**Lesson Objectives**

On completion of this lesson, you will be able to understand:

- Create Company
- Activate GST in Tally.ERP 9
- Set GST Rates in Company Level

## Create Company

To Create a Company follow the path,

Company Info Menu > Create Company

OR

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

| Company Creation | | | Ctrl + M |
|---|---|---|---|
| Directory | : C:\Users\Public\Tally.ERP9\Data | **Books and Financial Year Details** | |
| Name | : **National Enterprises** | Financial year begins from : 1-4-2017 | |
| | **Primary Mailing Details** | Books beginning from : 1-7-2017 | |
| Mailing name | : **National Enterprises** | **Security Control** | |
| Address | : **36,Tech Park-1** | | |
| | **Hosur Main Road** | TallyVault password (if any) : | |
| | **Bangalore** | Repeat password : | |
| Country | : **India** | *(Warning: Forgetting TallyVault password will render your data inaccessible.)* | |
| State | : **Karnataka** | Use security control ? **No** | |
| Pincode | : **560068** | *(Enable security to avail TSS features)* | |
| | **Contact Details** | | |
| Phone no. | : **080-22223333** | | |
| Mobile no. | : **09827912345** | | |
| Fax no. | : **080-222233334** | | |
| E-mail | : **sales@nationalenterprises.com** | | |
| Website | : **www.nationalenterprises.com** | | |

**Base Currency Information**

| | | | |
|---|---|---|---|
| Base currency symbol | : ₹ | Number of decimal places | : 2 |
| Formal name | : INR | Word representing amount after decimal | |
| Suffix symbol to amount | ? No | No. of decimal places for amount in words | **Accept ?** |
| Add space between amount and symbol | ? Yes | | |
| Show amount in millions | ? No | | **Yes** or **No** |

In Company creation screen enter the below given details.

| FIELD | DETAILS TO BE ENTERED |
|---|---|
| Name | National Enterprises |
| Mailing name | National Enterprises |
| Address | 36, Tech Park – 1, Hosur Main Road, Bangalore |
| Country | India |
| State | Karnataka |
| Pincode | 560 068 |
| Phone No. | 080-22223333 |
| Mobile No. | 09827912345 |
| Fax No. | 080-22223334 |
| E-mail | sales@nationalenterprises.com |
| Website | www.nationalenterprises.com |
| Financial Year begins | 01-04-2017 |

| | |
|---|---|
| from | |
| Books beginning from | 01-07-2017 |
| Security Control | Not Applicable |

**Activate GST in Tally.ERP 9**

To use Tally.ERP 9 for GST compliance, you need to activate the GST feature. Once activated, GSTrelated features are available in ledgers, stock items, and transactions, and GST returns can be generated.

**To activate GST**

Go to **gateway of Tally > F11: Features > Statutory & Taxation > Company Operations Alteration Screen.**

1. Set the option "**Enable Goods and Service Tax (GST**"
2. Enable "**Set/alter GST details**".



3. The **GST Details** screen is shown, with the

● **State** you have selected for your company. It helps in identifying local and interstate transactions. If you change the state, it will be updated in the company details.

● Select the **Registration Type** as Regular or Composition.

There are two types of registration in GST. Regular and Composition. We can select the Registration Type based on the registration we have. It can be either Regular or Composition.

| GST Details | |
|---|---|
| State | : Karnataka |
| Registration type | : Regular |
| Assessee of Other Territory | ? No |
| GST applicable from | : 1-Apr-2019 |
| GSTIN/UIN | : 29AAAAA1111A1Z1 |
| Periodicity of GSTR1 | : Quarterly |
| e-Way Bill applicable | ? Yes |
| Applicable from | : 1-Apr-2019 |
| Threshold limit includes | : Taxable goods value |
| Threshold limit | : 50,000 |
| Applicable for intrastate | ? Yes |
| Threshold limit | : 50,000 |
| Enable tax liability on advance receipts | ? Yes |
| Enable tax liability on reverse charge (Purchase from unregistered dealer) | ? Yes |
| Set/alter GST rate details | ? Yes |
| Enable GST Classifications | ? Yes |
| Provide LUT/Bond details | ? No |

**Set GST details for regular dealers**

1. Set the **Registration type** as **Regular**.

2. Set the option **Assessee of Other Territory** to **Yes**, if your business unit in located in the Exclusive Economic Zone (other territory).

3. Specify the **GSTIN/UIN** for the business. This can be printed in the invoices as required. You can specify this later.

4. Specify **Applicable from** date. GST will be applicable for your transactions from this date onwards.

5. Select the **Periodicity of GSTR1** as **Monthly** or **Quarterly**, based on your business turnover.

6. The option **e-Way Bill applicable** is set to **Yes**, with the **e-Way Bill applicable from** date and **e-Way Bill threshold limit**.

7. Select the value to be considered for e-Way Bill for the option **Threshold limit includes**.

8. Set the option **Applicable for intrastate** to **Yes** , if it applies to your State and enter the **Threshold limit** .

**Note** : Additional fields may appear for few states depending on the statutory needs of that state, such as:

♦ *Kerala : The fields **Kerala Flood Cess applicable?** and **Applicable from** appear for companies with **Kerala** as **State** and **Regular** as **Registration type** in Release 6.5.3 and later versions.*

♦ *Ladakh : As Ladakh has been separated from Jammu & Kashmir and awarded the status of Union Territory, you can specify the new GST registration number assigned for Ladakh in **GSTIN/UIN** field and existing registration number in the **GSTIN/UIN (prior to 1-Jan-2020)** .*

♦ *Jammu & Kashmir : In case GST dealers in Jammu and Kashmir are required to get a new GST registration, you can specify the new GSTIN in the **GSTIN/UIN** field. The existing GSTIN can be specified in the **GSTIN/UIN (prior to 1-Jan-2020)** field, which can be enabled using the **Show GSTIN/UIN (prior to 1-Jan-2020) for Jammu and Kashmir** option in **F12: Configure** . Majority of the businesses will not require new registration and they can continue with their existing **GSTIN/UIN** .*

9. Set the option **Enable tax liability on advance receipts** to **Yes** to activate calculation of tax liability on advance receipts. This options is disabled by default.

10. Set the option **Enable tax liability on reverse charge (Purchase from unregistered dealer)** to **Yes** to activate calculation of tax liability for reverse charge on URD purchases. This option is disabled by default.

11. Enable the option **Set/alter GST rate details?** to enter the GST details at the company level.
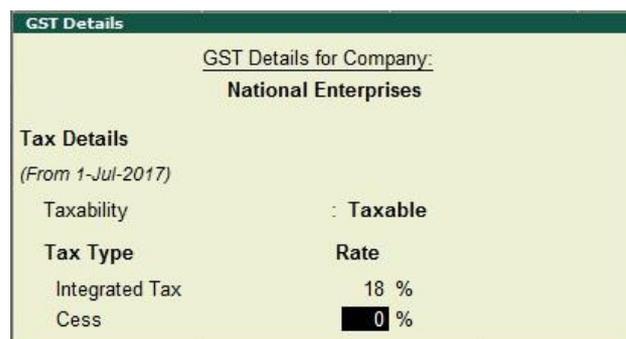


12. Set the option **Enable GST Classification?** to Yes, to create and use the classifications in **GST Details** screen of masters.

13. Set the option Provide LUT/Bond details? to Yes, to enter the **LUT/Bond No.**, and **Validity** period.

14. Press **Enter** to save.

### Activate GST for Composition Dealers

1. Set the **Registration type** as **Composition** .

2. Set the option **Assessee of Other Territory** to **Yes** , if your business unit in located in the Exclusive Economic Zone (other territory).

3. Specify **GST Applicable from** date. GST composition will be applicable for your transactions from this date onwards.

4. Specify the **GSTIN/UIN** for the business. This can be printed in the invoices as required. You can specify this later.

5. **Tax rate for taxable turnover** appears as **1%** . This rate is applied on your transactions to arrive at the taxable value.

**Note:** If you are changing the registration type from regular to composition, the applicability date of GST regular registration will be retained. You can change the date as required.

6. Based on your business type, select the **Basis for tax calculation** . For outward supplies, the total of taxable, exempt and nil rated will be considered as the **Taxable Value** . For inward supplies, the total value of purchases made under reverse charge will be considered as the **Taxable Value** .



GST Details

| | |
|---|---|
| State | : Karnataka |
| Registration type | : Composition |
| Assessee of Other Territory | ? No |
| GST applicable from | : 1-Jul-2017 |
| GSTIN/UIN | : 29.          5 |
| Tax rate for taxable turnover *(From 1-Jul-2017)* | : 1 % |
| Basis for tax calculation *(Applicable for GST CMP-08)* | : Taxable, Exempt and Nil rated values |

List of values

Taxable, Exempt and Nil rated values
Taxable value

| | |
|---|---|
| e-Way Bill applicable | |
| Applicable from | |
| Threshold limit includes | |
| Threshold limit | |
| Applicable for intrastate | ? Yes |
| Threshold limit | : 50,000 |
| Enable tax rate for purchase *(Includes purchases under reverse charge)* | ? No |

● **Taxable, Exempt and Nil rated values** - the tax will be calculated on the:

o Total of taxable, exempt and nil rated sales.

o Total of purchases attracting reverse charge.

● **Taxable** - the tax will be calculated on the:

o Total of only the taxable sales.

o Total of purchases attracting reverse charge.

Click **L**: **Tax Rate History** to provide the history of **Tax Rates** with the corresponding **Applicable From** date and **Basis for Tax Calculation** , as shown in the following example:

| Tax Rate History | | |
|---|---|---|
| **Applicable From** | **Tax Rate** | **Basis for Tax Calculation** |
| 1-Jul-2018 | 1 % | Taxable value |
| 27-Sep-2018 | 2 % | Taxable value |
| 1-Dec-2018 | 1 % | Taxable value |
| 1-Apr-2019 | 1 % | Taxable, Exempt and Nil rated values |

7. The option **e-Way Bill applicable** is set to **Yes** , with the **Applicable from** date and **Threshold limit** .

8. Select the value to be considered for e-Way Bill for the option **Threshold limit includes** .

9. Set the option **Applicable for intrastate** to **Yes** , if it applies to your State and enter the **Threshold limit** .

10. Set the option **Enable tax rate for purchase (Includes purchases under reverse charge)** to:

● **Yes** , to enter the GST rate in the ledgers and stock items for calculating GST in transactions.

● **No** , to specify the GST rates in each transaction for calculating GST.

11. Press **Enter** to save.

You can record transactions using the ledgers with GST details, and print invoices with GSTIN.

*** Chapter – end ***

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