

**Course
&
Test Series**

Computerised Accounting - Module 45

 **CBSE**

 **ICSE**

 **NTSE**

 **Banking &
Insurance**

 **Central Govt.
Service**

 **State Govt.
Services**

 **LAW
Entrance**

 **MBA
Entrance**

 **Railways & Metro
Services**

**...many more
abhyasonline.in**

TCS in Tally ERP 9:

TCS stands for **Tax Collected at Source**. It is a tax that sellers collect from buyers at the time of sale. In India, certain goods and services require the seller to collect a percentage of the sale amount as tax, which is then deposited with the government.

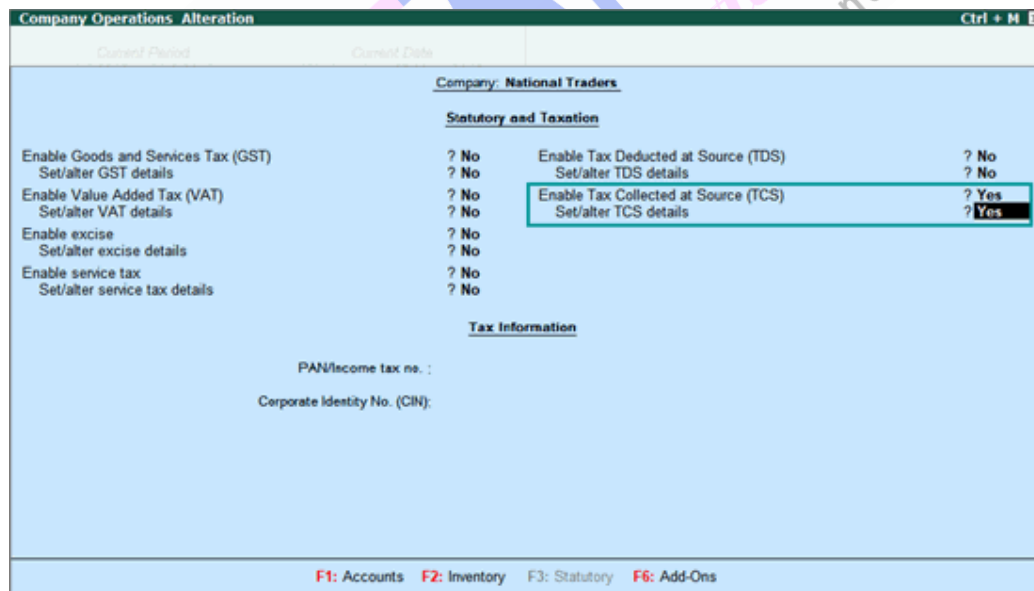
How TCS Works:

- 1. Applicable Goods and Services:** TCS is applicable on specific transactions such as sale of scrap, liquor, tendu leaves, etc.
- 2. Collection by Seller:** The seller collects TCS from the buyer along with the sale amount.
- 3. Deposit with Government:** The collected tax is deposited with the government, and the seller files TCS returns.
- 4. TCS Certificate:** The seller issues a TCS certificate to the buyer, which the buyer can use to claim the tax credit.

Setting Up TCS in Tally ERP 9:

Step 1: Enable TCS in Tally ERP 9

- Go to Gateway of Tally > F11: Features > (F3) Statutory & Taxation.
- Set Enable Tax Collected at Source (TCS) to Yes.



- Enter the TAN registration number.

**Course
&
Test Series**

Computerised Accounting - Module 45

- Enter the Tax Deduction Account Number (TAN).
- Select the Collector Type.
- Enable the option Set/alter details of person responsible.
- Enter the relevant details.

-  **CBSE**
-  **ICSE**
-  **NTSE**
-  **Banking & Insurance**
-  **Central Govt. Service**
-  **State Govt. Services**
-  **LAW Entrance**
-  **MBA Entrance**
-  **Railways & Metro Services**
- ...many more**

Person Responsible Details

Name	: Rajesh
Son/daughter of	: Ramprakash
Designation	: Chief Financial Officer
PAN	:
Flat no.	: #705
Name of the premises/building	: Anand Aparments
Road/Street/Lane	: 18th Cross
Area/Location	: Doddakammanahalli
Town/City/District	: Bangalore
State	: Karnataka
Pin Code	: 560076
Mobile No.	: 8745846845
STD code	: 080
Telephone	: 26587485
E-mail	: rajesh.rp@gmail.com

(Note: All the above details will be used in Challan, Forms & Returns)

- Press Enter

Step 2: Create TCS Ledger

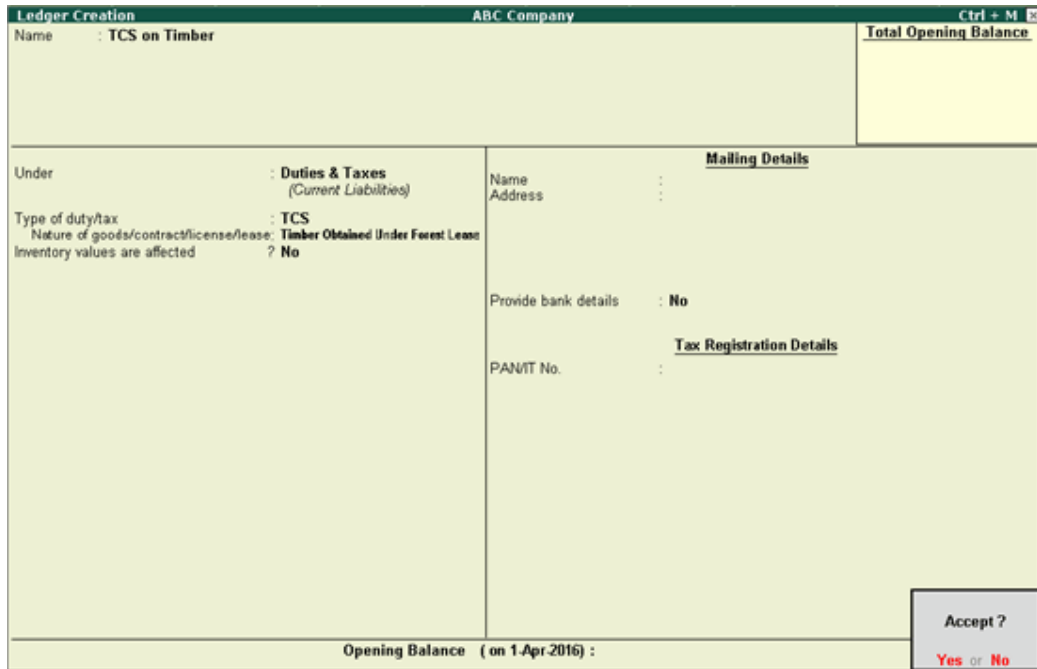
- Go to Gateway of Tally > Accounts Info. > Ledgers > Create.
- Name the ledger (e.g., TCS ON Timber) .
- Under Group, select Duties & Taxes.
- Set Type of Duty/Tax to TCS.
- Set Nature of Goods according to the item (e.g., Timber).
- Enter the TCS rate in the Percentage of Calculation field.
- With PAN 2.5% & Without PAN 5%.
- Press Enter to save.

abhyasonline.in

**Course
&
Test Series**

Computerised Accounting - Module 45

-  **CBSE**
-  **ICSE**
-  **NTSE**
-  **Banking & Insurance**
-  **Central Govt. Service**
-  **State Govt. Services**
-  **LAW Entrance**
-  **MBA Entrance**
-  **Railways & Metro Services**
- ...many more**
- abhyasonline.in**



The screenshot shows the 'Ledger Creation' window for 'ABC Company'. The ledger name is 'TCS on Timber'. The 'Total Opening Balance' field is empty. Under 'Duties & Taxes (Current Liabilities)', 'TCS' is selected, and 'Timber Obtained Under Forest Lease' is checked. 'Inventory values are affected' is set to 'No'. The 'Mailing Details' section is empty. The 'Tax Registration Details' section has 'PANIT No.' set to empty. At the bottom, there is an 'Opening Balance (on 1-Apr-2016):' field and an 'Accept?' button with 'Yes or No' options.

Step 3: Creating Party Ledger (TCS)

You can create a ledger for your customers under sundry debtors and also set their TCS details.

- Go to Gateway of Tally > Accounts Info. > Ledgers > Create
- Enter the Name (Chandra Furniture) .
- Select Sundry Debtor as the group name in the Under field.
- Enable the option Maintain bill-by-bill , if required.
- Enable the option Is TCS Applicable to yes.
- Select a Collectee Type in the Buyer/Lessee field (Company Resident).
- Enter the Name of the service provider under Mailing Details .
- Enter the Address .
- Select the Country from the List of Countries .
- Select the State from the List of States .
- Enter the PIN Code .
- Enable Provide Bank Details , if required.
- Enter the PAN under Tax Information .
- Enable the option Provide PAN Details to enter PAN details of the party.

The Ledger Creation screen appears as shown below:

**Course
&
Test Series**

Computerised Accounting - Module 45

-  **CBSE**
-  **ICSE**
-  **NTSE**
-  **Banking & Insurance**
-  **Central Govt. Service**
-  **State Govt. Services**
-  **LAW Entrance**
-  **MBA Entrance**
-  **Railways & Metro Services**
- ...many more**
- abhyasonline.in**

Ledger Creation		Total Opening Balance
Name : Sales (alias) :		
Under : Sales Accounts		
Inventory values are affected ? Yes		
Type of Ledger ? Not Applicable		
Statutory Information		
Is GST Applicable Set/alter GST Details ? Not Applicable		
Is TCS Applicable Nature of Goods : Timber		
Include in assessable value calculation for : Not Applicable		
Opening Balance (on 1-Apr-2025) :		

- Press Enter to save the details.

Step 5: Create Timber Stock Item

- Go to Gateway of Tally > Inventory Info. > Stock Items > Create.
- Name: Timber (or specific types like Wood).
- Under: Select Wood (Create Stock Group Alt+C).
- Units: Select TON (Create Stock Unit Alt+C).
- Is GST Applicable: Set to Not Applicable
- Is TCS Applicable: Set to Applicable.
- Nature of Goods: Select Timber .
- Enter the opening balance of Timber.



**Course
&
Test Series**

Computerised Accounting - Module 45

-  **CBSE**
-  **ICSE**
-  **NTSE**
-  **Banking & Insurance**
-  **Central Govt. Service**
-  **State Govt. Services**
-  **LAW Entrance**
-  **MBA Entrance**
-  **Railways & Metro Services**
- ...many more**

abhyasonline.in

Stock Item Creation				Preeti
Name : Timber (alias) :				
Under : Wood		<u>Statutory Information</u>		
Units : tn		GST Applicable : Not Applicable Set/alter GST Details ? No		
		Is TCS Applicable ? Applicable Nature of Goods : Timber		
		Set/Alter MRP details ? No		
		Rate of Duty (eg 5) : 0		
		Quantity	Rate per	Value
Opening Balance :		100 tn	7,000.00 tn	7,00,000.00
				Accept ? Yes or No

- Press Enter to save the details

Step 6: Record Sales with TCS

Recording Sales Transaction (TCS)

Sales of TCS Goods

For example, Sujatha Timber Company trade in timber that is obtained from forest lease. This is subject to TCS at 2.5%. On 6-4-2015, Sujatha Timber Company sold 100 metric ton (MT) at ₹ 7,500/MT of timber to Chandra Furniture.

1. Go to Gateway of Tally > Accounting Vouchers > F8: Sales > Item Invoice
2. Enter the Ref. , if required.
3. Select Chandra Furniture in the Party's A/c Name field.
4. Select the sales ledger from the List of Ledger Accounts .
5. Select Timber from the List of Stock Items .
6. Enter 100 in the Quantity field.
7. Enter 7500 in the Rate field. The Amount will be automatically calculated.
8. Press Enter from the Amount field.



Course & Test Series

Computerised Accounting - Module 45

9. Press Enter.
10. Select the TCS ledger which is created under Duties and Taxes. The TCS amount will get calculated automatically.
11. Press Enter.
12. Enter Narration, if required. The Sales invoice appears as shown below:
13. Press Enter to save the invoice.

-  **CBSE**
-  **ICSE**
-  **NTSE**
-  **Banking & Insurance**
-  **Central Govt. Service**
-  **State Govt. Services**
-  **LAW Entrance**
-  **MBA Entrance**
-  **Railways & Metro Services**
- ...many more**
- abhyasonline.in**

Accounting Voucher Creation		Preeti		Ctrl + M
Sales No. 1				1-Apr-2025
Reference no.:				Tuesday
Party A/c name	: Cash			
Current balance	:			
Sales ledger	: Sales			
Name of Item	Quantity	Rate per	Amount	
Timber	100 tn	7,500.00 tn	7,50,000.00	
Tcs			18,750.00	
Narration:			100 tn	7,68,750.00
TCS 2.5 APPLICABLE ON SALE OF 100 TON TIMBER,				

Step 5: View TCS Reports

- Go to Gateway of Tally > Display > Statutory Reports > TCS Reports > Form 27 EQ.
- You can view details like TCS Collected, TCS Payable, etc.

