - The **duty amount** will be calculated and displayed in the **Amount** field

			Duty Details for : **Basic Excise Duty (CENVAT)**				
Type of Ref	Invoice No. / Bill of Entry No. & Date	Party Name	Name of Item	Quantity	Assessable Value	Rate	Amount
New Ref	LM/423	**Lamcy Manufacturers**					
			Pet Bottles – 1Ltr	5,00,000 u	5,00,000.00	10 %	50,000.00 Dr
			Bottle Caps	5,00,000 u	1,25,000.00	10 %	12,500.00 Dr
							62,500.00

Figure 4.15 Excise Duty Allocation screen

Notes

- *In Tally.ERP 9 allows the user to avail **Full** or **Partial** credit.*
- *In the above case National Aqua Ltd. is availing **Full Credit** against **Bill LM/423** against the purchase of **2 Raw Material (Pet Bottles - Ltr & Bottle Caps)**.*

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

Figure 4.16 Enabling the Option to Copy the Details

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

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

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

Figure 4.17 Excise Duty Allocation Screen

> *The option **Copy Details from Previous Duty Ledger (s)** will be displayed only during **voucher creation**. This option will not be displayed in Voucher Alteration mode.*

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

12. In **Excise Duty Allocation** screen

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

Figure 4.18 Enabling the Option to Copy the Duty Details

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

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

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

Figure 4.19 Excise Duty Allocation Screen

13. In the **Credit** field select **Purchase of Raw Materials** ledger to view Inventory Allocation screen

14. In **VAT/Tax Class** screen select **Not Applicable**.

15. In the **Inventory Allocation** screen

   ▫ In **Name of Item** field select the stock item **Pet Bottles – 1Ltr**

   ▫ In the **Amount** column enter the total amount (of Basic Excise Duty [50000], Education Cess [1000] and Secondary Education Cess [500]) **Rs. 51,500**

   ▫ In **Name of Item** field select the stock item **Bottle Caps**

   ▫ In the **Amount** column enter the total amount (of Basic Excise Duty [12,500], Education Cess [250] and Secondary Education Cess [125]) **Rs. 12,875**

Inventory Allocations for : **Purchase of Raw Materials**				
Name of Item	**Quantity**	**Rate**	**per**	**Amount**
Pet Bottles – 1Ltr				51,500.00
Bottle Caps				12,875.00
				64,375.00

Figure 4.20 Inventory Allocation Screen

16. Press **Enter** to view **Excise Duty Allocation** screen

17. In **Excise Duty allocation** screen

In the Excise Duty Allocation screen

   ▫ Select **Agst Ref** in **Type of Ref** field

   ▫ In **Name** field select bill **LM/423** dated **3-4-2010** (Basic Excise Duty @ 10%) from the List of Pending Tax Bills. **Rs. 12500** will be defaulted in the **Amount** field (is the amount which is availed as CENVAT Credit against the Basic Excise Duty for **Bottle Caps**).

   ▫ Select **Agst Ref** in **Type of Ref** field

   ▫ In **Name** field select bill **LM/423** dated **3-4-2010** (Education Cess @ 2%) from the List of Pending Tax Bills. **Rs. 250** will be defaulted in the **Amount** field. (is the amount which is availed as CENVAT Credit against the Education Cess for **Bottle Caps**).

- Select **Agst Ref** in **Type of Ref** field

- In Name field select bill **LM/423** dated **3-4-2010** (Secondary Education Cess @ 1%) from the List of Pending Tax Bills. **Rs. 125** will be defaulted in the **Amount** field. (is the amount which is availed as CENVAT Credit against the Secondary Education Cess **Bottle Caps**).

- Select **Agst Ref** in **Type of Ref** field

- In **Name** field select bill **LM/423** dated **3-4-2010** (Basic Excise Duty @ 10%) from the List of Pending Tax Bills. **Rs. 50000** will be defaulted in the **Amount** field. (is the amount which is availed as CENVAT Credit against the Basic Excise Duty for **Pet Bottles – 1Ltr**).

- Select **Agst Ref** in **Type of Ref** field

- In **Name** field select bill **LM/423** dated **3-4-2010** (Education Cess @ 2%) from the List of Pending Tax Bills. **Rs.1,000** will be defaulted in the **Amount** field. (is the amount which is availed as CENVAT Credit against the Education Cess for **Pet Bottles – 1Ltr**).

- Select **Agst Ref** in **Type of Ref** field

- In Name field select bill **LM/423** dated **3-4-2010** (Secondary Education Cess @ 1%) from the List of Pending Tax Bills. **Rs. 800** will be defaulted in the **Amount** field. (is the amount which is availed as CENVAT Credit against the Secondary Education Cess **Pet Bottles – 1Ltr**).

Figure 4.21 Excise Duty Allocation screen

*As per **Excise Rules**, **CENVAT Credit** availed to be identified based on the **Stock Items** and **Duty Type**.*

*In Tally.ERP 9 we have the provision to identify the **Stock item** and the **Duty type** against which the credit is availed.*

18. Enter **Narration** if any

Completed **Debit Note** is displayed as shown

Accounting Voucher Creation	National Aqua Ltd.	Ctrl + M ⊠

Debit Note	No. 1		

Voucher Class : **CENVAT Availing**

10-Apr-2010
Saturday

Used for: **CENVAT Availing**

Excise Unit : **National Aqua Ltd.**
Nature of Purchase : **Manufacturer**

Particulars		Debit	Credit
Dr **Basic Excise Duty (CENVAT)**		62,500.00	
Cur Bal: 2,62,500.00 Dr			
Dr **Education Cess (CENVAT)**		1,250.00	
Cur Bal: 5,250.00 Dr			
Dr **Secondary Education Cess (CENVAT)**		625.00	
Cur Bal: 2,625.00 Dr			
Cr **Purchase of Raw Materials**			64,375.00
Cur Bal: 26,25,000.00 Dr			
Pet Bottles – 1Ltr	51,500.00		
Bottle Caps	12,875.00		

Narration:

64,375.00   64,375.00

Accept ?

Yes or No

Figure 4.22 Completed Debit Note Voucher

19. Press **Enter** to Save.

4.3 Creating a Manufacturing Voucher

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

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

Example 4:

On 15-4-2010 National Aqua Ltd. manufactured 4,50,000 Liters of AquaPure - 1 Ltr.

To Account the above transaction follow the Steps given below

1. Alter stock Item
2. Record a Manufacturing Journal

2. Alter Stock item

Set Up:

In F12: Configure

    ◻ Set **Use ALTERNATE UNITS for stock items** to **Yes**

    ◻ Set **Allow component list details (Bill of Materials)** to **Yes**

To create the **Stock Item**

Go to **Gateway of Tally > Inventory Info. > Stock Items > Alter >** select **AquaPure – 1 Ltr**

1. Select the unit of measurement e.g. **L** (Liters) of the stock item in the **Units** field.
2. Tab down to **Alternate Units** field, select the unit of measurement e.g. **Box** (Use Alt + C to create Unit of Measurement).
3. Specify **1 Box = 24 L** in **Where** field.
4. Enable **Set Components (BoM)** to **Yes** and press enter to view Stock Item Multi Components (M BOM) screen

> *Notes*
>
> *The **Bill of Material (BOM)** details provided here will be used for **Production** of the stock Item.*

5. In **Stock Item Multi Components (M BOM)** screen
   ◻ In **Name of BOM** field enter the **BOM name**
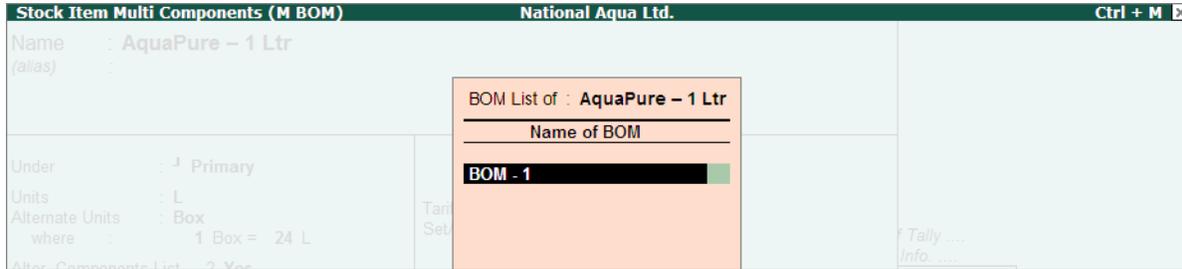
Figure 4.23 Stock Item Multi Component Screen

6. In **Stock Item Components (BoM)** screen
   - ❑ In **Unit of manufacture** field enter as **1**
   - ❑ Under **Item** and **Quantity** field enter the details as shown
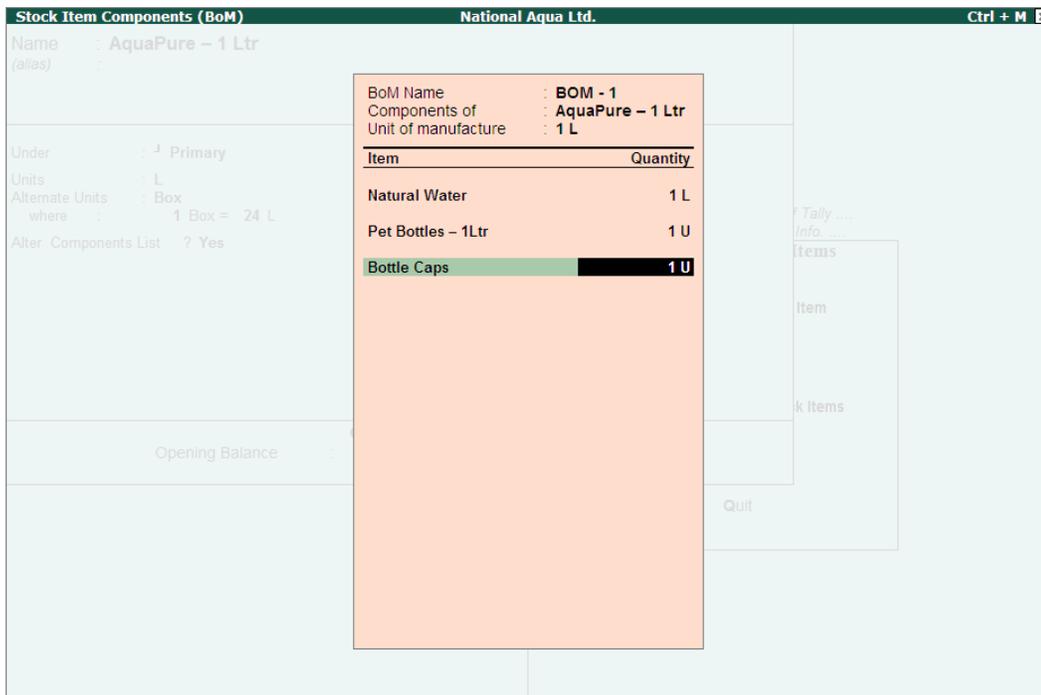
Figure 4.24 Stock Item Components

7. **Retain other settings** as it is and save.

3. Record a Manufacturing Journal

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

1. Enter the **Date** as **15-4-2010**
2. In **Name of Product** field select **AquaPure - 1Ltr** from the **List of Items**

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

3. In **BoM Name** field bill of material created for the stock item will be displayed automatically

4. In **Quantity** field enter **4,50,000** as the quantity manufactured

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

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

Figure 4.25 Manufacturing Journal

6. Press **Enter** to save.

4.4 Creating a Excise Sales Voucher – Rule 11 Invoice

Example 5:

On 22-4-2010 National Aqua Ltd. sold the 2,50,000 Ltrs of AquaPure - 1Ltr @ of Rs. 30 per Liter to Universal Distributors.

1. Create Masters
   i. Sales Ledger
   ii. VAT Duty Ledger
2. Record a Excise sales voucher

1. Create Masters

i. Sales Ledger

Ledger	Under	Used in VAT Returns	VAT/Tax Class
Sales @ 12.5%	Sales Accounts	Yes	**Sales @ 12.5%**
Set **Inventory values are affected** to **Yes**			

ii. VAT Duty Ledger

Ledger	Under	Type of Duty/Tax	VAT SubType	Default VAT/Tax Class
Output VAT @ 12.5%	Duties & Taxes	VAT	Output VAT	Output VAT @ 12.5%

As per the given details create the above ledgers.

3. Record a Excise sales voucher

While recording excise sales for a Stock Item with the Valuation Type - MRP Based, Tally.ERP 9 allows to alter the MRP Rate (defined in the Stock Item master) during entry.

To alter the MRP Rate during entry a configuration option - **Allow modification of Excise MRP Rate & Abatement** in **F12 Configuration (Sales Invoice Configuration)** has been provided.

Sales Invoice Configuration	
Accept Supplementary Details *(Address Details, Despatch Details etc.)*	? Yes
Allow Separate Buyer and Consignee Names	? No
Use Common Ledger A/c for Item Allocation	? Yes
Use Defaults for Bill Allocations	? Yes
Use Additional Description(s) for Item Name	? No
Use Additional Description(s) for Ledger Name	? No
Consolidate Stock Items with same rates	? No
Show Compound Unit of Item based on Rate	? No
Show Full Details of Compound Unit	? No
Use Default for Bank Allocations	? No
Show Remarks in Bank Allocation Details	? No
Exporters' Options	
Specify Export Shipping details	? No
Specify Marks & Nos./Container No.	? No
Specify No. and Kind of Packages	? No
Other Options	
Show turnover achieved with Customer	? No
Allow modification of ALL fields during entry	? No
Allow modification of Excise MRP Rate & Abatement	? **Yes**
Warn on Negative Stock Balance	? Yes
Calculate Tax on current Sub-Total *(else calculations are on Inventory Total only)*	? No
Allow selection of VAT/Tax Class during entry	? No
Warn on Mismatch in VAT Rates	? No
Activate 'E1' or 'E2' Transaction (VAT)	? No
Activate Cash/Trade Discount	? No

Figure 4.26 Sales Invoice Configuration

To create a **Sales Voucher**

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

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

Notes

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

3. Enter the **Date** as **22-4-2010**
4. Enter the **Ref** details as **AQ/986**

5. In **Excise Unit** field Tally.ERP 9 displays **National Aqua Ltd.**, as selected during voucher type creation

6. **Excise Book Name** field displays the name of the **excise invoice book (Aqua/Rule11/ Book1/10-11)** created for the Excise Unit

7. **No.** field displays the Rule 11 invoice Number e.g. **NA/101/10-11**

8. In **Party A/c Name** field select **Universal Distributors** from the **List of Ledger Accounts**

9. In **Party Details** sub form

- **Despatch/Order Details**: Under these two sections enter the **Despatch and Order Details**

- **Sl.No. in PLA /RG-23**: In this filed enter the Sl.No. in PLA /RG-23 register as **1**

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

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

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

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

Figure 4.27 Party Details Screen

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

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

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

- ◻ ***Captive Consumption*** *will be selected when the goods are removed for using within the same factory or transfer of goods to a sister unit or another factory of the same company/firm for further use in the manufacture of goods.*

- ◻ ***Domestic*** *will be selected if the removal is for domestic Sales.*

- ◻ ***Exempt*** *is selected when the sales is a exempt sales. In case of exempt sales user needs to enter he notification number under which the exemption is provided*

- ◻ ***Export*** *is selected when the goods are removed for Export. In case of export sales user needs to enter the notification number under which the exports are made*

- ◻ ***Export - Duty Chargeable*** *will be used when the goods are removed for Export by paying duty and later the rebate or refund is claimed from the department*

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

- ◻ ***Special Rate*** *is selected when the sales is made to the customer at special rate of Duty other than the standard rate of Duty.*

11. In **Sales Ledger** field select the ledger **Sales @ 12.5%** from the **List of Ledger Accounts**
12. **VAT/Tax Class** field automatically gets updated with the VAT/Tax class as selected in the sales ledger, which can be changed.
13. In **Name of Item** field select the Stock Item i.e. **AquaPure - 1Ltr**
14. In **Quantity** field enter the quantity as **2,50,000**
15. In **Rate** field enter the rate as **Rs. 30**
16. **Amount** will be displayed automatically
17. Press **Enter** from **Amount** field cursor will move to **Excise MRP** and **Abatement** field. If the MRP or abatement percentage is different then enter the same.

Figure 4.28 Alterable Excise MRP & Abatement Fields

18. Select **Duty Ledger** i.e. **Basic Excise Duty @ 10%**. **Amount** will be calculated and displayed automatically.

19. Select **Education Cess @ 2%** and **Secondary Education Cess @ 1%** ledgers. **Amount** will be calculated and displayed automatically

20. Select **Output VAT @ 12.5%** as the Vat duty ledger. **Amount** will be displayed automatically

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

Figure 4.29 Sales Voucher

*Application will allow to move the cursor to **Excise MRP** and **Abatement** field only when the configuration option **Allow modification of Excise MRP Rate & Abatement** is enabled in **F12 Configuration (Sales Invoice Configuration)**.*

*The **MRP Rate** & **Abatement**% defined during entry will be considered for duty calculation*

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

Figure 4.30 Statutory Details Screen

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

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

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

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

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

Figure 4.31 Bill-wise Details

Completed Excise Sales Voucher is displayed as shown

Figure 4.32 Sales Voucher

24.Press **Enter** to Save.

Printing Excise Sales Invoice

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

Figure 4.33 Voucher Printing screen

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

Set the following options to **Yes**

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

Figure 4.34 Invoice Printing Configuration screen

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

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

National Aqua Ltd.
81, Rajajinagar Industrial Area, Bangalore
Phone : 55268941 / E-mail : production@national.com

VAT TIN : **11004579203**	Range : Rajajinagar /105/ 6th Floor, B Wing, Kendriya Sadan, Koramangala, Bangalore Urban
CST No. : **42514878285**	Division : Division II / D2 / 7th Floor, C Wing, Kendriya Sadan, Koramangala, Bangalore Urban
Excise Regn No.: **AAPPL2148RXM001**	Commissionerate : Bangalore I / B9 /P.B. No. 5400, Queens Road, C.R.Building, Bangalore GPO Bangalore Urban -560001

Buyer	Invoice No.	Dated
Universal Distributors	**NA/101/10-11**	**22-Apr-2010**
# 568	Buyer's Order No.	Dated
Yeshwanthpur		
Bangalore	Delivery Note	Dated
Excise Regn No.: **ASFDE6581SXD001**		
Range : **Yeshwanthpur**	Supplier's Ref.	Despatch Document No.
	AQ/986	
Division : **Yeshwanthpur I**	Despatched through	Destination
Commissionerate : **Bangalore II**		
	Date & Time of issue of Invoice	Motor Vehicle No.
	22-Apr-2010 at 12:14	
	Date & Time of Removal of Goods	Authenticated By
	22-Apr-2010 at 12:14	*for National Aqua Ltd.*
	Mode/Terms of Payment	
		Authorised Signatory

Sl No.	Description of Goods	Tariff / HSN Classification	Quantity	Rate	per	Amount
1	AquaPure – 1 Ltr	22011010	2,50,000 L (10,417 Box)	30.00	L	75,00,000.00
	Basic Excise Duty @ 10%			10	%	3,90,000.00
	Education Cess @ 2%			2	%	7,800.00
	Secondary Education Cess @ 1%			1	%	3,900.00
	Output VAT @ 12.5% (79,01,700.00)			12.50	%	9,87,713.00
	Total		**2,50,000 L**			**₹ 88,89,413.00**

Amount Chargeable (in words) : **Indian Rupees Eighty Eight Lakh Eighty Nine Thousand Four Hundred Thirteen Only**
VAT Amount (in words) **Indian Rupees Nine Lakh Eighty Seven Thousand Seven Hundred Thirteen Only (₹ 9,87,713.00)**

Description of Goods	Assessable Value	Rate of BED	BED Amount	Rate of Ed Cess	Ed Cess Amount	Rate of Sec Ed Cess	Sec Ed Cess Amount
AquaPure – 1 Ltr (MRP: 30.00/L Abatement: 48%)	39,00,000.00	10 %	3,90,000.00	2 %	7,800.00	1 %	3,900.00
Total	**39,00,000.00**		**3,90,000.00**		**7,800.00**		**3,900.00**

Amount of Duty (in words): **Indian Rupees Three Lakh Ninety Thousand Only**
Amount of Cess (in words): **Indian Rupees Eleven Thousand Seven Hundred Only**

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

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

for National Aqua Ltd.

Name : Rajesh
Designation: Manager   Authorised Signatory

SUBJECT TO BANGALORE JURISDICTION   E. & O.E

This is a Computer Generated Invoice

Figure 4.35 Print Preview – Excise Invoice

4.5 Creating a Journal Voucher – CENVAT Credit Adjustment

Under Central Excise Act Excise duty is payable monthly or quarterly depending on the Type of manufacturer.

If you're a Regular Manufacturer, Excise Duty is payable Monthly and if you are SSI Excise Duty is payable Monthly. Hence the CENVAT Credit Adjustment entry is recorded at the end of Every month or Quarter depending on the type of Manufacturer.

For the payment of Excise Duty, CENVAT Credit available to a Unit will be adjusted towards the Duty Payable to arrive at the Net Duty Payable to the Government.

In Tally.ERP 9 to record the adjustment, CENVAT Credit and Excise Duty accounts are Credited and Debited, respectively to nullify their balances and the net balance in the Excise Duty ledgers will be paid to the Government. To record the CENVAT adjustment entry **L: Excise Helper** button is provided.

Example 6:
On 30-4-2010 National Aqua Ltd. adjusted CENVAT credit availed against the duty payable.

To Account the above transaction follow the steps given

1. Record a Journal Voucher

To record the Journal voucher

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

1. In **Voucher Type** sub form select **CENVAT Credit Adjustment** in **Class** field

Figure 4.36 Journal Voucher Class Selection

2. Enter the **Date** as **30-4-2010**
3. In **Used For** field select **CENVAT Adjustment**

Figure 4.37 Selection of Excise Adjustments

4. Press **Alt + L** or click on <u>**L**</u>**: Excise Helper** button to view **Excise Duties Adjustments** screen
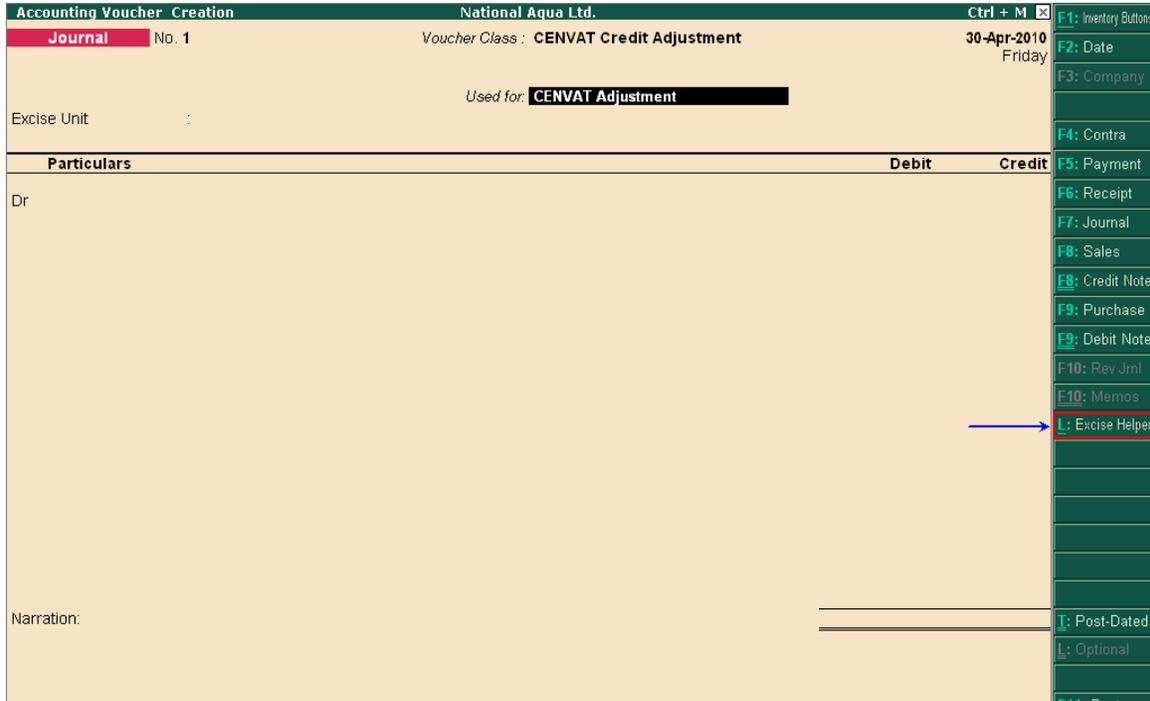
Figure 4.38 Selection of Excise Helper

5. In **Excise Duties Adjustments** screen

 ❑ In **Excise Unit** field select **National Aqua Ltd.** from the **List of Excise Units**. On selecting **Excise Units** the **CENVAT credit available details** will be displayed in **CENVAT Available** column

 ❑ In **Payable From** and **To** field mention the period for which the payment is done.

   ▪ **Payable From**: **1-4-2010**
   ▪ **To**: **30-4-2010**

On specifying the **Payable From** and **To** date the **excise duty payable** for the period specified will be displayed in **Duty Payable** column

Excise Duties Adjustments

Excise Unit   : National Aqua Ltd.
Payable From   : 1-Apr-2010   To : 30-Apr-2010

Duty Head	Duty Payable	CENVAT Available	Adjustment Amount
Basic Excise Duty	3,90,000.00	2,62,500.00	
Education Cess	7,800.00	5,250.00	
Secondary Education Cess	3,900.00	2,625.00	
Total	4,01,700.00	2,70,375.00	

Figure 4.39 Excise Duties Adjustments screen

□ *Rs. 2,62,500 is the CENVAT Credit (Basic Excise Duty amount) available for adjustment towards excise duty payable*

□ *Rs. 5,250 is the CENVAT Credit (Education Cess amount) available for adjustment towards excise duty payable. Credit of **Education Cess** on Excisable goods and imported goods can be utilised only for payment of education cess on final products.*

□ *Rs. 2,625 is the CENVAT Credit (Secondary Education Cess amount) available for adjustment towards excise duty payable. Credit of **SHE Cess** on Excisable goods and imported goods can be utilised only for payment of education cess on final products.*

User can adjust **full / partial amount of Credit available** towards **duty payable** for the period. The amount of CENVAT credit adjusted towards duty payable needs to be specified in Adjustable Amount column.

□ In **Adjustment Amount** column specify the adjustable amount as

- **Basic Excise Duty** – Rs. 2,65,000
- **Education Cess** – Rs. 5,250
- **Secondary Education Cess** – Rs. 2,625

We are adjusting **full credit** towards duty payable.

□ Press **Enter** save the adjustment. Tally.ERP 9 displays **Proceed to Adjust Excise Duties?** screen for confirmation to adjust excise duties

Figure 4.40 Proceed to Adjust Excise Duties screen

❑   Press **Enter** to save the **Excise Duties Adjustments**.

Currently Tally.ERP 9 allows the adjustment of credit and liability of same nature of duty example: BED credit can be adjusted towards BED.

❑   *CENVAT Adjustment between the duties i.e.* **BED Credit** *adjustment towards* **NCCD** *etc. and*

❑   *Adjustment of* **service input credit** *towards* **excise duty** *and* **vice versa** *are not supported.*

6. On saving the CENVAT Adjustments, **Journal Voucher** displays the **adjusted ledgers** with the **amount** adjusted automatically.

Figure 4.41 Journal Voucher displays Ledgers with Amount

*Observe all the **CENVAT ledger balances** are nullified and the ledger balances are displayed as **Zero***

Completed Journal Voucher is displayed as shown

Accounting Voucher Creation	National Aqua Ltd.		Ctrl + M ☒
Journal No. 1	Voucher Class : **CENVAT Credit Adjustment**		30-Apr-2010 Friday

Used for: **CENVAT Adjustment**

Excise Unit : **National Aqua Ltd.**

Particulars	Debit	Credit
Dr **Basic Excise Duty @ 10%**	2,62,500.00	
Cur Bal: 1,27,500.00 Cr		
Dr **Education Cess @ 2%**	5,250.00	
Cur Bal: 2,550.00 Cr		
Dr **Secondary Education Cess @ 1%**	2,625.00	
Cur Bal: 1,275.00 Cr		
Cr **Basic Excise Duty (CENVAT)**		2,62,500.00
Cur Bal: 0.00 Cr		
Cr **Education Cess (CENVAT)**		5,250.00
Cur Bal: 0.00 Cr		
Cr **Secondary Education Cess (CENVAT)**		2,625.00
Cur Bal: 0.00 Cr		

Narration: 2,70,375.00 2,70,375.00

Accept ?

Yes or No

Figure 4.42 Journal Voucher

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

Tally.ERP 9 also allows to record CENVAT Credit Adjustment entry manually.

4.6 Creating a Payment Voucher – G.A.R 7 Payment

Excise Duty payments in Tally.ERP 9 can be recorded using Tax Helper (**S: Stat Payment**). Stat Payment option allows auto calculate and displays the Duty amount for the period specified in payment voucher or manually record the transaction.

Example 7:

*On 4-5-2010 National Aqua Ltd. paid **Excise Duty of Rs. 1,31,325** (to government) payable for the month of April.*

To create a **Payment Voucher**

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

In **F12: Configure (Payment Configuration)**

- Ensure **Use Single Entry mode for Pymt/Rcpt/Contra** is set to **Yes**

1. Enter the **Date** as **4-5-2010**
2. Press **Alt + S** or click on **S: Stat Payment** to view **Statutory Payment** screen
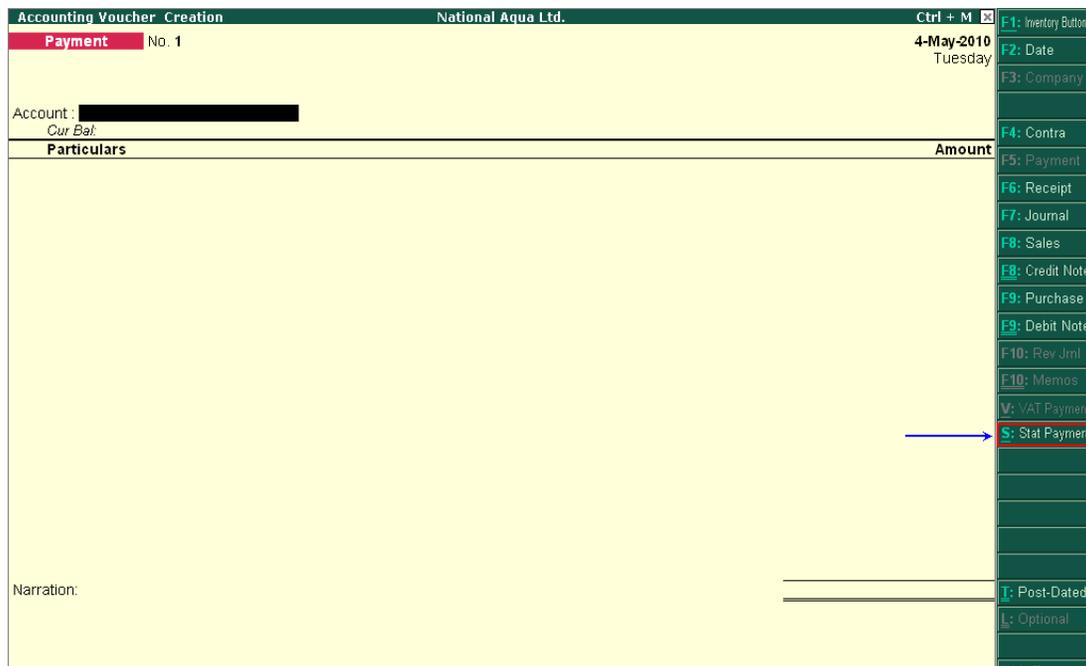
Figure 4.43 Payment Voucher

3. In **Statutory Payment** screen
   - **Type of Duty/Tax**: In this field select the **Tax/Duty Type** towards which tax payment entry is being recorded. Here we are recording excise duty payment entry, hence select **Excise** from the **Type of Duty/Tax**
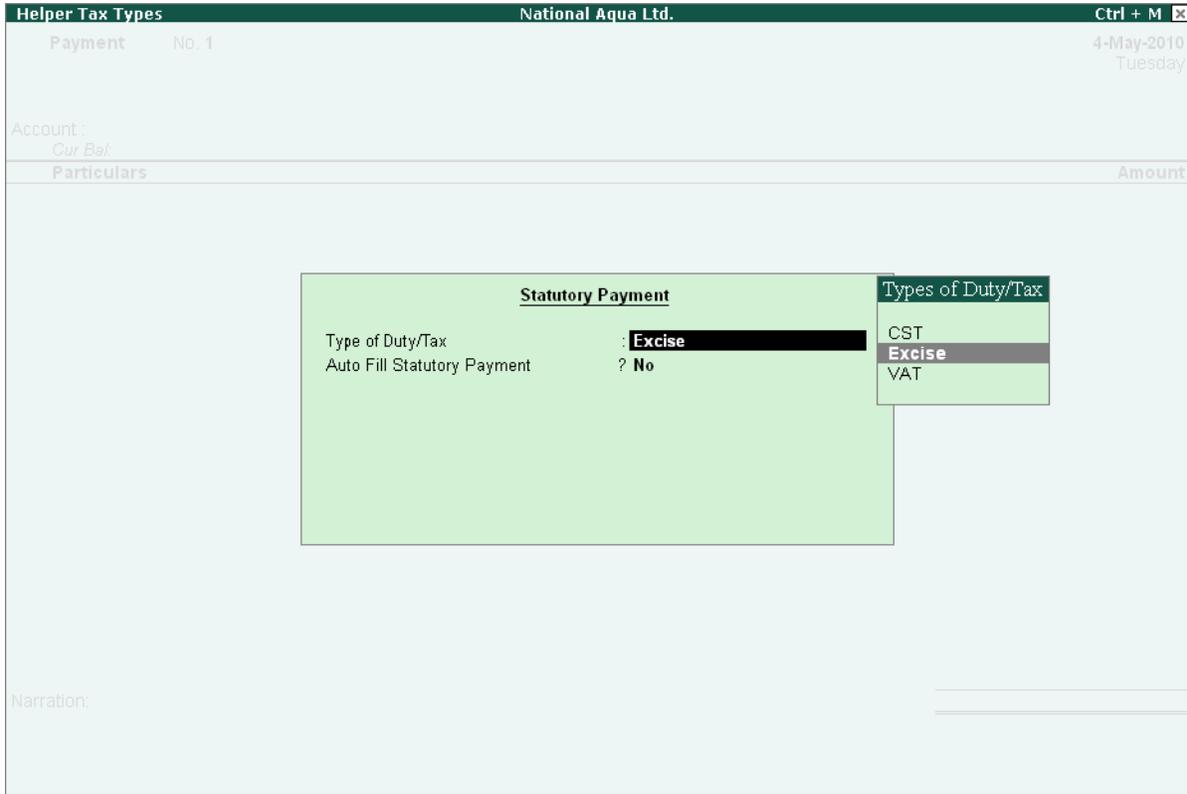
Figure 4.44 Selection of Type of Duty/Tax

❑ **Auto Fill Statutory Payment**: Set this option to **YES** to auto calculate and fill the duty payable to the Government

Set this option to **NO**, if the user wants to manually select the duty ledger and duty bills.

National Aqua Ltd. wants duty details to be auto filled to the payment voucher, hence the option **Auto Fill Statutory Payments** is set to **Yes**.

❑ On setting the option **Auto Fill Statutory Payments** to **Yes**, based on the **Duty/Tax Type** selected Tally.ERP 9 displays the appropriate statutory payment fields to fill the details.

❑ In **Period From and To** field enter the period as **1-4-2010 to 30-4-2010**

❑ In **Excise Unit Name** field select **National Aqua Ltd.** from the List of Excise Units
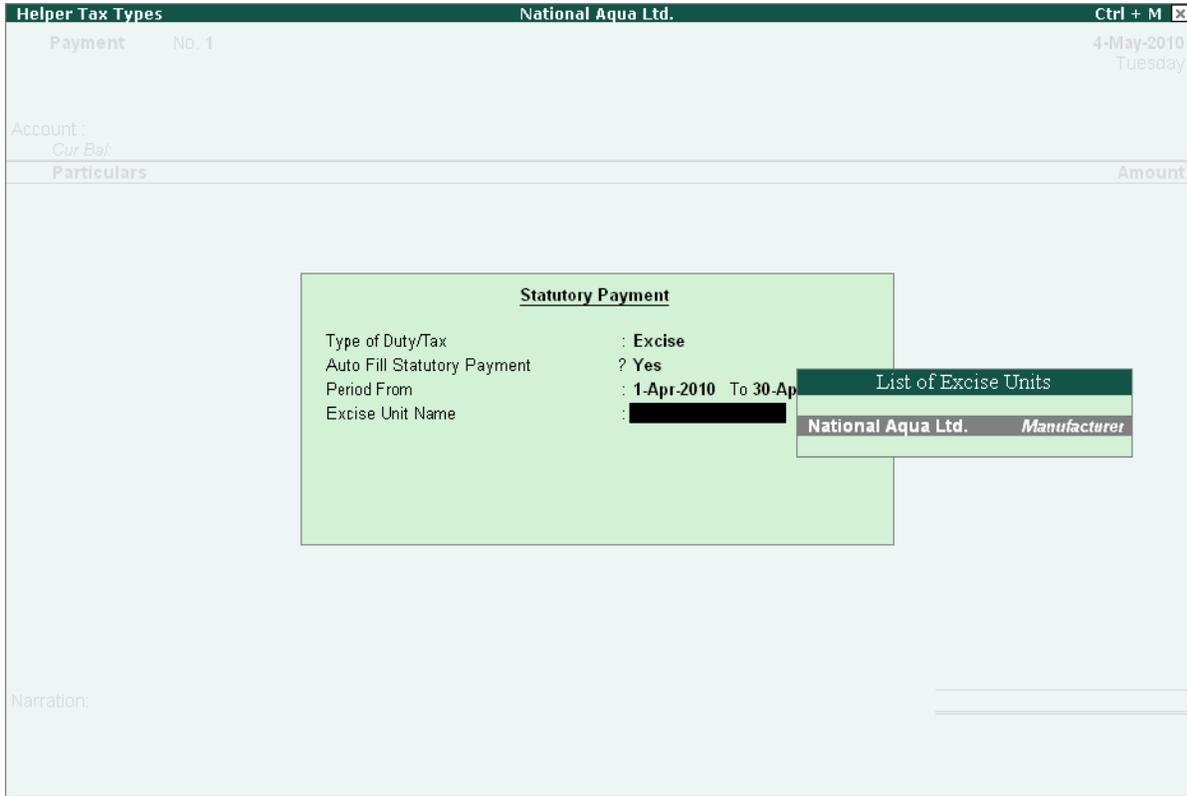
Figure 4.45 Statutory Payment Screen

4. Press **Enter** to accept the Statutory Payments details.
5. **Excise Duty Ledgers** with the **duty amount** due for Payment (for the Period specified in payment details screen) will be displayed automatically.

Figure 4.46 Payment Voucher with Duty Amount

6. In **Account** field select the **Bank Ledger** through which the duty Payment is made.

7. Set the option **Provide Details** to **Yes**

8. In Payment Details screen

   ◻ **Period From** and **To**: The period details will be displayed automatically based on the period specified in Statutory Payments screen.

   ◻ **Excise Unit Name**: Unit Name will be displayed automatically based on the excise unit specified in Statutory Payments screen.

   ◻ In **Challan No.** field enter the **Bank Challan no. - 456421** used to pay the duty amount

   ◻ In **Challan Date** field enter the date **4-5-2010** on which the duty is paid

   ◻ In **Bank Name** field enter the **Name of the Bank - SBI Bank** through which the payment is made.

   ◻ In **BSR Code** field mention the BSR Code of the Branch - **0075855**

   ◻ In **Cheque/Draft/Pay Order No.** field enter the Cheque Number - **552432**

   ◻ In **Cheque Date** field enter the cheque date as **4-5-2010**

Completed Payment Details screen

Figure 4.47 Payment Details Screen

9. Enter the **Narration** if any.
The completed Payment Voucher is displayed as shown

Figure 4.48 Completed Payment Voucher

10.Press **Enter** to save.

Printing G.A.R.–7 Challan

Press **Page Up** from the payment voucher to view the payment voucher entered on **4-5-2010**

Press **Alt +P** or click on <u>P</u>**: Print** button to view the **Voucher Printing** Screen

Figure 4.49 Voucher Printing

The option **Print G.A.R.–7 Challan** is by default set to **Yes**.

Ensure that **Alt+I with Print Preview** is selected and press enter to view print preview of **G.A.R.– 7 Challan**

Print Preview of GAR 7 Challan is displayed as shown

For payments from April 2007 onwards	G.A.R.-7 Proforma for Central Excise Tax Payments	(Receipts & Payment Rules 26)

Full Name: National Aqua Ltd.

Complete Address: #81. Rajajinagar Industrial Area, Bangalore

Telephone No. 55268941   Pincode 560010

Assessee Code No. AAPPL2148RXM001

Commissionerate Name: Bangalore I

Commissionerate Code 09   Division Code 02   Range Code 05

Accounting Code of the Duty / Cess   Amount Tendered in Rupees

00380003	128775
00380111	2550
Total	131325

RECEIVING BANK BRANCH STAMP

(In words) Rupees: One Lakh Thirty One Thousand Three Hundred Twenty Five Only.   tendered by

Cash/Cheque/Draft/Pay Order No. 552432   Dated 4-May-2010   Drawn on SBI Bank

Signature of the Tenderer with date

TAX PAYER'S COUNTERFOIL

Accounting Code of the Duty / Cess   Amount Tendered in Rupees

00380003	128775
00380111	2550
Total	131325

RECEIVING BANK BRANCH STAMP

Received from Assessee Code No. AAPPL2148RXM001

(In words) Rupees: One Lakh Thirty One Thousand Three Hundred Twenty Five Only.

By Cash/Cheque/Draft/Pay Order No. 552432   Dated 4-May-2010   Drawn on SBI Bank

on account of Union Central Excise Duties as detailed in this taxpayer's counterfoil and on stamp affixed and signed therein.

Figure 4.50 Print Preview – G.A.R.– 7

Lesson 5:   Excise Reports

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Lesson Objectives

On completion of this lesson, you will learn to

- ◻ View Excise Computation
- ◻ View Daily stock Register
- ◻ View PLA Register and PLA Summary
- ◻ Generate Form ER 1, ER 5, ER 6 and ER 8
- ◻ View CENVAT Registers

</div>

5.1 Excise Reports

To view the Excise for manufacturer Reports

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer**
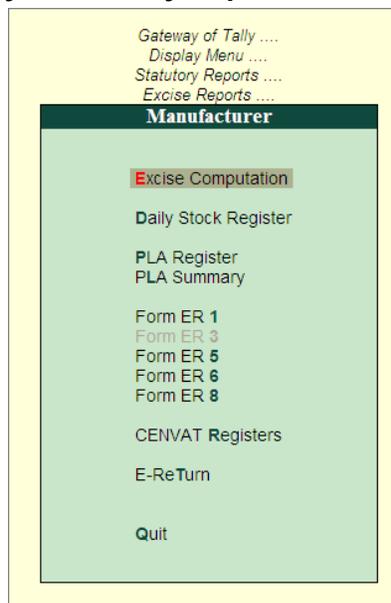
Figure 5.1 Excise Reports

5.2 Excise Computation

Excise Computation report displays complete information about excise transactions for a period.

Tally.ERP 9 provides a clear-cut presentation on how Excise is computed for a given period. It also provides a bird's eye view of all transactions related to Excise.

To view Excise Computation report

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > Excise Computation**

◻ Select the Excise Unit – **National Aqua Ltd.**

If you have more than one manufacturing unit select the appropriate Excise Unit from the List of Excise Units for which you want to view the Excise Computation report

Excise Computation report appears as shown:

Figure 5.2 Excise Computation

5.3 Daily Stock Register

Daily Stock Register is a record of stock maintained on daily basis. A daily stock has to be maintained by every assessee. This report contains details about Description of goods manufactured/produced, opening balance, Quantity manufactured or produced, Total quantity, Quantity removed, Assessable value, Amount of duty payable and details regarding amount of Duty actually paid.

To view Daily Stock Register

Go to **Gateway of Tally > Display > Statutory Reports> Excise Reports > Manufacturer > Daily Stock Register**

You can view Daily Stock Register for **One Item** or **Multi Item**

1.Select One Item from the Daily stock Register menu to view Select Excise Unit screen

In **Select Excise Unit** screen

❑ **Name of Excise Unit**: By default Tally.ERP 9 displays National Aqua Ltd.

If you have more than one manufacturing unit select the appropriate Excise Unit from the List of Excise Units for which you want to view the Daily Stock Register

❑ **Name of Tariff**: In this field select the Tariff to view the stock items/item grouped under the selected tariff. Select Water as Tariff.

❑ **Name of Item**: Select AquaPure - 1Ltr from the List of Excise Stock Items.

You can select appropriate **Stock item** from the List of Excise Stock items to view the Daily Stock Register
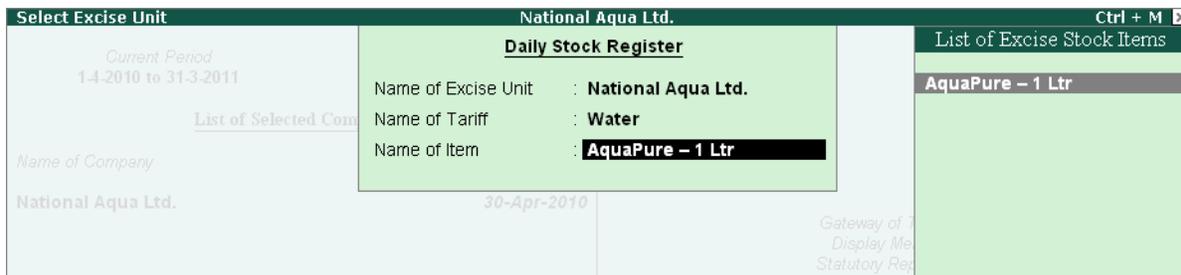
Figure 5.3 Select Excise Unit

The **Daily Stock Register** appears as shown:

Date	Document Reference	Opening Balance	Quantity Manufactu- red	Total Quantity	Issued for Further Production u/n 67 / 95	Issued for repacking	Issued for Exempt / Export under Bond	Quantity Issued for Sales	Assessable Value
									5 more ... →
15-Apr-2010	Manufacturing Journal / 1		4,50,000	4,50,000					
22-Apr-2010	Excise - Sales / NA/101/10-11	4,50,000		4,50,000				2,50,000	39,00,000.00
	Total		**4,50,000**	**4,50,000**				**2,50,000**	**39,00,000.00**

Figure 5.4 Daily Stock Register

5.4 PLA Register

Personal Ledger Account (PLA) is an account current through which Assessee pays the Duty to the Government. The PLA register is credited when the duty is liable to pay and when the Duty is discharged (by CENVAT Credit /Payment) the PLA register will be debited. The Duty Payable if any will be displayed as Balance. PLA and CENVAT Credit should be used only for payment of excise duty and not for any other payments like rent, fines, penalties etc.

To view the PLA Register

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > PLA Register**

In Select Item screen

Select the **Excise Unit – National Aqua Ltd**. from the List of Excise Units

PLA Register appears as shown:

PLA Register	National Aqua Ltd.			Ctrl + M ⊠
Excise Unit Name : National Aqua Ltd.				1-Apr-2010 to 30-Apr-2010

Particulars of Credit / Debit Document Description of Documents with name of treasury where necessary	Document No. / Date	Central Excise Tariff Sub-heading Number	ECC No. of the Buyer	Basic Excise Duty		
				Credit	Debit	Balance
Excise - Sales	NA/101/10-11 / 22-Apr-2010	22011010	ASFDE6581SXD001	3,90,000.00		3,90,000.00
Journal	1 / 30-Apr-2010	39233010			2,62,500.00	1,27,500.00
Payment	1 / 4-May-2010	22011010			1,27,500.00	

Figure 5.5 PLA Register

5.5 PLA Summary

PLA Summary report, displays the details of **advance Duty paid to the Government; advance adjusted towards Duty Payable;** and the **balance amount available in PLA for adjustment.**

To view PLA Summary

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > PLA Summary**

5.6 Form ER 1

Form ER 1 is a monthly return for production, removal of Goods, other relevant particulars and CENVAT Credit.

All the Excise Manufacturing (Regular/Large Tax payer) Units should file returns in **Form ER 1**.

You can generate **Form ER 1** in Tally.ERP 9. To view Form ER 1

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > Form ER 1**

◻ From the List of Excise Units select the Excise Unit – **National Aqua Ltd.** (for which you want to print ER 1)

The **Excise ER1 Print Configuration** screen appears as shown:

Figure 5.6 Print Configuration

◻ Press **Backspace** to set the **From Date** and **To Date** to take the print of **Form ER 1** for appropriate period

◻ Ensure **Alt +I: Print Preview** is selected.

The **Print Preview of Form ER 1** appears as shown:

ANNEXURE-12
Monthly return for production and removal of goods and other relevant particulars and CENVAT credit
Form E.R.-1

Original/Duplicate

[See rule 12 of the Central Excise Rules, 2002 and rule 9(7) of CENVAT Credit Rules,2004]

	MM	YYYY
Return of excisable goods and availment of CENVAT credit for the Month	04	2010

Large Taxpayer Unit opted for (name of the city)*:-

1. Registration number :-	AAPPL2148RXM001
2. Name of the Assessee :-	National Aqua Ltd.

3. Details of the manufacture, clearance and duty payable:-

CETSH NO. (1)	Description of goods (2)	Unit of quantity (3)	Opening balance (3A)	Quantity manufactured (4)	Quantity cleared (5)	Closing balance (5A)	Assessable Value (Rs.) (6)
22011010	Water	L		4,50,000	2,50,000	2,00,000	39,00,000.00
	Total			4,50,000	2,50,000	2,00,000	39,00,000.00

Duty (7)	Notification availed (8)	Serial number in Notification (9)	Rate of duty (adv) (10)	Rate of duty (specific) (11)	Duty Payable (12)	Provisional assessment number (if any) (13)
Basic Excise Duty					3,90,000.00	
Education Cess					7,800.00	
Secondary Education Cess					3,900.00	

4. Clearance details of inter unit transfer of intermediate goods without payment of duty under sub-rule (1) of rule 12BB*:-

Registration number of the recipient unit (1)	Name and address of the recipient premises (2)	CETSH NO (3)	Description of goods sent (4)	Unit of Quantity (5)	Quantity cleared (6)

5. Receipt details of intermediate goods received from other premises under sub-rule (1) of rule 12BB*:-

Registration number of sender premises (1)	Name and address of the sender premises (2)	CETSH NO (3)	Description of goods received (4)	Unit of Quantity (5)	Quantity received (6)

6. Details of duty paid on excisable goods:-

Duty Code (1)	Credit Account (Rs.) (2)	Account Current (Rs.) (3)	Challan No. (4A)	Challan Date (4B)	BSR code (5)	Total duty paid (2+3) (6)
Basic Excise Duty	2,62,500.00	1,27,500.00	456421	4-May-2010	0075855	3,90,000.00
Education Cess	5,250.00	2,550.00				7,800.00
Secondary Education Cess	2,625.00	1,275.00				3,900.00

Figure 5.7 Form ER 1 – Page 1

7. Abstract of ACCOUNT-CURRENT (Cash payment):-

Summary particulars	Amount in Rs.
(1)	(2)
Opening Balance	
Add: TR-6/GAR-7 Challan payments made in the month (in aggregate)	1,31,325.00
Add*: Adjustment of the excess duty paid during previous period under sub-rule(2) of rule 12BB (in case of LT)	
Total amount available	1,31,325.00
Less: Utilization towards Payment of duties on excisable goods during the month [vide Details furnished under col.no. 3 in Sl.No. (6) of the Return]	1,31,325.00
Less: Utilization towards Other Payments made during the month [vide Details furnished under Sl.No. (9) of the Return]	
Closing balance	

8. Details of CENVAT credit taken and utilised:-

Sl. No.	Details of credit	CENVAT (Rs.)	AED (TTA) (Rs.)	NCCD (Rs.)	ADE levied under clause 85 of Finance Act, 2005 (Rs.)	Additional duty of cus -toms levied under section 3 (5) of the Customs Tariff Act, 1975	Education Cess on excisable goods (Rs.)	Secondary and Higher Education Cess on Excisable goods (Rs.)	Service Tax (Rs.)	Education Cess on taxable services (Rs.)	Secondary and Higher Education Cess on taxable services (Rs.)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	Opening balance										
2	Credit taken on inputs on invoices issued by manufac-turers	2,62,500.00					5,250.00	2,625.00			
3	Credit taken on inputs on invoices issued by Ist or IInd stage dealers										
4	Credit taken on imported inputs										
5	Credit taken on capital goods on invoices issued by manufac-turers or by Ist or IInd stage dealers										

Figure 5.8   Form ER 1 – Page 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
6	Credit taken on imported capital goods										
7	Credit taken on input services										
8	Credit taken from inter-unit transfer of credit by a large taxpayer										
9	Credit taken under sub-rule (2) of rule 12BB of Central Excise Rules, 2002*										
10	Total credit available	2,62,500.00					5,250.00	2,625.00			
11	Credit utilised for payment of duty on goods	2,62,500.00					5,250.00	2,625.00			
12	Credit utilised when inputs or capital goods are removed as such										
13	Credit utilised for payment of amount in terms of Rule 6 of CENVAT Credit Rules, 2004.										
14	Credit utilised for other payment										
15	Credit utilised for payment of tax on services										
16	Credit utilised towards inter unit transfer of credit by a large taxpayer*										
17	Closing balance										

Figure 5.9 Form ER 1 – Page 3

9. Details of other payments made:-

Payments	Amount paid (Rs.)		Challan		BSR code	Source document	
	Account current	Credit Account	No.	Date		No.	date
(1)	(2A)	(2B)	(3A)	(3B)	(4)	(5A)	(5B)
Arrears of duty under rule 8							
Other arrears of duty							
Interest payment under rule 8							
Other interest payments							
Misc. payments							
[Total]							

10. Self-Assessment Memorandum:-

   (a) I hereby declare that the information given in this return is true, correct and complete in every respect and that I am authorised to sign on behalf of the assessee.

   (b) During the month, total Rs. 1,31,325.00 was deposited vide TR-6 Challans (copies enclosed).

   (c) During the month, invoices bearing Sl.No. **NA/101/10-11 to NA/101/10-11 of NA/Rule11/Book1/10-11 were issued.**

   (d) During the month, transfer challans under rule 12BB of the Central Excise Rules, 2002 bearing S.No.____to____, and transfer challan under rule 12A of the CENVAT Credit Rules, 2004 bearing S.No.____to____were issued.*

NATIONAL AQUA LTD.
(Authorised signatory)

Place   : **Bangalore**
Date   : **4-May-2010**
*Applicable only for large taxpayers defined under Rule 2(ea) of the Central Excise Rule,2002 and who has opted to operate as Large Taxpayer.

ACKNOWLEDGMENT

	MM	YYYY
Return of excisable goods and availment of CENVAT credit for the month of	04	2010

	DD	MM	YYYY
Date of Receipt			

Figure 5.10 Form ER 1 – Page 4

5.7 Form ER 5

Form ER - 5 is an **annual** return of information relating to **Principal Inputs (Quantity)** used in the manufacture of **Finished Goods**.

To generate **Form ER – 5**

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > Form ER 5**

In **Print Report** screen

- ❑ **Excise Unit**: In this field select the appropriate Excise Unit for which you want to generate form ER 5
- ❑ **From and To**: In this field specify the relevant period for which the form to be generated.
- ❑ Specify **Place, Date** and **Assessee Name**

Figure 5.11 Form ER - 5 Print Screen

The Print Preview of From ER - 5 appears as shown:

FORM ER - 5
[Sub-rule (1) of rule 9A of CENVAT Credit Rules,2004]

1. Name of the Manufacturer : National Aqua Ltd.
2. PAN based Registration Number : AAPPL2148RXM001
3. Annual Declaration
   (i) New Declaration :
   (ii) Amendments to declaration already filed :
   (Please tick the appropriate box)
4. Declaration for the Financial Year : 2010

Sr.No.	Description of Principal Inputs	Central Excise Tariff Sub-Heading No. of Principal inputs	Quantity Code	Description of finished goods in which principal input mentioned in column (2) is used	Central Excise Tariff Sub-Heading No.of finished goods	Quantity Code	Quantity of Principal input mentioned in column (2) required for use in the manufacture of unit quantity of finished goods mentioned in column (5)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Bottle Caps	39235010	Kg				
				AquaPure – 1 Ltr	22011010	L	4,50,000
2	Natural Water	22011010	L				
				AquaPure – 1 Ltr	22011010	L	4,50,000
3	Pet Bottles – 1Ltr	39233010	Kg				
				AquaPure – 1 Ltr	22011010	L	4,50,000

NOTE:-

Please indicate the abbreviation referred to in Instruction No.7 mentioned in Form E.R.-1 and Form E.R.-3 specified in the Government of India, Ministry of Finance (Department of Revenue) vide No.25/2004 -Central Excise (N.T.), dated the 27th September,2004 published vide G.S.R.No.643(E) dated the 25th September,2004.

5. (i)   I/We ABC COMPANY hereby declare that the information given above is true, correct and complete in every respect to the best of my/our knowledge and belief.

   (ii)   I/We/am/are authorized to sign this return.

(Authorised signatory)

Place : **Bangalore**
Date : **4-Apr-2011**

ACKNOWLEDGMENT

Declaration for the Financial Year :				2010

	DD	MM	YYYY
Date of Receipt			

Figure 5.12 Print Preview of Form ER - 5

5.8 Form ER 6

Form ER - 6 is an monthly return of information relating to Principal Inputs used in the manufacture of Finished Goods. This Return contains the details of Opening balance, Receipts and consumption of Principal inputs and quantity of finished goods manufactured.

To view the Form ER - 6

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > Form ER – 6**

In Print Report screen

- ❑ **Excise Unit**: In this field select the appropriate Excise Unit for which you want to generate Form ER 6

- ❑ **From and To**: In this field specify the relevant period for which the form to be generated.

- ❑ Specify **Place**, **Date** and **Assessee Name**

Figure 5.13 Form ER - 6 Print Screen

The print preview of Form ER 6 appears as shown:

FORM ER - 6

[Sub-rule (3) of rule 9A of CENVAT Credit Rules, 2004]

1. Name of the Manufacturer : National Aqua Ltd.

2. PAN based Registration Number : AAPPL2148RXM001

3. Month to which the return relates : 04 | 2010

4. Details of receipt and consumption of principal inputs and finished excisable goods :

Sr.No.	Descrip-tion of Princip-al Inputs	Quantity Code	Opening Balance	Receipt	Taken for use in the manuf-acture of dutiable and exempt-ed finished goods	Remov-ed as such for export or for home consu-mption	Closing Balance	Finished goods manufactured out of inputs		Quantity Code finished goods	Quantity of finished goods manuf-actured
								Sr.No.	Description		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9 A)	(9 B)	(10)	(11)
1	Bottle Caps	Kg		5,00,000	4,50,000		50,000				
								1	AquaPure – 1 Ltr	L	4,50,000
2	Natural Water	L		10,00,000	4,50,000		5,50,000				
								1	AquaPure – 1 Ltr	L	4,50,000
3	Pet Bottles – 1Ltr	Kg		5,00,000	4,50,000		50,000				
								1	AquaPure – 1 Ltr	L	4,50,000

5. Details of waste and scrap arising during manufacture and cleared/destroyed :

Sr.No.	Description of Waste and Scrap	Quantity Code	Quantity	
			Cleared	Destroyed
(1)	(2)	(3)	(4 A)	(4 B)

NOTE:-

(1) Finished Goods mentioned in Column 9(B) should be stated in respect of each of the inputs mentioned in Column (2) and (6).

(2) Please indicate the abbreviation referred to in Instruction No.7 mentioned in Form E.R.-1 and Form E.R.-3 specified in the Government of India, Ministry of Finance (Department of Revenue) vide No.25/2004 Central Excise (N.T), dated 27th Sepetember, 2004 published vide G.S.R.No.643 (E)dated the 25th of September, 2004.

6. (i) I/We NATIONAL AQUA LTD declared that the particulars declared above have been compared with the records and books of my/our factory/warehouse and the same are true and Correct to the best of my/our knowledge.

(ii) I/We/am/are authorized to sign this return.

(Authorised signatory)

Place : Bangalore
Date : 5-May-2010

ACKNOWLEDGMENT

	MM	YYYY
Return of excisable goods and availment of CENVAT credit for the month of	04	2010

	DD	MM	YYYY
Date of Receipt			

Figure 5.14 Print Preview of Form ER - 6

5.9 From ER 8

Form ER-8 is a Quarterly Return to be filed by the manufactures who are neither availing input credit nor clearing the goods which are charged of excise over 1%.

In Tally.ERP 9, **From ER - 8** is provided (in Release 3.2 with Stat 149 onwards) as per statutory requirements.

To view Form ER 8

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > Form ER 8**

5.10 CENVAT Credit Registers

5.10.1 Credit Summary

Credit Summary displays **Opening Balance, Credit for the Month, Utilised** and **Closing Balance** of CENVAT Credit.

To view Credit Summary

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > CENVAT Registers > Credit Summary**

Month	Particulars	Basic Excise Duty	Education Cess	Secondary Education Cess	Total
April-2010	*Opening Balance*				
	Credit for the Month	50,000.00 Dr	1,000.00 Dr	500.00 Dr	51,500.00 Dr
	Utilised for Duty	1,00,000.00 Cr	2,000.00 Cr	1,000.00 Cr	1,03,000.00 Cr
	Utilised for Service Tax				
	Closing Balance	50,000.00 Cr	1,000.00 Cr	500.00 Cr	51,500.00 Cr
May-2010	*Opening Balance*	50,000.00 Cr	1,000.00 Cr	500.00 Cr	51,500.00 Cr
	Credit for the Month				
	Utilised for Duty				
	Utilised for Service Tax				
	Closing Balance	50,000.00 Cr	1,000.00 Cr	500.00 Cr	51,500.00 Cr
June-2010	*Opening Balance*	50,000.00 Cr	1,000.00 Cr	500.00 Cr	51,500.00 Cr
	Credit for the Month				
	Utilised for Duty				
	Utilised for Service Tax				
	Closing Balance	50,000.00 Cr	1,000.00 Cr	500.00 Cr	51,500.00 Cr
July-2010	*Opening Balance*	50,000.00 Cr	1,000.00 Cr	500.00 Cr	51,500.00 Cr
	Credit for the Month				
	Utilised for Duty				
	Utilised for Service Tax				
	Closing Balance	50,000.00 Cr	1,000.00 Cr	500.00 Cr	51,500.00 Cr
August-2010	*Opening Balance*	50,000.00 Cr	1,000.00 Cr	500.00 Cr	51,500.00 Cr
	Credit for the Month				
	Utilised for Duty				
					37 more ...

Figure 5.15 CENVAT Credit Summary Report

5.10.2 Credit Availed

CENVAT Credit Availed report displays the details of CENVAT credit availed of Principal Input or Capital Goods.

To view **CENVAT Credit Availed** report

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > CENVAT Registers > Credit Availed**

CENVAT Credit Availed report appears as shown

Date of Entry	Invoice / Adj Reference	Type of Document	Supplier Name	Supplier ECC No.	Assessable Value	Basic Excise Duty
						2 more ... →
10-Apr-2010	LM/423	Debit Note	Lamcy Manufacturers	ADESR4033FXM001	5,00,000.00	50,000.00
30-Apr-2010	1	Journal				50,000.00
						50,000.00
			Balance			
			Total CENVAT			50,000.00
			Total Adjusted			
			Balance			50,000.00

Figure 5.16 CENVAT Credit Availed Report

5.10.3 RG 23 Part I

Form RG 23 Part I is a Quantitative account of inputs/ capital goods on which cenvat credit is availed

Form RG 23 Part I report captures details of Receipt of inputs/Capital goods, Inputs issued for the manufacture of finished goods/capital goods issued for manufacturer, Inputs/Capital goods issued for Clearance as such and Closing Stock of Inputs/Capital goods

To view **Form RG 23A Part I** report

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > CENVAT Registers > RG 23 Part I**

FORM R.G.23A PART I			National Aqua Ltd.								Ctrl + M
Excise Unit Name : National Aqua Ltd.											1-Apr-2010 to 30-Apr-2010
Stock Item Type : Principal Input											
Date	Opening Balance	Receipt of Input					Issued for Manufacture of final product		Issued for Clearance as such		Closing Stock (2+3E-4B-5B)
		Sr.No. of Input Credit Register (Cross reference)	Name of Supplier	Value of Goods	Duty Paid	Quantity	Requisition Number	Quantity	Invoice No and Date	Quantity	
1	2	3A	3B	3C	3D	3E	4A	4B	5A	5B	6
1-Apr-2010			Swastik Water Suppliers	20,00,000.00	2,06,000.00	10,00,000 L					10,00,000 L
15-Apr-2010	10,00,000 L		National Aqua Ltd. AAPP21QRX00H Bangalore I Division II Rajajinagar					4,50,000 L			5,50,000 L

Figure 5.17 RG 23 Part I

5.10.4 RG 23 Part II

RG 23A Part II report displays the details of **Fresh Credit allowed documents**, **Fresh Credit Allowed Amount, Total Credit Available, Credit Adjusted** with **Opening** and **Balance Credit** of **Principal Inputs** (RG 23A Part II)/**Capital Goods** (RG 23A Part II) for the Period selected.

To view RG 23A Part II

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > CENVAT Registers > RG 23 Part II**

FORM R.G.23A PART II		National Aqua Ltd.				Ctrl + M
Excise Unit Name : **National Aqua Ltd.**						1-Apr-2010 to 30-Apr-2010
Stock Item Type : **Principal Input**						

SI. No.	Date	Opening Balance of Duty in Credit			Fresh Credit Allowed		
		CENVAT	Education Cess	Secondary Education Cess	Invoice No./Bill of Entry No. & Date	C.E.RegNo /IEC Code No. of this Supplier & Range /Customs house from where received	Folio & Entry No. in Part I
							4 more ... →
1	1-Apr-2010				SI/568 / 1-Apr-2010	ASEDF4567DXM001	
2	10-Apr-2010	2,00,000.00	4,000.00	2,000.00	LM/423	J.P.Nagar ADESR4033FXM001 Peenya	
3	30-Apr-2010	2,62,500.00	5,250.00	2,625.00			

Figure 5.18 RG 23A Part II

5.10.5 Annexure 10

It is a monthly return under Rule 7 of the cenvat credit rules, 2001. This report displays the details of **CENVAT credit availed** for the **Main Item in the Document**.

This annexure is omitted (w.e.f 1-10-2003) by M.F. (D.R.) Notification No.70/2003-C.E. (N.T.), dated 15-9-2003. But most of the assessees still submit their monthly returns in Annexure 10. On Customers requirement Annexure 10 is provided in Tally.ERP 9.

To view Annexure 10

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > CENVAT Registers > Annexure 10**

Annexure - 10			National Aqua Ltd.				Ctrl + M ⊠
Excise Unit Name	: National Aqua Ltd.						1-Apr-2010 to 30-Apr-2010
Stock Item Type	: Principal Input						
Type of Document	No. and Date of Document	Name of the Supplier	C.E.No. of the Supplier	Date on Which Principal Input received	Value	CENVAT	Education Cess
							2 more ... →
Excise - Purchases	SI/568	**Swastik Water Suppliers** *(Manufacturer)*	ASEDF4567DXM001	1-Apr-2010	**20,00,000.00**	2,00,000.00	4,000.00
Debit Note	1-Apr-2010 LM/423	**Lamcy Manufacturers** *(Manufacturer)*	ADESR4033FXM001	10-Apr-2010	**6,25,000.00**	62,500.00	1,250.00
				T o t a l		2,62,500.00	5,250.00

Figure 5.19 Annexure 10

5.10.6 Abstract

This report display the details of C**redit Availed on Inputs/capital goods/inputs services, Credit Utilised for Payment of Duty on Goods/Services, Credit Utilised When the Goods are removed as such** with **Opening** and **Closing Balance** of Credit.

To view the Abstract report

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > CENVAT Registers > Abstract**

	Opening Balance	Credit Availed on Principal Input	Other Credit	Credit Availed on Input Services	Total Credit Availed	Credit Utilised for Payment of Duty on goods	Credit Utilised when Inputs goods are removed as such	Credit Utilised Payment of Duty on Services	Closing Balance
CENVAT		2,62,500.00			2,62,500.00	2,62,500.00			
Education Cess		5,250.00			5,250.00	5,250.00			
Secondary Education Cess		2,625.00			2,625.00	2,625.00			
Service Tax									
Cess on Taxable Services									
T o t a l		2,70,375.00			2,70,375.00	5,40,750.00			(-)2,70,375.00

Excise Unit Name : National Aqua Ltd.
Stock Item Type : Principal Input

Figure 5.20 Abstract

5.11 E-Return

The Central Board of Excise and Customs has issued a notification making e-filing mandatory for assessees with effect form 1-4-2010. As per the Notification, all the registered Excise Manufacturers who have paid total duty of rupees ten lakhs or more including the amount of duty paid by utilization of CENVAT credit in the preceding financial year to file the monthly return, electronically under sub-rule (1) of Rule 12 of the Central Excise Rules, 2002.

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

5.11.1 Generating ER 1 E-Returns fromTally.ERP9

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

For generating E-Returns from Tally.ERP9, let us take the example of National Aqua Ltd. which is registered as per Excise Rules and engaged in Manufacturing.

To generate ER 1 E-Returns

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > E-Return** > Press **Enter** to view **Exporting ER 1 E-Return** screen

Press **Backspace** to provide **Returns Period**, **Place**, **Date** of generating E-Returns and other details

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

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

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

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

*Ensure a copy of **ACES_ER1.xsd** file is copied to the folder (Tally.ERP 9 folder) to which the E-Return is getting exported. ACES_ER1.xsd file is required because on exporting the XML E-Return from Tally.ERP 9, the ACES_ER1.xsd validates the data structure of the E-Returns generated automatically.*

If the ER1 E-Return generated form Tally.ERP 9 is not validated ACES_ER1.xsd, while uploading such ER1 E-Returns ACES application displays the error & will not allow to upload the file.

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

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

  Example: **AAPPL2148RXM001_04202011152458PM.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 (1-4-2010) from where the return to be generated.
- **To**: In this field enter the till (30-4-2010) date to generate the return

*By default the period in **From** and **To** date filed will be displayed based on the last date of the entry in the books of accounts.*

- **Place**: In this field enter the place of generating the return
- **Date**: In this field enter the Date on which e-Return is generated
- **Remarks**: In this field enter the details as Monthly Return for 1-4-2010 to 30-4-2010

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

- **Validation**: This field will be displayed in Exporting ER1 E-Return screen only when the **HSN code** defined in Tariff Classification is not correct, If the finished goods cleared (sold) have **Negative Stock**, Stock Items without valid **Reporting UOM** and Excise sales recorded with Notification Number but the Notification Type is not defined.

*To correct the HSN Code, Negative Stock, Reporting UOM refer - **Getting Started with E R - 1 E-Returns***

The completed Exporting ER1 E-Return is displayed as shown

Figure 5.21 Completed Exporting ER1 E-Return

❑ Press **Enter** to export the file.

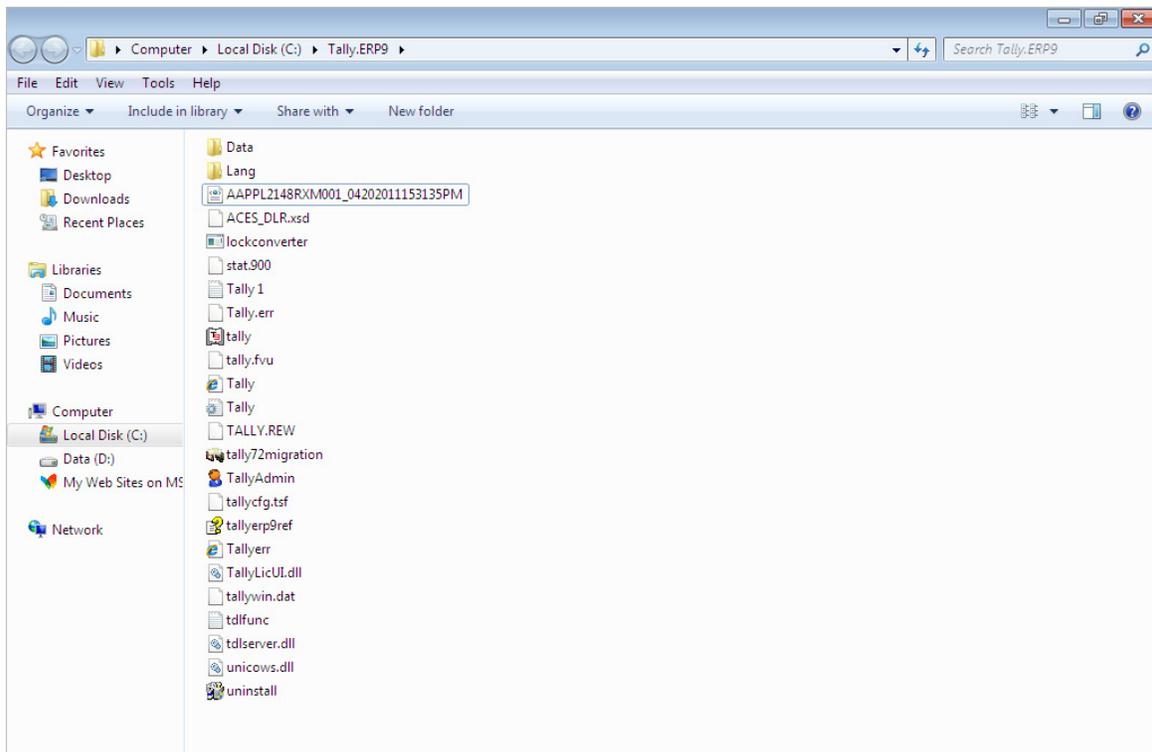The exported file will be placed in the Tally.ERP 9 Directory with the file name as specified above and ready for upload.

Figure 5.22 Exported XML file in Tally Folder