

## **Implementing TCS in BUSY**

Available from Busy 18 Rel 6.4 Onwards

### **Overview**

Tax Collected at Source (TCS) is the tax payable by a seller which he collects from the buyer at the time of sale. As per new rules applicable from 01.10.2020, a seller selling any commodity to a party requires to collect TCS based on certain conditions. If the condition meets then user has to decide and apply TCS Bill Sundry manually in the voucher.

**Please Note:** Currently, BUSY will only warn for charging of TCS if Nett Sale/Gross Receipt for a PAN (i.e. single or multiple parties having same PAN) crosses Rs.50,00,000 amount. User himself has to decide whether to apply TCS Bill Sundry in the voucher or not.

### **Implementation in BUSY**

Implementation of TCS in BUSY involves following steps:

[Step 1: Enable and Configure TCS feature](#)

[Step 2: Configure Masters](#)

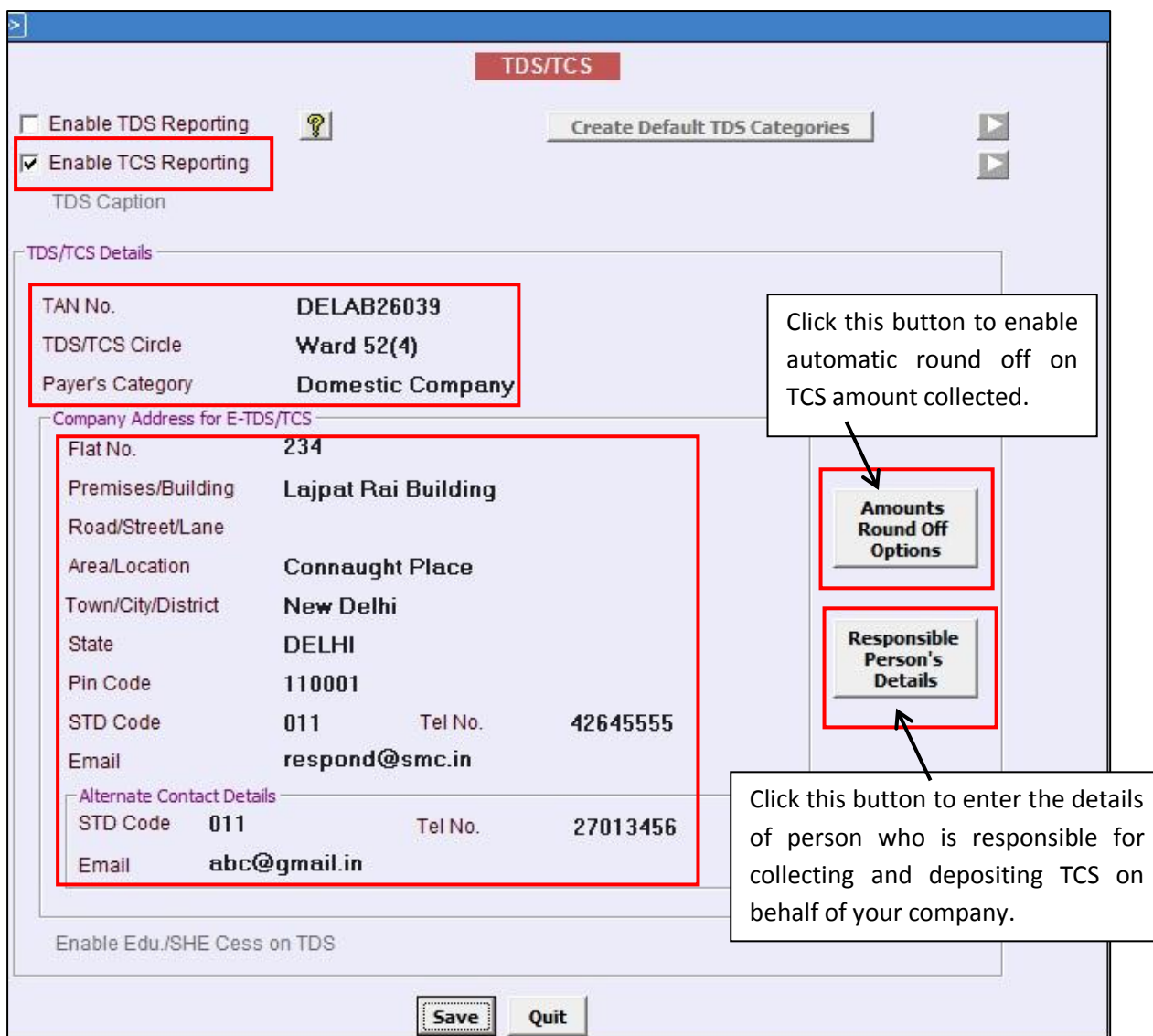
[Step 3: Enter transactions and apply TCS](#)

[Step 4: Enter Payment/Journal voucher for TCS Payment / TCS Reversal](#)

Let us now discuss the above steps in detail.

#### **Step 1: Enable and Configure TCS feature**

To enable TCS feature, click: **Administration** → **Configuration** → **Features/Options** → **TDS/TCS** tab. On clicking TDS/TCS tab, a *TDS/TCS* window appears. Given below is the screenshot of *TDS/TCS* window.



Under *TDS/TCS* window following details need to be specified:

- Enable TCS Reporting option
- Specify TCS Details under *TDS/TCS Details* group
- Specify Company Address details for E-TCS i.e. filing of TCS Return under *Company Address for E-TDS/TCS* group
- Click *Amount Round Off Options* button to enable automatic round off on TCS amount collected. It is mandatory to round off TCS amount as the same is required during TCS return filing.
- Click *Responsible Person's Details* button to enter the details of person who is responsible for collecting and depositing TCS on behalf of your company.

Click *Save* button to save the configuration.

**Step 2: Configure Masters**

On enabling TCS feature, *TCS Account Master* under *Duties & Taxes* group will be created automatically. Given below is the screenshot of *Modify TCS Account Master* window.

General Info.		Other Info.	
Name	TCS (Tax Collected at Source)	CST No.	LST No.
(Alias)		Service Tax No	LBT No.
Print Name	TCS (Tax Collected at Source)		
Group	Duties & Taxes		
Op. Bal.	0.00 (Rs.) Dr/Cr D		
Prev. Year Bal.	0.00 (Rs.) Dr/Cr D		
Tax Type	TCS		
Address			
GSTIN / UIN		<input type="button" value="Validate GSTIN Online"/>	
Aadhaar No.	TIN		
IT PAN	Ward		
E-Mail		Enable Email Query	Enable SMS Query
Mobile No.	Tel. No.		
Fax	Contact Person		
Transport	Station		
PIN Code			
Distance	0 <input type="button" value="Check Distance"/>		

Notes    Opt. Fields    Multiple Alias    ACC IMAGE    Save    Quit

Next, you are required to create TCS Bill Sundry. To create Bill Sundry Master, click: **Administration** → **Masters** → **Bill Sundry** → **Add** option. Given below is the screenshot of *Add Bill Sundry Master* window.

**Step 3: Enter transactions and apply TCS**

A seller can apply TCS at the time of making sale to party or at the time of receiving payment from party against that transaction. Let us discuss both the cases.

- Applying TCS at the time of entering Sale voucher
- Applying TCS at the time of entering Receipt voucher

➤ **Applying TCS at the time of entering Sale voucher**

At the time of entering the Sale voucher, TCS is to be applied in Bill Sundry by the user himself if the conditions specified by the government are fulfilled.

Given below is the screenshot of *Sale* voucher showing TCS applied on the transaction.

On the basis of Nett Sale/Gross Receipt Balance for a PAN (i.e. single or multiple parties having same PAN), you have to decide whether TCS is to be applied or not.

The screenshot displays the BUSY software interface for creating a sales voucher. The main window shows the following details:

- Series:** Main
- Date:** 01-10-2020 (Thu)
- Vch No.:** 6/2020-21
- Sale Type:** L/GST-18%
- Party:** A.B. Traders (Cur. Bal. : Rs. 58,04,425.00 Dr, Nett. Sale : 59,04,425.00 Cr, Gross Rcpt : 1,00,000.00) (GSTIN / UIN : 0756VTG1234Z12A)
- Mat Centre:** Main Store

The **TCS Details** dialog box is open, showing the following configuration:

- TCS Applicable:** Y
- Lower Rate Applicable:** N (Reason For Lower/Non-Deduction)
- TCS Category Code:** 206C
- Sub Category Code:** 1H

The dialog box also contains a table with the following data:

S No.	Ref. No.	Amt.	TCS Col. On	Invoice Date	TCS %	TCS Amt.	Sur.%	Sur. Amt.	Total Tax
1	6/2020-21	5,90,000.00	01-10-2020	01-10-2020	0.075	443.00	0.00	0.00	443.00
2									
3									
		5,90,000.00				443.00	0.00		443.00

The main voucher table shows the following items:

S.N.	Item	Qty.	Unit	Price (Rs.)	Amount (Rs.)
1	Item	1.00	Pcs.	5,00,000.00	5,00,000.00
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					

The **Tax Summary** table shows:

Tax Rate	Taxable Amt.	CGST	SGST
9+9%	5,00,000.00	45,000.00	45,000.00
<b>Totals</b>	<b>5,00,000.00</b>	<b>45,000.00</b>	<b>45,000.00</b>

The **TCS Details** table shows:

S No.	Ref. No.	Tax	Rate	Amount
2		SGST	9.000 %	45,000.00
3		Tax Collected at Source	0.075 %	443.00
4				
5				

The total amount for the voucher is 5,90,443.00.

Apply TCS Bill Sundry like this and enter percentage as specified by the government.

**Please Note:** Nett Sale / Gross Receipt balance is shown for the help of the user, so that he can decide whether TCS is to be applied or not.

At the time of saving the voucher, a *TCS Details* window appears in which following details need to be specified:

- *TCS Applicable* – Specify ‘Y’ in this data field to apply TCS. By default ‘Y’ will appear under this data field.
- *Lower Rate Applicable* – Specify ‘Y’ in this data field, if lower rate is applicable. By default, ‘N’ will appear under this data field.
- *TCS Category Code* – This data field specifies *TCS Category Code*. This data field is frozen and cannot be changed.
- *Sub Category Code* – Specify *TCS Sub Category Code* in this data field. For example, Sub Category Code for Gross Receipt greater than 50 lacs is 1H. Also, you need not to specify Sub Category Code every time you enter the transaction. You have to specify it once only and then it will be picked up automatically at the time of entering another transaction.
- *TCS Details* – Under this various columns appear:
  - *Ref. No.* – Specify Reference number in this data field.
  - *Amt.* – This column specifies the taxable amount on which TCS is to be applied.

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- *TCS Collected On* – This column specifies the date on which TCS is to be collected. By default voucher date will appear. You can change it, if required.
- *Invoice Date* – This column specifies the voucher date.
- *TCS %* – This column specifies TCS % on the basis of whether party is having PAN or not. The same will be identified from Party Master. You can change the TCS %, as per your requirement.
- *TCS Amt.* – This column specifies TCS Amount.
- *Surcharge %* – This column specifies Surcharge %.
- *Surcharge Amt.* – This column specifies Surcharge Amount.
- *Total Tax* – This column specifies total tax amount collected.

In case TCS is not applied in Bill Sundry and the Nett Sale/Gross Receipt Balance for a PAN (i.e. single or multiple parties having same PAN) exceeds Rs. 50,00,000 amount, then a *TCS Not Charged* message box will appear prompting to apply TCS Bill Sundry. Given below is the screenshot of *Sale* voucher showing the same.

S.N	Item	Qty.	Unit	Price	Amount
1	Item	1.00	Pcs.	50,000.00	50,000.00
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					50,000.00

**TCS Not Charged !**

Nett Sale ( 71,44,311.00 ) / Gross Receipt ( 2,00,000.00 ) for the PAN ' ABVGT1234Z ' with Party ' A.B. Traders ' exceeded Rs.50,00,000 and TCS has not been charged. Would you like to continue ?

Yes No

Tax Rate	Taxable Amt.	CGST	SGST	Total Amount -
9+9%	50,000.00	4,500.00	4,500.00	59,000.00

### ➤ Applying TCS at the time of entering Receipt voucher

At the time of entering Receipt voucher for receiving payment from the party against the transaction made, TCS can be applied by the user himself if the conditions specified by the government are fulfilled.

Given below is the screenshot of *Receipt* voucher showing TCS applied.

**Add Receipt Voucher**

Voucher Series **Main**      Date **01-10-2020**      Vch No.  
(Thu)

GST Nature      **Not Applicable**

S.No	D/C	Account	Debit (Rs.)	Credit (Rs.)	Short Narration
1	C	A.B. Traders		1,00,000.00	
2	C	TCS (Tax Collected at Source)		75.00	
3	D	HDFC Bank	1,00,075.00		

**TCS Details**

TCS Applicable      **Y**

Lower Rate Applicable      **N**      Reason For Lower/Non-Deduction

TCS Category Code      **206C**      Sub Category Code      **1H**

S.No.	Ref. No.	Amt.	TCS Col. On	Invoice Date	TCS %	TCS Amt.	Sur.%	Sur. Amt.	Total Tax
1	08/2020-21	1,00,000.00	01-10-2020	01-10-2020	0.075	75.00	0.00	0.00	75.00
2									
3									

1,00,000.00      75.00      0.00      75.00

**OK**      (All Values must be Rounded off as required in TCS return.)

[ Esc - Quit ]      [ F2 - Done ]

(Cur. Bal. : Rs. 68,85,311.00 Dr  
 Nett. Sale : 70,85,311.00 Cr, Gross Rcpt : 1,00,000.00 )

Long Narration

On the basis of Nett Sale/Gross Receipt Balance for a PAN (i.e. single or multiple parties having same PAN), you have to decide whether TCS is to be applied or not.

At the time of saving the voucher, a *TCS Details* window appears in which details as mentioned under Sale voucher are to be specified.

**Step 4: Enter Payment / Journal voucher for TCS Payment/TCS Reversal**

Now, enter Payment / Journal voucher for TCS Payment to Government or for TCS Reversal.

➤ **TCS Payment to Government**

To enter Payment voucher for TCS Payment to government, go to: **Transactions** → **Payment** → **Add** option. Given below is the screenshot of *Payment* voucher.

**Add Payment Voucher**

Voucher Series **Main**      Date **31-12-2020**      Vch No.  
(Thu)

GST Nature      **Not Applicable**

S.No	D/C	Account	Debit (Rs.)	Credit (Rs.)	Short Narration
1	D	TCS (Tax Collected at Source)	518.00		
2	C	HDFC Bank		518.00	

(Cur. Bal. : Rs. 1,00,075.00 Dr)

**518.00      518.00**

Long Narration

Vch. Other Detail    Master Other Detail    Party Dash Board    VCH IMAGE    ACC IMAGE    **Save**    Quit

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On clicking *Save* button, an *Adjust TCS References* window appears. Given below is the screenshot of *Adjust TCS References* window.

**Adjust TCS References**

TCS Category Code: 206C      Sub Category Code: 1H

Select All

Ref No.	Amt. Credited	Credit On	TCS Amt	Sur. Amt	Total Amt
<input checked="" type="checkbox"/> 5/2020-21	5,90,000.00	01-10-2020	443.00	0.00	443.00
<input checked="" type="checkbox"/> 1/2020-21	1,00,000.00	01-10-2020	75.00	0.00	75.00

Payment for the Quarter: IInd      Interest: 0.00      Penalty: 0.00

Date of Tax Deposited: 31-12-2020      Challan No. 009876      Cheque No. 123456      Dated 31-12-2020

Bank Where Tax Deposited: State Bank of India      **Nett Amount : 518.00**

(Alias of this Bank A/c would be shown as 'BSR Code' in TCS reports)

OK      Quit

[ Esc - Quit ]      [ F2 - Done ]

Under *Adjust TCS References* window, following details need to be specified:

- *TCS Category Code* – By default TCS Category Code i.e. 206C will appear here.
- *Sub Category Code* – Specify Sub Category Code as specified under transaction.
- *Select All* – Check this check box if you want to adjust all the references against TCS.
- *Reference Details box* – Select the references that you want to adjust against the submission of TCS voucher.
- *Payment for Quarter* – Select the quarter from the list for which TCS is being submitted.
- *Interest* – Specify the interest amount, if applicable. If you specify the interest amount then BUSY will add it to the total tax amount and display the final amount in the Nett Tax data field.
- *Penalty* – Specify the penalty amount, if applicable. If you specify the penalty amount then BUSY will add it to the total tax amount and display the final amount in the Nett Tax data field.
- *Date of Tax Deposited* – Enter the date on which tax is deposited in this data field.
- *Challan No.* – Enter the challan number in this data field.
- *Cheque No.* – Enter the cheque number in this data field.
- *Dated* – Enter the cheque date in this data field. This date will be reflected in challan also.
- *Bank where Tax Deposited* – Select the bank from the list where the cheque is deposited. This bank represents the authorized bank and not your regular bank.



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- *Nett Amount* – The nett amount is displayed in this data field. It takes into account the interest and penalty value in addition to the total tax amount. You cannot change this value manually.

**Please Note:** You need to create a special account for the authorized bank where TCS is deposited. While creating this Bank account please enter the 'BSR Code' of the bank in the 'Alias' field. The 'BSR Code' is required in TCS reporting. It has to be necessarily entered in the Alias field since BUSY picks up the BSR Code information for TCS Reporting from the Alias field of the bank specified in the bank data field.

### ➤ TCS Reversal

Enter Payment/Journal voucher for TCS Reversal. Given below is the screenshot of *Journal* voucher.

**Add Journal Voucher**

Voucher Series **Main** Date **10-10-2020** Vch No.  
(Sat)

GST Nature **Not Applicable**

S.No	D/C	Account	Debit (Rs.)	Credit (Rs.)	Short Narration
1	D	Sales	5,00,000.00		
2	D	CGST Output	45,000.00		
3	D	SGST Output	45,000.00		
4	D	TCS (Tax Collected at Source)	443.00		
5	C	A.B. Traders		5,90,443.00	
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					

(Cur. Bal. : Rs. 68,85,311.00 Dr)

5,90,443.00 5,90,443.00

Long Narration

Vch. Other Detail Master Other Detail ACC IMAGE VCH IMAGE Save Quit

On clicking *Save* button, a *TCS Reversal* window appears. Given below is the screenshot of *TCS Reversal* window.

TCS Reversal						
<b>TCS Reversal</b>						
TCS Reversal	Y					
TCS Category	206C	Sub Category Code		1H		
S.No.	Ref. No.	Amt. Reversed	TCS Col. On	TCS Amt.	Sur. Amt.	Total Tax
1	6/2020-21	5,90,000.00	01-10-2020	443.00	0.00	443.00
2						
3						
4						
		5,90,000.00		443.00	0.00	443.00
<input type="button" value="OK"/> <span style="margin-left: 20px;">(All Values must be Rounded off as required in TCS return.)</span>						
[ Esc - Quit ]    [ F2 - Done ]						

Under *TCS Reversal* window, select the reference number for the transaction which is to be reversed.

Based on the details provided under *TCS Details* window which appears at the time of entering transactions, all TCS Reports will be generated and reflected under TCS Reports menu provided under *Display* menu.

With this we have completed implementation of TCS in BUSY.

<<<😊 Thank You 😊>>>