

TDS Practical Question

Q1:-Roy Services charge 35,000 fee for technical services on 1st April 2011 at 10%.

Steps 1:-

**Open Gateway Of Tally
Do The Following**

Company: Starlight Incorporation

Show more features : No

Accounting

Maintain Accounts : Yes
Enable Bill-wise entry : Yes

Inventory

Maintain Inventory : No
Integrate Accounts with Inventory : No

Taxation

Enable Goods and Services Tax (GST) : No
Enable Tax Deducted at Source (TDS) :

Step 2:- Accept All

Company TDS Deductor Details

TAN registration number :

Tax deduction and collection Account Number (TAN):

Deductor type : **Individual/HUF**

Deductor branch/division :

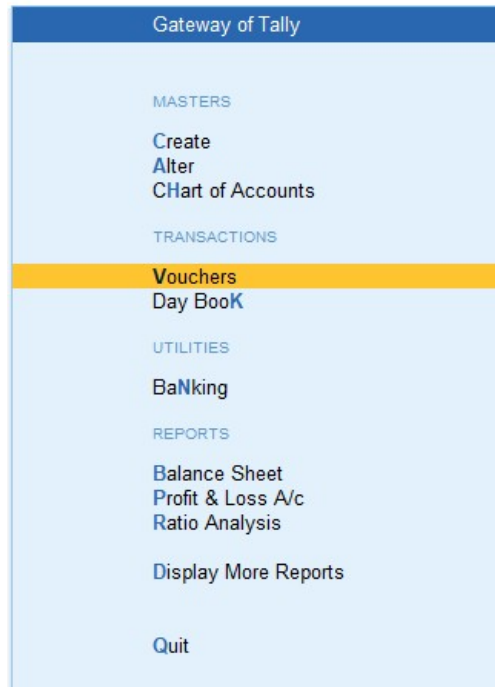
Set/alter details of person responsible : **No**

Rate & Exemption Details

Ignore IT exemption limit for TDS deduction : **No**

Activate TDS for stock items : **No**

Step 3:- Back To Gateway Of Tally And Go To Voucher



Step 4:- Press F7 (Journal)

Step 5:- Do the steps for technical services, Alt+C (create), (By Technical Services)

Name : Technical Services
(alias) :

Under : Indirect Expenses
Type of Ledger : ♦ Not Applicable

Statutory Details

Is TDS applicable : ♦ Applicable
Nature of Payment :

Mailing Details

Name :
Address :

Banking Details

Provide bank details : No

Tax Registration Details

PAN/IT No. :

Step 6 :- Create Nature of payment in “Step 5” and Accept

Name : Fees for Technical Service

Section : 194j

Payment code : 94j

Remittance code :

Rate for individuals/HUF

 With PAN : 10 %

Rate for other deductee types

 With PAN : 12 %

Threshold/exemption limit :

Step 7 :- Accept all

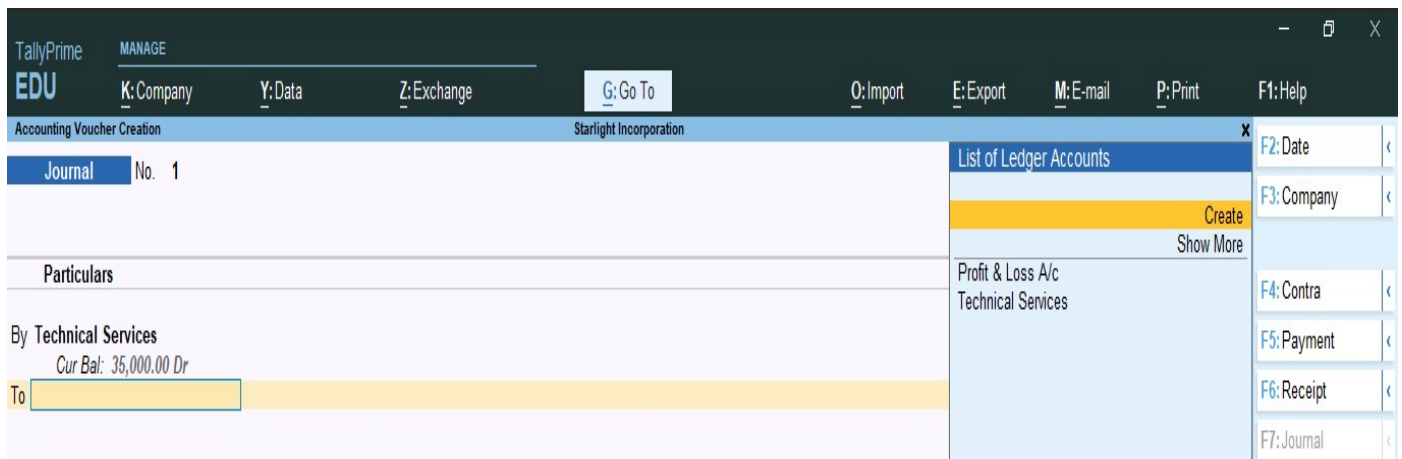
Step 8 :-

The screenshot shows the TallyPrime Accounting Voucher Creation window for Starlight Incorporation. The window title is 'TallyPrime MANAGE' and the logo 'EDU' is visible. The menu bar includes 'K: Company', 'Y: Data', 'Z: Exchange', 'G: Go To', 'O: Import', 'E: Export', 'M: E-mail', 'P: Print', and 'F1: Help'. The voucher type is 'Journal' and the number is 'No. 1'. The date is '1-Apr-22' (Friday). The entry is as follows:

Particulars	Debit	Credit
By Technical Services <i>Cur Bal: 35,000.00 Dr</i>	35,000.00	

On the right side, a list of function keys is visible: F2: Date, F3: Company, F4: Contra, F5: Payment, F6: Receipt, and F7: Journal.

Step 9:-Create Roy Services (To Roy Services A/c)



Step 10:-Do the following steps for “Step 9” and Accept

Name : Roy Services
 (alias) :

Under : Sundry Creditors
 (Current Liabilities)

Maintain balances bill-by-bill : Yes
 Default credit period :
 Check for credit days during voucher entry : No

Statutory Details

Is TDS Deductible : Yes
 Deductee type : Individual/HUF - Resident
 Deduct TDS in Same Voucher : Yes

Mailing Details

Name : Roy Services
 Address :

State : Uttar Pradesh
 Country : India
 Pincode : 211011

Banking Details

Provide bank details : No

Tax Registration Details

PAN/IT No. : RRTTL5673G
 (PAN is mandatory for e-TDS, should be of 10 Characters)
 Provide PAN details : Yes

Step 11:-

TallyPrime		MANAGE							
EDU		K: Company	Y: Data	Z: Exchange	G: Go To	O: Import	E: Export	M: E-mail	P: Print
Accounting Voucher Creation				Starlight Incorporation				X	
Journal	No. 1							1-Apr-22 Friday	
Particulars						Debit		Credit	
By Technical Services						35,000.00			
<i>Cur Bal: 35,000.00 Dr</i>									
To Roy Services								31,500.00	
<i>Cur Bal: 31,500.00 Cr</i>									
New Ref 1		35,000.00 Cr							

Step 12:- Do this step for “Step 11” and Accept

Bill-wise Details for : Roy Services				
Upto: ₹ 31,500.00 Cr				
Type of Ref	Name	Due Date, or Credit Days (wef. 1-Apr-22)	Amount	Dr/ Cr
New Ref	1		35,000.00	Cr
New Ref	1		3,500.00	Dr
			31,500.00	Cr

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

Step 13:-Create TDS (Alt+C) and Accept

Name : TDS
 (alias) :

Under : Duties & Taxes
 (Current Liabilities)
 Type of duty/tax : TDS
 Nature of payment : ♦ Any

Mailing Details

Name :
 Address :

Banking Details

Provide bank details : No

Tax Registration Details

PAN/IT No. :

Step 14:-Accept All

Journal No. 1		1-Apr-22 Friday	
Particulars		Debit	Credit
By Technical Services		35,000.00	
<i>Cur Bal: 35,000.00 Dr</i>			
To Roy Services			31,500.00
<i>Cur Bal: 31,500.00 Cr</i>			
New Ref 1	35,000.00 Cr		
New Ref 1	3,500.00 Dr		
To TDS			3,500.00
<i>Cur Bal: 3,500.00 Cr</i>			

Step 16:-Press F5(Payment)

(By Roy Service A/C --- Dr.)

Payment No. 1		1-Apr-22 Friday
Particulars	Debit	Credit
By Roy Services <i>Cur Bal: 0.00 Dr</i>	31,500.00	

Step 17:-Select Agst Ref for “Step 16”

Bill-wise Details for : **Roy Services**
Upto: ₹ 31,500.00 Dr

Type of Ref	Name	Due Date, or Credit Days (wef: 1-Apr-22)	Amount	Dr/ Cr
Agst Ref	1		31,500.00	Dr

1 1

31,500.00 Dr

Again same steps for Q2

Q2:-Paid annual office rent on 1st April 2011
rupees 1,50,000 to Vikas Agrawal deducting TDS
@15%.

Step 1:-Press F7 (Journal)

Step 2:-Step 5:- Do the steps for Office Rent, Alt+C (create), (By office rent)

Name	: OFFICE RENT		
(alias)	:		
Under	: Indirect Expenses	Mailing Details	
Type of Ledger	: ♦ Not Applicable	Name	:
		Address	:
Statutory Details		Banking Details	
Is TDS applicable	: ♦ Applicable	Provide bank details	: No
Nature of Payment	: <input checked="" type="checkbox"/> Undefined	Tax Registration Details	
		PAN/IT No.	:

Step 3:-Create Nature of payment in “Step 2” and Accept

Name	: Office Rent	
Section	: 194i	
Payment code	: 94i	
Remittance code	:	
Rate for individuals/HUF		
With PAN	: 15 %	
Rate for other deductee types		
With PAN	: 18 %	
Threshold/exemption limit	:	

Accept ?

Yes or No

Step 4:-Accept all

Step 5:-Create vikas (To Vikas A/c)

Name : **Vikas**
(alias) :

Under : Sundry Creditors (Current Liabilities)	Mailing Details
Maintain balances bill-by-bill : Yes	Name : Vikas
Default credit period :	Address :
Check for credit days during voucher entry : No	
Statutory Details	State : Uttar Pradesh
Is TDS Deductable : Yes	Country : India
Deductee type : Individual/HUF - Resident	Pincode : 211011
Deduct TDS in Same Voucher : Yes	Banking Details
	Provide bank details : No
	Tax Registration Details
	PAN/IT No. : EEPPK7775G
	(PAN is mandatory for e-TDS, should be of 10 Characters)
	Provide PAN details : Yes

Step 6:-Do this step for “Step 5”and Accept

Bill-wise Details for : **Vikas**
Upto: ₹ **1,27,500.00 Cr**

Type of Ref	Name	Due Date, or Credit Days (wef: 1-Apr-22)	Amount	Dr/ Cr
New Ref	2		1,50,000.00	Cr
New Ref	2		22,500.00	Dr

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

1,27,500.00 Cr

Step 7:-(To TDS a/c) and Accept

Journal		No. 2	1-Apr-22 Friday	
Particulars			Debit	Credit
By OFFICE RENT			1,50,000.00	
	<i>Cur Bal: 1,50,000.00 Dr</i>			
To Vikas				1,27,500.00
	<i>Cur Bal: 1,27,500.00 Cr</i>			
	New Ref 2	1,50,000.00 Cr		
	New Ref 2	22,500.00 Dr		
To TDS				22,500.00
	<i>Cur Bal: 22,500.00 Cr</i>			

Step 8:-Press F5(Payment)

(By Vikas A/C --- Dr.)

Payment		No. 3	1-Apr-22 Friday	
Particulars			Debit	Credit
By Vikas			1,27,500.00	
	<i>Cur Bal: 0.00 Dr</i>			
Bill-wise Details for : Vikas Upto: ₹ 1,27,500.00 Dr				
Type of Ref	Name	Due Date, or Credit Days (wef: 1-Apr-22)	Amount	Dr/ Cr
Agst Ref	2		1,27,500.00	Dr
			1	
Narration:			1,27,500.00 Dr	
			1,27,500.00	

Step 9:-(To Cash A/C) Accept All

Payment No. 3		1-Apr-22 Friday	
Particulars		Debit	Credit
By Vikas		1,27,500.00	
<i>Cur Bal: 0.00 Dr</i>			
Agst Ref 2	1,27,500.00 Dr		
To Cash			1,27,500.00
<i>Cur Bal: 1,62,500.00 Cr</i>			

Step 10:-Press F5(Payment)

(By TDS A/C --- Dr.)

Payment No. 4		1-Apr-22 Friday	
Particulars		Debit	Credit
By TDS			
<i>Cur Bal: 22,500.00 Cr</i>			
TDS Nature of Payment Details			
Type of Ref	Name	Nature of Payment	Paid Amount
Agst Ref	Jrnl / 2 / 4	Office Rent	22,500.00 Cr
	Income Tax	22,500.00 Dr	
	Surcharge		
Edu	Against Reference		
Secord	◆ End of List		
	Agst Ref		
<i>(Note: Part bill payment will be considered as lower deduction in the E-returns)</i>			
Total			22,500.00 Cr
Narration:			

Step 11:-(To Cash A/C) Accept All

Payment No. 4		1-Apr-22 Friday	
Particulars		Debit	Credit
By TDS		22,500.00	
<i>Cur Bal: 0.00 Dr</i>			
To Cash			22,500.00
<i>Cur Bal: 1,85,000.00 Cr</i>			