



**POWER OF SIMPLICITY**

**Getting Started with Service Tax  
in Tally.ERP 9**

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# Introduction

## Introduction

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

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

Initially only three services were brought under the net of service tax and the tax rate was 5%. Gradually more services came under the ambit of Service Tax. The rate of tax was increased. On February 24, 2009 in order to give relief to the industry under the impact of economic recession, the rate of Service Tax was reduced from 12 per cent to 10 per cent.

## Scope & Applicability

### Scope

Service Tax is charged only on the receipt of the consideration for the services provided / to be provided (advance receipts). The liability of tax is on the service provider (in some cases service receiver), i.e. person who is providing the service is liable to pay tax to the government.

**Example: Royal Agency** provided advertising services of Rs. 1,00,000 to SysImage. On the service amount of Rs.1,00,000, Royal Agency is liable to pay the tax of Rs. 10,300 @ 10.30% (10% as Service Tax, 2% of Education Cess, 1% of Secondary Education Cess)



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

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

## Applicability

Service tax is applicable on taxable services

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

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

## Registration

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

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

- Application for registration to the concerned superintendent in form **ST -1** within **30 days** from the date on which service tax is levied or 30 days from the commencement of business providing a taxable service, whichever is later.
- **Assessee** providing **Service form more than one Premises or Office**, has to make separate applications for each of such premises or Offices.
- If the assessee has **centralised billing System** or **Centralised accounting system**, then assessee can obtain **Centralised Registration** covering all the premises or offices.
- In case of **transfer of business** from **Registered Assessee** to **new person**, Transferee has to obtain the **fresh registration certificate**.



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

- Registration requirement for Small Service Provider (SSP)
- A person who is eligible for availing exemption under **notification no. 6/2005** is required to apply for service tax registration **within 30 days** from the date when his **turnover of services** exceeds **rupees 3 lakhs**.
- Input Service Distributor (ISD) Registration

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

## Valuation of Taxable Service

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

Value of the taxable service is determined as under

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

**Example: Royal Agency** provides taxable service for As. 1,32,360 inclusive of service tax @ 10.30%. The taxable service value shall be computed as shown

Taxable Service Value (1,20,000) = 1,32,360 X (100/110.30)

## Charge of Service Tax

As per Section 66 of Finance Act, 1994 tax (Service Tax) @ 10% of the value of taxable service, in addition, 2% Education Cess and 1% Higher Education Cess is payable on taxable services. Thus, total service tax is 10.30% and it will be collected in such manner as prescribed.

## Time and Mode of Payment

### 1. By individuals, proprietary firms and partnership firms

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

### 2. By Others

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

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

## Returns & Time lines

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

- Form ST-3** - For all the registered assessee, including Input Service Distributors, The returns have to be submitted, along with copies of all TR-6 challans within 25 days of the expiry of the fiscal half-year
  - For half year **1st April to 30th September** – by **25th October**
  - For half year **1st October to 31st March** – by **25th April**.
- Form ST-3A** -The assessee who is making provisional assessment for any month/quarter submit the memorandum in from ST-3A by providing the details of difference between the provisional amount of service tax deposited and actual amount of service tax payable for each month along with the half yearly return in Form ST - 3.

## Service Tax Features in Tally.ERP 9

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

- ❑ Simple and user-friendly
- ❑ Flexibility to have common/Tax head specific tax ledger to account both Input Credit and Output Tax
- ❑ Flexibility to create common Purchase (expenses)/ sales (Income) ledger to account purchase and sale of services of all categories.
- ❑ Record Service Tax transactions in Journal or Purchase/Sales Voucher
- ❑ ST Expenses/Purchases in Payment Voucher
- ❑ Service Tax Billing (for professionals) through Receipt Voucher and print Receipt -Cum-Challan
- ❑ Accounting Services as Inventory by Professionals
- ❑ Record multiple services in a single voucher
- ❑ Account service Bill Inclusive of Service Tax
- ❑ Account Services Partly Subject to Service Tax (Works Contract)
- ❑ Accounting Associated Enterprise Transactions
- ❑ Accounting Sale of Service at Lower Rate of Tax
- ❑ Record Cash Purchases and Sales and print the invoice in the name of the party.
- ❑ Manage Advance Receipts and adjust the advances towards the service bill
- ❑ Receipt/Payment of Normal Advances and Adjusting Advance against the Service Bill
- ❑ Record purchase of services from (GTA) and calculate the service tax payable.
- ❑ Record Import of services and calculate the service tax payable
- ❑ Record Exempt, Export, Pure Agent and Abatement services
- ❑ Manage Advance Service Tax payments to Government and adjust the tax payable towards the advance
- ❑ Support for Amount deducted as TDS on Services Received are considered as realised
- ❑ Supports Service Tax Calculation in Sales / Purchase Orders
- ❑ Supports Service Consideration adjustments in Journal Vouchers
- ❑ Adjust Full / Partial Service Tax input credit towards Service Tax payable
- ❑ Adjust CENVAT credit towards service tax payable
- ❑ Record Money Equivalent Transactions
- ❑ Provision to account Service Tax Opening Balance
- ❑ Reversal of Service amount with Service Tax (before realisation)
- ❑ Refund of Service Input Credit
- ❑ Provision to Reverse the Utilised Input Credit (if the payment is not made within Months from the date of raising the bill)

- Record Rule 6(3) Adjustments
- Facility to Print G.A.R. 7 Challan
- Generate Service Tax Payables report based on Bill date wise or Receipt Date wise
- Separate Service Tax Payables report for Tax on Service Received and Import of Services
- Maintain Input Credit Summary and Reversal Details
- Generate ST 3 Form

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

## Lesson Objectives

On completion of this lesson, you will learn to

- ❑ Create Company in Tally.ERP 9
- ❑ Enable Service Tax in F11: Features

## 1.1 Enabling Service Tax in Tally.ERP 9

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

1. Create Company
2. Enable Service Tax



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

**Royal Services (P) Ltd.**, is a company engaged in providing multiple services to their clients. The services provided by Royal Services (P) Ltd., fall within the ambit of Tax net and are taxable @ **10.30%**.

### 1.1.1 Create Company

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

In the **Company Creation** Screen,

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

The completed **Company Creation** screen displays as shown.

The screenshot shows the 'Company Creation' window with the following details:

- Directory:** C:\Tally.ERP9\Data
- Name:** Royal Services (P) Ltd
- Mailing & Contact Details:**
  - Mailing Name: Royal Services (P) Ltd
  - Address: # 84, 6th Floor, Manipal Centre, Bangalore
- Company Details:**
  - Currency Symbol: ₹
  - Maintain: Accounts with Inventory
  - Financial Year from: 1-4-2011
  - Books beginning from: 1-4-2011
- Statutory compliance for:** India
- State:** Karnataka
- PIN Code:** 560001
- Telephone No.:** 080-44589655
- Mobile No.:** 9885432562
- E-Mail:** service@royal.com
- Auto Backup Details:** Enable Auto Backup: Yes
- Security Control:**
  - TallyVault Password (if any):
  - Repeat Password:
  - Use Security Control: No
- 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: Yes

An 'Accept?' dialog box is visible in the bottom right corner with 'Yes or No' options.

Figure 1.1 Company Creation Screen

- Press **Enter** to accept



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

### 1.1.2 Enable Service Tax

To enable **Service Tax 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 Service Tax**

Go to **Gateway of Tally > Quick Setup > Service Tax**

**Quick Setup - Service Tax** will be displayed as shown.

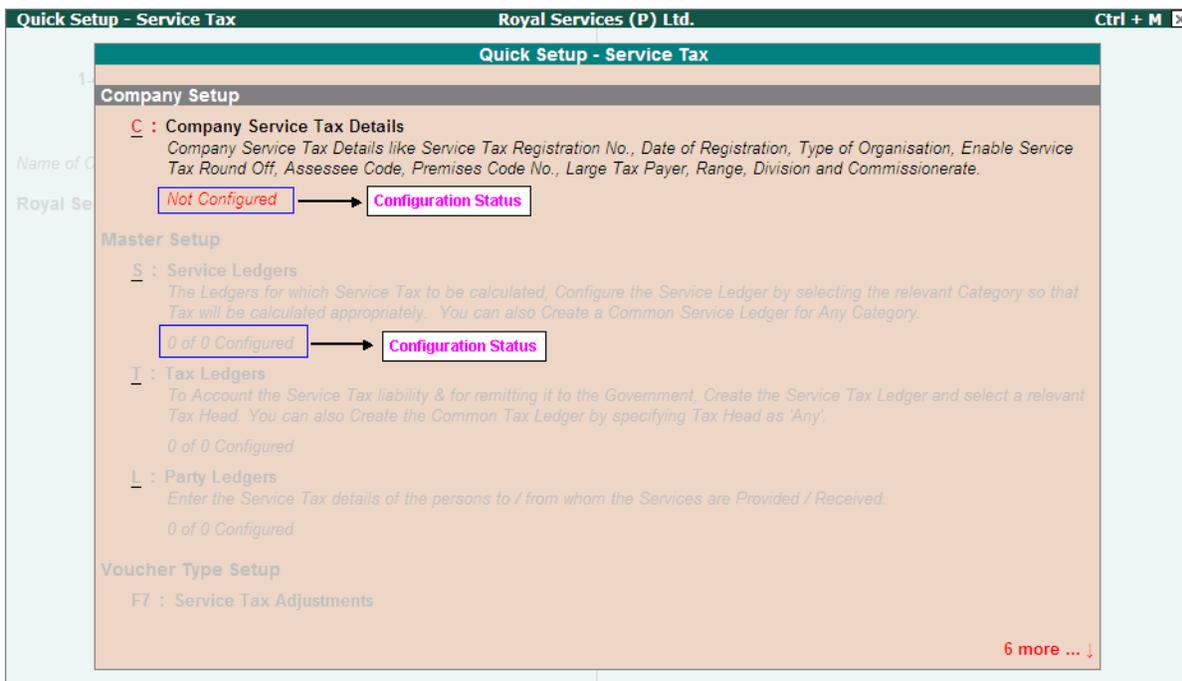


Figure 1.2 Quick Setup – Service Tax

From this screen you can make required **basic configurations** like, enter **company Service Tax Details and create masters** 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 Type/Advanced Setup).

## 1. Company Setup

**Company Setup** guides you to update relevant Service Tax details press **Alt+C** or select the option **C: Company Service Tax Details** and press **Enter** to view Company Service Tax Details Setup screen.

The Company Service Tax Details Setup sub-form appears as shown

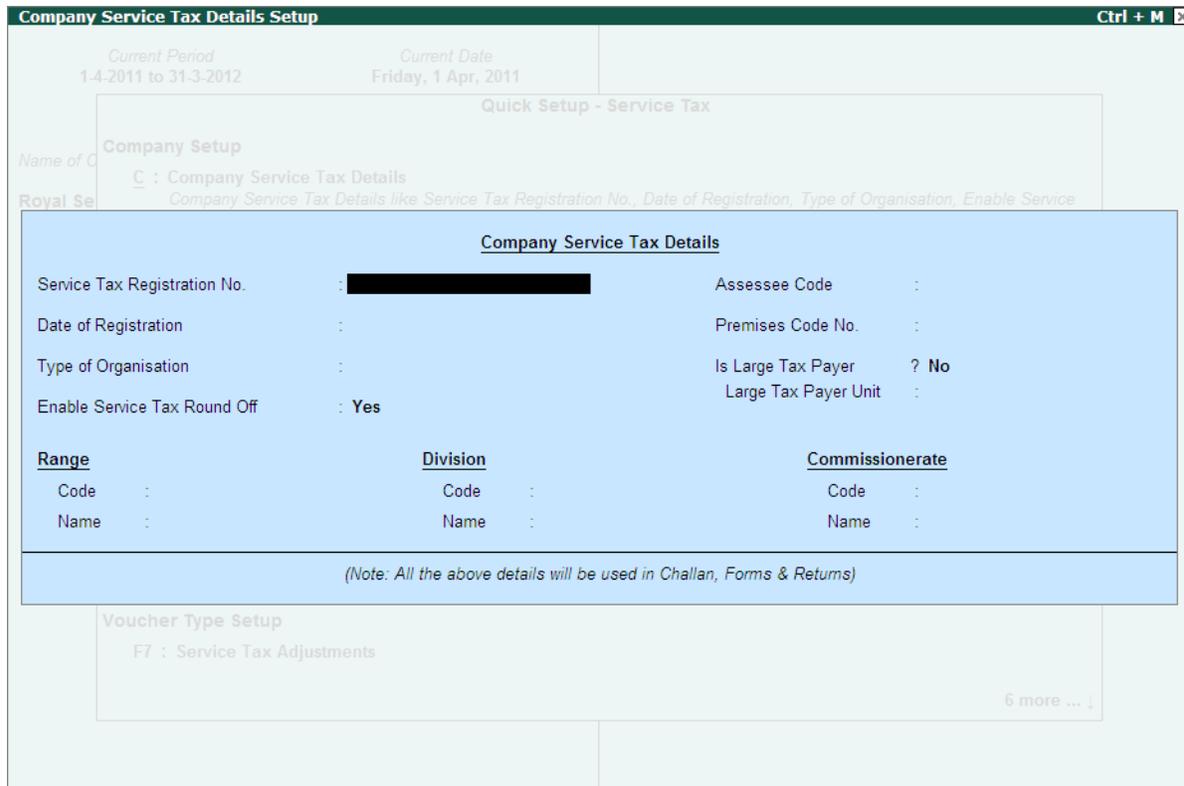


Figure 1.3 Company Service Tax Details Screen

### In Company Service Tax Details screen

- ❑ **Service Tax Registration No.:** Enter the registration number allotted to you by the Service Tax Department (before the circular No. 35/3/2001-ST dated 27-08-2001).
- ❑ **Date of Registration:** Enter the date of registration of Service Tax for your service.
- ❑ **Type of Organization:** In this field select the type of your organization from the List of Organisations menu.
- ❑ **Enable Service Tax Round Off:** By default this option will be set to **Yes**. If this option is Yes, service tax will get Rounded off to nearest Rupee and round off will happen for each tax head. If You don't want line round Off then set this option to **NO**.

In this case **Royal Services (P) Ltd.** does not want line round off hence this option is set to **No**.



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

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

- **Assessee Code:** Enter the Service Tax Assessee Code of the company.



**Service Tax Assessee Code** is a **PAN based 15 digit alpha numeric number** e.g. AWCGE8591MST001. **Service Tax Assessee Code** is also known as **Service Tax Registration Number and Service Tax Code (STC)**

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

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

- **Premises Code:** Enter the Premises code/Location code. It is the identification number provided to the service tax payers.



**Premises Code** is the identification number provided to the **premises of the service tax payers**. Premises code is issued to an assessee under Sl.No. 5 of the certificate for Registration (ST-2)

- **Is Large Tax Payers:** This field is set to **Yes/No** base on the amount of tax paid by the assessee. this field is set to No as ABC company is not a large Tax Payer.



**Large Tax Payers** are those assesseees 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 Crore**

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



*Large Tax Unit is self-contained tax office under the Department of Revenue acting as a single window clearance point for all matters relating to Central Excise, Income Tax/ Corporate Tax and Service Tax. Eligible Tax Payers who opt for assessment in LTU shall be able to file their excise return, direct taxes returns and service tax return at such LTUs and for all practical purposes will be assessed to all these taxes there under. These units are being equipped with modern facilities and trained manpower to assist the tax payers in all matters relating direct and indirect tax/ duty payments, filing of documents and returns, claim of rebates/ refunds, settlement of disputes etc.*

*Large Tax Unit location Code for Bangalore is L-10000*

*More information on LTU is available on - <http://www.cbec.gov.in/cae1-english.htm>*

- **Range**
  - **Code-** Enter the code of the range of your company.
  - **Name-** Enter the name of the range under which your company falls.
- **Division**
  - **Code-** Enter the code of the division in which your company falls.
  - **Name** - Enter name of the division under which your company falls.
- **Commissionerate**
  - **Code-** This is the code of the Commissionerate of Service Tax under which the address of your registered premise is located.
  - **Name-** This is the name of the Commissionerate of Service Tax under whose range the address of your registered premise falls.

Completed Company Service Tax Details screen appears as shown

Figure 1.4 Completed Company Service Tax Details Screen

- Press **Enter** to accept.



User can enable **Service Tax** feature and update **Company Service Tax Details** from **F11: Features** screen. To enable Service Tax go to **Gateway of Tally > F11: Features > Statutory & Taxation**.

## Lesson 2: Creating Service Tax Masters

### Lesson Objectives

On completion of this lesson, you will learn to create

- Service Ledgers
- Tax Ledgers
- Service Provider/Service Receiver Ledger
- Service Tax Adjustment Voucher

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

- Service Ledgers
- Tax Ledger
- Service Receiver/Provider Ledger
- Service Tax Adjustments Voucher

All the service tax masters can be configured from Quick Setup - Service Tax screen.



Refer **Tally.ERP 9 Reference Manual (Local Help)**, for more details on **Advanced Setups**

- **Configure Abatement.**
- **Configure Tax Rate.**

### 2.1 Master Setup

**Master Setup** guides you to create masters like **Service Ledger**, **Tax ledgers** and **Party Ledger** by enabling relevant Service Tax options in the masters.

### 2.1.1 Service Ledgers

To create Service Ledgers

Go to **Gateway of Tally > Quick Setup > Service Tax > Master Setup > S: Service Ledgers**

Press **Alt+S** or select the option **S: Service Ledgers** and press **Enter** to view Service Ledgers Setup screen.

In **Service Ledger Setup** screen

- Enter the name of the Service Ledger e.g. **Purchase - Advertising Services** in **Name of Ledger** field.
- Select the **Group Name** e.g. **Purchase Accounts** in the **Under** field.
- By default **Is Service Tax Applicable** is set to **Yes** and the cursor skips the field
- In **Category** field select **Advertising Agency** from List of Service Categories

Service Ledgers Setup				
Royal Services (P) Ltd.				
Under Group : All Items				
S.No.	Name of Ledger	Under	Is Service Tax Applicable	Category
1.	Purchase - Advertising Services	Purchase Accounts	Yes	Advertising Agency
2.				

Figure 2.1 Service Ledger Setup Screen



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

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

- Similarly, user can create the Service Ledgers under **Direct Expenses, Direct Incomes, Indirect Expenses, Indirect Incomes, Fixed Assets, Sales Accounts, Current Liabilities** and **Misc. Expenses (ASSET)** groups from this screen

The completed Service Ledger Setup screen is displayed as shown

Service Ledgers Setup				
Royal Services (P) Ltd.				
Under Group : All Items				
S.No.	Name of Ledger	Under	Is Service Tax Applicable	Category
1.	Purchase - Advertising Services	Purchase Accounts	Yes	Advertising Agency
2.	Sales - Event Mgt Services	Sales Accounts	Yes	Event Management Service

Yes or No

Figure 2.2 Completed Service Ledger Setup Screen

- Press **Enter** to accept.

### 2.1.2 Tax Ledgers

On all the taxable services, three heads of taxes are applicable. They are, Service Tax @ 10%, Education Cess @ 2% and Secondary & Higher Education Cess @ 1%.

In Tally.ERP9 you can create the Tax Ledger in **Three** ways

#### i. Common Service Tax Ledger

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

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

#### ii. Tax Head based Tax Ledgers

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

**Example:**

- Service Tax @ 10%
- Education Cess @ 2%
- Secondary Education Cess @ 1%

**iii. Input or Output Tax Ledgers****a) Common Input and Output Tax Ledgers**

Two separate Tax ledgers - one to account **input service credit** and another for **output service tax** for all the service categories.

**b) Input and Output Tax Head based on Tax Ledgers**

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



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

To create Tax Ledgers

Go to **Gateway of Tally > Quick Setup > Service Tax > Master Setup > I: Tax Ledgers**

To create Tax Ledger press **Alt+T** or select **I: Tax Ledgers** and press **Enter** to view Tax Ledgers Setup sub-form.

**In Tax Ledgers Setup screen**

- Enter the name of the Tax Ledger e.g. **Service Tax @ 10%** in **Name of Ledger** field.
- Select the Group Name e.g. **Duties & Taxes** in **Under** field.
- In **Tax Head** field select **Service Tax** from list of Tax Head.



Selection of **Tax Head - Service Tax** in Tax Ledger will allow to use the tax ledger to account only Service Tax on Taxable Services.

- Similarly, create **Education Cess** and **Secondary Education Cess** ledgers

The completed Tax Ledger Setup screen appears as shown

Tax Ledgers Setup			
Royal Services (P) Ltd. <span style="float: right;">Ctrl + M</span>			
Under Group : All Items			
S.No.	Name of Ledger	Under	Tax Head
1.	Service Tax @ 10%	Duties & Taxes	Service Tax
2.	Education Cess @ 2%	Duties & Taxes	Education Cess
3.	Secondary Education Cess @ 1%	Duties & Taxes	Secondary Education Cess

Accept ?
Yes or No

Figure 2.3 Completed Tax Ledger Setup Screen

- Press **Enter** to accept.

### 2.1.3 Party Ledgers

To create the Service Provider or Service Receiver Ledger

Go to **Gateway of Tally > Quick Setup > Service Tax > Master Setup > L: Party Ledgers**

Press **Alt+L** or select **L: Party Ledgers** and press **Enter** to view **Party Ledgers Setup** screen

In **Party Ledgers Setup** screen

- In **Name of Ledger** field, enter the name of the **Service Receiver** e.g. **Murali Agency**
- In the **Under** field, select **Sundry Creditors** option from the List of Groups.
- By default the option **Is Service Provider/Receiver** will be set to **Yes** and application skips the field.



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

- Set the option **Set/Alter Service Tax Details** to **Yes** to view Service Tax Details screen

Party Ledgers Setup				
Royal Services (P) Ltd				Ctrl + M
Under Group : All Items			For 1-Apr-2011	
S.No.	Name of Ledger	Under	Is Service Provider/Receiver	Set/Alter Service Tax Details
1.	Murali Agency	Sundry Creditors	Yes	Yes

Figure 2.4 Party Ledger Setup Screen

- In **Service Tax Details** screen
  - In **Registration No.** field enter the service tax registration number - **ATDBC4606MST001**
  - In **Date of Registration** field enter the date of registration
  - Retain **No** for the option **Is Associated Enterprise**
  - In **Type of Classification** select the classification, if applicable. For **Murali Agency Not Applicable** is selected.

Service Tax Details				
Royal Services (P) Ltd				Ctrl + M
Under Group : All Items			For 1-Apr-2011	
S.No.	Name of Ledger	Under	Is Service Provider/Receiver	Set/Alter Service Tax Details
1.	Murali Agency	Sundry Creditors	Yes	Yes
2.				

**Service Tax Details**

Registration No. : ATDBC4606MST001

Date of Registration : 10-Jul-2002

Is Associated Enterprise ? No

Type of Classification : **Not Applicable**

Notification No. :

**Classification**

Not Applicable

Exempt

Export

Import

Pure Agent

Tax on Service Received

Figure 2.5 Service Tax Details Screen



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

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

- Similarly, create Service Provider ledger - **Mudra Advertisers** under **Sundry Creditors**

The completed Party Ledger Setup screen appears as shown

Party Ledgers Setup		Royal Services (P) Ltd		Ctrl + M
Under Group		All Items		For 1-Apr-2011
S.No.	Name of Ledger	Under	Is Service Provider/Receiver	Set/Alter Service Tax Details
1.	Murali Agency	Sundry Creditors	Yes	Yes
2.	Mudra Advertisers	Sundry Debtors	Yes	Yes

Accept ?

Yes or No

Figure 2.6 Completed Party Ledger Setup Screen

- Press **Enter** to accept.

## 2.2 Voucher Type Setup

Under Service Tax, Service Tax Liability can be adjusted towards service input credit or CENVAT Credit.

Accounting opening balance of Service Tax liability and Input Credit. Service Tax adjustment under Rule 6(4A) Rule 6(3) etc.

All the Service tax adjustment entries in Tally.ERP 9 can be recorded in journal voucher using the service tax adjustment class.

**Voucher Type Setup** guides to create **Voucher Class** in **Journal Voucher** to record service tax related adjustment entries.

To create Voucher Class in Journal Voucher

Go to **Gateway of Tally > Quick Setup > Service Tax > Voucher Type Setup > Service Tax Adjustments**

To create voucher class press **F7** or select **F7: Service Tax Adjustment** and press Enter to view Voucher Type Setup screen

In **Voucher Type Setup** screen Tally.ERP 9 displays default Journal Voucher

- ❑ Select Journal Voucher Type. Retain the default settings in **Name of Voucher Type, Voucher Type** and **Method of Voucher Numbering**
- ❑ In **Name of Class** field mention the class name as - Service Tax Adjustment and press Enter to view **Voucher Type Class** screen

Voucher Type Setup				
Royal Services (P) Ltd				Ctrl + M
Type of Voucher : Journal		For 1-Apr-2011		
S.No.	Name of Voucher Type	Type of Voucher	Method of Voucher Numbering	Name of Class
1.	Journal	Journal	Automatic	Service Tax Adjustments
2.				

Figure 2.7 Voucher Type Setup Screen

- ❑ In **Voucher Type Class** screen
  - Set the option **Use Class for Service Tax Adjustments to Yes**

Voucher Type Class				
Royal Services (P) Ltd				Ctrl + M
Type of Voucher : Journal		Class : Service Tax Adjustments		For 1-Apr-2011
		Use Class for Service Tax Adjustments ? <b>Yes</b>		
S.No.	Name of Voucher Type	Ledger account to use	Name of Class	
		Ledger Name		
1.	Journal		Service Tax Adjustments	
2.				

Figure 2.8 Voucher Type Class Screen

- Press **Enter** to save Voucher Type Class screen

The completed **Voucher Type Setup** screen appears as shown

Voucher Type Setup				
Royal Services (P) Ltd				Ctrl + M
Type of Voucher : Journal		For 1-Apr-2011		
S.No.	Name of Voucher Type	Type of Voucher	Method of Voucher Numbering	Name of Class
1.	Journal	Journal	Automatic	Service Tax Adjustments

Accept ?  
Yes or No

Figure 2.9 Completed Voucher Type Setup Screen

- Press **Enter** to accept.

## Lesson 3: Service Tax Transactions

### Lesson Objectives

On completion of this lesson, you will learn to

- ❑ Record Service Tax Transactions
- ❑ Adjust Input Service Credit towards Service Tax Payable
- ❑ Make Service Tax Payments and generate G.A.R.-7 Challan

### 3.1 Recording Service Tax Transactions

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

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

- ❑ Purchase of Services
- ❑ Payment to Service Provider
- ❑ Sale of Services
- ❑ Receipt from Service Receiver
- ❑ Adjustment of Input Service Credit towards Service Tax Payable
- ❑ Payment of Service Tax
- ❑ Generate G.A.R 7 Challan

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

## 3.2 Purchase of Services

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

### Example 1:

*On April 2, 2011 Royal Services (P) Ltd. received a purchase invoice (No.MA/4796) for Advertising services rendered by M/s. Murali Agency for Rs.50,000 with Service Tax @ 10.3% (Total invoice amount Rs. 55,150)*

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

In Tally.ERP 9 the functionality of service purchases has been enhanced to adhere to the requirements.

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

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

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

### Set up

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

- Use Common Ledger A/c for Item Allocation**
- Use Defaults for Bill Allocations**

1. Press **Alt+I** or click on **I: Account Invoice** if the voucher is in Item invoice mode
2. Press **F2** and change the date to **02-04-2011**
3. In **Supplier Invoice No.** field enter the invoice reference number if any
4. In **Party's A/c Name** field select the service provider e.g. **Murali Agency**
5. Under **Particulars** select the Service (purchases) Ledger e.g. **Purchase - Advertising Services** and press enter to view **Service Tax Details** screen
6. In **Service Tax Details** screen
  - Type of Ref.:** Select **New Ref** from the method of Adjustment. Tally.ERP 9 displays Two **Methods of Adj** viz., Agst Ref, New Ref and Advance. **New Ref** is selected for new Financial Transactions. Where as, **Agst Ref** is selected to setoff the advance payments made.

- **Name:** This field displays the **Reference Number** for the service tax calculation. The default Reference Number displayed, is a combination of abbreviation of Purchase, Voucher Number and Line Number **Example: Purc/1-1** which can be changed by the user. Service input credits are tracked by this Reference Numbers.



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

- **Type of Service:** Based on the **Type of Classification** selected in the Service Provider, **Type of Service** will be defaulted (displayed). By default **Input Credit** is displayed and Tally.ERP 9 skips the field.



#### *In Type of Service field*

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

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

- **Category:** Based on the service Category selected in the Purchase Ledger, category will be defaulted (displayed). By default **Advertising Agency** is displayed and Tally.ERP 9 skips the field.
- **Service Amount:** In this field enter the **Service Amount**, where in you can ascertain Service Amount in the invoice issued by the service provider. Enter **Rs. 50,000**. On providing the service amount Service tax gets calculated.
- **Amount (Incl. of Tax):** In this field the **cumulative (collective)** amount of **Service amount** and **Tax** will be displayed in this field.



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

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

Service Tax Details					Royal Services (P) Ltd.		Ctrl + M
Purchase No. 1		Date :		2-Apr-2011			Saturday
Supplier Invoice No. :		Date :					
Party's A/c Name : Murali Agency		Current Balance					
Service Tax Details for : Purchase - Advertising Services					Rate per	Amount	
Type of Ref	Name	Type of Service	Category	Service Amount	Amount (Incl. of Tax)		
New Ref	Purc/1-1	Input Credit	Advertising Agency	50,000.00	55,150.00		
	Service Tax	@ 10 % (On Assessable Value	50,000.00 )	5,000.00			
	Ed Cess	@ 2 % (On Tax Value	5,000.00 )	100.00			
	Sec Ed Cess	@ 1 % (On Tax Value	5,000.00 )	50.00			
				<u>5,150.00</u>			
<b>Total</b>				50,000.00	55,150.00		

Figure 3.1 Completed Service Tax Details screen

7. Under **Particulars** select service tax ledger e.g. **Service Tax @ 10%**. Service Tax amount will be calculated and displayed automatically.
8. Under **Particulars** select education cess ledger e.g. **Education Cess @ 2%**. Education Cess amount will be calculated and displayed automatically.
9. Under **Particulars** select secondary education cess ledger e.g. **Secondary Education Cess @ 1%**. secondary Education Cess amount will be calculated and displayed automatically.
10. In **Bill-wise Details** screen
  - In **Type of Ref** field select **New Ref**
  - In **Name** field enter the Bill name - **MA/4796**

- Amount will be defaulted automatically

Bill-wise Details for : <b>Murali Agency</b> Upto: ₹ <b>55,150.00 Cr</b>				
Type of Ref	Name	Due Date, or Credit Days (wef: 2-Apr-2011)	Amount	Dr/ Cr
New Ref	<b>MA/4796</b>		<b>55,150.00</b>	<b>Cr</b>

Figure 3.2 Bill-wise Details Screen

The completed Purchase Voucher is displayed as shown

Accounting Voucher Creation		Royal Services (P) Ltd.	Ctrl + M
<b>Purchase</b> No. 1			2-Apr-2011
Supplier Invoice No. :	Date :		Saturday
Party's A/c Name : <b>Murali Agency</b>			
Current Balance :			
Particulars	Rate per	Amount	
Purchase - Advertising Services		50,000.00	
Service Tax @ 10%		5,000.00	
Education Cess @ 2%		100.00	
Secondary Education Cess @ 1%		50.00	
Narration:			
			<input type="button" value="Accept ?"/>
			<input type="button" value="Yes or No"/>

Figure 3.3 Completed Service Purchase Voucher

11. Press **Enter** to save.

### Input Credit Summary

As per the **Amendment** in the **CENVAT Credit (Third Amendment) Rules, 2011** changes input credit can be availed against the Purchase Bill received from the Service Provider. On recording the Service purchase on or after 1-4-2011 the input credit details will be displayed in the input Credit summary report which can be utilised towards the Service tax payable.

To view the credit available on the service purchased on 2-4-2011

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

The Input Credit Summary report appears as shown

Input Credit Summary		Royal Services (P) Ltd.						Ctrl + M	
Type of Bills : Paid Bills		1-Apr-2011 to 30-Apr-2011							
Date	Ref. No.	Party's Name	Category	Bill Amount	Total Tax	Paid Amount	Total Input Credit	Balance Input Credit	
2-Apr-2011	Purc/1-1	Murali Agency	Advertising Agency	55,150.00	5,150.00		5,150.00	5,150.00	
<b>Total</b>				<b>55,150.00</b>	<b>5,150.00</b>		<b>5,150.00</b>	<b>5,150.00</b>	

Figure 3.4 Input Credit Summary Report

Report displays the **Invoice Details, Party Name, Service Category, Bill Amount, Total Tax, Total Input Credit** and **Balance Input Credit**.

### 3.3 Payment to Service Provider

**Example 2:**

*On April 5, 2011 Royal Services (P) Ltd. paid Rs. 55,150 (full payment) to Murali Agency towards the advertising services purchases on 2-4-2010 vide. no. MA/4796.*

To account the above transaction follow the steps given below

1. Create Masters
  - i. Bank Ledger
2. Record the Transaction in Payment Voucher

**1. Create Masters**

**i. Bank Ledger**

Ledger	Under	Opening Balance
Canara Bank	Bank Accounts	10,00,000

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

- ❑ Type **Canara Bank** as the **Ledger Name**
- ❑ Select **Bank Accounts** in the **Under** field
- ❑ Enter **Mailing Details** and enter **Rs 10,00,000** in **Opening Balance** filed.

Ledger Creation		Royal Services (P) Ltd	
Name	: Canara Bank	Total Op. Bal.	
(alias)	:		10,00,000.00 Dr
		Difference	
			10,00,000.00 Dr
Under	: Bank Accounts (Current Assets)	Mailing Details	
Effective Date for Reconciliation	? 1.Apr.2011	Name	: Canara Bank
Set/Alter Cheque Printing Configuration?	No	Address	: # 10 6th Cross BTM Bangalore
		State	: Karnataka
		PIN Code	: 560072
		A/c No.	: 00659878754
		Branch Name	: BTM
		BSR Code	: 0078935
		Accept ?	
Opening Balance ( on 1-Apr-2011 ) : 10,00,000.00 Dr		Yes or No	

Figure 3.5 Completed Bank Ledger Creation Screen

- ❑ Press **Enter** to save.

**2. Record the Transaction in Payment Voucher**

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

1. Press **F2** and change the date to **05-04-2011**
2. In **Debit** field select the party ledger – **Murali Agency** and press enter to view **Service Tax Details** screen
3. In **Service Tax Details** screen
  - **Type of Ref:** In this field select **Agst Ref.**
  - In **Name** field select the **tax bill - Purc/1-1** dated **2-4-2011** from the list of **Pending Tax Bills** against which the payment is made.

Service Tax Details		Royal Services (P) Ltd.				Ctrl + M	
Payment	No. 1					5-Apr-2011 Tuesday	
Particulars				Debit	Credit		
Service Tax Details for : Murali Agency							
Type of Ref	Name	Type of	Category	Amount	Service		
					Pending Tax Bills		
<b>Agst Ref</b>	<b>Purc/1-1</b>						
		Name	Date	Type of Service	Category	Amount	Service Amount
		Purc/1-1	2-Apr-2011	Input Credit	Advertising Agency	55,150.00	50,000.00
Service Tax	@						
Ed Cess	@	2 % ( On Tax Value )					
Sec Ed Cess	@	1 % ( On Tax Value )					
<b>Total</b>						55,150.00	50,000.00

Figure 3.6 Selection of Tax Reference in Service Tax Details Screen

4. On selection of bill, details in **Type of Service, Category, Amount (incl. of tax), Service Amount** fields and tax bifurcation will be displayed automatically. Press **Enter** to accept the Service tax details.

Service Tax Details for : Murali Agency					
Type of Ref	Name	Type of Service	Category	Amount (Incl. of Tax)	Service Amount
Agst Ref	Purc/1-1	Input Credit	Advertising Agency	55,150.00	50,000.00
	Service Tax	@ 10 % ( On Assessable Value	50,000.00 )	5,000.00	
	Ed Cess	@ 2 % ( On Tax Value	5,000.00 )	100.00	
	Sec Ed Cess	@ 1 % ( On Tax Value	5,000.00 )	50.00	
				<u>5,150.00</u>	
<b>Total</b>				<b>55,150.00</b>	<b>50,000.00</b>

Figure 3.7 Completed Service Tax Details Screen

5. In **Debit** amount filed **Rs. 55,150** will be defaulted.
6. In **Bill-Wise Details** screen
  - In **Type of Ref** filed select **Agst Ref** from **Method of Adj.** list to adjust the payment towards the bill
  - In **Name** field select the bill - **MA/4796** dated 2-4-2011
  - **Amount** will be displayed automatically

Bill-wise Details for : Murali Agency				
Upto: ₹ 55,150.00 Dr				
Type of Ref	Name	Due Date, or Credit Days (wef: 5-Apr-2011)	Amount	Dr/ Cr
Agst Ref	MA/4796		55,150.00	Dr

Figure 3.8 Bill-wise Details screen

7. In **Credit** field the Bank Ledger - **Canara Bank**. Amount will be displayed automatically.
8. In **Bank Allocations** screen enter the Cheque Number -**586954** in **Instrument No.** field

Bank Allocations		Royal Services (P) Ltd.		Ctrl + M
Payment	No. 1			5-Apr-2011 Tuesday
Particulars		Debit	Credit	
Dr Murali Agency		55,150.00		
<i>Cur Bal: 0.00 Dr</i>				
Agst Ref: MA/4796	55,150.00 Dr			
Cr Canara Bank			55,150.00	
<i>Cur Bal: 9,44,850.00 Dr</i>				
Bank Allocations for : Canara Bank For: 55,150.00				
Favouring Name	Transaction Type	Amount		
Murali Agency	Cheque	55,150.00		
<i>Instrument No.: 586954</i>		<i>Instrument Date: 5-Apr-2011 Cross Instrument Using: A/c Payee</i>		
Narration:		55,150.00	55,150.00	

Figure 3.9 Bank Allocations Screen

The completed Payment Voucher is displayed as shown

Accounting Voucher Creation		Royal Services (P) Ltd.		Ctrl + M
Payment	No. 1			5-Apr-2011 Tuesday
Particulars		Debit	Credit	
Dr Murali Agency		55,150.00		
<i>Cur Bal: 0.00 Dr</i>				
Agst Ref: MA/4796	55,150.00 Dr			
Cr Canara Bank			55,150.00	
<i>Cur Bal: 9,44,850.00 Dr</i>				
Murali Agency	Cheque	55,150.00		
<i>Instrument No.: 586954</i>		<i>Instrument Date: 5-Apr-2011 Cross Instrument Using: A/c Payee</i>		
Bank Date :				
Narration:		55,150.00	55,150.00	
		Accept ? Yes or No		

Figure 3.10 Completed Payment Voucher

9. Press **Enter** to save.

### 3.4 Sale of Taxable Services

Under this, we will learn to account sale of taxable services and service tax chargeable to the customer.

#### Example 3:

*On April 7, 2011 Royal Services (P) Ltd. raised a sales invoice (No.RS/1180) for Event Management Services rendered to M/s. Mudra Advertisers for Rs.5,00,000 with Service Tax @ 10.3% (Total invoice amount Rs. 5,51,500)*

Service tax liability on the services provided to Mudra Advertisers is on Royal Services (P) Ltd. (service provider). But the **liability to pay tax** (to government) on the services provided will arise only when the payment is received from Mudra Advertisers and it will be to the **extent of the payment received**.

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

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

1. Press **Alt+I** or click on **I: Account Invoice** if the voucher is in Item invoice mode
2. Press **F2** and change the date to **07-04-2011**
3. In **Party's A/c Name** field select the service provider e.g. **Mudra Advertisers**
4. Under **Particulars** select the Service (sales) Ledger e.g. **Sales - Event Mgt Services** and press enter to view **Service Tax Details** screen
5. In **Service Tax Details** screen
  - **Type of Ref.:** Select **New Ref** from the method of Adjustment. Tally.ERP 9 displays Two **Methods of Adj** viz., **Agst Ref** and **New Ref**. **New Ref** is selected for new Financial Transactions. Where as, **Agst Ref** is selected to setoff the advance payments made.
  - **Name:** This field displays the Reference Number for the service tax calculation. The default Reference Number displayed, is a combination of abbreviation of **Sales, Voucher Number** and **Line Number** Example: **Sale/1-1** which can be changed by the user. Service Tax payments are tracked with these Reference Numbers.



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

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



**In Type of Service field**

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

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

- **Category:** Based on the service Category selected in the Purchase Ledger, category will be defaulted (displayed). By default **Event Management Service** is displayed and Tally.ERP 9 skips the field.
- **Service Amount:** In this field enter the **Service Amount**. Enter **Rs. 5,00,000**. On providing the service amount Service tax gets calculated.
- **Amount (Incl. of Tax):** In this field the **cumulative (collective)** amount of **Service Amount** and **Tax** will be displayed in this field.



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

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

Service Tax Details for : Sales - Event Mgt Services					
Type of Ref	Name	Type of Service	Category	Service Amount	Amount (Incl. of Tax)
New Ref	Sale/1-1	Taxable	Event Management Service	5,00,000.00	5,51,500.00
	Service Tax	@ 10 % ( On Assessable Value	5,00,000.00 )	50,000.00	
	Ed Cess	@ 2 % ( On Tax Value	50,000.00 )	1,000.00	
	Sec Ed Cess	@ 1 % ( On Tax Value	50,000.00 )	500.00	
				<u>51,500.00</u>	
<b>Total</b>				5,00,000.00	5,51,500.00

Figure 3.11 Service Tax Details Screen

6. Under **Particulars** select service tax ledger e.g. **Service Tax @ 10%**. Service Tax amount will be calculated and displayed automatically.
7. Under **Particulars** select education cess ledger e.g. **Education Cess @ 2%**. Education Cess amount will be calculated and displayed automatically.
8. Under **Particulars** select secondary education cess ledger e.g. **Secondary Education Cess @ 1%**. secondary Education Cess amount will be calculated and displayed automatically.
9. In **Bill-wise Details** screen
  - In **Type of Ref** field select **New Ref**
  - In **Name** field enter the Bill name - **RS/1180**
  - **Amount** will be defaulted automatically

Bill-wise Details for : <b>Mudra Advertisers</b> Upto: ₹ 5,51,500.00 Dr				
Type of Ref	Name	Due Date, or Credit Days (wef. 7-Apr-2011)	Amount	Dr/ Cr
New Ref	<b>RS/1180</b>		<b>5,51,500.00</b>	<b>Dr</b>

Figure 3.12 Bill-wise Details screen

10. Enter **Narration**, if any

The completed Sales Voucher is displayed as shown

Accounting Voucher Creation		Royal Services (P) Ltd.	Ctrl + M
Sales	No. 1		7-Apr-2011 Thursday
Ref. :			
Party's A/c Name : Mudra Advertisers			
Current Balance :			
Particulars	Rate	per	Amount
Sales - Event Mgt Services			5,00,000.00
Service Tax @ 10%			50,000.00
Education Cess @ 2%			1,000.00
Secondary Education Cess @ 1%			500.00
Narration:			
			Accept ? Yes or No

Figure 3.13 Completed Service Voucher

11. Press **Enter** to accept.

### Service Tax Payables

In the earlier service Tax Module of Tally.ERP 9, sales of Services recorded were not displayed in the **Service Tax Payables** report till the receipt of Payment from Service Receiver.

But in the new re-modelled service tax, sale of services can be viewed in **Bill Date Wise Service Tax Payables** report.

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

To view the unrealised bills press **F12: Configuration** and

- In **Show bills of the following Type** field select **Unrealised Bills** from the Type of Bills

Configuration			
Show Service Tax Registration No.	? No		
Show Abatement Amount	? No		
Show Rate & Notification No.	? No		
Show Allowable Expenses	? No		
Show Assessable Value	? No		
Show Billed Assessable Value	? No		
Show Realised Assessable Value	? No		
Show Realised Abatement Amount	? No		
Show Realised Allowable Expenses	? No		
Show Tax Break-up	? No		
Show Tax Break-up for Bill Amount	? No		
Show Tax Break-up for Realised Amount	? No		
Show Tax Paid / Adjusted / Utilised Amount	? No		
Range of Bills to show	: All Bills		
Show Bills of the following type	: <b>Unrealised Bills</b>		
Show Tax on Services Received / Import Tax Bills	: No		
		Type of Bills	
			All Bills
			Paid Bills
			Realised Bills
			<b>Unrealised Bills</b>

Figure 3.14 F12: Configuration

The **Bill Date - wise Service Tax Payables** report appears as shown

Service Tax Payable (Bill Date - wise)		Royal Services (P) Ltd.		Ctrl + M				
Type of Bills : Unrealised Bills				1-Apr-2011 to 30-Apr-2011				
Date	Ref. No.	Party's Name	Category	Bill Amount	Total Tax	Realised Amount	Total Tax Payable	Balance to be Paid
7-Apr-2011	Sale/1-1	Mudra Advertisers	Event Management Service	5,51,500.00	51,500.00			
<b>Total</b>				5,51,500.00	51,500.00			

Figure 3.15 Service Tax Payables Report - Bill Date Wise

Report displays the **invoice details, Party Name, Service Category, Bill Amount and Total Tax.**

### 3.5 Receipt from Service Receiver

Under this, we will learn to record receipts towards the invoice raised for the services Sold.

Liability to pay service tax on services sold will arise only on the receipt of payment and to the extent of the payment received from the customer.

**Example 4:**

*On April 11, 2011 Royal Services (P) Ltd. received Rs. 5,51,500 (full payment) from Mudra Advertisers towards the Event Management Services sold on 7-4-2011 vide. no. RS/1180.*

#### 1. Record Transaction in Receipt Voucher

1. Press **F2** and change the date to **11-04-2011**
2. In **Credit** field select the customer ledger – **Mudra Advertisers** and press enter to view **Service Tax Details** screen
3. In **Service Tax Details** screen
  - **Type of Ref:** Select **Agst Ref.** In **Type of Ref** field Tally.ERP 9 displays 2 options - **Advance** and **Agst Ref**
    - **Agst Ref:** Is selected to set off payment against the previously entered service bills.
    - **Advance:** To account the advance payments made to the service provider
  - In **Name** field select the **tax bill - Sale/1-1** dated **7-4-2011** from the list of **Pending Tax Bills** against which the payment is made.

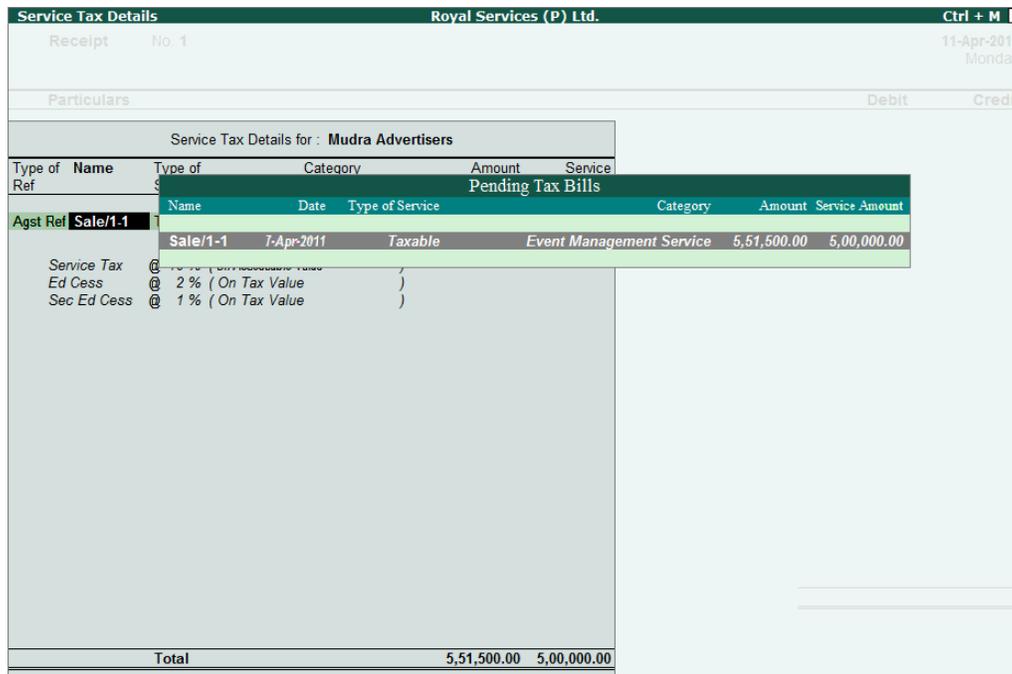


Figure 3.16 Selection of bill in Service Tax Details Screen

- On selection of bill, details in **Type of Service, Category, Amount (incl. of tax), Service Amount** fields and tax bifurcation will be displayed automatically. Press **Enter** to accept the Service tax details

Service Tax Details for : Mudra Advertisers					
Type of Ref	Name	Type of Service	Category	Amount (Incl. of Tax)	Service Amount
Agst Ref	Sale/1-1	Taxable	Event Management Service	5,51,500.00	5,00,000.00
	Service Tax	@ 10 % ( On Assessable Value	5,00,000.00 )	50,000.00	
	Ed Cess	@ 2 % ( On Tax Value	50,000.00 )	1,000.00	
	Sec Ed Cess	@ 1 % ( On Tax Value	50,000.00 )	500.00	
				<u>51,500.00</u>	
<b>Total</b>				<b>5,51,500.00</b>	<b>5,00,000.00</b>

Figure 3.17 Service Tax Details Screen

As there is a possibility that the service receiver may make full or partial payment to the service provider, Tally.ERP 9 allows the user to alter the amount. If partial payment is made, based on the.



**Example:** Mudra Advertisers paid Rs. 2,50,000 (partial amount) as against the bill amount of 5,51,500. **Service Tax and Cess** amount will be re-calculated and displayed as shown:

Service Tax Details for : Mudra Advertisers					
Type of Ref	Name	Type of Service	Category	Amount (Incl. of Tax)	Service Amount
Agst Ref	Sale/1-1	Taxable	Event Management Service	2,50,000.00	2,26,654.58
	Service Tax	@ 10 % ( On Assessable Value	2,26,654.58 )	22,665.46	
	Ed Cess	@ 2 % ( On Tax Value	22,665.46 )	453.31	
	Sec Ed Cess	@ 1 % ( On Tax Value	22,665.46 )	226.65	
				<u>23,345.42</u>	
<b>Total</b>				<b>2,50,000.00</b>	<b>2,26,654.58</b>

Figure 3.18 Service Tax Details – on Partial Receipt

4. In **Bill-Wise Details** screen

- In **Type of Ref** filed select **Agst Ref** from **Method of Adj.** list to adjust the payment towards the bill
- In **Name** field select the bill - **RS/1180** dated 7-4-2011
- **Amount** will be displayed automatically

Bill-wise Details for : <b>Mudra Advertisers</b> Upto: ₹ <b>5,51,500.00 Cr</b>				
Type of Ref	Name	Due Date, or Credit Days (wef: 11-Apr-2011)	Amount	Dr/ Cr
Agst Ref	<b>RS/1180</b>		<b>5,51,500.00</b>	<b>Cr</b>

Figure 3.19 Bill-wise Details Screen

5. In **Debit** field the Bank Ledger - **Canara Bank**. Amount will be displayed automatically.

6. In **Bank Allocations** screen, in **Instrument No.** field enter the Cheque Number - **968540**. In **Bank Name** and **Branch** field enter the name of the bank and Branch of which the cheque is issued.

The completed Receipt Voucher is displayed as shown

Accounting Voucher Creation		Royal Services (P) Ltd.		Ctrl + M
<b>Receipt</b> No. 1				11-Apr-2011 Monday
Particulars		Debit	Credit	
Cr <b>Mudra Advertisers</b>			<b>5,51,500.00</b>	
<i>Cur Bal: 0.00 Cr</i>				
Agst Ref <b>RS/1180</b>		5,51,500.00 Cr		
Dr <b>Canara Bank</b>			<b>5,51,500.00</b>	
<i>Cur Bal: 14,96,350.00 Dr</i>				
Mudra Advertisers			Cheque/DD 5,51,500.00	
<i>Instrument No.: 968540</i>		<i>Instrument Date: 11-Apr-2011</i>		<i>Bank Name: SBI Bank</i>
			<i>Branch : Koramangala</i>	
Narration:			<b>5,51,500.00</b>	<b>5,51,500.00</b>
			Accept ?	
			Yes or No	

Figure 3.20 Completed Receipt Voucher

7. Press **Enter** to save.

On receipt of payment from customers towards the services sold, the service tax on such sales will be displayed as the liability. Details of Service Tax can be viewed in Service Tax Payable report.

To view **Service Tax Payable** report

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

Service Tax Payable (Bill Date - wise)		Royal Services (P) Ltd.						Ctrl + M
Type of Bills : Realised Bills		1-Apr-2011 to 30-Apr-2011						
Date	Ref. No.	Party's Name	Category	Bill Amount	Total Tax	Realised Amount	Total Tax Payable	Balance to be Paid
7-Apr-2011	Sale/1-1	Mudra Advertisers	Event Management Service	5,51,500.00	51,500.00	5,51,500.00	51,500.00	51,500.00
<b>Total</b>				<b>5,51,500.00</b>	<b>51,500.00</b>	<b>5,51,500.00</b>	<b>51,500.00</b>	<b>51,500.00</b>

Figure 3.21 Service Tax Payables Report

Service Tax Payable details can also be checked from **Realisation Date Wise** report.

### 3.6 Adjustment of Input Service Credit towards Service Tax Payable

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

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

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

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

#### Example 5:

*On April 30, 2011 Royal Services (P) Ltd. adjusted Input Service Credit of Rs. 5,150 (Service Tax - Rs. 5000, Education Cess Rs. 100 and Secondary Education Cess of Rs. 50) towards Service Tax Payable for the month of April.*

#### 1. Record the Transaction in Journal Voucher

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

1. In **Change Voucher Type** screen, select **Service Credit Adjustment** in **Class** field
2. Press **F2** and change the date to **30-04-2011**
3. In **Used for** field select **Input Credit Adjustment** flag from **Service Tax Adjustments** list.

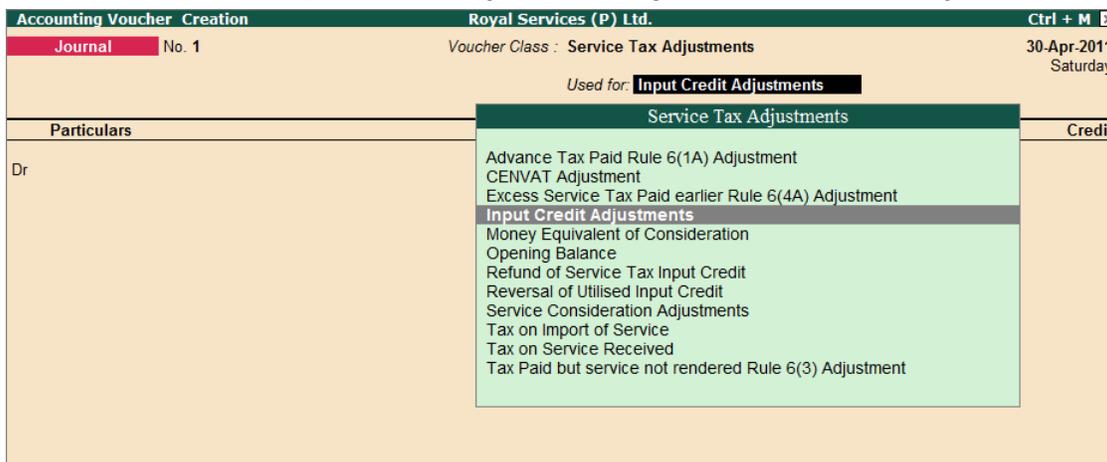


Figure 3.22 Selection of Service Tax Adjustments

4. In **Debit** field, select **Service Tax @ 10%** ledger and press enter to view Service Tax Details screen
5. In **Service Tax Details** screen
  - In **Type of Ref.** field select **Agst Ref** to adjust service tax liability against input credit
  - In **Name** field select **Sale/1-1** dated 7-4-2011 to adjust the Bill.
  - **Category** details will be defaulted based on the sales bill selected. E.g. **Event Management Service** will be defaulted for the sale made on 7-4-2011.
  - In **Amount** field enter the **Input Service Tax Credit** i.e. **Rs. 5,000** which is adjusted towards the Service Tax portion of service tax Payable

Service Tax Details for : Service Tax @ 10%			
Type of Ref.	Name	Category	Amount
Agst Ref	Sale/1-1	Event Management Service	5,000.00

Figure 3.23 Service Tax Details Screen

6. In **Debit** field, select **Education Cess @ 2%** ledger and press enter to view Service Tax Details screen
7. In **Service Tax Details** screen
  - In **Type of Ref.** field select **Agst Ref** to adjust service tax liability against input credit
  - In **Name** field select **Sale/1-1** dated 7-4-2011 to adjust the Bill.
  - **Category** details will be defaulted based on the sales bill selected. E.g. **Event Management Service** will be defaulted for the sale made on 7-4-2011.
  - In **Amount** field enter the **Input Education Cess Credit** i.e. **Rs. 100** which is adjusted towards the Education Cess portion of service tax payable
8. In **Debit** field, select **Secondary Education Cess @ 1%** ledger and press enter to view Service Tax Details screen
9. In **Service Tax Details** screen
  - In **Type of Ref.** field select **Agst Ref** to adjust service tax liability against input credit
  - In **Name** field select **Sale/1-1** dated 7-4-2011 to adjust the Bill.
  - **Category** details will be defaulted based on the sales bill selected. E.g. **Event Management Service** will be defaulted for the sale made on 7-4-2011.
  - In **Amount** field enter the **Input Secondary Education Cess Credit** i.e. **Rs. 50** which is adjusted towards the Secondary Education Cess portion of service tax payable
10. To nullify the input service credit available, in **Credit** field select **Service Tax @ 10%** and press enter to view Service Tax Details screen
11. In **Service Tax Details** screen

- In **Type of Ref.** field select **Agst Ref** to adjust input credit towards the service tax liability
- In **Name** field select **Purc/1-1** dated 2-4-2011 to adjust the Bill.
- **Category** details will be defaulted based on the purchase bill selected. E.g. **Advertising Agency** will be defaulted for the purchase made on 2-4-2011.
- In **Amount** field **Rs.5000** will be defaulted.



*For the month of April, Royal Services (P) Ltd. has a Service Tax Input credit of Rs. 5,150. the tax bifurcation is as follows*

- **Service Tax of Rs. 5000**
- **Education Cess of Rs.100**
- **Secondary Education Cess of Rs.50**

*The company has decided to adjust full credit available. So in the Service Tax Details screen the default amount of **Rs. 5,000** is accepted.*

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

12. To nullify the input education cess, in **credit** field, select **Education Cess @ 2%** ledger and press enter to view Service Tax Details screen
13. In **Service Tax Details** screen
  - In **Type of Ref.** field select **Agst Ref** to adjust input credit towards the service tax liability
  - In **Name** field select **Purc/1-1** dated 2-4-2011 to adjust the Bill.
  - **Category** details will be defaulted based on the purchase bill selected. E.g. **Advertising Agency** will be defaulted for the purchase made on 2-4-2011.
  - In **Amount** field **Rs. 100** will be defaulted.
14. In **Credit** field, select **Secondary Education Cess @ 1%** ledger and press enter to view Service Tax Details screen
15. In **Service Tax Details** screen
  - In **Type of Ref.** field select **Agst Ref** to adjust service tax liability against input credit
  - In **Name** field select **Purc/1-1** dated 2-4-2011 to adjust the Bill.
  - **Category** details will be defaulted based on the purchase bill selected. E.g. **Advertising Agency** will be defaulted for the purchase made on 2-4-2011.
  - In **Amount** **Rs. 50** will be defaulted.
16. Set the option **Provide Details** to **Yes** to enter the period for which the Service Credit Adjustment is done
  - In **Service Tax Payment** Details
    - In **From** field enter **1-4-2011**
    - In **To** field enter **30-4-2011**

Service Tax Payment Details

From : 1-Apr-2011

To : **30-Apr-2011**

*(Note : This Payment Belongs to the Above Period)*

Figure 3.24 Service Tax Payment Details

17. Enter **Narration**, if any

The completed Journal Voucher is displayed as shown

Accounting Voucher Creation		Royal Services (P) Ltd.		Ctrl + M
Journal	No. 1	Voucher Class : Service Tax Adjustments		30-Apr-2011 Saturday
Used for: Input Credit Adjustments				
Particulars	Debit	Credit		
Dr Service Tax @ 10%	5,000.00			
<i>Cur Bal: 45,000.00 Cr</i>				
Dr Education Cess @ 2%	100.00			
<i>Cur Bal: 900.00 Cr</i>				
Dr Secondary Education Cess @ 1%	50.00			
<i>Cur Bal: 450.00 Cr</i>				
Cr Service Tax @ 10%		5,000.00		
<i>Cur Bal: 45,000.00 Cr</i>				
Cr Education Cess @ 2%		100.00		
<i>Cur Bal: 900.00 Cr</i>				
Cr Secondary Education Cess @ 1%		50.00		
<i>Cur Bal: 450.00 Cr</i>				
Provide Details : Yes				
Narration:	5,150.00	5,150.00		
			<div style="border: 1px solid black; padding: 5px; display: inline-block;">           Accept ?            Yes or No         </div>	

Figure 3.25 Completed Journal Voucher

18. Press **Enter** to accept.

### 3.7 Payment of Service Tax

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

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

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



Tally.ERP 9 also allows to record the service Tax Payment entry without using **S: Stat Payment** feature

#### 3.7.1 Payment of Service Tax (without using **S: Stat Payment**)

##### Example 6:

*On May 3, 2011 Royal Services (P) Ltd. Service Tax of **Rs. 20,800** for the month of April, 2011 (Service Tax - Rs. 20,000, Education Cess Rs. 500 and Secondary Education Cess of Rs. 300) through cheque.*

1. Record the Transaction in Payment Voucher

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

##### Set up:

In **F12: Payment Configuration**

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

In Accounting Voucher creation screen

1. Press **F2** and change the date to **03-05-2011**
2. In **Account** field, select the Bank or Cash ledger depending on the mode of payment. Here the payment is made through cheque select **Canara Bank**.
3. Under **Particulars** select Service Tax ledger - **Service Tax @ 10%** and press enter to view Service Tax Details screen
4. In **Service Tax Details** screen
  - In **Type of Ref** field select **Agst Ref**
  - In **Name** field select the tax bill which is pending for payment. Select **Sale/1-1** from the list of **Pending Tax Bills**

- In **Amount** field the tax amount payable to government **Rs. 45000** will be displayed automatically. Enter **Rs. 20000** which is paid to the government.

Service Tax Details for : Service Tax @ 10%			
Type of Ref.	Name	Category	Amount
Agst Ref	Sale/1-1	Event Management Service	20,000.00

Figure 3.26 Service Tax Details screen

5. Under **Particulars** select education cess ledger - **Education Cess @ 2%** and press enter to view Service Tax Details screen
6. In **Service Tax Details** screen
  - In **Type of Ref** field select **Agst Ref**
  - In **Name** field select the tax bill which is pending for payment. Select **Sale/1-1** from the list of **Pending Tax Bills**
  - In **Amount** field the cess amount payable to government **Rs.900** will be displayed automatically. Enter **Rs. 500** which is paid to the government.
7. Under **Particulars** select secondary education cess ledger - **Secondary Education Cess @ 1%** and press enter to view Service Tax Details screen
8. In **Service Tax Details** screen
  - In **Type of Ref** field select **Agst Ref**
  - In **Name** field select the tax bill which is pending for payment. Select **Sale/1-1** from the list of **Pending Tax Bills**
  - In **Amount** field the cess amount payable to government **Rs.450** will be displayed automatically. Enter **Rs. 300** which is paid to the government.
9. Set the option **Provide Details** to **Yes** to enter service tax payment details.
10. In **Service Tax Payment Details** Screen
  - **From:** In this field enter the **From** date of the period for which the service tax is paid
  - **To:** In this field enter the **To** date of the period for which the service tax is paid.
  - **Cheque/DD No:** In this field user can enter either the cheque or the DD No through which the service tax payment is made. In this transaction payment is made through cheque no.- **589957**
  - **Name of the Bank:** In this field mention the Name of the Bank through which the tax is paid to the Government. Select **Canara Bank** from the **List of Banks**.
  - In this field Tally.ERP 9 displays the List of Banks which lists
    - All the banks which are already created to carry out the regular business.
    - The option **New Name** is provided to create **New Bank**

- The option **Not applicable** if the payment is made by **Cash**.



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

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



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

- **Cheque Date:** If the payment is made through cheque enter the cheque date in this field.
- **Challan No.:** In this field enter the service tax payment Challan number.
- **Challan Date:** Enter the Challan Date



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

<u>Service Tax Payment Details</u>	
From	: 1-Apr-2011
To	: 30-Apr-2011
<i>(Note : This Payment Belongs to the Above Period)</i>	
Cheque / DD.No.	: 589957
Name of Bank	: Canara Bank
Bank Account No.	: 00659878754
Branch Name	: BTM
Cheque Date	: 3-May-2011
Challan No.	: 458965
Challan Date	: <b>3-5-2011</b>
ePayment No.	:
<i>(Note : All the Above Details Will Be Used in Challan, Forms &amp; Returns)</i>	

Figure 3.27 Service Tax Payment Details Screen

- Press **Enter** to save Service Tax Payment Details.

11. In **Bank Allocations** screen

- **Favouring Name:** In this field specify the name of the person (individual/ institution) favouring whom the cheque is issued. Specify applicable commissionerate Name to whom the payment to be made. E.g. **Bangalore - I Commissionerate**
- **Transaction Type:** In this field select the appropriate **Transaction Type**. In this case ABC company is making payment in **Cheque**.

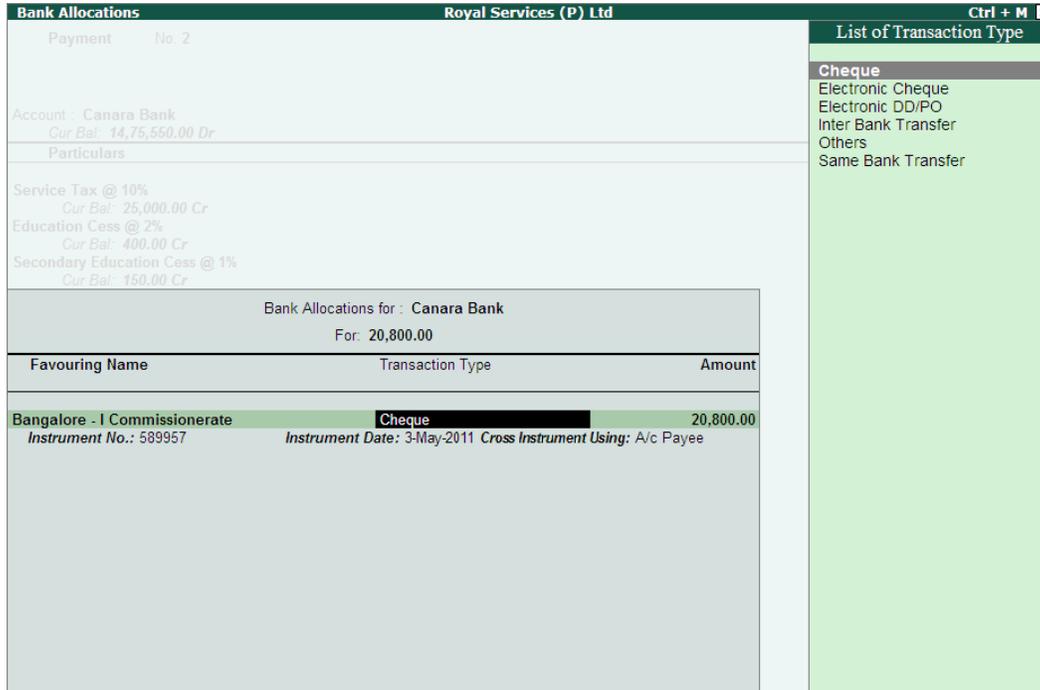


Figure 3.28 Selection of Transaction Type

- **Amount:** In this field the total amount paid will be displayed automatically
- **Instrument No.:** In this field specify the instrument number through which payment is made. Specify **Cheque Number** if payment is made by cheque. Specify **Transaction ID** if payment is made through **Inter Bank Transfer/Same Bank Transfer**.
- **Instrument Date:** In this field specify the date specified in the instrument. Specify Cheque Date if payment is made by cheque. specify **Transaction Date** if payment is made through **Inter Bank Transfer/Same Bank Transfer**
- **Cross Instrument Using:** By default **A/C Payee** will be displayed

Bank Allocations for : Canara Bank		
For: 20,800.00		
Favouring Name	Transaction Type	Amount
Bangalore - I Commissionerate	Cheque	20,800.00
<i>Instrument No.: 589957 Instrument Date: 3-May-2011 Cross Instrument Using: A/c Payee</i>		

Figure 3.29 Bank Allocation Screen



*Cross Instrument Using field will be displayed in Bank Allocation screen only for the Transaction Type - Cheque.*

- Enter cheque number in **Narration** filed

The completed Payment Voucher is displayed as shown

Accounting Voucher Creation		Royal Services (P) Ltd.	Ctrl + M
Payment	No. 2		3-May-2011 Tuesday
Account : Canara Bank Cur Bal: 14,75,550.00 Dr			
Particulars	Amount		
Service Tax @ 10%	20,000.00		
Cur Bal: 25,000.00 Cr			
Education Cess @ 2%	500.00		
Cur Bal: 400.00 Cr			
Secondary Education Cess @ 1%	300.00		
Cur Bal: 150.00 Cr			
Provide Details : Yes			
Narration: _____			
			20,800.00
			20,800.00
			Accept ?
			Yes or No

Figure 3.30 Completed Payment Voucher

12. Press **Enter** to accept.

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

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

In Tally.ERP 9 Service Tax Challan (G.A.R.-7) can be printed from the service tax payment voucher. To print the G.A.R.-7 Challan for the transaction entered on 05-05-2011

- From **Accounting Voucher Creation** screen, press **PageUp** to view the Accounting Voucher Alteration screen of payment voucher recorded on 5-5-2011
- Click on **P: Print** button or Press **Alt + P** from the payment voucher to view the Voucher Printing screen
- Ensure **Print G.A.R.- 7 Challan** field is set to **Yes**

Voucher Printing	
Printer	: Snaglt 7 (Ne00:)
No. of Copies	: 1
Print Language	: English
Method	: Neat Mode
Page Range	: All
Paper Type	: Letter
<i>(Printing Dimensions)</i>	
Paper Size	: (8.50" x 10.98") or (216 mm x 279 mm)
Print Area	: (8.03" x 10.63") or (204 mm x 270 mm)
Report Titles	
Payment Voucher	
(with Print Preview)	
<i>Without Company Phone No.</i>	
<b>Print G.A.R.-7 Challan</b>	: <b>Yes_</b>
Print Payment Advice	: No
Payment Advice Date	: 3-May-2011
Print Due Date	? No
Print Company's PAN/IT Number	? No

Figure 3.31 Voucher Printing Screen

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



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

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

For payments from April 2007 onwards		<b>G.A.R.-7 Proforma for Service Tax Payments</b>	(Receipts & Payment Rules 26)
Full Name	R o y a l S e r v i c e s ( P ) L t d		
Complete Address	# 8 4 , 6 t h F l o o r , M a n i p a l C e n t r e , B a n g a l o r e		
Telephone No.	0 8 0 - 4 4 5 8 9 6		Pincode 5 6 0 0 0 1
Assessee Code No.	A W C G E 8 5 9 1 M S T 0 0 1		
Commissionerate Name	B a n g a l o r e I		
Commissionerate Code	0 9	Division Code 0 3	Range Code 0 2
Accounting Code of the Service		Amount Tendered in Rupees	
0 0 4 4 0 1 9 7		2 0 0 0 0	
0 0 4 4 0 2 9 8		5 0 0	
0 0 4 4 0 4 2 6		3 0 0	
<b>Total</b>		2 0 8 0 0	
RECEIVING BANK BRANCH STAMP			
(In words) Rupees <u>Twenty Thousand Eight Hundred Only.</u> tendered by			
Cash/Cheque/Draft/Pay Order No. <u>589957</u>		Dated <u>3-May-2011</u>	Drawn on <u>Canara Bank</u>
Signature of the Tenderer with date			
Accounting Code of the Service		Amount Tendered in Rupees	
0 0 4 4 0 1 9 7		2 0 0 0 0	
0 0 4 4 0 2 9 8		5 0 0	
0 0 4 4 0 4 2 6		3 0 0	
<b>Total</b>		2 0 8 0 0	
RECEIVING BANK BRANCH STAMP			
Received from Assessee Code No. <u>A W C G E 8 5 9 1 M S T 0 0 1</u>			
(In words) Rupees <u>Twenty Thousand Eight Hundred Only.</u>			
By Cash/Cheque/Draft/Pay Order No. <u>589957</u>		Dated <u>3-May-2011</u>	Drawn on <u>Canara Bank</u>
on account of Union Service tax as detailed in this taxpayer's counterfoil and on stamp affixed and signed therein.			

Figure 3.32 Print Preview of G.A.R.-7 Challan

To print the challan, in **Accounting Voucher Display** screen click the option **Print**.

### 3.7.2 Payment of Service Tax (using **S**: Stat Payment - Auto Fill)

**Example 7:**

*On May 5, 2011 Royal Services (P) Ltd. Service Tax of **Rs. 25,550** for the month of April, 2011 (Service Tax - Rs. 25,000, Education Cess Rs. 400 and Secondary Education Cess of Rs. 150) through cheque.*

1. Record the Transaction in Payment Voucher

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

**Set up:**

In **F12: Payment Configuration**

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



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

In Accounting Voucher creation screen

1. Press **F2** and change the date to **05-05-2011**
2. Press **Alt+S** or click **S**: Stat Payment button on the buttons bar to view **Statutory Payment** screen

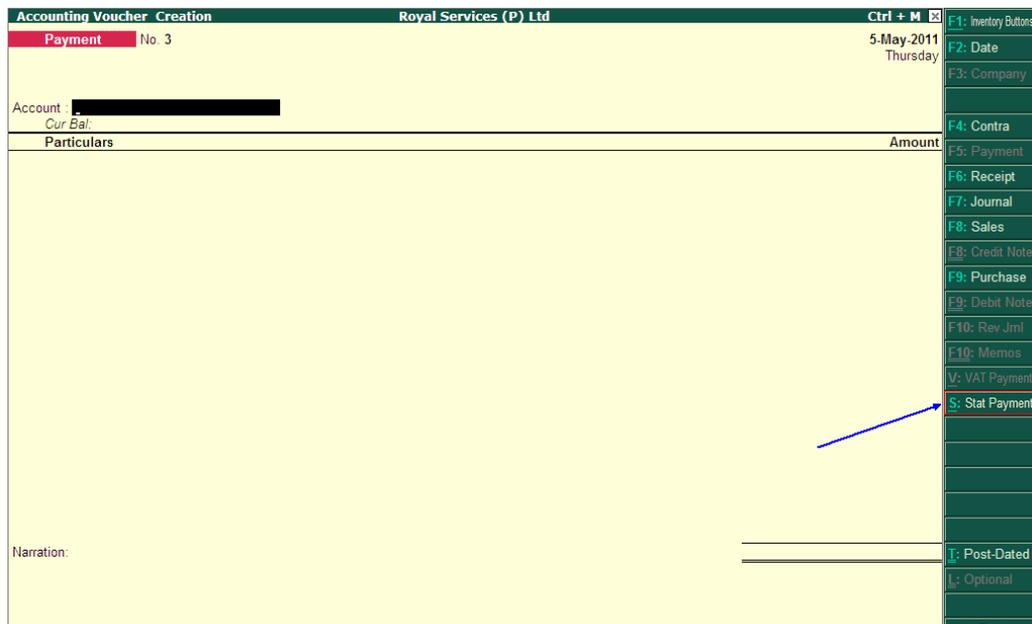


Figure 3.33 Stat Payment Button in Payment Voucher

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

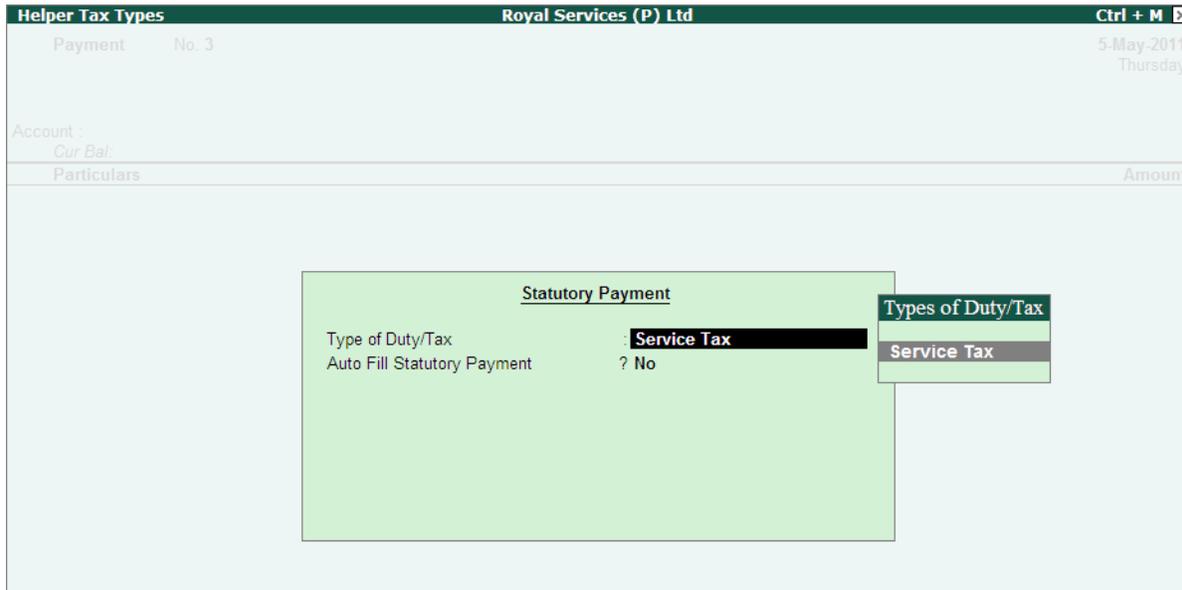


Figure 3.34 Selection of Type of Duty /Tax



*The **Types of Duty/Tax** will be displayed based on the statutory features enabled in **F11: Features** for the company*

- **Auto Fill Statutory Payment:** Set this option to **YES** to auto calculate and fill the duty payable to the Government. Set this option to **NO**, if the user wants to manually select the duty ledger and duty bills. Royal Services (P) Ltd wants to auto fill duty details in payment voucher, hence the option **Auto Fill Statutory Payments** is set to **Yes**.
- On setting the option **Auto Fill Statutory Payments** to **Yes**, based on the Duty/Tax Type selected Tally.ERP 9 displays the appropriate statutory payment fields to fill the details.
- **Till Date:** In this field you may enter, **till date** of the **period** for which the service tax values should be computed and auto-filled.
- **Service Category:** In this field Tally.ERP 9 displays only those service categories towards which service tax is payable to the Government.

Select a **specific Service Category** to pay the tax towards the selected category or you can select **All Items** to pay the service tax liability towards all the categories for the period specified. Here **Event Management Service** is selected to make service tax payment to government.

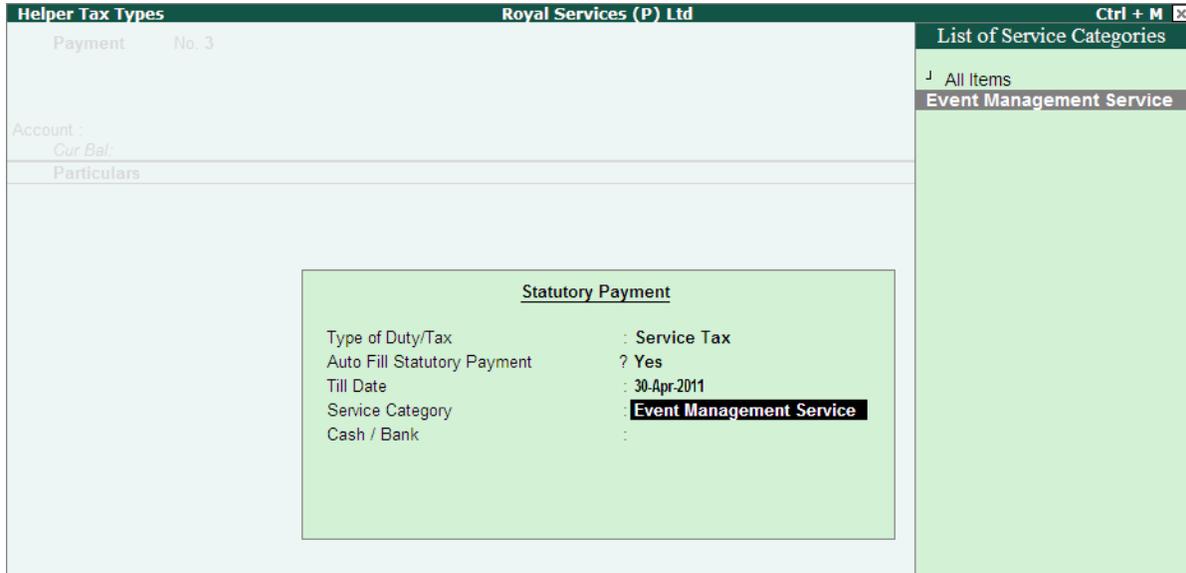


Figure 3.35 Selection of Service Category

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

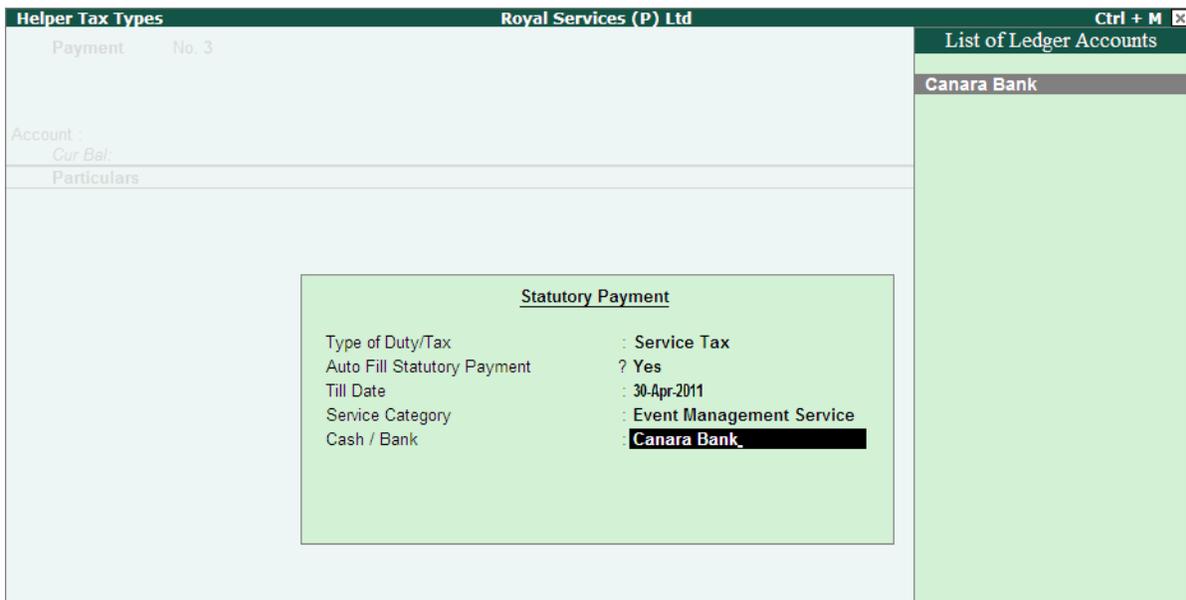


Figure 3.36 Selection of Bank/Cash Ledger

- Press **Enter** to accept the Service Tax helper.

4. The **Bank Name** through which the payment is made and Service Tax payable amount will be auto-filled.

Accounting Voucher Creation		Royal Services (P) Ltd	Ctrl + M
<b>Payment</b>	No. 3		5-May-2011 Thursday
Statutory Payment for : Service Tax			
Account : Canara Bank Cur Bal: 14,50,000.00 Dr			
Particulars	Amount		
Service Tax @ 10% Cur Bal: 0.00 Dr	25,000.00		
Education Cess @ 2% Cur Bal: 0.00 Dr	400.00		
Secondary Education Cess @ 1% Cur Bal: 0.00 Dr	150.00		
Provide Details : No			
Narration:			25,550.00

Figure 3.37 Auto Filled Payment Voucher

5. Set the option **Provide Details** to **Yes** to enter Service Tax Payment Details
6. In **Bank Allocation** screen, specify **Favouring Name, Transaction Type, Instrument Number, Instrument Date & Cross Instrument Using** details.

The completed Payment Voucher is displayed as shown

Accounting Voucher Creation		Royal Services (P) Ltd	Ctrl + M
<b>Payment</b>	No. 3		5-May-2011 Thursday
Statutory Payment for : Service Tax			
Account : Canara Bank Cur Bal: 14,50,000.00 Dr			
Particulars	Amount		
Service Tax @ 10% Cur Bal: 0.00 Dr	25,000.00		
Education Cess @ 2% Cur Bal: 0.00 Dr	400.00		
Secondary Education Cess @ 1% Cur Bal: 0.00 Dr	150.00		
Provide Details : Yes			
Narration:			25,550.00

**Accept ?**  
 Yes or No

Figure 3.38 Completed Payment Voucher

7. Press **Enter** to accept.



Click on **P: Print** button or press **Alt + P** from the payment voucher to view the Voucher Printing screen

Ensure the option **Print G.A.R.- 7 Challan** is set to **Yes**

### 3.7.3 Payment of Service Tax (using **S**: Stat Payment - without Auto Fill)

#### Example 8:

On May 5, 2011 Royal Services (P) Ltd. Service Tax of **Rs. 25550** for the month of April, 2011 (Service Tax - Rs. 25000, Education Cess Rs. 400 and Secondary Education Cess of Rs. 150) through cheque.

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 **5-5-2011**.

2. Press **Alt + S** or click on **S: Stat Payment** to view **Statutory Payment** screen

3. In **Statutory Payment** screen

- **Type of Duty/Tax**: In this field select the Tax/Duty Type towards which tax payment entry is being recorded. Here we are recording service tax payment entry, hence select **Service Tax** from Types of Duty/Tax list.



The **Types of Duty/Tax** will be displayed based on the statutory **features** enabled in **F11: Features** for the company.

- **Auto Fill Statutory Payment**: Set this option to **YES** to auto calculate and fill the duty payable to the Government. Set this option to **NO**, if the user wants to manually select the duty ledger and duty bills. Royal Services (p) Ltd. does not want the duty details to be auto filled to the payment voucher, hence the option Auto Fill Statutory Payments is set to **No**.

Statutory Payment

Type of Duty/Tax : Service Tax  
 Auto Fill Statutory Payment ? **No**

Figure 3.39 Statutory Payment Screen

4. In **Account** field, select the Bank or Cash ledger depending on the mode of payment. Here the payment is made through cheque select **Canara Bank**.
5. Under **Particulars** select Service Tax ledger - **Service Tax @ 10%** and press enter to view Service Tax Details screen
6. In **Service Tax Details** screen
  - In **Type of Ref** field select **Agst Ref**
  - In **Name** field select the tax bill which is pending for payment. Select **Sale/1-1** from the list of **Pending Tax Bills**
  - In **Amount** field the tax amount payable to government **Rs. 25,000** will be displayed automatically.

Service Tax Details for : Service Tax @ 10%			
Type of Ref.	Name	Category	Amount
Agst Ref	Sale/1-1	Event Management Service	25,000.00

Figure 3.40 Service Tax Details screen

7. Under **Particulars** select education cess ledger - **Education Cess @ 2%** and press enter to view Service Tax Details screen
8. In **Service Tax Details** screen
  - In **Type of Ref** field select **Agst Ref**
  - In **Name** field select the tax bill which is pending for payment. Select **Sale/1-1** from the list of **Pending Tax Bills**
  - In **Amount** field the cess amount payable to government **Rs. 400** will be displayed automatically.

9. Under **Particulars** select secondary education cess ledger - **Secondary Education Cess @ 1%** and press enter to view Service Tax Details screen
10. In **Service Tax Details** screen
  - In **Type of Ref** field select **Agst Ref**
  - In **Name** field select the tax bill which is pending for payment. Select **Sale/1-1** from the list of **Pending Tax Bills**
  - In **Amount** field the cess amount payable to government **Rs.150** will be displayed automatically.
11. Set the option **Provide Details** to **Yes** to enter service tax payment details
12. In **Bank Allocation** screen, specify **Favouring Name, Transaction Type, Instrument Number, Instrument Date & Cross Instrument Using** details.

The completed payment voucher is displayed as shown

Accounting Voucher Creation		Royal Services (P) Ltd	Ctrl + M
<b>Payment</b>	No. 3		5-May-2011 Thursday
Statutory Payment for : Service Tax			
Account : Canara Bank Cur Bal: 14,50,000.00 Dr			
Particulars	Amount		
Service Tax @ 10%	25,000.00		
Cur Bal: 0.00 Dr			
Education Cess @ 2%	400.00		
Cur Bal: 0.00 Dr			
Secondary Education Cess @ 1%	150.00		
Cur Bal: 0.00 Dr			
Provide Details : Yes			
Narration: _____			
			25,550.00

Accept ?

Yes or No

Figure 3.41 Completed Payment Voucher

13. Press **Enter** to accept.



Click on **P: Print** button or press **Alt + P** from the payment voucher to view the Voucher Printing screen

Ensure the option **Print G.A.R.- 7 Challan** is set to **Yes**

## Lesson 4: Service Tax Reports

### Lesson Objectives

On completion of this lesson, you will learn to

- ❑ View Service Tax Computation
- ❑ View Service Tax Payables - Bill Date Wise or Realisation Date wise
- ❑ View Service Tax Payables - Tax on Services Received
- ❑ View Service Tax Payables - Import of Services
- ❑ View Input Credit Summary
- ❑ Generate ST 3 Report

### 4.1 Service Tax Reports

Tally.ERP 9 helps the user to generate the Service tax Computation Report, Service Tax Payables, Input Credit Summary and ST3 Report at the end of the month or half yearly, as prescribed under the Act. To view the **Service Tax Reports**.

Go to **Gateway of Tally > Display > Statutory Reports > Service Tax Reports**

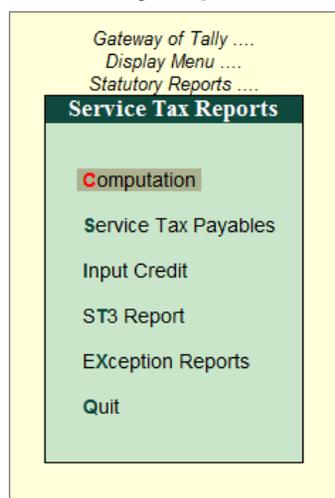


Figure 4.1 Service Tax Reports

## 4.2 Computation

**Service Tax Computation** report displays information about **service tax transactions**. This report gives information of **Input Credit, Service Tax Payable, Service Tax Payments/Credit Adjustments, Balance Service Tax Payable, Balance Available Credit & Other Payments** like **Arrears, Interest** etc. for the period specified.

To view the computation report

Go to **Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Computation**

Service Tax Computation		Royal Services (P) Ltd.		Ctrl + M
Particulars	Royal Services (P) Ltd. 1-Apr-2011 to 30-Apr-2011			
	Total Amount	Assessable Value	Tax Amount	
<b>A. Input Credit</b>	55,150.00	50,000.00	5,150.00	
<i>Current Period</i>	55,150.00	50,000.00	5,150.00	
<i>Previous Period</i>				
<b>B. Service Tax Payable</b>	5,51,500.00	5,00,000.00	51,500.00	
<i>Current Period</i>	5,51,500.00	5,00,000.00	51,500.00	
<i>Previous Period</i>				
<b>C. Service Tax Payments / Credit Adjustments</b>			51,500.00	
<i>G.A.R. 7 Payments</i>			46,350.00	
<i>Service Tax Credit Adjustment</i>			5,150.00	
<b>D. Balance Service Tax Payable (B-C)</b>				
<b>E. Refund of Service Tax Input Credit</b>				
<b>F. Balance Available Credit</b>				
<b>G. Other Payments</b>				

Figure 4.2 Service Tax Computation

### 4.3 Service Tax Payables

Service Tax Payables report displays the Total Service Tax Payables as on a specified date. In Tally.ERP 9 Service Tax Payables can be viewed based on sales Bill Date, Realised Date and for tax payable on services received like GTA and Imports.

To view Service Tax Payables report

Go to **Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Service Tax Payables**

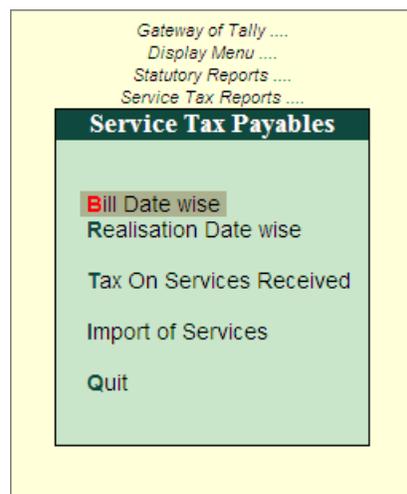


Figure 4.3 Service Tax Payables

Service Tax Payables report can be viewed

- ❑ Bill Date Wise
- ❑ Realisation Date Wise
- ❑ Tax on Service Received
- ❑ Import of Services

### 4.3.1 Bill Date Wise

Bill Date Wise Service Tax Payables report displays the Total Service Tax Payables as on a specified date based on the bill date of the services provided.

To view Bill Date Wise report

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

Service Tax Payable (Bill Date - wise)		Royal Services (P) Ltd.					Ctrl + M	
Type of Bills : All Bills		1-Apr-2011 to 30-Apr-2011						
Date	Ref. No.	Party's Name	Category	Bill Amount	Total Tax	Realised Amount	Total Tax Payable	Balance to be Paid
7-Apr-2011	Sale/1-1	Mudra Advertisers	Event Management Service	5,51,500.00	51,500.00	5,51,500.00	51,500.00	
<b>Total</b>				<b>5,51,500.00</b>	<b>51,500.00</b>	<b>5,51,500.00</b>	<b>51,500.00</b>	

Figure 4.4 Service Tax Payables - Bill Date -Wise

### 4.3.2 Realisation Date Wise

Realisation Date Wise Service Tax Payables report displays the Total Service Tax Payables as on a specified date based on the Receipt (of payments from the customers) date of the services provided.

To view Realisation Date Wise report

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

Service Tax Payable (Realisation Date-wise)		Royal Services (P) Ltd.		1-Apr-2011 to 30-Apr-2011				
Date	Vch Type	Vch No.	Party's Name	Category	Realised Amount	Realised Assessable Value	Total Tax Payable	Paid / Adjusted
11-Apr-2011	Receipt	1	Mudra Advertisers	Event Management Service	5,51,500.00	5,00,000.00	51,500.00	51,500.00
<b>Total</b>					5,51,500.00	5,00,000.00	51,500.00	51,500.00

Figure 4.5 Service Tax Payables (Realisation Date -Wise)

### 4.3.3 Tax on Services Received

Tax on Services Received report displays the tax payable as on a specified date, for the services received on which the service receiver is liable to pay service tax. on all the Goods Transport Agency services received, service receiver is liable to pay the tax to the government. Such service tax payables will be displayed in Tax on Service Received report

To view Tax on Services Received report

Go to **Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Service Tax Payables > Tax on Services Received**

### 4.3.4 Import of Services

As per service tax rules, the liability to pay service tax on imported services lies with the service receiver. Service Tax Payables - Import of Services report displays the service tax payable as on a specified date on all the services imported.

To view Import report

Go to **Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Service Tax Payables > Import of Services**



*Service Tax Payables report - Tax on Service Received and Import of Services will not display any details as there are not transactions of that nature recorded in the books of Royal Services Pvt Ltd.*

## 4.4 Input Credit

Input Credit reports display the Total input Credit available as on a specified date and Input Credit availed on unpaid bills.

To view the Input Credit reports

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

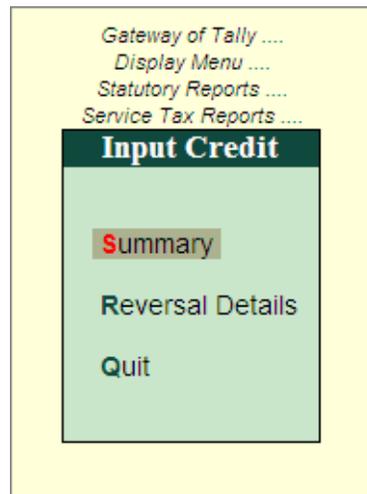


Figure 4.6 Input Credit Reports Menu

### 4.4.1 Summary

As per Service Tax Credit Rules 2002, the output service provider availing service tax credit shall maintain proper records in which the relevant information regarding the Sl. No. and date of document on which service tax credit is availed, service tax registration No. and name of the input service provider, description and value of input service, service tax credit availed, service tax credit utilized for payment of service tax on output service shall be recorded.

Input Credit Summary report gives the details of Total input credit availed, utilised and Balance Input Credit available for the specified period.

If the input credit is in excess of output service tax payable during a particular month or quarter, the surplus is transferred to the next period and is available for set off during that month or quarter as the case may and vice versa.

To view the **Input Credit Summary** report

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

Input Credit Summary		Royal Services (P) Ltd.					Ctrl + M	
Type of Bills : All Bills		1-Apr-2011 to 30-Apr-2011						
Date	Ref. No.	Party's Name	Category	Bill Amount	Total Tax	Paid Amount	Total Input Credit	Balance Input Credit
2-Apr-2011	Purc/1-1	Murali Agency	Advertising Agency	55,150.00	5,150.00	55,150.00	5,150.00	
<b>Total</b>				55,150.00	5,150.00	55,150.00	5,150.00	

Figure 4.7 Input Credit Summary Report

### 4.4.2 Reversal Details

This report displays the details of purchase bills of which the Input Credit is utilised towards Service tax payable before making the payment to the Service Provider.

To view the Input Credit Reversal Details report

Go to **Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Input Credit > Reversal Details**



*Input Credit Reversal Details report will not display any details as there are no unpaid purchase transactions of which the Service Input Credit is utilised towards the service tax payable.*

### 4.5 ST3 Report

The ST3 Report is a statutory report. This report displays the ST3 Form in the government prescribed format that is used to file Half – Yearly Service Tax returns to the Commissionerate of Service Tax.

Go to **Gateway of Tally > Display > Statutory Reports > Service Tax Reports > ST3 Report**

Use the **Alt+P** key or click on **Print** option to print your report.

This will display the **Form ST-3**.

- In **Period For** field, select the **period** for which **ST3 Report** to be printed.
- Specify the **Place** and **Date** for Printing ST3 Report.

Printing	
Printer : Snaglt 7 (Ne00:)	Paper Type : Letter
No. of Copies : 1	
Print Language : English	<i>(Printing Dimensions)</i>
Method : Neat Mode	Paper Size : (8.50" x 10.98") or (216 mm x 279 mm)
Page Range : All	Print Area : (8.03" x 10.63") or (204 mm x 270 mm)
Report Titles	
Form ST - 3	
(with Print Preview) <i>Without Company Phone No.</i>	
ST-3 Period	
Period For : [April - September]	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>Print ?</b>   <span style="color: red;">Yes or No</span> </div>
Place : Bangalore	
Date : 7-10-2011	

Figure 4.8 Form ST - 3

- Press enter to view Print Preview of From ST 3

The **Print Preview** of **Form ST-3** appears as shown

**FORM ST-3**

(Return under section 70 of the Finance Act, 1994)

[ ORIGINAL / REVISED RETURN ]

Financial Year

For the period

April-September                       October-March

1A. Has the assessee opted to operate as Large Taxpayer

*(As defined under Rule 2 (ea) of the Central Excise Rules, 2002 read with rule 2 (1)(cccc) of the Service Tax Rules, 1994)*

1B. If reply to column "1A" is 'yes', name of Large Taxpayer Unit (LTU) opted for

2A. Name of the assessee

2B. STC No.

2C. Premises code No.

2D. Constitution of assessee

(i) Individual / Proprietary

(ii) Partnership

(iii) Registered Public Ltd Company

(iv) Registered Private Ltd Company

(v) Registered Trust

(vi) Society/Co-op Society

(vii) Other

Figure 4.9 Page 1

**3. Computation of Service Tax**

**A1. Name of Taxable service**  
Event Management Service

**A2. Assessee is liable to pay Service Tax on this taxable service as,-**

(i) a service provider; or  Yes

(ii) a service receiver liable to make payment of Service Tax  No

**B. Sub-clause No. of clause(105) of section 65**  zu

**C1. Has the assessee availed benefit of any exemption notification ('Y/N')**  No

**C2. If reply to column "C1" is 'Yes', please furnish notification nos.**

**D. If abatement is claimed as per notification no. 1/2006-ST, please furnish Sr. No. in the notification under which such abatement is claimed**

**E1. Whether provisionally assessed ('Y/N')**  **E2. Prov. assessment order No. ('if any')**

**F. Value of taxable service, service tax payable and gross amount charged**

	Month / Quarter	April	May	June	July	August	September
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>(I) Service Tax Payable</b>							
(a)	Gross amount received / (paid) in money						
	(i) against service provided	5,00,000.00					
	(ii) in advance for service to be provided						
(b)	Money equivalent of considerations received / (paid) in a form other than money						
(c)	Value on which Service Tax is exempt / not payable						
	(i) Amount received against export of service						
	(ii) Amount received / (paid) towards exempted service (other than export of service, i.e., (i) above)						
	(iii) Amount received as / (paid to) pure agent						
(d)	Abatement amount claimed						
(e)	<b>Taxable value = (a+b) minus (c+d)</b>	5,00,000.00					
(f)	<b>Service Tax rate wise break-up of taxable value = (e)</b>						
	(i) Value on which Service Tax is payable @ 5%						
	(ii) Value on which Service Tax is payable @ 8%						
	(iii) Value on which Service Tax is payable @ 10%	5,00,000.00					
	(iv) Value on which Service Tax is payable @ 12%						
	(v) other rate, if any						
(g)	<b>Service Tax Payable = (5% of f(i) + 8% of f(ii) + 10% of f(iii) + 12% of f(iv) + f(v)X other rate)</b>	50,000.00					
(h)	<b>Education Cess payable = (@2% of Service Tax)</b>	1,000.00					
(i)	<b>Secondary and Higher Education Cess payable = (@1% of Service Tax)</b>	500.00					
<b>(II) Taxable amount charged</b>							
(j)	Gross amount for which bills / invoices / challans are issued relating to service provided / to be provided (including export of service and exempted service)	5,00,000.00					
(k)	Money equivalent of other consideration charged, if any, in a form other than money						
(l)	Amount charged for exported service provided / to be provided						
(m)	Amount charged for exempted service provided / to be provided (other than export of service given at (l) above)						
(n)	Amount charged as pure agent						
(o)	Amount claimed as Abatement						
(p)	<b>Net taxable amount charged = (j + k) minus (l + m + n + o)</b>	5,00,000.00					

Figure 4.10 Page 2

4. Amount of service tax paid in advance under sub-rule(1A) of rule 6.

	Month / Quarter	April	May	June	July	August	September
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a)	Amount deposited in advance						
(b)	Challan Nos.						
(c)	Challan Dates						

4A. Service Tax, Education Cess and other amounts paid

	Month / Quarter	April	May	June	July	August	September
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>(i) Service Tax, Education Cess, Secondary and Higher Education Cess paid</b>							
<b>(a) Service Tax Paid</b>							
	(I) In cash	40,000.00					
	(II) by CENVAT Credit	5,000.00					
	(IIa) by adjustment of amount earlier paid in advance and adjusted in this period under rule 6 (1A)						
	(III) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(3) of ST Rules						
	(IV) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(4A) of ST Rules						
<b>(b) Education Cess Paid</b>							
	(I) In cash	800.00					
	(II) by CENVAT Credit	100.00					
	(IIa) by adjustment of amount earlier paid in advance and adjusted in this period under rule 6 (1A)						
	(III) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(3) of ST Rules						
	(IV) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(4A) of ST Rules						
<b>(c) Secondary and Higher Education Cess Paid -</b>							
	(I) In cash	400.00					
	(II) by CENVAT Credit	50.00					
	(IIa) by adjustment of amount earlier paid in advance and adjusted in this period under rule 6 (1A)						
	(III) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(3) of ST Rules						
	(IV) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(4A) of ST Rules						
<b>(d) Other Amounts Paid</b>							
	(I) Arrears of revenue paid in cash						
	(II) Arrears of revenue paid in credit						
	(III) Arrears of Education Cess paid in cash						
	(IV) Arrears of Education Cess paid in credit						
	(V) Arrears of Sec & Higher Edu Cess paid in cash						
	(VI) Arrears of Sec & Higher Edu Cess paid in credit						
	(VII) Interest paid						
	(VIII) Penalty paid						
	(IX) Section 73A amount paid						
	(X) Any other amount						

Figure 4.11 Page 3

(II) Details of Challan (Vide which Service Tax, Education Cess, Secondary and Higher Education Cess and other amounts paid in cash)

(a)	Challan Nos	(i)	458965					
		(ii)	365824					
		(iii)						
		(iv)						

(b)	Challans Date	(i)	3-May-2011				
		(ii)	5-May-2011				
		(iii)					
		(iv)					

4B. Source documents details for entries at column 4A(I)(a) (iii), 4A(I)(a) (iv), 4A(I)(b)(iii), 4A(I)(b) (iv), 4A(I)(c) (iii), 4A(I)(c) (iv), 4A(I)(d)(i) to (vii)

Entry in table 4A above		Source documents No. / Period	Source documents date
Sl. No.	Month / Quarter		

4C. Details of amount of Service Tax payable but not paid as on the last day of the period for which return is filed.....

5. Details of input stage CENVAT credit

5A. Whether the assessee providing exempted / non taxable service or exempted goods

	(1)	(2)
(a)	Whether providing any exempted or non taxable service ('Y/N')	
(b)	Whether manufacturing any exempted goods ('Y/N')	
(c)	If any one of the above is yes, whether maintaining separate account for receipt or consumption of input service and input goods (refer to rule 6 (2) of CENVAT credit Rule, 2004)	
(d)	If any one of the (a) and (b) is 'yes', and (c) is 'no', which option is being availed under rule 6 (3) of the Cenvat Credit Rules, 2004	
	(i) Opted to pay an amount equal to 10% of the value of exempted goods and 8 % of the value of exempted service (Y/N); or	
	(ii) Opted to pay an amount equivalent to CENVAT Credit attributable to inputs and input services used in or in relation to manufacture of exempted goods or provision of exempted	

5AA. Amount payable under rule 6 (3) of the Cenvat Credit Rules, 2004

	Month / Quarter	April	May	June	July	August	September
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a)	Value of exempted goods cleared						
(b)	Value of exempted services provided						
(c)	Amount paid under rule 6(3) of Cenvat Credit Rules, 2004, by CENVAT Credit						
(d)	Amount paid under rule 6(3) of Cenvat Credit Rules, 2004, by cash						
(e)	Total amount paid = (c) +(d)						
(f)	Challan Nos, vide which amount mentioned in (d) is paid						
(g)	Challan Dates						

Figure 4.12 Page 4

5B. CENVAT Credit Taken and Utilized							
Month / Quarter		April	May	June	July	August	September
(1)		(2)	(3)	(4)	(5)	(6)	(7)
<b>(I) CENVAT Credit of Service Tax and Central Excise Duty</b>							
<b>(a)</b>	Opening Balance						
<b>(b)</b>	<b>Credit Taken</b>						
	(i) On Inputs						
	(ii) On Capital Goods						
	(iii) On Input Services received directly	5,000.00					
	(iv) As received from input service distributor						
	(v) From inter unit transfer by a LTU						
	<b>Total Credit Taken = (i+ii+iii+iv+v)</b>	<b>5,000.00</b>					
<b>(c)</b>	<b>Credit Utilized</b>						
	(i) For Payment of Service Tax	5,000.00					
	(ii) For Payment of Education Cess on taxable service						
	(iii) For Payment of Excise or any Other Duty						
	(iv) Towards clearance of Input Goods and Capital Goods removed as such						
	(v) Towards inter unit transfer of LTU						
	(vi) for payment under rule 6 (3) of the Cenvat Credit Rules, 2004						
	<b>Total Credit Utilized = (i+ii+iii+iv+v+vi)</b>	<b>5,000.00</b>					
<b>(d)</b>	<b>Closing Balance of CENVAT Credit = (a+b-c)</b>						
<b>(II) CENVAT Credit of Education Cess and Secondary and Higher Education Cess</b>							
<b>(a)</b>	Opening Balance						
<b>(b)</b>	<b>Credit of Education Cess and Secondary and Higher Education Cess Taken</b>						
	(i) On Inputs						
	(ii) On Capital Goods						
	(iii) On Input Services received directly	150.00					
	(iv) As received from input service distributor						
	(v) From inter unit transfer by a LTU						
	<b>Total Credit of Education Cess and Secondary and Higher Education Cess Taken = (i+ii+iii+iv+v)</b>	<b>150.00</b>					
<b>(c)</b>	<b>Credit of Education Cess and Secondary and Higher Education Cess Utilized</b>						
	(i) For Payment of Education Cess and Secondary and Higher Education Cess on services	150.00					
	(ii) For Payment of Education Cess and Secondary and Higher Education Cess on goods						
	(iii) Towards Payment of Education Cess and Secondary and Higher Education Cess on clearance of Input Goods and Capital Goods removed as such						
	(iv) Towards inter unit transfer of LTU						
	<b>Total Credit of Education Cess and Secondary and Higher Education Cess Utilized = (i+ii+iii+iv)</b>	<b>150.00</b>					
<b>(d)</b>	<b>Closing Balance of Education Cess and Secondary and Higher Education Cess = (a+b-c)</b>						

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6. Credit details for Input service distributor

Month / Quarter	April	May	June	July	August	September
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>(I) CENVAT Credit of Service Tax and Central Excise Duty</b>						
(a) Opening Balance of CENVAT Credit						
(b) Credit taken (for distribution) on Input Service						
(c) Credit distributed						
(d) Credit not eligible for distribution(rule 7(b) of CENVAT Credit Rules, 2004)						
(e) Closing Balance						
<b>(II) CENVAT Credit of Education Cess and Secondary and Higher Education Cess Credit</b>						
(a) Opening Balance of Education Cess and Secondary and Higher Education Cess credit						
(b) Credit of Education Cess and Secondary and Higher Education Cess taken (for distribution) on Input Service						
(c) Credit of Education Cess and Secondary and Higher Education Cess distributed						
(d) Credit of Education Cess and Secondary and Higher Education Cess not eligible for distribution (rule 7(b) of CENVAT Credit Rules, 2004)						
(e) Closing Balance						

7. Self Assessment memorandum

(a) I / We declare that the above particulars are in accordance with the records and books maintained by me / us and are correctly stated.

(b) I / We have assessed and paid the Service Tax and / or availed and distributed CENVAT credit correctly as per the provisions of the Finance Act, 1994 and the rules made thereunder.

(c) I / We have paid duty within the specified time limit and in case of delay, I / We have deposited the interest leviable thereon.

8. If the return has been prepared by a Service Tax Return Preparer (STRP), furnish further details as below:

(a) Identification No. of STRP

(b) Name of STRP

(Signature of Service Tax Return Preparer)

Place: Bangalore  
Date : 7-Oct-2011

(Name and Signature of Assessee or Authorised Signatory)

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ACKNOWLEDGEMENT

Date : 7-Oct-2011  
Place: Bangalore

I hereby acknowledge the receipt of your ST-3 return for the period April 2011 - September 2011

(Signature of the Officer of Central Excise & Service Tax)

(With Name & Official Seal)

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