Getting Started with ER 1 E-Returns

1.1 Introduction

The Central Board of Excise and Customs has issued a notification making e-filing mandatory for assessees with effect form 1-4-2010. As per the Notification, all the registered Excise Manufacturers who have paid total duty of rupees ten lakhs or more including the amount of duty paid by utilization of CENVAT credit in the preceding financial year to file the **monthly** return, electronically under sub-rule (1) of Rule 12 of the Central Excise Rules, 2002.

To assist and manage e-filing, Central Board of Excise & Customs has set up an e-governance portal – **Automation of Central Excise and Service Tax (ACES)** [http://aces.gov.in]

1.1.1 E-Filling of Form ER 1

Currently, ACES application allows filing Monthly/Quarterly Return for the Registered Manufacturers online who are accessing the ACES site through PCs / Internet Browsers.

To make E- filing easy for the Excise Manufacturers to file returns in Automation Of Central Excise And Service Tax (ACES), department has given the options of off line filing using **Excel utility** or **XML schema**.

XML Schema is a language for describing the structure and constraining the contents of XML documents

Assessees who are not maintaining the records in computerised system, can down load the Excel utility and enter the details manually, validate and upload the Excel utility.

Assessees who have computerized systems in place and can generate their return from their existing application, department has given the process to prepare return in XML format validate and upload the ER 1 return. Benefits of using the XML schema is that if user is having huge data to upload instead of entering manually they can use their application for generating XML schema.

1.2 Generating ER 1 E-Returns fromTally.ERP 9

Meeting all the requirements of E-Returns, Tally.ERP 9 now provides the option to generate monthly return with a click of a button.

For generating E-Returns from Tally.ERP 9, let us take the example of **ABC Company** which is registered as per Excise Rules and engaged in Manufacturing.

1.2.1 Generate ER 1 E-Returns

To generate ER 1 E-Returns

Go to **Gateway of Tally > Display > Statutory Reports > Excise Reports > Manufacturer > E-Return**
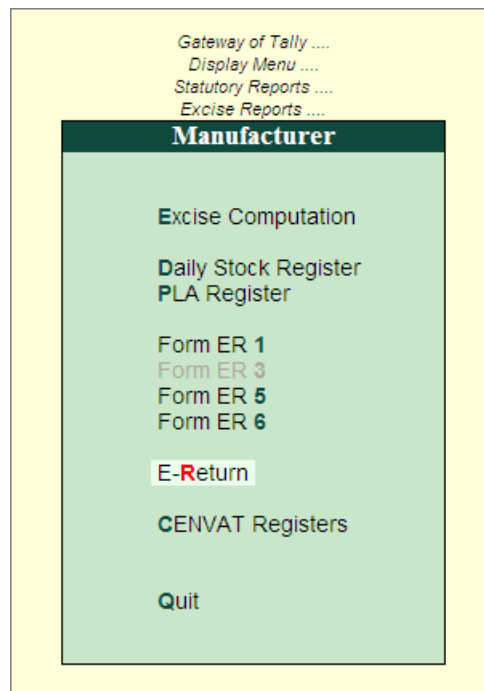

Figure 1.1 Excise Manufacturer Reports Menu

❑   Press **Enter** to view Exporting ER 1 E-Return screen

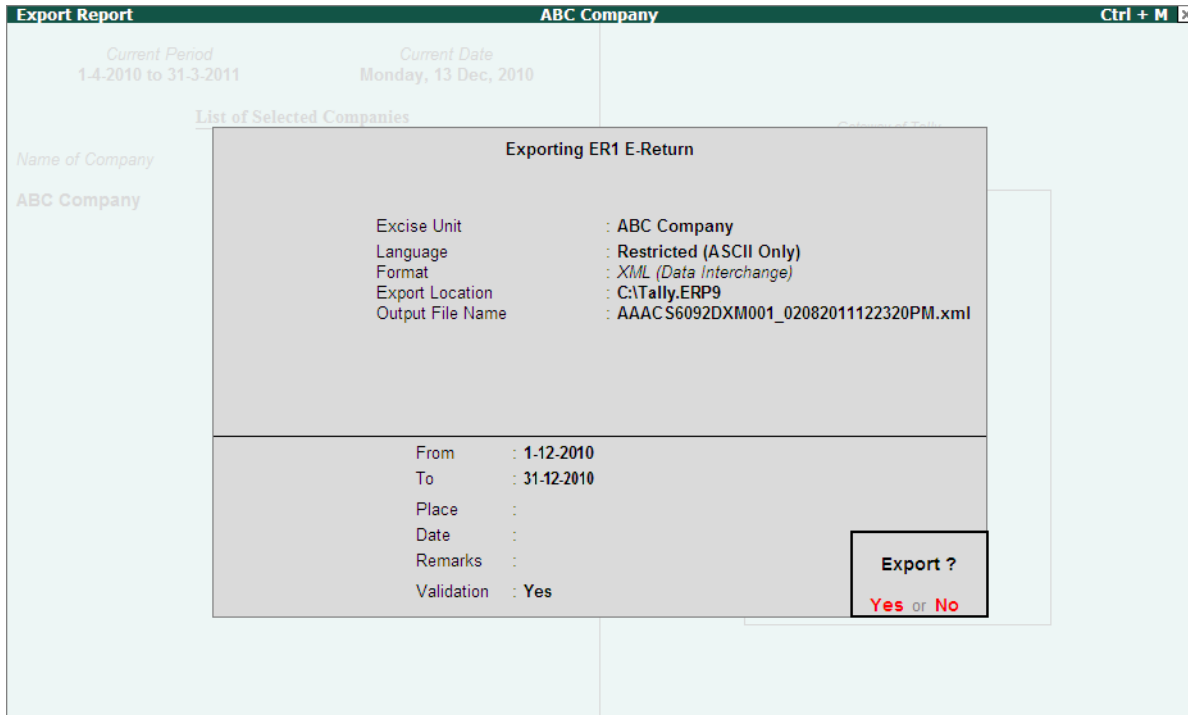Exporting ER 1 E-Return screen appears as shown

Figure 1.2 Export Screen for ER 1 E-Return

Press **Backspace** to provide **Return's Period**, **Place**, **Date** of generating e-returns and other details

- ❑ **Excise Unit**: As Tally.ERP 9 allows creating and maintaining accounts of multiple units in a single company and allows to generate Excise Unit-wise e-returns. Excise Unit field is provided to select the Excise unit for which E-Return to be generated. **Example**: ABC Company.

- ❑ **Language**: Language is fixed to **Restricted (ASCII Only)** and the application will not allow to move the cursor to change the language.

- ❑ **Format**: Format is fixed to **XML (Data Interchange)**. Currently, the ACES application supports the uploading of E-Returns generated in **XML format** from computerised systems. Hence, the XML (Data Interchange) is defaulted and application does not allow to change the export format.

- ❑ **Export Location**: By default, it displays the path where Tally.ERP 9 is installed. In Export Location field enter the details of the path to where the XML file to be exported.

> *Ensure a copy of **ACES_ER1.xsd** file is copied to the folder (Tally.ERP 9 folder) to which the E-Return is getting exported. ACES_ER1.xsd file is required because on exporting the XML E-Return from Tally.ERP 9, the ACES_ER1.xsd validates the data structure of the E-Returns generated automatically.*
>
> *If the ER1 E-Return generated form Tally.ERP 9 is not validated ACES_ER1.xsd, while uploading such ER1 E-Returns ACES application displays the error & will not allow to upload the file.*

❑ **Output File Name**: Tally.ERP 9 by default displays the **Output File Name** in the **Format** as specified under **E-Return Requirements**.

The E-Return Requirement has clearly indicated that the E-Return File Format should - **15 Digit ECC Number_ Month Date Year Hour Minutes Seconds AM/PM.xml**

Example: **AAACS6092DXM001_02042011122546PM.xml**

> *Tally.ERP 9 allows the user to change the **Output File Name** while generating the e-return in **XML** format.*
>
> *But to upload the E-Returns, assessee has to follow the **file name structure** as **specified** under **E-Returns Requirement**. If the File name structure is different then, the ACES application will not allow the Assessee to upload the Returns.*

❑ **From**: In this field enter the period (1-12-2010) from where the return to be generated.

❑ **To**: In this field enter the **till** (31-12-2010) date to generate the return

> *By default the period in **From** and **To** date filed will be displayed based on the last date of the entry in the books of accounts.*

❑ **Place**: In this field enter the place of generating the return

❑ **Date**: In this field enter the **Date** on which e-Return is generated

❑ **Remarks**: In this field enter the details as **Monthly Return for 31-12-2010 to 31-12-2010**

> *From and **To** period, **Place**, **Date** and **Remarks** are **Mandatory** fields. If the Assessee generates the returns without or incomplete details, the e-return generated will show the errors for the missing details.*

- ❑ **Validation**: This field will be displayed in Exporting ER1 E-Return screen only when the **HSN code** defined in **Tariff Classification** is not correct, If the **finished goods** cleared (sold) have **Negative Stock**, **Stock Items** without valid **Reporting UOM** and **Excise sales** recorded with **Notification Number** but the **Notification Type** is not defined.

  By default, **Validation** option will be set to **Yes**. Press **Enter** to view the **E-Return Validation** Screen

E- Return Validation screen appears as shown

E-Return Validation	ABC Company	Ctrl + M ⊠
Excise Unit Name : ABC Company		1-Apr-2010 to 13-Dec-2010
Particulars		**Error Count**
No/Invalid Excise Reporting UOM for Stock Item		8
No/Invalid Tariff / HSN Code		7
Negative Quntity		5
Identify Notification Type-Tariff/Non-Tariff		2

Figure 1.3 E-Return Validation screen

E- Return Validation screen displays the **Type of Error** with the **Error Count**. To rectify the error, select the error type and press Enter.

1.2.1.1 Excise Reporting UOM Validation

Under **Central Excise Tariff Act**, for every excise stock item **Unit of Quantity** is defined. **Example**: **Unit of Quantity** is **U** for **Numbers**

The act also makes it clear that all the reports relating to stock items are required to be indicated with the relevant **Unit of Quantity** as specified under Central Excise Tariff Act. It even applies to **E-returns**. In Tally.ERP 9 **Unit of Quantity** is termed as **Reporting UOM**.

In case, the users are not using the **Defined Unit of Quantity** as **Reporting UOM** for the stock items then it is must to assign the appropriate Unit of Quantity to generate **E-Returns.** If there are any differences in the Unit of Quantity defined in the item master then the application will show the discrepancies for validation till such mistakes are corrected.

*In Tally.ERP 9, while creating the stock item application gives the option to define the **Base Unit** and **Reporting UOM**.*

*As per **Central Excise Act**, in all the reports relating to stock items are required to be indicated with the relevant **Unit of Quantity** as specified under **Central Excise Tariff Act**. All the reports will display the Stock item details based on the reporting UOM selected*

Following are the **Unit of Quantity** defined under Central Excise Tariff Act

Unit of Quantity	Description
1KKWH	1000 Kilowatt Hours
C/K	Carats
CM	Centimetre
CM3	Cubic Centimetre
G	Grams
GI F/S	Gram of Fissile Isotopes
KG	Kilograms
KL	Kilolitre
L	Litre
M	Metre
M2	Square Metre
M3	Cubic Metre
MM	Millimetre
MT	Metric Tonnes
PA	Number of Pairs
Q	Quintal
T	Ton
TU	Thousand in Nos
U	Numbers

Excise Reporting UOM can be updated from

1. **Excise Reporting UOM Validation**
2. **Stock Item Alteration**
3. **Reporting UOM**

1. Excise Reporting UOM Validation

From Excise Reporting UOM Validation screen **update** (assign) the stock items with **appropriate reporting UOM** where the reporting UOM defined for the stock items is not the **Unit of Quantity** defined under Central Excise Tariff Act.

Select **No/Invalid Excise Reporting UOM for Stock Item** and press **Enter** to view **Excise Reporting UOM Validation** screen

Excise Reporting UOM Validation		ABC Company				Ctrl + M ⊠
Excise Unit Name : ABC Company						1-Apr-2010 to 13-Dec-2010
SI. No.	Name of Stock Item	Tariff Name	HSN Code	Units	Excise Reporting UOM	Conversion Factor
1	ACETONE	Acetone	29141100	Kgs		
						= Kgs
2	DAX SUPER MG 20 W 40	Industrail Oil	27101980	LTR	List of Excise Reporting UOM	= LTR
3	DAXTHERM-500	Industrail Oil	27101980	LTR	Excise UOM Description	= LTR
					1KKWH 1000 Kilowatt Hours	= LTR
4	PETROLEUM SULPHONATE	Petroleum Sulphonate	34029020	Kgs	C/K Carats	= Kgs
					CM Centimetre	
5	RECOVERED IPA	I.P.A	29051220	Kgs	CM3 Cubic Centimetre	= Kgs
					G Grams	
					GI F/S Gram of Fissile Isotopes	
6	Recovered Methanol	Methanol	29051100	Kgs	KG Kilograms	= Kgs
					KL Kilolitre	
7	Recovered Toluene	Toluene	29023000	Kgs	L Litre	= Kgs
					M Metre	
8	Sodium Petroleum Sulphonate	Petroleum Sulphonate	34029020	Kgs	M2 Square Metre	= Kgs
					M3 Cubic Metre	
					MM Millimetre	
					MT Metric Tonne	
					PA Number of Pairs	
					Q Quintal	
					T Ton	
					TU Thousand in Nos	
					U Numbers	

Figure 1.4 Excise Reporting UOM Validation Screen

Excise Reporting UOM Validation screen displays the details of **Name of Stock Item, Tariff Name, HSN Code** and **Units**.

> **Notes**
>
> *In **Excise Reporting UOM Validation** screen Tally.ERP 9 will display the stock Items which are identified as **Finished Goods** & **Capital Goods** (Stock Item Type).*

In **Excise Reporting UOM Validation** screen specify the appropriate **Excise Reporting UOM** to each single item. If the Reporting UOM selected is different than the **Units** (Base Unit) cursor will move to **Conversion Factor** section to define the conversion factor.

The completed Excise Reporting UOM Validation screen appears as shown

SI. No.	Name of Stock Item	Tariff Name	HSN Code	Units	Excise Reporting UOM	Conversion Factor				
	Excise Reporting UOM Validation	**ABC Company**								**Ctrl + M**
	Excise Unit Name : ABC Company									1-Apr-2010 to 13-Dec-2010
1	ACETONE	Acetone	29141100	Kgs	KG	1	KG	=	1	Kgs
2	DAX SUPER MG 20 W 40	Industrail Oil	27101980	LTR	L	1	L	=	1	LTR
3	DAXTHERM-500	Industrail Oil	27101980	LTR	L	1	L	=	1	LTR
4	PETROLEUM SULPHONATE	Petroleum Sulphonate	34029020	Kgs	KG	1	KG	=	1	Kgs
5	RECOVERED IPA	I.P.A	29051220	Kgs	KG	1	KG	=	1	Kgs
6	Recovered Methanol	Methanol	29051100	Kgs	KG	1	KG	=	1	Kgs
7	Recovered Toluene	Toluene	29023000	Kgs	KG	1	KG	=	1	Kgs
8	Sodium Petroleum Sulphonate	Petroleum Sulphonate	34029020	Kgs	KG	1	KG	=	1	Kgs

Accept ?

Yes or No

Figure 1.5   Completed Excise Reporting UOM Validation screen

*From **Excise Reporting UOM Validation** screen the **Excise Reporting UOM** and **Conversion Factor** has to be specified for each stock item.*

*__Excise Reporting UOM Validation__ screen displays the items with the stock Item Type - **Finished Goods** for which transactions (manufacturing Journal/ Excise Sales) are recorded.*

2. Stock Item Alteration (Update Single Stock Item)

In this method **Reporting UOM** is updated one stock item at a time by identifying the stock items which have the reporting UOM which is not the Unit of Quantity as defined under Central Excise Tariff Act.

To understand how to update single stock item, let us take the example of stock item which have the Reporting UOM as **LTR**. In ABC Company the stock items to which the Unit of measurement - **LTR** is used, the applicable Unit of Quantity is **L**.

To update the stock item,

Go to **Gateway of Tally > Inventory info. > Stock Items > Alter (Single Stock Item) >** select **DAX SUPER MG 20 W 40** from the List of Stock Items

To define the Reporting UOM

- □ Tab down to **Set/Alter Excise Details** field and set the option to **Yes**.

Stock Item Alteration	ABC Company
Name : **DAX SUPER MG 20 W 40**	
(alias) :	

Under : FINISH PRODUCT	**Tax Information**
Units : LTR	Tariff Classification : Industrail Oil
	Set/Alter Excise Details ? Yes
	TCS Nature Of Goods :

Figure 1.6 Stock Item Alteration

- □ Press **Enter** to view Excise Details screen
- □ In **Excise Details** screen
  - ■ In **Reporting UOM** filed application prompts to select applicable UOM from the Units list. Select **L** from the list.
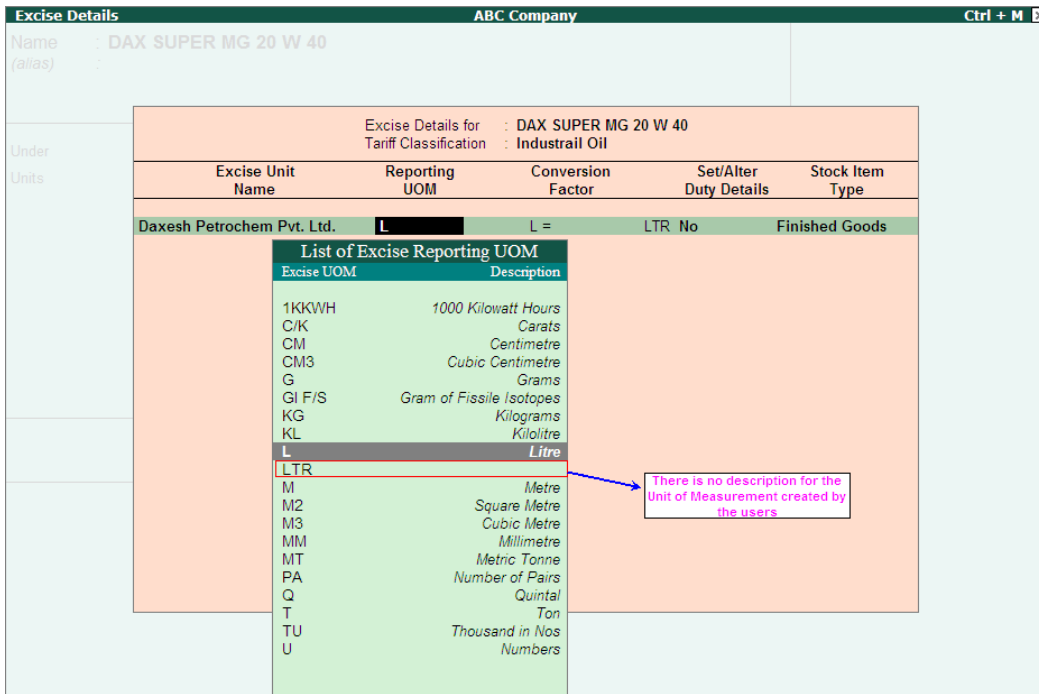
Figure 1.7 Excise Details screen

Press **Enter**. If the Reporting UOM selected is different than the **Units** (Base Unit) cursor will move to **Conversion Factor** section to define the conversion factor.
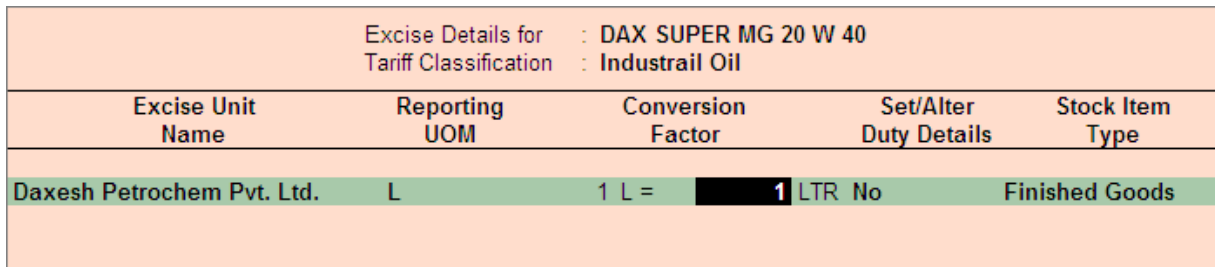
Figure 1.8 Defining Conversion Factor

> The **List of Excise Reporting UOM** displays the details of **existing Reporting UOM, Excise UOM** and **Description**.
>
> The **existing Reporting UOM** created by the users will also be available under the **Reporting UOM** list without any description. The **existing Reporting UOM** once replaced with the actual **Reporting UOM** will disappear from the list and will not be available for selection.
>
> **Reporting UOM** defined for the stock item will be considered as **Unit of Quantity** for all the **Excise Reports** including **E-Returns**.

- Retain the other settings.
- Press **Enter** to save **Excise Details** and **Stock Item Alteration**

3. Reporting UOM (Update Multiple Stock Items)

In case of companies which have many stock items for which the Reporting UOM is different than **Unit of Quantity** defined under Central Excise Tariff Act and doesn't want to define the Reporting UOM to each item then user can use multi-stock Reporting UOM alteration option- **Reporting UOM** available in Tally.ERP 9

To update **Reporting UOM** for multiple **Stock Items,**

Go to **Gateway of Tally > Inventory Info. > Update Excise Info. > Reporting UOM**

◻ Select the required **Excise Unit** (if multiple Units are available)

Tally.ERP 9 allows to update **Reporting UOM** to stock items in three ways

◻ Excise Unit - wise

◻ Tariff - wise

◻ Base Units - wise

i. Excise Unit - wise

Excise Unit-wise update allows to define the reporting UOM to all the excise Stock items of the Excise Unit.

To update reporting UOM, In **Select Excise Unit** screen

◻ **Name of Excise Unit**: If company has more than one excise unit select the appropriate Excise Unit from the List of Excise Units to update the Reporting UOM to the stock items belonging to the excise unit selected. if in the company has only one excise unit then that excise Unit name will be displayed by default.

◻ **Name of Tariff**: Select **Any** from the list

◻ **Name of Base Units**: Select **Any** from the list and press enter to view Update Excise Reporting UOM screen

*Here **Name of Tariff** and **Name of Base Units** are set **Any**, because **ABC Company** wants to view all the excise stock items of the excise unit.*

The **Update Excise Reporting UOM** screen is displayed as shown:

Update Excise Reporting UOM	ABC Company	Ctrl + M ☒
Excise Unit Name :ABC Company		1-Apr-2010 to 13-Dec-2010
Unit of Measure : ↲ Any	Excise Reporting UOM: ▮▮▮▮▮▮	

Sl. No.	Name of Stock Item	Units	Excise Reporting UOM	Conversion Factor
1	Abc	N Bu	KG	KG	KG
2	ACETONE	Acet	Kgs	Kgs	Kgs
3	AOC OIL:-150	AOC	LTR	LTR	LTR
4	AOC OIL -1100	Tran	L	1 L = 1 LTR
5	AOC OIL-500	AOC			
6	Capillary Injector Port & Pneumatics	PLAN	LTR	LTR	LTR
7	CAUSTIC LYE	Caus	U	U	U
8	Caustic Soda Flakes	Caus	Kgs	Kgs	Kgs
9	CAUSTIC SODA LYE	Caus	Kgs	Kgs	Kgs
10	CLAY / ACTIVATED FULLARS EARTH	Clay	Kgs	Kgs	Kgs
11	DAXOL T	Tran	Kgs	Kgs	Kgs
12	DAX SUPER MG 20 W 40	Indus	LTR	LTR	LTR
13	DAXTHERM-500	Indus	LTR	LTR	LTR
14	D M F	D M	LTR	LTR	LTR

List of Excise Reporting UOM

Excise UOM	Description
↲ Any	
1KKWH	1000 Kilowatt Hours
C/K	Carats
CM	Centimetre
CM3	Cubic Centimetre
G	Grams
GI F/S	Gram of Fissile Isotopes
KG	Kilograms
KL	Kilolitre
L	Litre
M	Metre
M2	Square Metre
M3	Cubic Metre
MM	Millimetre
MT	Metric Tonne
PA	Number of Pairs
Q	Quintal
T	Ton
TU	Thousand in Nos
U	Numbers

53 more ... ↓

Figure 1.9 Update Reporting UOM screen

Observe, the Update Excise Reporting UOM screen displays **all the stock items** created under the Excise Unit - **ABC company**.

In real business scenario an excise manufacturer may be dealing in excise stock items having **same reporting UOM** or **different reporting UOM's**.

◻ If **all the items** created in the excise unit have **single Reporting UOM** then, in **Excise Reporting UOM** field select the applicable **Excise UOM** from the **List of Excise Reporting UOM**.

Example: For **all the excise Items** of ABC company Unit of Quantity is **KG** then select **KG** in **Excise Reporting UOM** field. On selection of Excise Reporting UOM the same will be displayed for all the items.

Figure 1.10 Update Reporting UOM screen

Define the Conversion factor if the Base unit is different than the Excise Reporting UOM and save the changes.

On accepting **Update Excise Reporting UOM** screen, The unit of measurement **KG** will be updated as the **Reporting UOM** to all the Excise Items.

□   If the stock Items created in the excise unit have **different Reporting UOM** then, in **Excise Reporting UOM** field select **Any** from the List of Excise Reporting UOM. Update **Excise Reporting UOM only to those stock items** where ever there is discrepancy and retain the Reporting UOM of other items intact.

To define the Reporting UOM for other Stock items press **Enter,** the cursor will move to **Excise Reporting UOM** column, select the stock item and define the **Reporting UOM** and **Conversion Factor.**

Figure 1.11 Update Reporting UOM screen

Similarly, user can select other stock items to define the Excise Reporting UOM & Conversion Factor. After alteration of Excise Reporting UOM press **Ctrl + A** (short cut key to save the changes) or press **Enter** till you reach **Accept Yes** or **No** option to save the changes.

> *Notes*
>
> ***Update Excise Reporting UOM*** *screen displays all the excise Stock items created under the Excise Unit.*

ii. Tariff - wise

Tariff - wise update allows to define the Excise Reporting UOM to the excise Stock items grouped under the specific Tariff Classification.

To update Excise Reporting UOM, In **Select Excise Unit** screen

- **Name of Excise Unit**: If company has more than one excise unit select the appropriate Excise Unit from the List of Excise Units to update the Reporting UOM to the stock items belonging to the excise unit selected. if in the company has only one excise unit then that excise unit name will be displayed by default.

- **Name of Tariff**: To update the Reporting UOM of stock items created under specific Tariff Classification select the Tariff classification from the **List of Tariff Classifications**. E.g ABC Company wants to update the Reporting UOM of the stock items created under the tariff Classification - **Industrial Oil**

- **Name of Base Units**: Select **Any** from the list and press enter to view Update Excise Reporting UOM screen
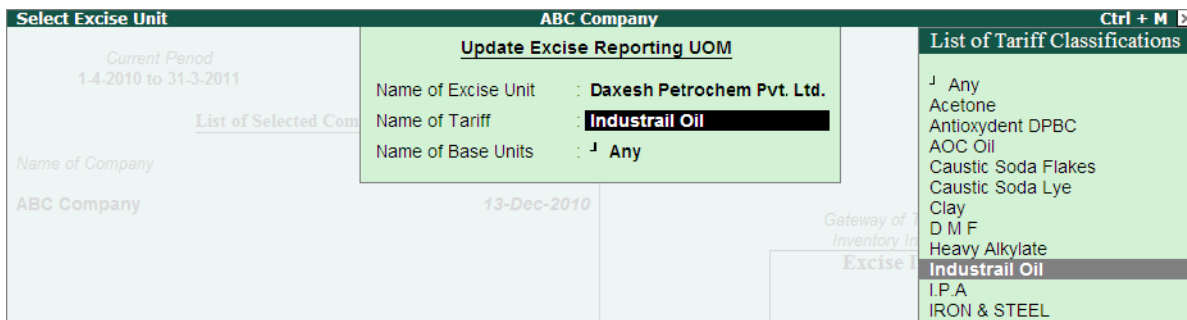
Figure 1.12 Tariff Selection screen
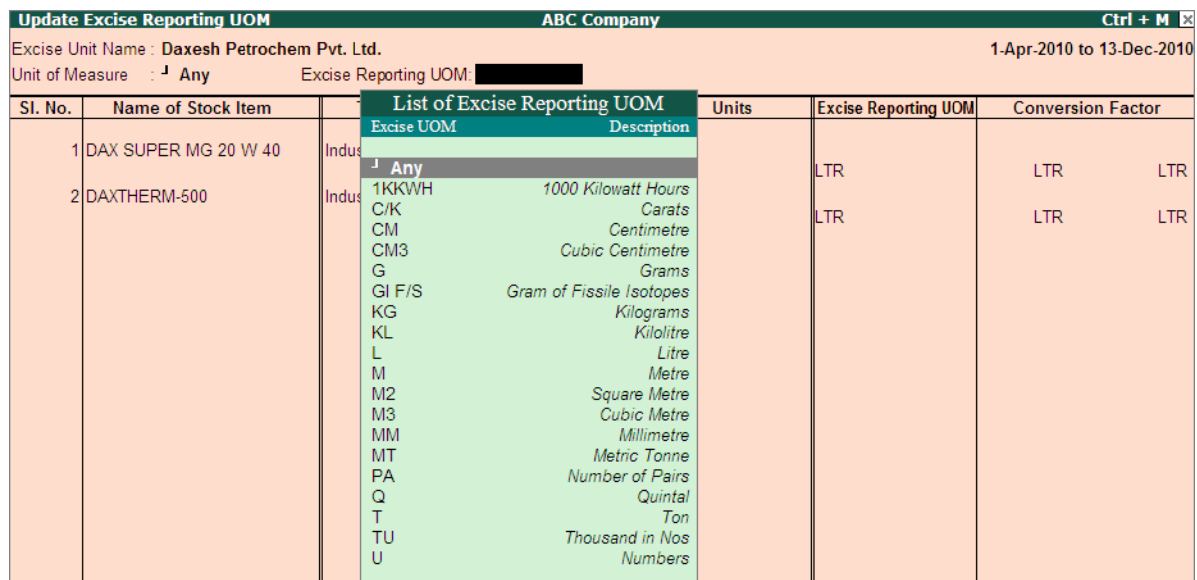
Update Excise Reporting UOM screen appears as shown

Figure 1.13 Update Reporting UOM screen

In Update Excise Reporting UOM screen, application displays only those stock items which are grouped under the Tariff classification for which the report is viewed.

- If **all the items** grouped under the tariff classification have **single Reporting UOM** then, in **Excise Reporting UOM** field select the applicable **Excise UOM** from the **List of Excise Reporting UOM**.

  Example: For **all the excise Items** grouped under the Tariff Classification - **Industrial Oil** Unit of Quantity is **L** (Litre) then select **L** in **Excise Reporting UOM** field and define the Conversion Factor. Press **Ctrl + A** (short cut key to save the changes) or press **Enter** till you reach Accept **Yes** or **No** option.

Figure 1.14 Update Reporting UOM screen

- If the stock Items grouped under the tariff classification - **Industrial Oil** have **different Reporting UOM** then, in **Excise Reporting UOM** field select **Any** from **List of Excise Reporting UOM**. Update **Reporting UOM only to those stock items** where ever there is discrepancy and retain the Reporting UOM of other items intact.

  To define the Reporting UOM to Stock item press **Enter** cursor will move to Reporting UOM column, select the stock item and define the Reporting UOM.

Figure 1.15 Update Reporting UOM screen

- Press **Ctrl + A** (short cut key to save the changes) or press **Enter** till you reach **Accept Yes** or **No** option to save the changes.

Similarly, user can select to update Reporting UOM to stock items grouped under other Tariff Classifications.

iii. Base Unit-wise

Base Unit-wise update allows to define the reporting UOM to the excise Stock items grouped under the specific Base Unit.

To update reporting UOM, In **Select Excise Unit** screen

- **Name of Excise Unit**: If company has more than one excise unit select the appropriate Excise Unit from the List of Excise Units to update the Reporting UOM to the stock items belonging to the excise unit selected. if in the company has only one excise unit then that excise unit name will be displayed by default.

- **Name of Tariff**: Select **Any** from the List of Tariff Classifications.

- **Name of Base Units**: To update the Reporting UOM of stock items with specific base unit, select the Base Unit from the Units list. E.g. ABC Company wants to update the Reporting UOM of the stock items with base unit - **Kgs**.
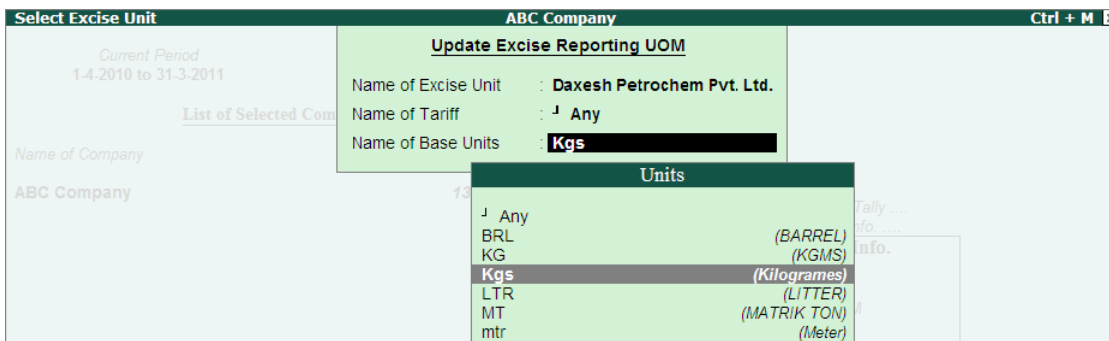
Figure 1.16 Base Unit Selection

- Press **Enter** to view Update Excise Reporting UOM screen

The Update Excise Reporting UOM screen appears as shown:

Figure 1.17 Update Reporting UOM screen

In Update Excise Reporting UOM screen, application displays only those stock items with the base unit **Kgs**.

- ❑ If **all the items** with specific existing Reporting UOM have same **Excise Reporting UOM** applicable then, in **Excise Reporting UOM** field select the appropriate **Excise UOM** from the **List of Excise Reporting UOM.**

  Example: For **all the excise Items** with existing Reporting UOM as Kgs, the applicable Excise UOM is **KG** (kilogram). Select **KG** in **Excise Reporting UOM** field and specify the conversion factor to each item. Press **Ctrl + A** (short cut key to save the changes) or press **Enter** till you reach Accept **Yes** or **No** option.

- ❑ If the stock Items with specific existing Reporting UOM have **different Reporting UOM** applicable then, in **Excise Reporting UOM** field select **Any** from **List of Excise Reporting UOM**. Update **Reporting UOM only for those stock items** where ever there is discrepancy and retain the Reporting UOM of other items intact.

  To define the Reporting UOM for other Stock items press **Enter,** the cursor will move to **Excise Reporting UOM** column, select the stock item and define the Reporting UOM.

  Press **Ctrl + A** (short cut key to save the changes) or press **Enter** till you reach **Accept Yes** or **No** option to save the changes.

Similarly, user can select to update Reporting UOM for stock items with other Base Units.

1.2.1.2 Tariff/HSN Code Validation

Each and every goods manufactured or produced have to be classified for finding out the rate of duty applicable. Accordingly, Central Excise Tariff Act 1985 classifies all the goods under 91 chapters and specific code is assigned to each item. This code is called Tariff Classification code, which consists of 8 digits.

If the **HSN Code** specified in the **Tariff Classification** is less than 8 digits, such Tariff Classifications will be displayed for validation

Select **No/Invalid Tariff/HSN Code** and press **Enter** to view **Tariff /HSN Code Validation** screen

SI. No.	Name of Tariff	HSN Code	Remarks
1	Antioxydent DPBC	-	HSN Code should be Eight Digits only
2	Clay		HSN Code should be Eight Digits only
3	D M F		HSN Code should be Eight Digits only
4	LIME		HSN Code should be Eight Digits only
5	PLANT AND MACHINERY.	902700	HSN Code should be Eight Digits only
6	Plastic Plant & Machinery	8419010	HSN Code should be Eight Digits only
7	Stores Materials		HSN Code should be Eight Digits only

Figure 1.18 Tariff Name/ HSN Code validation screen

- ❑ **Tariff /HSN Code Validation** report displays the details of **Name of Tariff**, **HSN Code** and **Remarks**.

❑ **Remarks** displays the reason why the Tariff classification to be validated. In the above screen the **HSN code** defined for the Tariff classification contains **6 digits** where as the HSN Code should of **8 digits**.

Remark will be displayed for all those Tariff classification where the **HSN Code** is **less/ more than 8 digits**. Correct the HSN code by specifying the correct **8 digit** code. Once the correction is made, application will not display the remarks.

Tariff / HSN Code Validation	ABC Company		Ctrl + M ☒
Excise Unit Name : ABC Company			1-Apr-2010 to 13-Dec-2010
Sl. No.	**Name of Tariff**	**HSN Code**	**Remarks**
1	Antioxydent DPBC	95844564	
2	Clay	96859210	
3	D M F	36695471	
4	LIME	35695877	
5	PLANT AND MACHINERY.	90270095	
6	Plastic Plant & Machinery	84190104	
7	Stores Materials	73684521	
			Accept ?
			Yes or No

Figure 1.19 Completed Tariff Name/ HSN Code validation screen

*Tally.ERP 9 looks only for **8 digits/numbers** and **ignores** the **dot** or **space** between the numbers.*

Press **Enter** to accept the Tariff/HSN Code Validation. On accepting the Tariff/HSN Code validation, E-Return Validation screen will not display the Type of Error - No/Invalid Tariff/HSN Code and the corresponding Error Count.

1.2.1.3 Negative Quantity Validation

In a Manufacturing industry the Finished goods stock will be available for sale only when those goods are manufactured. In Tally.ERP 9 the manufacture of goods are accounted through Manufacturing Journal or Excise Stock journal

If the excise stock items created and identified as **Finished Goods** are sold without recording the **manufacturing journal** or **Excise Stock Journal** then in excise reports - **Daily Stock Register** and **Form ER 1** the **Closing Balance** of Stock item will be displayed as Negative Stock.

While generating ER 1 E-Return if there are any stock items (Finished Goods) with negative stock such stock items will be displayed in **Negative Quantity Validation** screen with the remarks as **Record Manufacturing Journal** indicating that Manufacturing Journal is not recorded to account the manufacture of stock.

Select **Negative Quantity** and press **Enter** to view **Negative Quantity Validation** screen

Negative Quantity Validation	ABC Company		Ctrl + M ☒
Excise Unit Name : ABC Company			1-Apr-2010 to 13-Dec-2010
Sl. No.	Name of Tariff	Negative Balance	Remarks
1	ACETONE	(-)4,587 Kgs	Record Manufacturing Journal
2	DAX SUPER MG 20 W 40	(-)86,152 LTR	Record Manufacturing Journal
3	DAXTHERM-500	(-)630 LTR	Record Manufacturing Journal
4	Recovered Methanol	(-)10,260 Kgs	Record Manufacturing Journal
5	Sodium Petroleum Sulphonate	(-)41,800 Kgs	Record Manufacturing Journal

Figure 1.20 Negative Quantity Validation Screen

To correct the negative quantity record a **Manufacturing Journal** or **Excise Stock Journal** for the items displayed as Negative Stock.

Check **Daily Stock Register** to know when the Excise Stock has become Negative and accordingly record the manufacturing Journal in appropriate period.

1.2.1.4 Identify Notification Type - Tariff/Non-Tariff

As per the E-Return requirement when the same finished goods are cleared **locally** as well as **exported** then the details of clearances have to be captured separately based on the **Notification Type** - whether under **Tariff** or **Non-Tariff** Notification

▫ **Tariff Notification** - Tariff notification are issued to make amendments to excise tariff act i.e. to make amendments to duty rates. The rate can be either exempted or concessional rate.

▫ **Non-Tariff Notification** - NT notification are issued to make amendments or to give effect to any provisions of excise rules i.e to specify or amend any procedural matters.

For identification of Notification Type, Tally.ERP 9 will display all the Excise Sales in which Notification Number is specified/entered

Select **Identify Notification Type - Tariff/Non-Tariff** and press **Enter** to view **Identify Notification Type** screen

Identify Notification Type		ABC Company			Ctrl + M ☒
Date	Particulars		Vch.Type	Vch.No.	Notification No.
4-12-2010			Sales@15%(Ex.Exempted)	859	EM/4758
8-12-2010			Sales (Export)	8596	EX/9582

Figure 1.21 Notification Type Identification Screen

The **Identify Notification Type** screen displays the **Date, Particulars, Voucher Type, Voucher Number** and **Notification Number** of the Sales Invoices.

To identify the Notification Type for a transaction select the transaction and press Enter to view the Sales Invoice.

In **Excise Sales invoice**, a new field **Notification Type** has been provided. Go to Notification Type field and select the appropriate Notification Type from the List.

Figure 1.22 Selection of Notification Type

Press **Enter** to accept the Voucher alteration.

On selecting the **Notification Type**, excise sales invoice will not be displayed to identify Notification Type screen.

After all the validations, E-Return Validation screen will not display the Type of Error and the corresponding Error Count.

The completed **Exporting ER 1 E-Return** screen is displayed as shown:

Exporting ER1 E-Return

Excise Unit	: ABC Company
Language	: Restricted (ASCII Only)
Format	: XML (Data Interchange)
Export Location	: C:\Tally.ERP9
Output File Name	: AAACS6092DXM001_02082011144440PM.xml

From	: 1-12-2010
To	: 31-12-2010
Place	: Bangalore
Date	: 4-1-2011
Remarks	: Monthly Return 1-12-2010 to 31-12-2010
Validation	: Yes

Export ?

Yes or **No**

Figure 1.23 Dealer Excise Export screen

❑ Press **Enter** to export the Return.

Notes

□ *Before generating E-Return* *ensure that all the transaction details are properly captured in* ***Form ER 1***

Tally.ERP 9 allows to configure the E-Returns. To configure press ***F12: Configure*** *from Exporting ER 1 E-Return screen to view Configuration screen.*

Configuration screen displays 3 configuration options

□ ***Show Excise Duty Amount Round Off****: By default, this option will be set to* ***Yes*** *because, the* ***ER 1 E-Return Requirement*** *has clearly stated that* ***all the duty amount has to rounded off to the nearest Rupee****.*

□ ***Round Off Quantity to Two decimals****: By default this option will be set to* ***Yes*** *because the* ***ER 1 E-return requirements*** *has clearly stated that* ***Quantity*** *can be in* ***Decimals****.*

□ ***Nil Return****: By default this option will be set to* ***No****. Set this option to* ***Yes*** *if you want to generate* ***Nil Return*** *for a month in which there are transaction carried out but wants to pay the duty of the previous period with penalty or interest.*

Configuration	
Show Excise Duty Amount Round Off	? **Yes**
Round Off Quantity to TWO decimals	? Yes
Nil Return	? No

If the user generates E-Returns by setting the option ***Show Excise Duty Amount Round Off*** *to* ***No****, the ACES application will not allow the Assessee to upload the Returns.*

The exported file will be placed in the Tally.ERP 9 Directory with the file name as specified above and ready for **upload**.

Name	Date modified	Type	Size
Data	2/8/2011 11:48 AM	File folder	
Lang	2/8/2011 11:48 AM	File folder	
AAACS6092DXM001_02082011144440PM	2/8/2011 2:47 PM	XML Document	27 KB
ACES_ER1.xsd	7/30/2010 2:58 PM	XSD File	54 KB
lockconverter	2/8/2011 8:55 AM	Application	204 KB
stat.900	2/7/2011 4:35 PM	900 File	3,844 KB
tally	2/8/2011 9:06 AM	Application	1,387 KB
Tally	2/8/2011 11:48 AM	Configuration sett...	2 KB
tally72migration	2/8/2011 9:11 AM	Application	6,140 KB
TallyAdmin	2/8/2011 9:00 AM	Application	577 KB
tallycfg.tsf	2/8/2011 11:48 AM	TSF File	220 KB
tallyerp9ref	11/12/2010 2:22 PM	Compiled HTML ...	51,267 KB
tallyextern1.tsf	2/8/2011 9:01 AM	TSF File	112 KB
TallyLic	2/8/2011 11:48 AM	Configuration sett...	1 KB
tallylicserver	2/8/2011 8:58 AM	Application	398 KB
TallyLicUI.dll	2/8/2011 8:55 AM	Application extens...	1,248 KB
tallywin.dat	2/8/2011 9:11 AM	DAT File	532 KB
tdlfunc	2/8/2011 12:15 PM	Text Document	0 KB
tdlserver.dll	2/8/2011 9:00 AM	Application extens...	7,024 KB
unicows.dll	5/21/2009 7:43 PM	Application extens...	253 KB
uninstall	2/8/2011 9:11 AM	Application	1,793 KB

Figure 1.24 Exported file in Tally.ERP 9 folder

Users can verify the correctness of the E-Returns generated from Tally.ERP 9. To compare the data structure of file generated from Tally.ERP 9 to the data structure specified

- *Copy **ACES_ER1.xsd** file into **Tally.ERP 9 folder***

- *Open the **Returns** generated form Tally.ERP 9 in **Slick Edit** (tool which is used to check the correctness of the XML files)*

- *On opening the file, slick edit compares the structure to **ACES_ER1.xsd** file available in Tally.ERP 9 folder and gives the **Out-Put** as **Valid** (If there are no errors) or will displays the **errors** found in the document.*
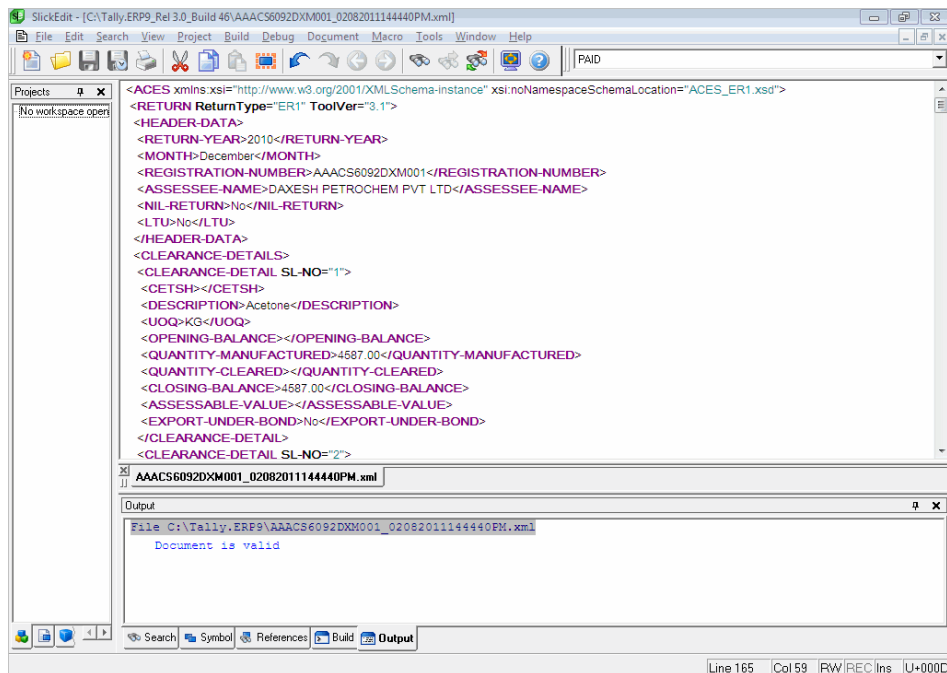
*To compare the E-Returns users should have **Slick Edit** (licensed version) installed or can use any other tool which supports to check the XML file structure.*