



Tally

POWER OF SIMPLICITY

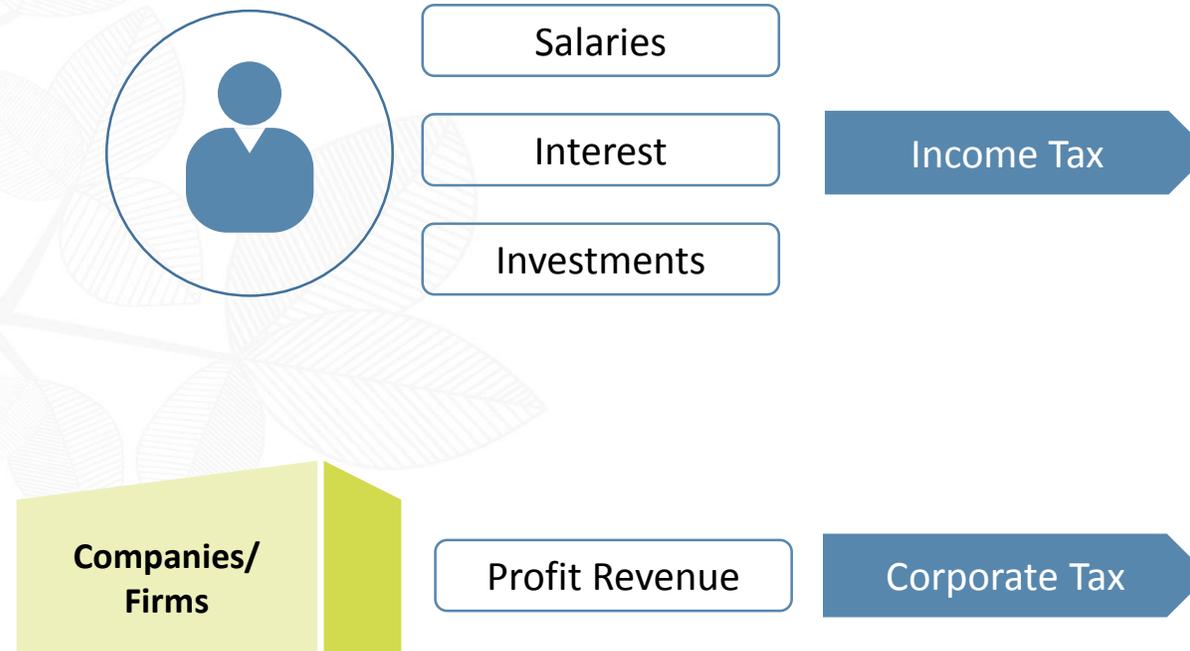
TDS

Domain & Tally.ERP 9

Direct Taxes

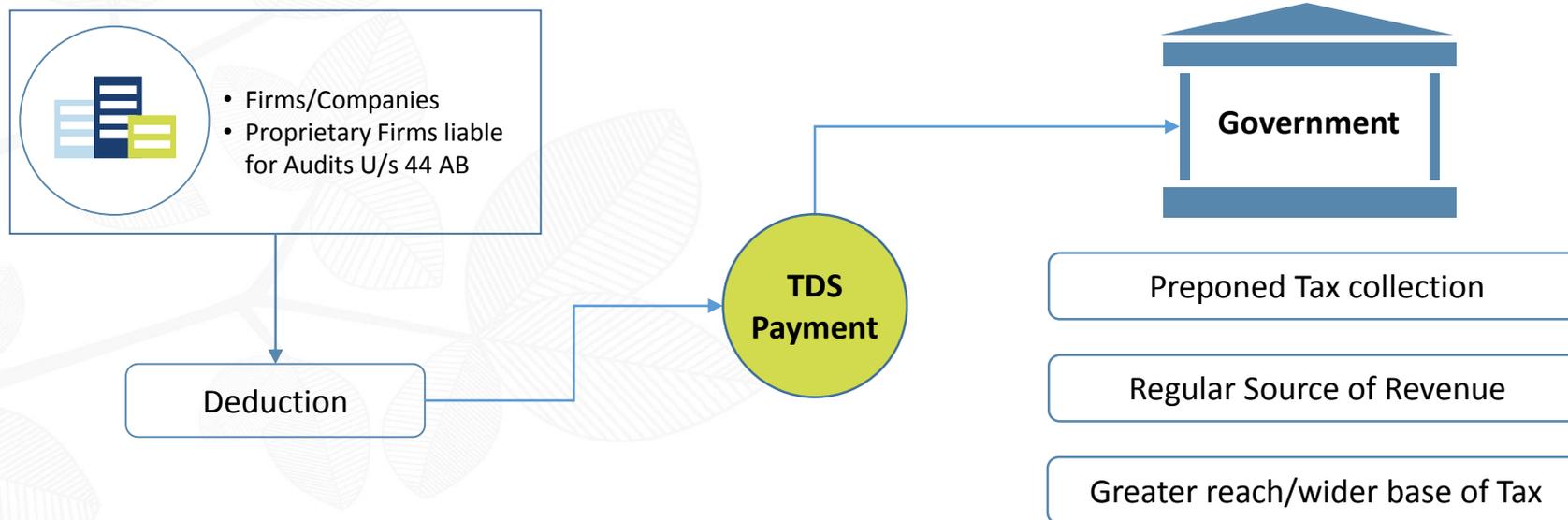
Taxes that are levied on the income of Individuals or Organizations.

E.g. Income Tax, Corporate Tax, Inheritance Tax etc.

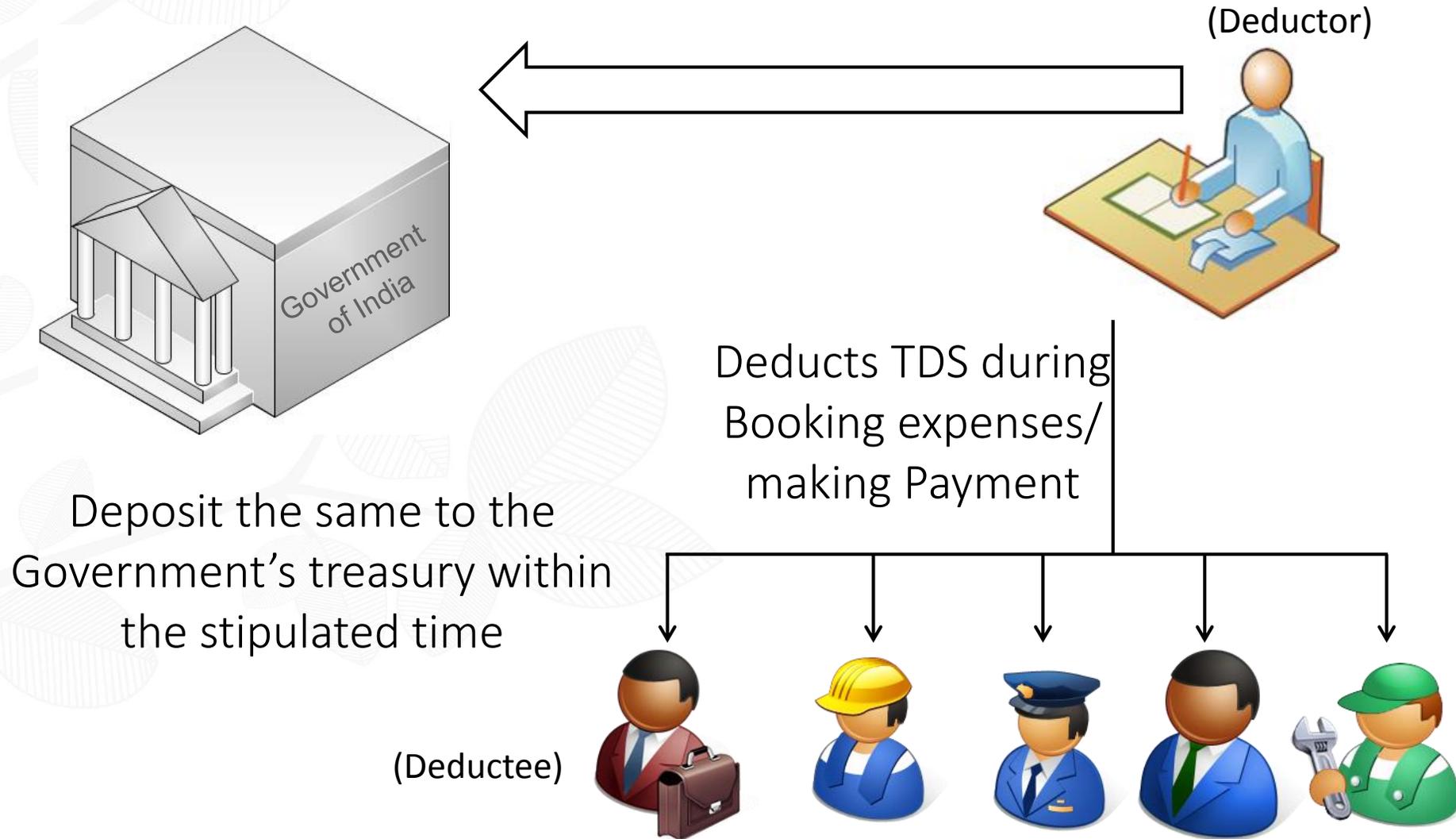


Tax Deducted at Source (TDS)

Collection of revenue at the very source of Income.



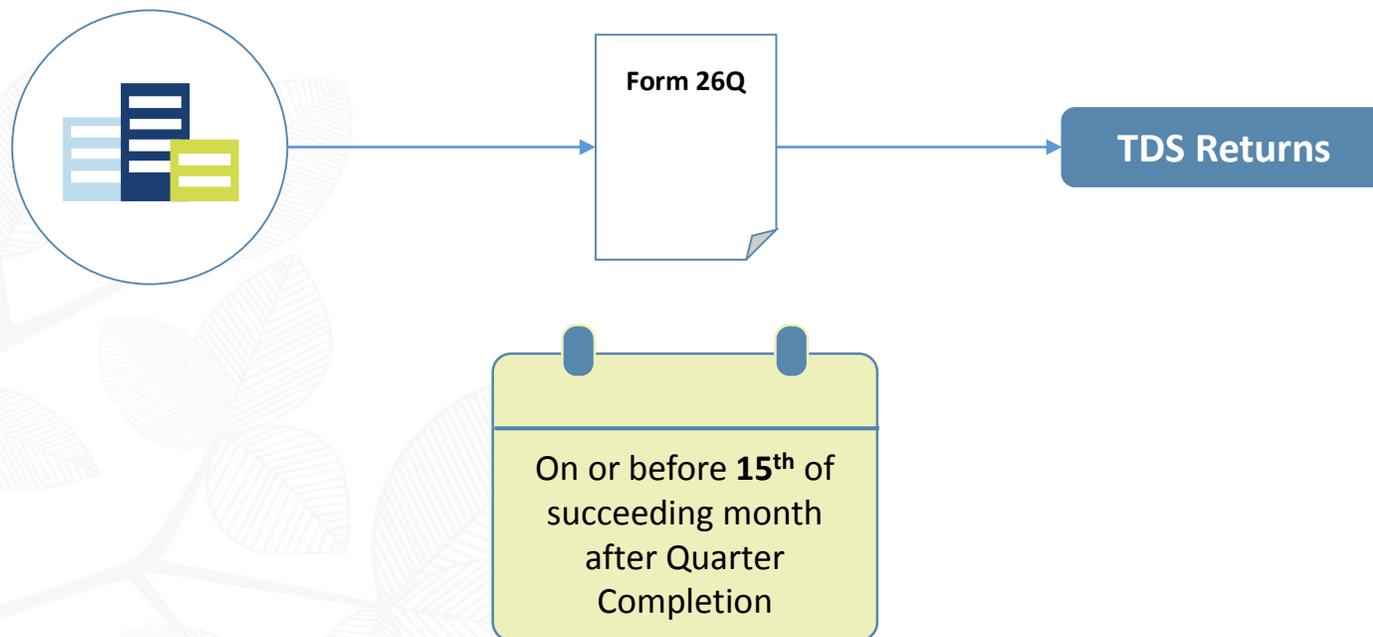
Deductor / Deductee



TDS Applicability

TDS Rates for FY 2016-17 (AY 2017-18) w.e.f. 01-06-2016			
Section	For Payment of	On Payments Exceeding	Individual / HUF
			TDS Rate (%)
192	Salary Income	Income Tax Slab	Slab rates (If no PAN, TDS @ 30%)
192 A	EPF - Premature withdrawal	Rs 50,000	If no Pan, TDS @ 20%
193	Interest on Securites	Rs. 10,000	10%
193	Interest on Debentures	Rs 5,000	10%
194	Dividend (Dividend other than listed companies)	NA	10%
194 A	Interest other than on securities by banks / post office	Rs. 10,000	10%
194 A	Interest other than on securities by others	Rs. 5,000	10%
194 B	Winnings from Lotteries / Puzzle / Game	Rs. 10,000	30%
194 BB	Winnings from Horse Race	Rs. 10,000	30%
194 D	Payment of Insurance Commission	Rs. 15,000	5%
194DA	Payment in respect of Life Insurance Policy	Rs 1,00,000	1%
194 EE	Payment of NSS Deposits	Rs 2,500	10%
194 G	Commission on Sale of Lottery tickets	Rs 15,000	5%
194 H	Commission or Brokerage	Rs 15,000	5%
194 I	Rent of Land, Building or Furniture	Rs. 1,80,000	10%
	Rent of Plant & Machinery	Rs. 1,80,000	2%
194 IA	Transfer of Immovable Property , other than Agricultural land	Rs. 50 lakh	1%
194 L B	Interest from Infrastructure Bond	NA	5%

Filing TDS Returns



TDS Statement	Due Date	Date from which penalty will be imposed
30th September	15th October 2015	15 th October 2016

Agenda

- TDS Setup
- Dues and Advance Payments
- Single Bill Value Limit and Cash Transactions
- Form 26Q
- TDS Reversal
- Triangulation Report
- Questions

TDS – Setup

F11: Features → F3: Statutory

Company: ACME Pvt. Ltd.

Statutory and Taxation

Enable Value Added Tax (VAT)	? Yes	Enable Tax Collected at Source (TCS)	? No
Set/alter VAT details	? No	Set/alter TCS details	? No
Enable excise	? Yes	Enable payroll statutory	? No
Set/alter excise details	? No	Set/alter payroll statutory details	? No
Enable service tax	? No		
Set/alter service tax details	? No		
Enable Tax Deducted at Source (TDS)	? Yes		
Set/alter TDS details	? Yes		

Tax Information

PAN/Income tax no. :

Corporate Identity No. (CIN):

F1: Accounts F2: Inventory F3: Statutory F4: TSS F5: Audit F6: Add-Ons

Company TDS Deductor Details

TAN registration number : 98839453455

Tax deduction and collection Account Number (TAN): AAAC12345N

Deductor type : Company

Deductor branch/division :

Set/alter details of person responsible ? No

Rate & Exemption Details

Rate of TDS if PAN not available : 20 %
(The rate specified here or the IT rate, whichever is higher, will be applicable.)

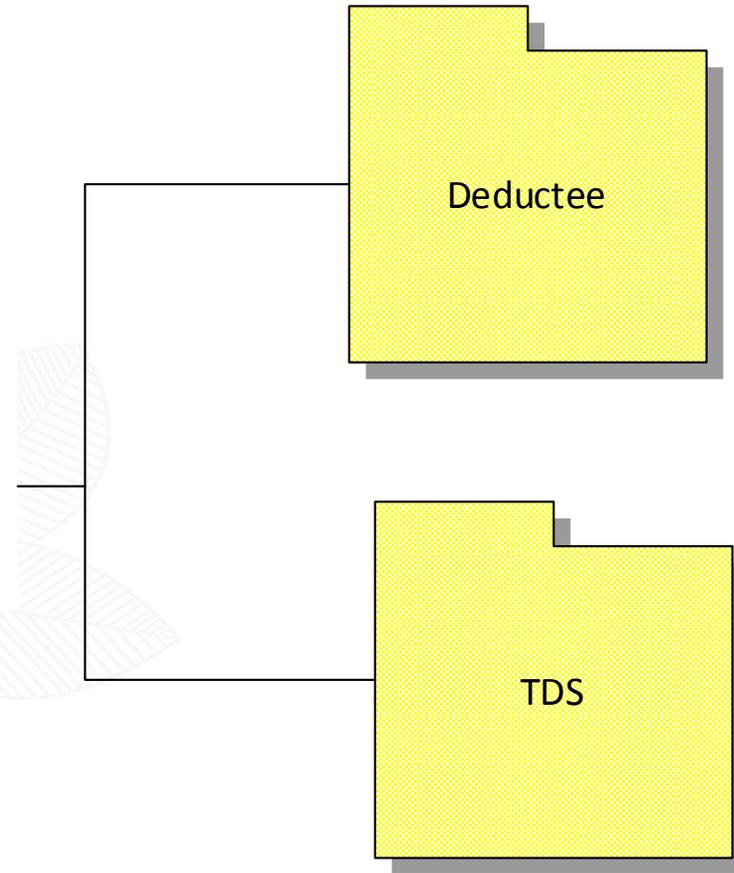
Ignore IT exemption limit for TDS deduction ? No

Activate TDS for stock items ? No

TDS - Ledgers



Payment



The Ledgers

Party Ledger

Ledger Creation	
Name	: ABC Consultants
(alias)	:
Under	: Sundry Creditors (Current Liabilities)
Currency of ledger	: ₹
Maintain balances bill-by-bill	? No
Specify credit limit	:
Inventory values are affected	? No
Cost centres are applicable	? No
Activate interest calculation	? No
<u>Statutory Information</u>	
Is TDS Deductible	? Yes
Deductee type	: Company - Resident
Deduct TDS in Same Voucher	? Yes

Expense Ledger

Ledger Creation	
Name	: Consultancy Services
(alias)	:
Under	: Indirect Expenses
Currency of ledger	: ₹
Inventory values are affected	? No
Type of Ledger	? Not Applicable
Cost centres are applicable	? No
Activate interest calculation	? No
<u>Statutory Information</u>	
Is TDS applicable	? Applicable
Nature of Payment	: Fees for Professional Or Technical Services

TDS Ledger

Ledger Creation	
Name	: TDS on Consultancy Charges
(alias)	:
Under	: Duties & Taxes (Current Liabilities)
Currency of ledger	: ₹
Type of duty/tax	: TDS
Nature of payment	: Fees for Professional Or Technical Services
Inventory values are affected	? No
Cost centres are applicable	? No
Activate interest calculation	? No

“Allow Rate Details for Others”

TDS Nature of Payment Configuration	
Allow Single Bill Value	? No
Allow Transporter Category	? No
Allow Software Royalty	? No
Allow Rate details for others	? yes
Allow relaxation in rate for Non-Residents	? No

TDS Nature of Payment Alteration	
Name	: Commission Or Brokerage
Section	: 194H
Payment code	: 94H
Rate for Individual/HUF	: 10 %
Rate for other deductee type	: 5 %
Threshold/exemption limit	: 5,000.00

Booking the Due

Journal (Booking Expenses)

Accounting Voucher Creation		ACME Pvt. Ltd.	Ctrl + M
Journal	No. 297		1-Jan-2015 Thursday
Particulars		Debit	Credit
Dr Consultancy Services		2,00,000.00	
<i>Cur Bal: 2,00,000.00 Dr</i>			
Cr ABC Consultants			1,60,000.00
<i>Cur Bal: 1,60,000.00 Cr</i>			
New Ref 297	2,00,000.00 Cr		
New Ref 297	40,000.00 Dr		
Cr TDS on Consultancy Charges			40,000.00
<i>Cur Bal: 40,000.00 Cr</i>			
Narration:		2,00,000.00	2,00,000.00
			Accept ? Yes or No

Bill-wise details

Bill-wise Details for : ABC Consultants Upto: ₹ 1,60,000.00 Cr				
Type of Ref	Name	Due Date, or Credit Days (wef. 1-Jan-2015)	Amount	Dr/ Cr
New Ref	297		2,00,000.00	Cr
New Ref	297		40,000.00	Dr
			1,60,000.00	Cr

(Note: 'Breaking of above bills helps to identify the original bill amount in the outstanding statement')

Payment to Deductee

Payment to Party

F12: Advanced

Payment Advanced Configuration

General Options

- Preallocate bills for payment/receipt/journal voucher ? **Yes**
- Show inventory details ? **Yes**
- Show cost centre/employee details ? **Yes**
- Show forex gain/loss as on voucher date ? **No**

Statutory Options

- Allow modification of tax details for VAT ? **No**
- Allow modification of Tax Details for TDS ? **No**
- Show TDS Bill Allocations ? **No**

Accounting Voucher Creation		ACME Pvt. Ltd.	Ctrl + M
Payment No. 774		1-Jan-2015 Thursday	
Particulars	Debit	Credit	
Dr ABC Consultants <i>Cur Bal: 0.00 Dr</i>	1,60,000.00		
Agst Ref 297	1,60,000.00	Dr	
Cr HDFC Bank <i>Cur Bal: 73,74,391.66 Dr</i>			1,60,000.00
Narration:			
	1,60,000.00	1,60,000.00	
			Accept ? Yes or No

Advance payment subject to TDS

Advance Payment Voucher

Accounting Voucher Creation		ACME Pvt. Ltd.	Ctrl + M
Payment No. 775			1-Jan-2015 Thursday
Account : HDFC Bank Cur Bal: 72,14,391.66 Dr			
Particulars		Amount	
ABC Consultants Cur Bal: 2,00,000.00 Dr Advance 775	2,00,000.00 Dr	2,00,000.00	
TDS on Consultancy Charges Cur Bal: 80,000.00 Cr		(-)40,000.00	
Narration:		<u>1,60,000.00</u>	

Bill-wise details screen

Bill-wise Details for : ABC Consultants			
Type of Ref	Name	Due Date, or Credit Days (wef. 1-Jan-2015)	Amount Dr/ Cr
Advance	775		200000

TDS Nature of Payment details

TDS Nature of Payment Details					
Type of Ref	Name	Nature of Payment	Assessable Amount	TDS	
New Ref	Pymt / 775 / 4485	Fees for Professional Or Technical Services	2,00,000.00 Dr	20,000.00 Cr	
	Income Tax	10 % On	2,00,000.00 Cr	20,000.00 Cr	
	Surcharge	0 % On	20,000.00 Cr		
	Education Cess	0 % On	20,000.00 Cr		
	Secondary Education Cess	0 % On	20,000.00 Cr		
Total			2,00,000.00 Dr		

Payment Advanced Configuration

General Options

- Preallocate bills for payment/receipt/journal voucher ? **Yes**
- Show inventory details ? **Yes**
- Show cost centre/employee details ? **Yes**
- Show forex gain/loss as on voucher date ? **No**

Statutory Options

- Allow modification of tax details for VAT ? **No**
- Allow modification of Tax Details for TDS ? **No**
- Show TDS Bill Allocations ? **Yes**

F12: Advanced

Booking the expense after Advances

Journal (Booking Expenses)

Accounting Voucher Creation		ACME Pvt. Ltd.	Ctrl + M
Journal No. 298		1-Jan-2015 Thursday	
Particulars	Debit	Credit	
Dr Consultancy Services <i>Cur Bal: 5,50,000.00 Dr</i>	3,50,000.00		
Cr ABC Consultants <i>Cur Bal: 1,35,000.00 Cr</i>		3,35,000.00	
Agst Ref 775 2,00,000.00 Cr			
New Ref 298 1,35,000.00 Cr			
Cr TDS on Consultancy Charges <i>Cur Bal: 75,000.00 Cr</i>		15,000.00	
Narration:		3,50,000.00	3,50,000.00

TDS Against Advance Payment

Adjust against advance TDS payment ? **yes**

TDS Nature of Payment Details

TDS Nature of Payment Details					
Type of Ref	Name	Nature of Payment	Assessable Amount	TDS	Payable Amount
Agst Ref	Pymt / 775 / 4485	Fees for Professional Or Technical Services	2,00,000.00 Cr		2,00,000.00 Cr
	Income Tax	10 % On 2,00,000.00 Cr			
	Surcharge	0 % On			
	Education Cess	0 % On			
	Secondary Education Cess	0 % On			
New Ref	Jrnl/298	Fees for Professional Or Technical Services	1,50,000.00 Cr	15,000.00 Cr	1,35,000.00 Cr
	Income Tax	10 % On 1,50,000.00 Cr		15,000.00 Cr	
	Surcharge	0 % On			
	Education Cess	0 % On			
	Secondary Education Cess	0 % On			
Total			3,50,000.00 Cr		3,35,000.00 Cr

TDS on Single Bill Value Limit

- Enter a Purchase Invoice
 - “Account Invoice” Mode

Accounting Voucher Creation		Acme Traders	Ctrl + M
Purchase	No. 3		21-Apr-2015
Supplier Invoice No. :		Date :	Tuesday
Party's A/c Name : Abc Consultants			
Current Balance : 1,50,000.00 Cr			
Particulars	Rate per	Amount	
Consultancy Services		75,000.00	
TDS		(-)7,500.00	
Narration:		67,500.00	

TDS on Single Bill Value Limit

Party Ledger

Ledger Alteration (Secondary)	
Name	: XYZ
(alias)	:
<hr/>	
Under	: Sundry Creditors (Current Liabilities)
Currency of ledger	: ₹
Maintain balances bill-by-bill	? Yes
Default credit period	:
Check for credit days during voucher entry	? No
Specify credit limit	:
Inventory values are affected	? No
Cost centres are applicable	? No
Activate interest calculation	? No
<hr/>	
Statutory Information	
Is TDS Deductible	? Yes
Deductee type	: Company - Resident
Deduct TDS in Same Voucher	? Yes
Use Advanced TDS Entries	? Yes

Journal (Booking Expenses)

Accounting Voucher Creation		ACME Pvt. Ltd.		Ctrl + M
Journal No. 299				1-Jan-2015 Thursday
Particulars		Debit	Credit	
Dr Rent		50,000.00		
<i>Cur Bal: 50,000.00 Dr</i>				
Cr XYZ			45,000.00	
<i>Cur Bal: 45,000.00 Cr</i>				
New Ref 299	50,000.00 Cr			
New Ref 299	5,000.00 Dr			
Cr TDS on Rent			5,000.00	
<i>Cur Bal: 5,000.00 Cr</i>				

F12: Configure

Ledger Configuration	
Provide aliases along with name	? Yes
Provide language aliases for name	? No
Provide advanced information in masters	? Yes
Allow advanced entries in TDS master	? Yes
Allow creation of tax ledgers under other groups	? No
Add notes for ledger accounts	? No
Add description for ledger accounts	? No
Provide addresses for ledger accounts	? Yes
Use addresses for revenue accounts	? No
Provide contact details	? No
Allow method of appropriation (used in purchase invoice)	? No
Allow effective date for Reconciliation	? No
Provide ITC on capital goods	? No

Advanced TDS Entries		Applicability
Ignore Surcharge Exemption Limit	? No	
Ignore Income Tax Exemption Limit (It can be configured Nature of Payment wise)	? Applicable	Applicable
Set/Alter Zero / Lower Deduction	? No	Not Applicable Undefined

ACME Pvt. Ltd.		Ctrl + M																											
<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Name</th> <th>Posting Details</th> </tr> </thead> <tbody> <tr> <td></td> <td>XYZ</td> <td></td> </tr> <tr> <td colspan="3">Ignore Income Tax Exemption Limit</td> </tr> </tbody> </table>		Sl. No.	Name	Posting Details		XYZ		Ignore Income Tax Exemption Limit			<table border="1"> <thead> <tr> <th colspan="2">List of Nature of Payments</th> </tr> </thead> <tbody> <tr> <td>?</td> <td>All Items</td> </tr> <tr> <td>?</td> <td>Commission Or Brokerage</td> </tr> <tr> <td>?</td> <td>Fees for Professional Or Technical Services</td> </tr> <tr> <td>?</td> <td>Interest Other Than Interest on Securities</td> </tr> <tr> <td>?</td> <td>Payments to Contractors (Other Than Advertisement)</td> </tr> <tr> <td>?</td> <td>Payment to Contractors (Advertisement Contractors)</td> </tr> <tr> <td>?</td> <td>Payment to Transporters</td> </tr> <tr> <td>?</td> <td>Rent of Land, Building Or Furniture</td> </tr> </tbody> </table>	List of Nature of Payments		?	All Items	?	Commission Or Brokerage	?	Fees for Professional Or Technical Services	?	Interest Other Than Interest on Securities	?	Payments to Contractors (Other Than Advertisement)	?	Payment to Contractors (Advertisement Contractors)	?	Payment to Transporters	?	Rent of Land, Building Or Furniture
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TDS on Cash Transactions

- Enter a Purchase Invoice
 - “Item Invoice” Mode
 - Use Common Ledger account for item allocation – “No”

<u>Partys' Details</u>	
Party Name	: ABC Enterprise
PAN Number	: APIPP0664A
Deductee Type	: Company - Resident

Accounting Voucher Creation		ACME Pvt. Ltd.	Ctrl + M
Purchase	No. 272		1-Jan-2015 Thursday
Supplier invoice no.:	Date :		
Party A/c name	: Cash		
Current balance	: 3,21,36,564.40 Dr		
Particulars	Rate	per	Amount
Consultancy Services			70,000.00
TDS on Consultancy Charges			(-7,000.00)

TDS Reversal

Tax Details

TDS Details		ACME Pvt. Ltd.				
Debit Note No. 10		Original Invoice Dt. :				
Original invoice no.:		Original Invoice Dt. :				
Party A/c name : ABC Consultants						
TDS Nature of Payment Details						
Type of Ref	Name	Ref. Name	Nature of Pymt	Deduction Date	Assessable Amount	Deduction Amount
Agst Ref	Jrnl/298	Jrnl / 297 / 4483	Fees for Professional Or Technical Services	1-Jan-2015	2,00,000.00	40,000.00
Income Tax	10 % On 10,00	Jrnl/298	Fees for Professional Or Technical Services	1-Jan-2015	1,50,000.00	15,000.00
Surcharge	0 % On 1,00	Pymt / 775 / 4485	Fees for Professional Or Technical Services	1-Jan-2015	2,00,000.00	20,000.00
Education Cess	0 % On 1,00					
Secondary Education Cess	0 % On 1,000.00 Dr					
Total					10,000.00 Dr	1,000.00 Dr

Debit Note

Accounting Voucher Creation		ACME Pvt. Ltd.		Ctrl + M
Debit Note No. 10		Original Invoice Dt. :		1-Jan-2015
Original invoice no.:		Original Invoice Dt. :		Thursday
Party A/c name : ABC Consultants				
Current balance : 1,35,000.00 Cr				
Particulars	Rate per	Amount		
Consultancy Services			10,000.00	
TDS on Consultancy Charges			(-)1,000.00	
Narration:			<u>9,000.00</u>	

TDS Triangulation Report

Form 26Q		ACME Pvt. Ltd.			Ctrl + M			x
Form 26Q					1-Jan-2015 to 31-Mar-2015			F2: Date
Statistics of Vouchers								F2: Period
Total Number of Transactions					18			F3: Company
Included Transactions					6			F4: Remarks
Excluded Transactions					12			F6: Save
Uncertain Transactions					0			E: e-Return
Particulars	Assessable Value			Tax Deductible	Deducted			Balance Deductible
	Prev. Period	Current Period	Total		Prev. Period	Current Period	Total	
Deduction Details								
Deduction at Normal Rate		6,60,000.00	6,60,000.00	66,000.00		86,000.00	86,000.00	(-)20,000.00
Deduction at Higher Rate								
Lower Rated Taxable Expense								
Zero rated Taxable Expense								
Under Exemption limit								
Exempt in lieu of PAN available								
Total Deducted						86,000.00		
Payment Details								1-Jan-2015 to 31-Mar-2015
Included Transactions								0
Not Included Transactions								0
Particulars				Paid Amount			Amount	
Balance Payable					86,000.00			F2: Pymt. Till Date

Clearing Exceptions

Summary of Exceptions		ACME Pvt. Ltd.	Ctrl + M
Summary of Exceptions		1-Jan-2015 to 31-Mar-2015	
Particulars	No. of Vouchers		
Master Related Exceptions			
Expenses/Purchase Master			
Unable to determine TDS applicability for ledgers or stock items			
Party Master			
Unable to determine the deductee type for party			4
PAN not available for party			

Ledgers with Exceptions			ACME Pvt. Ltd.	Ctrl + M
Exception: Unable to determine the deductee type for party			D: Deductee Type	
Sl. No	Name of Ledger	Deductee Type		
1	ABC Consultants	Unknown		

Deductee Type

- Not Applicable
- Artificial Juridical Person
- Association of Persons
- Body of Individuals
- Company - Non Resident
- Company - Resident
- Co-Operative Society
- Government
- Individual/HUF - Non Resident
- Individual/HUF - Resident
- Local Authority
- Partnership Firm

Set Deductee Type

Deductee Type :

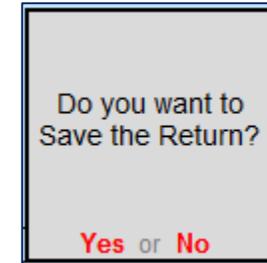
Summary of Exceptions		ACME Pvt. Ltd.	Ctrl + M
Summary of Exceptions		1-Jan-2015 to 31-Mar-2015	
Particulars	No. of Vouchers		
Master Related Exceptions			
Expenses/Purchase Master			
Unable to determine TDS applicability for ledgers or stock items			
Party Master			
Unable to determine the deductee type for party			
PAN not available for party			4
Notification is not available for zero or lower rate			

Ledgers with Exceptions			ACME Pvt. Ltd.
Exception: PAN not available for party			
Sl. No	Name of Ledger	PAN No	Applicable From
1	ABC Consultants	AHCPK1234L	1-Apr-2014

Transaction Related Exceptions	
Mismatch in Nature of Payment	
Unable to determine the nature of payment in transaction	
Booking & Booking with Deduction Entries	
No link is available in booking and booking with deduction voucher	
Unable to determine deductee details in cash transactions	
Deduction Entries	
TDS deducted but not linked with expense/purchase transaction	
Expenses/purchase returns not linked with expense/purchase transaction	
	1

Saving your returns

- Return Finalized → Press F6: Save Return
 - View saved returns from Display > TDS > Return Transaction Book
- With saved returns one can easily track changes made to the returns
- Press F7 to recompute and save the revised return
- Press CTRL+E to export TDS form
- ALT+S: Stat Payment



Statutory Payment			
Tax Type	: TDS		
Period From	: 1-Jan-2015	To	1-Jan-2015
Deducted Till Date	: 1-1-2015		
Section	: 194I		
Nature of Payment	: Rent of Land, Building Or Furniture		
Deductee Status	: Company		
Residential Status	: Resident		
Cash/Bank	: HDFC Bank		

TDS Challan Reconciliation												ACME Pvt. Ltd.		Ctrl + M	
TDS Challan Reconciliation												1-Jan-2015 to 31-Mar-2015			
(Reconciliation)															
Date	Particulars	E-TDS Quarter Period		Section No.	Deductee Type	Resident Type	Cheque/DD No.	Cheque/DD Date	BSR Code	Challan No.	Challan Date	Vch No.	Amount		
		From	To												
1-1-2015	TDS on Rent	1-1-2015	1-1-2015	194I	Company	Resident						776	5,000.00		
	Bank Name :				Branch Name :										

Conclusion

- TDS Setup
- Dues and Advance Payments
- Single Bill Value Limit and Cash Transactions
- Form 26Q
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Thank You

