

Lesson 19: Tax Collected at Source

Lesson Objectives

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

- ❑ Enable TCS in Tally.ERP 9
- ❑ Create masters necessary for TCS transactions.
- ❑ Record TCS transactions
- ❑ Generate TCS reports and challans in Tally.ERP 9

Tax Collected at Source means tax being collected from the source by the seller (collector) from the buyer (collectee/ payee) for goods traded u/s 206C (1) of the Income Tax Act, 1961. It is collected when accrued or when paid whichever occurs earlier. It is prescribed for any business or trade dealing with alcoholic liquor, forest produce, scrap, etc. It also includes lease, license or contract related to parking lots, toll plaza, mines and quarry, etc., as defined in Section 206C of the Income Tax Act, 1961. The following brief description covers the applicability of Act.

19.1 Basic Concepts of TCS

19.1.1 TCS Nature of Goods

The following table describes the Nature of Goods covered under TCS and the rate applied thereon.

S.No	Nature of Goods	%
1	Alcoholic liquor for human consumption	1
2	Tendu leaves	5
3	Timber obtained under a forest lease	2.5
4	Timber obtained by any mode other than under a forest lease	2.5

5	Any other forest product apart from timber or Tendu leaves	2.5
6	*Scrap	1

***Scrap** means waste. These are damaged materials obtained from manufacturing units that are of no further use.

Seller

A seller can refer to any one of the following:

- The Central Government.
- A State Government.
- Any Local Authority.
- Corporation or Authority established by or under a Central, State or Provincial Act.
- Any Company.
- Firm.
- Co-operative Society.

It also includes Individuals or Hindu Undivided Family (HUF) running businesses or professions. The total sales, or turnovers of these businesses must exceed the monetary limits specified under Clause (a) or Clause (b) of Section 44AB of Tax Audit of Income Tax Act, 1961 . This must be done during the financial year immediately preceding the financial year in which the goods of the nature specified above are sold.

Buyer

A Buyer is a person who has the right to receive or obtain goods specified above by means of a sale, auction, tender, or any other mode. The buyer does not include:

- A public sector company, the central government, a state government, an embassy, a high commission, legation, commission, consulate and the trade representation of a foreign state and a club; or
- A buyer in the retail sale of such goods purchased by him for personal consumption.

19.1.2 TCS on Contracts, License and Leases

According to Sec 206C (1C), Other than a public sector company (licensee or lessee), every person while dealing with another person for business, in whole or in part, either:

- grants a lease or license
- enters into a contract
- transfers any right or interest

The TCS is collected from the licensee at the rates specified in the following table:

S.No	Nature of contract, license, lease, etc.	%
1	Parking Lot	2
2	Toll Plaza	2
3	Mining or Quarrying	2

19.1.3 Time and Mode of Payment of TCS to the Government Account

The total amount collected is paid to the Central Government within a week from the last day of the month. The collection when made by or on behalf of the Government, results in the amount being credited without the production of a challan.

19.1.4 Credit for Tax Collected at Source

The amount collected on behalf of a person and paid under Section 206C(3) to the Central Government, and specified in the second provision to sub-section (5) shall be deemed as payment of tax. Credit shall be given for that amount, for the assessment year in which such income is assessable without the production of a certificate.

19.1.5 The Issue of a TCS Certificate

The person collecting tax, issues a certificate (Form No. 27D) to the buyer stating the tax collected at source. This is issued within a month of the amount being debited to the account of the buyer or the payment received from the buyer subject to the clauses listed below:

- Provided that no certificate is furnished for the tax collected on or after 1-4-2005
- Provided that the income-tax authority or the authorised person issues Form No. 26AS specifying the amount of tax collected to the buyer or to the licensee or lessee, within the prescribed time (i.e. 15th June) at the end of each financial year.

The annual statement Form No. 26AS is issued for the tax deducted and collected at source from the financial year 2005-06 onwards.

19.1.6 The Issue of a Consolidated Certificate

Some times, a buyer requires multiple certificates as proof of the tax collected at source for the period ending on 30th September and 31st March, in each financial year. In such cases, the person collecting the tax, can on request, issue a consolidated certificate (Form No. 27D) within a month.

19.1.7 TCS Returns

To ensure proper checks on the collections (TCS) and subsequent credit taken by the collectee/ payee, the collectors are required to file their TCS returns with the Income Tax Department. The TCS returns contain the following information in the form prescribed by the Income Tax Department:

- Collector details (the TAN, Name, Address).
- The bank where the tax is deposited (like the amount, challan identification number).
- The collectee details (the PAN, Name, Amount paid, Tax collected at source).

19.1.8 Returns

Forms and periodicity

The revised forms for e-TCS returns and periodicity thereof prescribed under income tax laws are as follows:

Financial Year	Form No.	Particulars	Periodicity
2004-05	Form 27E	Annual return of collection of tax under Section 206C of Income Tax Act, 1961	Annual
	Form 27B	Physical control charts containing control totals mentioned in TCS returns furnished electronically. Form 27B in physical form to be submitted along with e-TCS annual return Form 27E.	With each e-TCS returns Form 27E.
2005-06	Form 27EQ	Quarterly return of collection of tax.	Quarterly
	Form 27B	Physical control charts containing control totals mentioned in TCS returns furnished electronically. Form 27B in physical form to be submitted along with e-TCS quarterly return Form 27EQ.	With each e-TCS returns Form 27EQ.

19.2 Configuring Tally.ERP 9 for TCS

Tally.ERP 9's simple yet powerful TCS feature enables you to record transactions related to Tax Collection at Source with ease. It also helps you generate necessary reports and returns such as Form 27D, e-TCS Forms (Form 27E, Form 27EQ) and Form 27B.

19.2.1 Company Setup

Create a company called **Risali Timber Traders**, to understand the TCS feature of Tally.ERP 9.

The completed **Company Creation** screen appears as shown below:

Company Creation		Ctrl + M	
Directory	: C:\Tally.ERP9\Data		
Name	: Risali Timber Traders		
Mailing & Contact Details		Company Details	
Mailing Name	: Risali Timber Traders	Currency Symbol	: Rs.
Address	: Block No-2/6, Cross Street-10 Koramangala Bangalore	Maintain	: Accounts with Inventory
		Financial Year from	: 1-4-2009
		Books beginning from	: 1-4-2009
		Security Control	
Statutory compliance for	: India	TallyVault Password (if any)	:
State	: Karnataka	Repeat Password	:
PIN Code	: 560028	<i>(WARNING: forgetting your TallyVault password will render your data unusable!!)</i>	
Telephone No.	: 08022248850	Use Security Control	? No
Mobile No.	: 9755145887	<i>(Enable Security to avail Tally.NET Features)</i>	
E-Mail	: sales@risalitraders.com		
Base Currency Information			
Base Currency Symbol	: Rs.	Show Amounts in Millions	? No
Formal Name	: Indian Rupees	Put a SPACE between Amount and Symbol	? Yes
Number of Decimal Places	: 2	Decimal Places for Printing Amounts in V	
Is Symbol SUFFIXED to Amounts	? No		
Symbol for Decimal Portion	: paise		

Figure 19.1 Company Creation

- Press **Y** or **Enter** to accept the screen.

Setup:

In the **F11: Features (Statutory & Taxation Features)**,

- Set the option **Tax Collected at Source** to **Yes**.

The **Company Operations Alteration** screen is displayed as shown below:

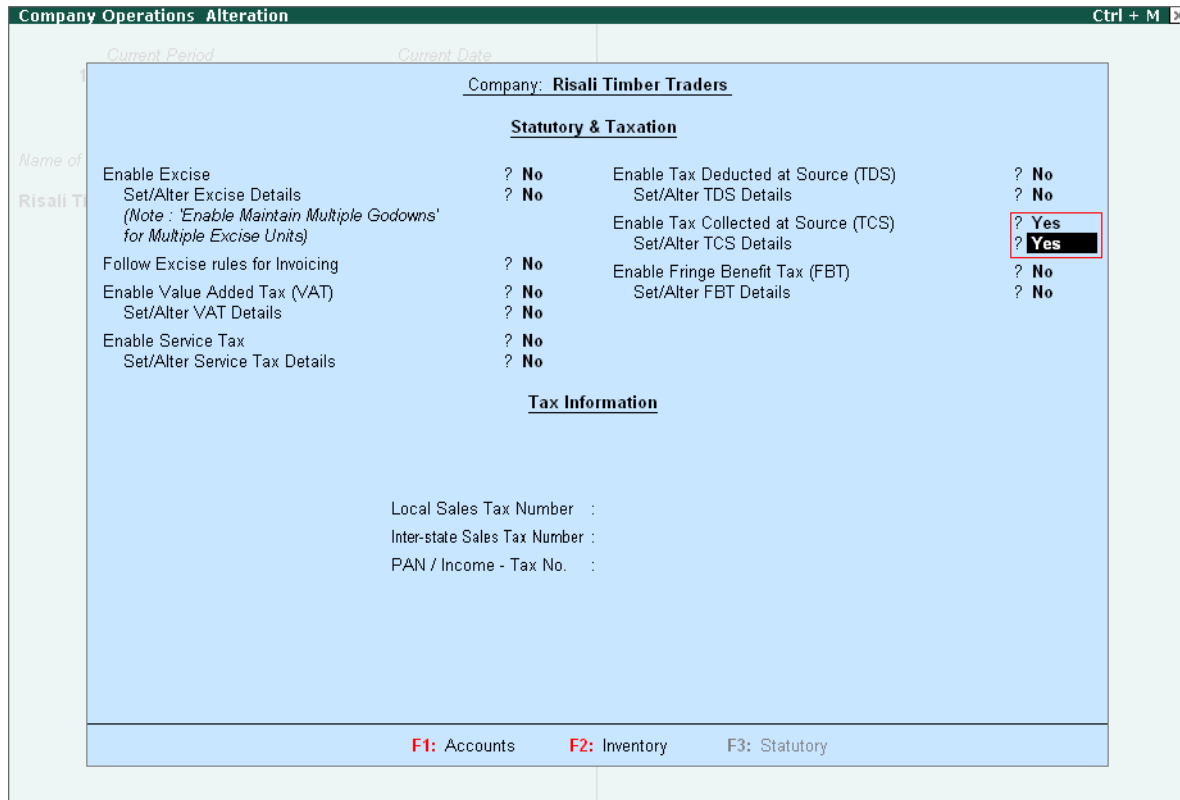


Figure 19.2 Company Operations Alteration

- **Set/Alter TCS Details to Yes.**
- Press **Enter** to view the **TCS Collector Details** screen, ensure that the **TCS Collector Details** screen is displayed as shown below:

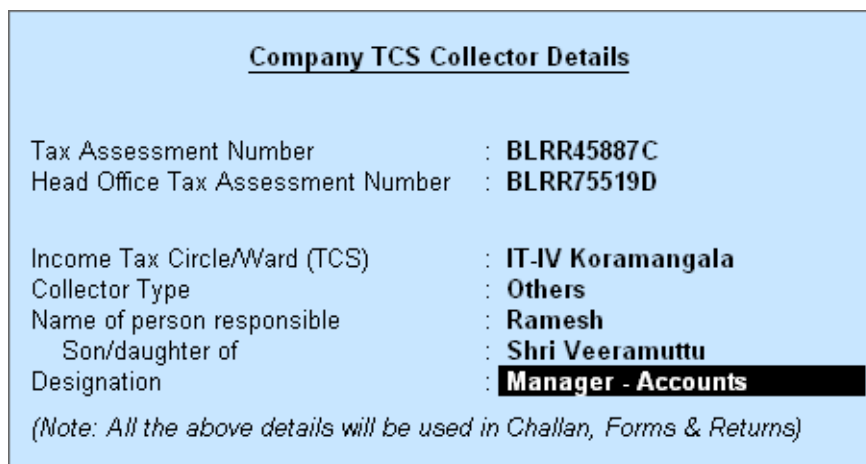


Figure 19.3 Company TCS Collector Details

- Press **Y** or **Enter** to accept the screen.

19.2.2 TCS Statutory Masters

Before creating the Masters, observe the TCS Master screens in Tally.ERP 9.

List of Collectee Types

Go to **Gateway of Tally > Display > Statutory Info. > Collectee Types**

The list of Collectee Types, is provided for you as shown below:

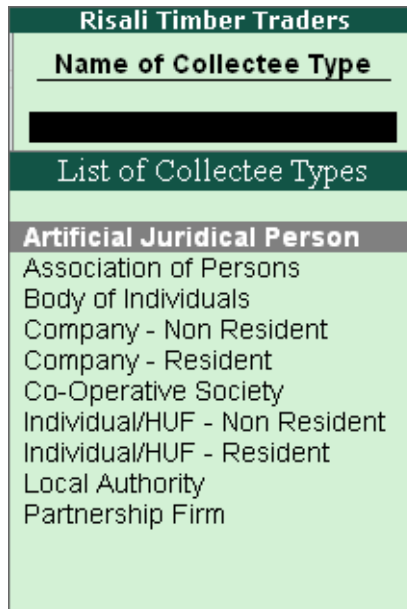


Figure 19.4 List of Collectee Type

In order to know the **Collectee TCS Details**, select a **Collectee** from the above list. For example, select **Association of Persons**. The screen displays details such as the Date from which the rate is applicable, Surcharge Exemption Limit, Surcharge and Additional Surcharge.



*The buyers (customers) covered under TCS have to be identified with a **Collectee Type**.*

Collectee Type Display		Risali Timber Traders		
Name : Association of Persons				
Residential Status : Resident				
Collectee Status : Non Company				
Active ? Yes				
Module Type : Both				
Collectee TCS Details				
Applicable From	Surcharge Exemption Limit	Surcharge	Addl Surcharge (Cess)	Addl Education (Cess)
1-4-2004	10,00,000.00	10 %	2 %	1 %
1-4-2007	10,00,000.00	10 %	2 %	1 %

Figure 19.5 Collectee Type Display

The List of TCS Types

The transactions covered under TCS are grouped under the **List of TCS Types**.

Go to **Gateway of Tally > Display > Statutory Info. > TCS Nature of Goods**.

Risali Timber Traders
<u>List of TCS Types</u>
List of TCS Types
Alcoholic Liquor for Human Consumption
Any Other Forest Produce (Not Being Tendu Leaves)
Contractors/Licensee/Lease Relating to Mine/Quarry
Contractors/Licensee/Lease Relating to Parking Lots
Contractors/Licensee/Lease Relating to Toll Plaza
Scrap
Tendu Leaves
Timber Obtained by Any Mode Other Than Forest Lease
Timber Obtained Under Forest Lease

Figure 19.6 List of TCS Types

Select a **TCS Type** from the above list, in order to obtain the **TCS Details**. For example, select **Timber Obtained Under Forest Lease**. The screen displays details such as Collectee Type, the TCS rate and the Date from which the rate is applicable.

TCS Nature Of Goods Display		
Name : Timber Obtained Under Forest Lease		
Section : 206C		
Payment Code : 6CB		
Tax Rate Details		
Collectee Type	Applicable From	Rate
Association of Persons	1-4-2004	2.50 %
Body of Individuals	1-4-2004	2.50 %
Company - Non Resident	1-4-2004	2.50 %
Company - Resident	1-4-2004	2.50 %
Co-Operative Society	1-4-2004	2.50 %
Individual/HUF - Non Resident	1-4-2004	2.50 %
Individual/HUF - Resident	1-4-2004	2.50 %
Local Authority	1-4-2004	2.50 %
Partnership Firm	1-4-2004	2.50 %

Figure 19.7 TCS Nature of Goods Display



The nature of transaction has to be identified with the respective TCS ledger.



Tally.ERP 9 updates the latest rates on its website, www.tallysolutions.com whenever there is a change in the rates of TCS or Surcharge. The latest statutory master file can be imported from the website.

19.3 Creating Masters

The following Masters are required to generate information on the TCS:

- ❑ Party Ledger
- ❑ TCS Ledger
- ❑ Sales Ledger
- ❑ Timber as Stock Item

19.3.1 Creating Party Ledger

A new option **Is TCS Applicable** appears when you create a Customer ledger. Once this is set to **Yes**, the **List of Collectee Types** displays to enable you to select the nature of Buyer/ Lessee. Select the appropriate **Nature of the Collectee**.

Step 1: Create Customer Ledger

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

- ❑ Create a customer ledger, **Bhima Timbers** under Sundry Debtors.
- ❑ Set **Is TCS Applicable** to **Yes**.
- ❑ In the **TCS Details** screen, select the **Buyer/ Lessee** as **Body of Individuals** as shown below :

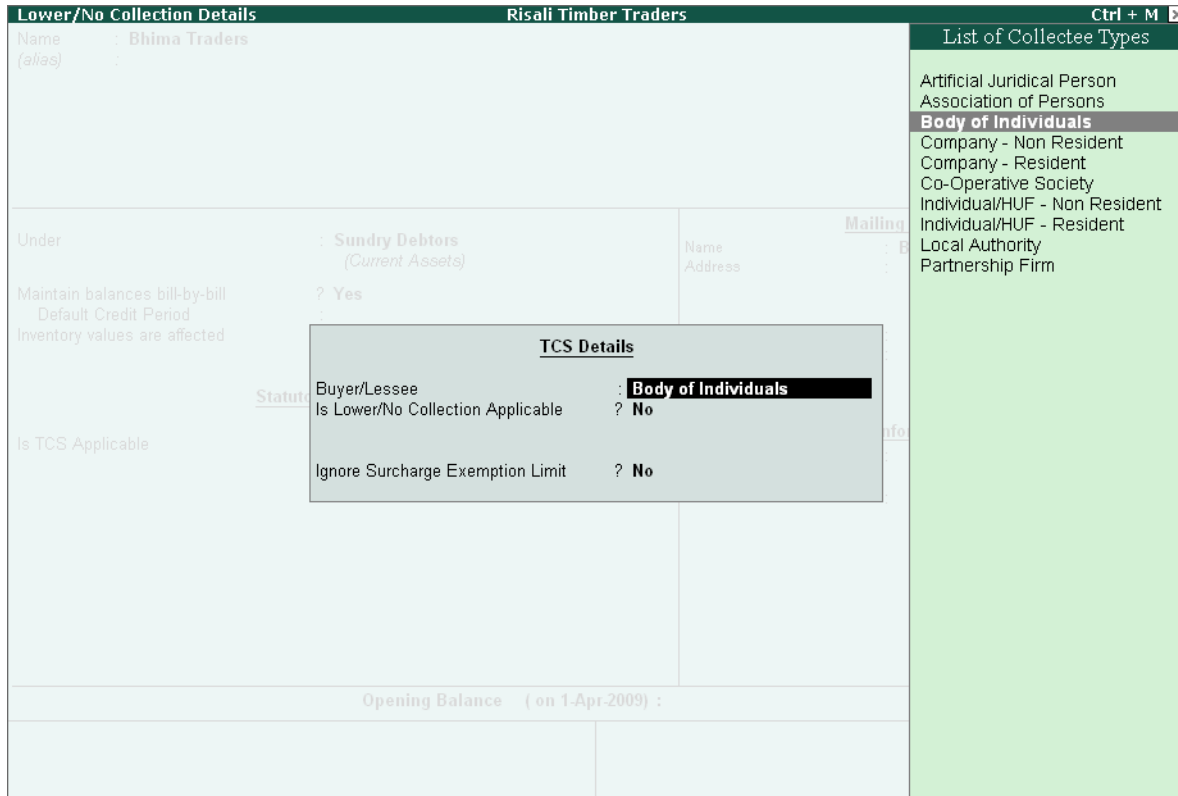


Figure 19.8 Ledger Creation – Bhima Timbers with List of Collectee Types

Ensure that the completed **Ledger Creation screen** is as shown below :

Ledger Creation		Risali Timber Traders		Ctrl +
Name : Bhima Traders (alias) :			<u>Total Op. Bal.</u>	
Under : Sundry Debtors (Current Assets)			Mailing Details	
Maintain balances bill-by-bill	: ? Yes	Name	: Bhima Traders	
Default Credit Period	:	Address	:	
Inventory values are affected	: ? No	State	: [Not Applicable	
Statutory Information			PIN Code :	
Is TCS Applicable	: ? Yes	Tax Information		
			PAN / IT No.	:
			Sales Tax No.	:
Opening Balance (on 1-Apr-2009) :				Accept ? Yes or No

Figure 19.9 Ledger Creation Bhima Timbers

19.3.2 Creating TCS Ledgers

TCS Ledgers are created under Duties & Taxes by selecting the Type of Tax as TCS and Nature of Goods/ Contract/ License/ Lease as Timber Obtained Under Forest Lease.

Step 1: Create TCS Ledger

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

- ❑ Create **TCS Ledger** under Duties & Taxes
- ❑ Select **Timber Obtained Under Forest Lease** with respect to the **Nature of Goods/Contract/License/Lease** field

Ledger Creation		Risali Timber Traders		List of TCS Types	
Name : TCS Ledger (alias) :				Alcoholic Liquor for Human Consumption Any Other Forest Produce (Not Being Tendu Leaves) Contractors/Licensee/Lease Relating to Mine/Quarry Contractors/Licensee/Lease Relating to Parking Lots Contractors/Licensee/Lease Relating to Toll Plaza Scrap Tendu Leaves Timber Obtained by Any Mode Other Than Forest Lease	
Under : Duties & Taxes (Current Liabilities)		Name		Timber Obtained Under Forest Lease	
Type of Duty/Tax : TCS		Address			
Nature Of Goods/Contract/License/Lease : Timber Obtained Under Forest Lease		State			
Inventory values are affected ? No		PIN Code			
		PAN / IT N			
		Sales Tax			
Opening Balance (on 1-Apr-2009) :					

Figure 19.10 Ledger Creation TCS Ledger

- Retain the other fields as default and accept the ledger creation screen.

Practice Exercise

Similarly, create the following Masters:

1. **Sales** Ledger under **Sales Accounts**.
2. **Freight** under **Indirect Expenses**.
3. **HSBC Bank** under **Bank Accounts** with an opening balance of **Rs. 2,00,000**.
4. **Timber** as a **Stock Item** with the unit of Measurement as **MT (Metric Ton)**.

19.4 Entering Transactions

19.4.1 Creating Sales

On 9-4-09, sold 250 MT of Timber to Bhima Timbers @ Rs. 1,250/MT with TCS The Freight charges are Rs. 1,500.

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

1. In a **Sales Entry**, on selection of a TCS ledger, the TCS Details screen is displayed as shown:

TCS Details				
TCS Party Ledger	:	Bhima Traders		
Gross Amount	:			3,12,500.00
Income Tax	:	@ 2.50 %		7,813.00
Surcharge	:	@ 0 %		
Cess	:	@ 2 %		156.00
Addl Ed Cess	:	@ 1 %		78.00
Total TCS	:			8,047.00
TCS - Bill Wise Detail for : TCS Ledger				
Type of Ref	Name	Due Date, or Credit Days	Amount	Dr/ Cr
New Ref	Sale/1	7-May-2009	8,047.00	Cr

Figure 19.11 TCS Details



- *The **TCS** rate is taken from the **TCS Nature of Goods Display** based on the **Collectee Type** and **Applicable period**. In this case, it is **Timber Obtained Under Forest Lease** selected at the time of Creation of TCS ledger.*
- ***Surcharge** and **Cess** are taken from the **Name of Collectee Types** based on the nature of **Buyer/Lessee**. In this case, it is a **Body of Individuals** selected at the time of the Creation of **Bhima Timbers**.*

The completed **Sales Invoice** appears as shown below:

Accounting Voucher Creation		Risali Timber Traders		Ctrl + M
Sales No. 1				9-Apr-2009
Ref. :				Thursday
Party's A/c Name : Bhima Traders				
Current Balance :				
Sales Ledger : Sales Ledger				
Name of Item	Quantity	Rate per	Amount	
Timber	250 MT	1,250.00 MT	3,12,500.00	
TCS Ledger		2.58 %	8,047.00	
Freight			1,500.00	
Narration:		250 MT	3,22,047.00	

Figure 19.12 Sales Invoice

- Press **Y** or **Enter** to accept the Sales Invoice.

19.4.2 Payment of TCS

Step 1: Create Payment Voucher

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

1. Press **Alt+R** or select **TCS Helper** from the buttons bar.
2. Select **TCS Ledger** and press **Enter**.

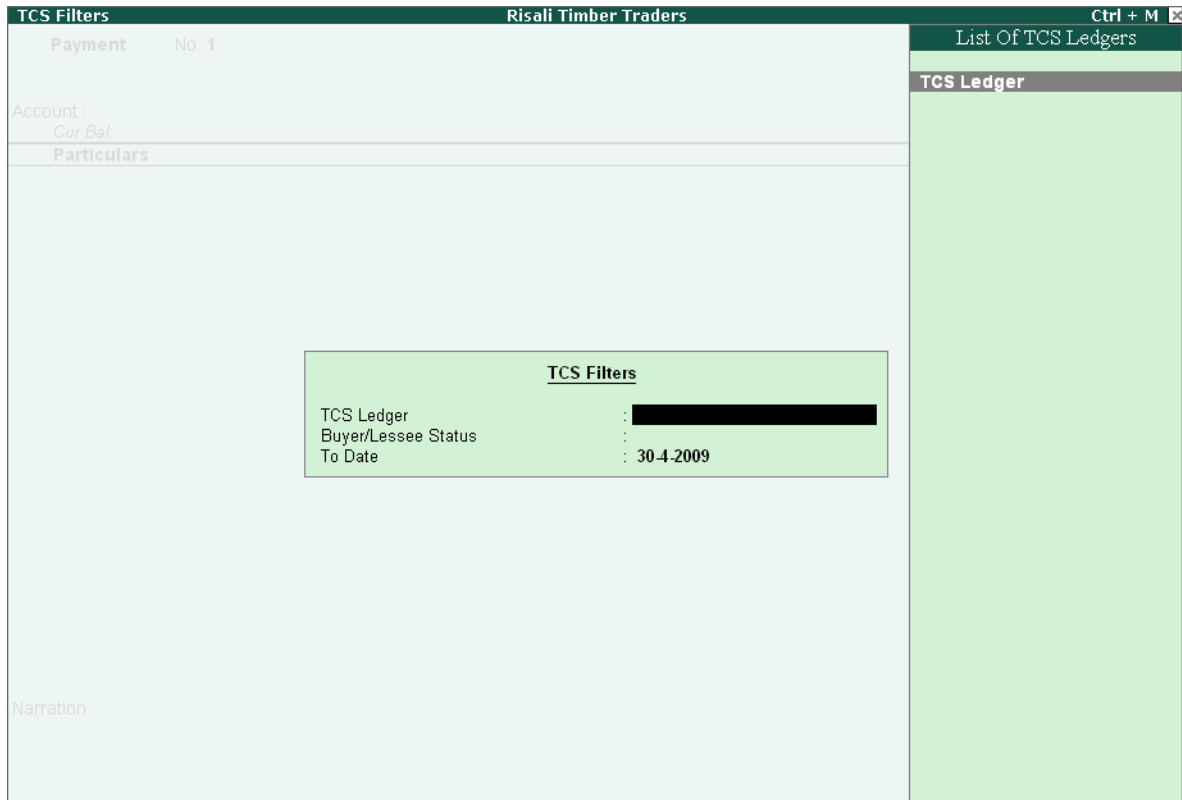


Figure 19.13 TCS Filters

3. In the **TCS Filters** screen enter the details as shown below:

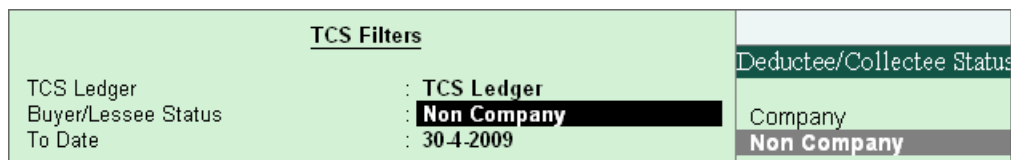


Figure 19.14 TCS Filters

- 4. The TCS payable amount will be auto-filled with the respective bill details.
- 5. Select **HSBC Bank** in the Account field.

The completed **Payment Voucher** appears as shown below:

Accounting Voucher Creation		Risali Timber Traders	Ctrl + M
Payment	No. 1		8-May-2009 Friday
Account: HSBC Bank Cur Bal: 1,91,953.00 Dr			
Particulars			Amount
TCS Ledger			8,047.00
Cur Bal: 0.00 Dr			
TCS Details for: TCS Ledger			
Agst Ref	Sale/1	7-May-2009	8,047.00 Dr
Narration:			8,047.00
Ch. No. : 743651			
			Accept ? Yes or No

Figure 19.15 Payment Voucher

- Once a payment is made, the challan can be printed using the **Print** option available on the buttons bar.

Voucher Printing			
Printer	: RnD Printer (Ne01:)	Paper Type	: A4
No. of Copies	: 1		
Print Language	: English		(Printing Dimensions)
Method	: Neat Mode	Paper Size	: (8.27" x 11.69") or (210 mm x 297 mm)
Page Range	: All	Print Area	: (7.95" x 11.34") or (202 mm x 288 mm)
Report Titles			
Payment Voucher			
(with Print Preview)			
Print as TCS Challan	: ?	Yes	Print ? Yes or No
Print Chalan No ITNS 281	: ?	Yes	
TDS/TCS Regular Assessment (Raised by I.T. Dept.)	: ?	No	
Filing Date	: ?	5-May-2009	

Figure 19.16 Voucher Printing

19.4.3 Challan Reconciliation

The challan particulars can be reconciled with the payment made in their respective TCS ledgers.

Step 1: Reconcile TCS Ledger

Go to **Gateway of Tally > Display > Account Books > Ledger > select TCS Ledger**

Ledger Vouchers		Risali Timber Traders		Ctrl + M	
Ledger: TCS Ledger		1-May-2009 to 8-May-2009			
Date	Particulars	Vch Type	Vch No.	Debit	Credit
8-5-2009	HSBC Bank	Payment	1	8,047.00	
				Opening Balance :	8,047.00
				Current Total :	8,047.00
				Closing Balance :	

Figure 19.18 Ledger Vouchers screen

- Press **Alt+F5** or click on **Challan Reconcile** on the buttons bar

The **TCS Challan Reconciliation** screen appears as shown below :

TCS Challan Reconciliation		Risali Timber Traders		Ctrl + M						
TCS Challan Reconciliation		1-May-2009 to 8-May-2009								
(Reconciliation)										
Date	Particulars	Cheque/DD No.	Name of Bank	A/c No.	Branch Name	BSR Code	Challan No.	Challan Date	Vch No.	Amount
								Trans. ID	Is PAN Vaid	Paid Amount
8-5-2009	HSBC Bank								1	8,047.00
	Bhima Traders								No	8,047.00

Figure 19.19 TCS Challan Reconciliation screen

- ❑ Enter the **Cheque/DD No., Name of Bank, A/c No., Branch Name, BSR Code, Challan No, Challan Date, Transaction ID** and **set Is PAN Valid to Yes**
- ❑ Challans can be reconciled by entering the appropriate data.

19.5 TCS Reports

Tally.ERP 9 provides the following **TCS Forms and Reports**,

- ❑ Form 27D
- ❑ Form 27E (eTCS Forms)
- ❑ Form 27EQ (eTCS Forms)
- ❑ Form 27B

19.5.1 Form 27D

Form 27D can be printed from the print option in Tally.ERP 9, In order to print Form 27D:

Go to **Gateway of Tally > Display > Statutory Reports > TCS Reports > Print Form 27D >** select **Bhima Timbers**.

- ❑ The **print configuration** can be set according to requirement.

Printing TCS Form 27D			
Printer : RnD Printer (Næ01:)		Paper Type :	A4
No. of Copies : 1			
Print Language : English			<i>(Printing Dimensions)</i>
Method : Neat Mode		Paper Size :	(8.27" x 11.69") or (210 mm x 297 mm)
Page Range : All		Print Area :	(7.96" x 11.34") or (202 mm x 288 mm)
Report Titles			
TCS Form 27D			
(with Print Preview)			
Name : Ramesh	Certificate No : 63		
Son/Daughter of : Shri Veeramuttu	If Amended, Prev. Cert No.:		
Designation : Manager - Accounts	Place : Bangalore		
Print as Previous Format : Yes	Date : 30-Jun-2009		
TCS Ledger : TCS Ledger	Quarter : Acknowledgement		
From (blank for beginning) : 1-4-2009	Apr-Jun : 0651		
To (blank for end) : 30-6-2009	Jul-Sep :		
Challan Date Till : 7-5-2009	Oct-Dec :		
Type of Copy : Default	Jan-Mar :		
			Print ?
			Yes or No

Figure 19.20 Print Configuration Form 27D

The printed **Form 27D** is displayed as shown below:

Certificate No. : 63/206C

FORM 27D
[See rule 37D]

Certificate of collection of tax at source under sub-section (5) of section 206C of the Income-tax Act, 1961

[For Collection of tax at source from alcoholic liquor for human consumption; tendu leaves; timber obtained under a forest lease; timber obtained by any mode other than under a forest lease; any other forest produce not being timber or tendu leaves; Scrap; or from contract or license or lease in respect of parking lot; toll plaza; mining and quarrying]

Name and address of the person collecting Tax	Acknowledgement Nos. of all Quarterly Statements of TCS under sub-section (3) of section 206C as provided by TIN Facilitation Centre or NSDL web-site	Name and address of the buyer or licensee or lessee or a person who is awarded the contract
Risali Timber Traders Block No-2/6, Cross Street-10 Koramangala Bangalore	Quarter	Acknowledgement No.
	Apr-Jun	0651
	Jul-Sep	
	Oct-Dec	
	Jan-Mar	
		Bhima Traders No-1/A, Cross Street-12 4th Main, JP Nagar Bangalore

TAX DEDUCTION AND TAX COLLECTION A /C NO. OF THE COLLECTOR	Nature of Goods referred to in the Table in section 206C(1) or nature of contract or license or lease referred to in the table in section 206C(1C)	PAN NO. OF THE BUYER OR LICENSEE OR LESSEE OR A PERSON WHO IS AWARDED THE CONTRACT
BLRR45887C	206C	AQBPP8560C
PAN NO. OF THE COLLECTOR	Timber Obtained Under Forest Lease	FOR THE PERIOD
		1-Apr-2009 to 30-Jun-2009

DETAILS OF PAYMENT, TAX COLLECTION AND DEPOSIT OF TAX INTO CENTRAL GOVERNMENT ACCOUNT
(The collector is to provide transaction-wise details of tax collected and deposited)

Sr. No.	Amount paid / credited	Date of payment / credit	Tax Collected				Cheque / DD No. if any	BSR Code of Bank branch	Date on which tax deposited dd/mm/yy	Transfer Voucher / Challan Identification No.
			TCS Rs.	Surcharge Rs.	Ed Cess	Total Rs.				
1	3,12,500.00	9-Apr-2009	7,813		234	8,047			00/00/	

Certified that a sum of Rs. (In words) Eight Thousand Forty Seven only has been collected at source and paid to the credit of the central government as per details given above

Signature of person responsible for collection of Tax

Place : Bangalore
Date : 30-Jun-2009

Full Name : Ramesh
Designation : Manager - Accounts

Figure 19.21 Printed Form 27D

19.5.2 e-TCS Returns

The Income Tax department has introduced the 'Electronic Filing of Returns of Tax Collection at Source Scheme, 2005'. It is applicable to all the deductors wanting to furnish their TCS returns online.

- ❑ It is mandatory for corporate and government deductors to furnish their TCS returns in the electronic form (e-TCS return) from the financial year 2004-2005 onwards.
- ❑ Deductors (other than government and corporates) may file their TCS returns in the electronic or physical form.
- ❑ NSDL National Securities Depository Ltd. has been appointed by ITD (The Income Tax Department) as an e-TCS intermediary to receive on its behalf e-TCS returns from deductors.

Deductors furnishing their e-TCS have to furnish:

- ❑ Form 27B as a control chart.
- ❑ A CD/ Floppy containing the e-TCS annual return (Form 27E).

Tally.ERP 9 allows you to export the ETCS Forms in NSDL compliant formats. The ETCS forms available in Tally.ERP 9 are Form 27E and Form 27EQ. To export ETCS Forms,

Go to **Gateway of Tally > Display > Statutory Reports > TCS Reports > ETCS Forms**

- ❑ In the **Exporting eTCS Forms Printing configuration** screen, enter the required information as shown :

Exporting eTCS Forms			
Language	: Restricted (ASCII Only)		
Format	: <i>SDF (Fixed Width)</i>		
Export Location	: C:\Tally.ERP9		
Output File Name	: Form 27E.txt		
Person Responsible Details		Other Details	
Flat No	: Block No. 2/6	From (blank for beginning)	: 1-4-2009
Name	: Ramesh	To (blank for end)	: 30-6-2009
Designation	: Manager - Accounts	Challan Date Till	: 30-6-2009
Name of the premises/building	: Timber House	Form Name	: Form 27E
Road/Street/Lane	: Cross Street-10	Place	: Bangalore
Area/Location	: Koramangala	Date	: 7-Jul-2009
Town/City/District	: Bangalore		
State	: Karnataka		
Pin code	: 560028		
Telephone	: 080-22248850		
E-mail	: sales@risalitraders.com		
Is Change in Address since last Return?	: No		
NOTE : Validate the exported file through the NSDL's File Validation Utility before sub			Export ? <input type="button" value="Yes"/> or <input type="button" value="No"/>

Figure 15.22 Exporting eTCS Forms

- ❑ Press **Y** or **Enter** to export **eTCS Form 27E**

The exported file will be saved in the path specified in the output file name. The file can be validated through NSDL's freely downloadable utility called '**File Validation Utility**'. This can be used to verify whether the ETCS return filed by the deductors conforms to the prescribed format. Similarly, you can export other eTCS forms.

19.5.3 Form 27B

Form 27B should be furnished separately for each TCS return. Form 27B contains the control totals of the Amount paid and the Income tax collected at source. The control totals mentioned on Form 27B should match with the corresponding control totals in e-TCS returns.

Form 27B is a physical form to be attached with annual e-TCS returns Form 27E.

Go to **Gateway of Tally > Display > Statutory Reports > TCS Reports > Print Form 27B**

The **Print configuration options** available for **Form 27B** are displayed as shown below:

PrintingTCSForm27B			
Printer	: RnD Printer (Ne01:)	Paper Type	: A4
No. of Copies	: 1		
Print Language	: English		(Printing Dimensions)
Method	: Neat Mode	Paper Size	: (8.27" x 11.69") or (210 mm x 297 mm)
Page Range	: All	Print Area	: (7.95" x 11.34") or (202 mm x 288 mm)
Report Titles			
TCSForm27B			
(with Print Preview)			
Person Responsible Details		Other Details	
Flat No	: Block No-2/6	From (blank for beginning)	: 1-4-2009
Name	: Ramesh	To (blank for end)	: 30-6-2009
Designation	: Manager - Accounts	Challan Date Till	: 30-6-2009
Name of the premises/building	: Timber House	Enclosed Form Type	: Form 27E
Road/Street/Lane	: Cross Street-10	Previous Receipt No.	:
Area/Location	: Koramangala	No. of Annexures enclosed	: 1 CD
Town/City/District	: Bangalore	Other Information	:
State	: Karnataka	Place	: Bangalore
Pin code	: 560028	Date	: 7-Jul-2009
Telephone	: 080-22248850		
E-mail	: sales@risalitradere.com		
			Print ?
			Yes or No

Figure 19.23 Print Configuration Form 27B

- Accept the Printing Form27B screen.
- Press **Alt+Z** to zoom the screen.

The print preview of **Form 27B** appears as shown below:

Form No. 27B

Form for furnishing information with the statement of collection of tax at source filed on computer media for the period
(From 1/4/2009 to 30/6/2009)

1 (a) Tax Collection Account No. (c) Financial Year
 (b) Permanent Account No. (d) Assessment Year
 (f) Previous receipt number

(In Case return / statement has been filed earlier)

2 Particulars of the collector

(a) Name	Risali Timber Traders
(b) Type of Collector*	Others
(b) Branch / Division (if any)	
(c) Address	
Flat No.	Block No-2/6, Cross Street-10
Name of the premises / building	Koramangala
Road / Street / Lane	Bangalore
Area / Location	
Town / City / District	
State	Karnataka
Pin code	560028
Telephone	08022248850
E-mail	sales@risalitraders.com

3 Name of the person responsible for collection of tax

(a) Name	Ramesh
(b) Address	
Flat No.	Block No-2/6
Name of the premises / building	Timber House
Road / Street / Lane	Cross Street-10
Area / Location	Koramangala
Town / City / District	Bangalore
State	Karnataka
Pin code	560028
Telephone	080-22248850
E-mail	sales@risalitraders.com

4 Control totals

Sr.No.	No. of party records	Amount paid Rs.	Tax Collected	Tax deposited (Total challan amount) Rs.
Total	1	3,12,500.00	8,047.00	8,047.00

5 Total Number of Annexures enclosed

6 Other Information

VERIFICATION

I, Ramesh _____, hereby certify that all the particulars furnished above are correct and complete.

Place: Bangalore Signature of person responsible for collecting tax at source _____
 Date: 7-Jul-2009 Name and designation of person responsible for collecting tax at source Ramesh, Manager - Accounts

Figure 19.24 Print Preview of Form 27B

Practice Exercise

ParkView Agency dealing in modern parking lots, earns its major income by providing the best parking lots in the city. This leads to a collection of TCS from their customers and paying it to the concerned department respectively.

Given below are transactions for the month of April 2009, create a company in the name of ParkView and pass the following transactions :

i. Create the following ledgers

Name of the ledger	Group Under	Is TCS applicable	Maintain balance bill by bill	Inventory values are affected	Type of Duty/Tax	TCS Details
Sheetal Super Bazaar	Sundry Debtors	Yes	Yes	NA	NA	Company - Resident
Parking Lots Lease Income	Sales A/c	NA	NA	No	NA	NA
TCS on Parking Lots Lease	Duties & Taxes	NA	NA	NA	TCS	Contractors\License\ Lease Relating to Parking Lots
IDBI Bank	Bank Accounts	NA	NA	NA	NA	NA

ii. Create the following transactions

Date	Particulars
10-4-09	ParkView Agency provided Sheetal Super Bazaar with a 3000 sqft of parking lot on lease for 2 years the invoice was raised for 950000.
5-5-09	TCS paid to the concerned authority



- *View the TCS payment challan.*
- *Reconcile the TCS ledger and view the relevant reports related to TCS.*
- *Enter the following details*
 - i. Challan number as DB 123*
 - ii. Date as 5-5-2009*
 - iii. Cheque/DD number 566214*
 - iv. Bank name as IDBI Bank*
 - v. BSR code as XY12*

Points to Remember

- ❑ TCS refers to the collection of tax at source by the seller (collector) from the buyer (collectee/payee) for the trade of goods specified u/s 206C (1) of the Income Tax Act, 1961.
- ❑ The term 'Seller' refers to the Central Government, a State Government, any local authority, Corporation or authority established by or under a Central, State or Provincial Act, any Firm or Co-operative society.
- ❑ The term 'Buyer' refers to a person who obtains goods from any sale, auction, tender, or any other mode.
- ❑ TCS collected shall be paid to the credit of the Central Government within one week from the end of the month in which the collection is made.
- ❑ To ensure proper checks and balances on TCS collections and subsequent credit taken there of by the collectee/payee, the collectors are required to file TCS returns with the Income Tax Department.