

Creating a Company

Creating a Company involves providing basic information about the company whose books of accounts are to be maintained in Tally.ERP 9.

Go to **Gateway of Tally > (Alt+F3) Company Info. > Create Company**

The Company Creation screen appears as shown:

Company Creation		Company Details	
Directory	: C:\Tally.ERP 9\Data	Currency Symbol	: ₹
Name	: ABC Company	Maintain	: Accounts with Inventory
Mailing & Contact Details		Financial Year from	: 1-4-2012
Mailing Name	: ABC Company	Books beginning from	: 1-4-2012
Address	: 9/1, Mahalaxmi Chambers M G Road Bangalore	Security Control	
Statutory compliance for	: India	TallyVault Password (if any)	:
State	: Karnataka	Repeat Password	:
PIN Code	: 560001	(Password Strength is Strong)	
Telephone No.	: +91-080-66275299	(WARNING: forgetting your TallyVault password will render your data unusable!!)	
Mobile No.	: +919755145887	Use Security Control	? No
E-Mail	:	(Enable Security to avail Tally.NET Features)	
Auto Backup Details		Base Currency Information	
Enable Auto Backup	: No	Base Currency Symbol	: ₹
		Formal Name	: INR
		Number of Decimal Places	: 2
		Is Symbol SUFFIXED to Amounts ?	No
		Symbol for Decimal Portion	: paise
		Show Amounts in Millions	? No
		Put a SPACE between Amount and Symbol	? Yes
		Decimal Places for Printing Amounts in W	
		Accept ?	
		Yes or No	

A detailed explanation on each field is given:

Directory

The data path where you want the company to be created is specified in the **Directory** field.

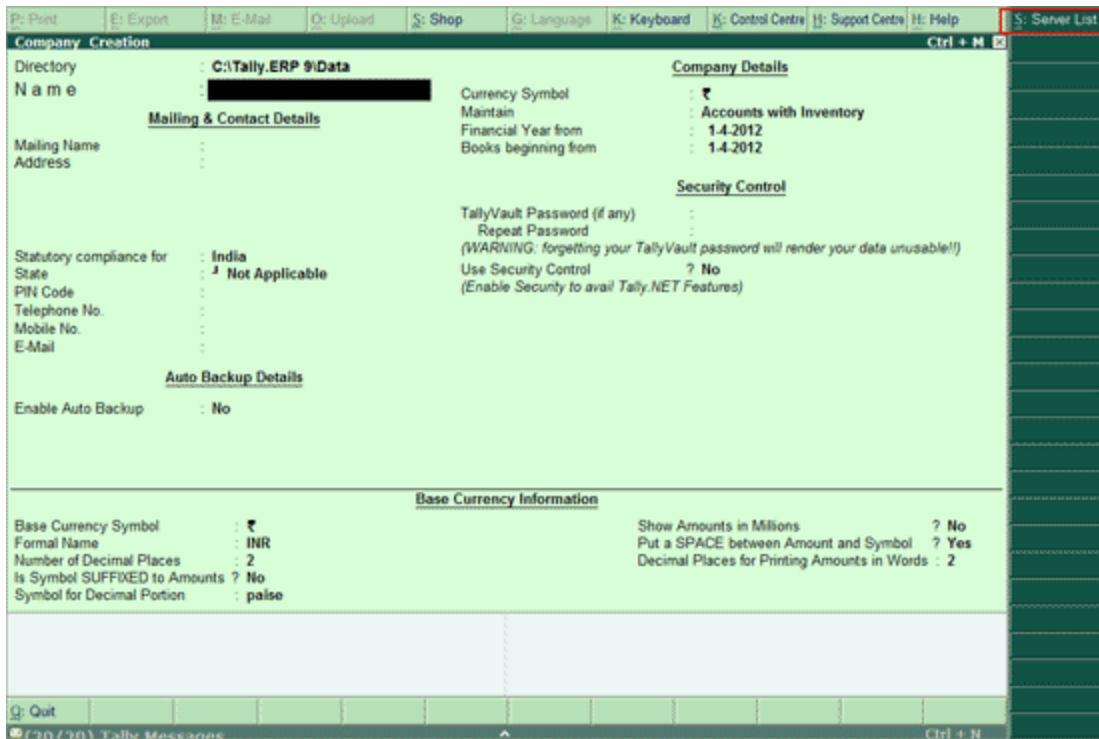
This field is skipped by default when you create the company in the data path given in the **Tally.INI** file. If you want to change it, use the **Backspace** key and modify it to the path required.

This is referred to as the Tally Anywhere concept – which is the ability to create/load companies in separate directories. The Directory field is displayed while selecting Select, Create, Backup, Restore and Rewrite options for a company. By default, the cursor will skip the field, presuming that you wish to use the default data directory for your work. You may press **Backspace** to give a new path and work from there.

For example, the default Tally.ERP 9 data directory could be **C:\TALLY.ERP\DATA**. You may now wish to create a new company on C:\TALLY.ERP\PERSONAL, and some other companies on C:\TALLY.ERP\BRANCHES. The next time, the default directory displays C:\TALLY.ERP\DATA, and if you wish to work on the data of your branches, press Backspace and enter C:\TALLY.ERP\BRANCHES for the directory name. This displays the companies whose data is stored in that location in the List of Companies. You can even give the path of a network server or any other storage device.

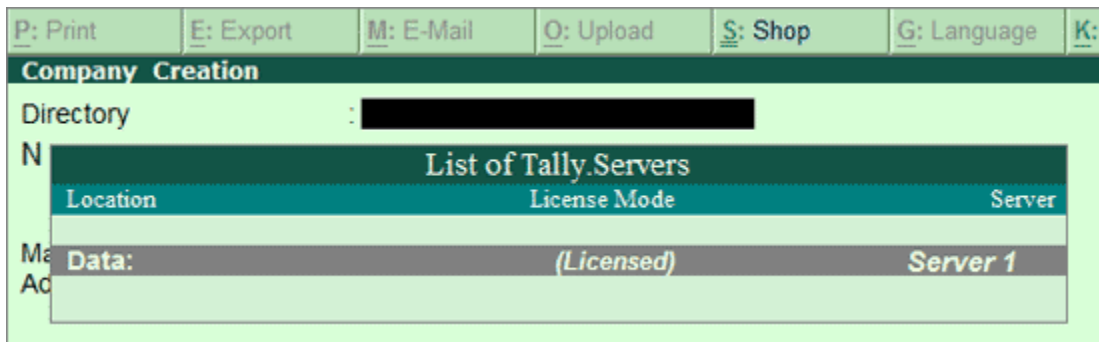
If your business uses **Tally.Server 9** to maintain data,

- Click on **S: Server List** or press **Alt+S**



Note: If the administrator has enabled Security Access, users need to provide the authorised Tally.NET credentials in order to access the Server List.

- The **List of Tally.Servers** is displayed. Select the required location



- Press **Enter** to continue with Company Creation

Name

Enter the name of the company whose books are being opened. If you are a professional accountant and are maintaining the books of your clients, give the Client Company's name.

Mailing Name and Address

In addition to the Company Name, Tally.ERP 9 provides the facility to enter the Mailing Name field. It displays the Company Name by default. You may change it as required, if the mailing name is different from the Company Name. The mailing name and address details are picked up for inclusion in any report that needs the company name and address as heading. For example: Balance Sheets, Statement of Accounts, and so on.

<u>Mailing & Contact Details</u>	
Mailing Name	: ABC Company
Address	: 9/1, Mahalaxmi Chambers M.G. Road, Bangalore

Tally.ERP's reports print the mailing name and address as given:

ABC Company 9/1, Mahalaxmi Chambers M.G Road, <u>Bangalore</u>
--

Tally.ERP 9 does NOT restrict the number of lines for the address details. Tally.ERP 9 accommodates all the entered information and vertically compresses the same.

Note: In the space provided for the Address details, observe the vertical compression as compared to the Mailing Name field where there is horizontal compression.

You can specify any length for the mailing name and you are permitted to give any number of lines for the address. The information is completely visible.

Tally.ERP 9 handles compressed information correctly while printing. It adjusts the reports accordingly.

Statutory compliance for

Select the Country from the List of Countries. The Statutory Features and Base Currency Symbol are enabled in accordance with the country selected. For example, if the accounts belong to a company in India, the base currency would be Indian Rupees. The Base Currency will appear with respect to the Country selected.

Selecting **India** from the List of Countries brings up a State, Pin Code and Telephone No. field.

State

You can select the appropriate state from the predefined list.

PIN Code

Specify the PIN Code (Postal Index Number) of the specified address.

Telephone

Enter the Telephone number.

Mobile No

Enter the mobile number of the company.

E-mail Address

Enter the E-mail address that will be used to e-mail documents, reports and data from Tally.ERP 9.

Enable Auto Backup

Set this to **Yes**, if you want to enable the automatic backup of Tally.ERP 9 data (per company). Else, set this to **No**. The data backup is stored in the data folder of the respective company. The auto backup data can be restored by pressing **Ctrl+Alt+K** from **Company Info** menu or **Gateway of Tally**.

Note: Ensure that all the systems in a network have the same **date** and **time** settings.

Currency

Currency symbol is the symbol of the base currency, that is, the currency that will be used to maintain the books of account.

The symbol ` ` appears by default in case India for India/SAARC Companies and the field is left blank for International Companies.

Note: The **currency symbol** changes based on the country selected from the list for **Statutory compliance for** field.

Click [here](#) to read about **Indian Rupee Symbol Conversion**.

Maintain

Tally.ERP 9 displays a drop down for the Type of Company with two options **Accounts only** and **Accounts with Inventory**

Select **Accounts only** if you do not have any inventory transactions (suitable for professionals and corporate offices).

However, at a later date (if required) you can choose to alter the information as **Accounts-with-Inventory**. Select **Accounts-with-Inventory**, to maintain both financial accounts and inventory.

Financial Year From

In most countries, the books of accounts of a company are maintained for a stipulated period like, 12 months, 15 months, and so on. This stipulated period is referred to as the Financial Year.

The stipulated period of the financial year is 12 months in most countries. Tally.ERP 9 automatically considers 12 months from the date you give here as the Financial Year.

For example, if you enter April 1, 2008 as the date, the Financial Year will be from April to March ending with March 31, 2009. If you enter October 1, 2008 as the Financial Year From then the financial year will be from October 2008 to September 2008 ending with 30th of September every year.

Tally.ERP 9 allows you to maintain data for multiple years by changing the period (**Alt+F2**) at the Gateway of Tally. In addition, you can also specify the date of actual establishment of the company (date of incorporation)

Books Beginning From

Tally.ERP 9 presumes that you wish to maintain books from the beginning of the financial year. Hence, Tally.ERP 9 displays the date given in Financial Year From field automatically.

The date for Books beginning from can be changed, in case of companies, which are incorporated in the middle of the year. If your company is new, you can opt to start the books of accounts from the date of actual establishment of the company (date of incorporation) but close books according to the Financial Year as specified by you. Tally.ERP 9 provides the required flexibility in such a case by allowing you to give the date when the books of accounts actually began. Tally.ERP 9 will open books from this date and close as on the last day of the Financial Year.

For example, if your company is established on August 19, 2008, the opening balances for all the accounts can be given as on August 19, 2008 even though the Financial Year given is April 1, 2008 (April to March financial year). The company's books will begin on August 19, 2008 and close on March 31, 2009, which ensures smooth transition to the next year.

This concept can be applied even when you are migrating to Tally.ERP 9 from any other system or from a manual accounting system on any day during the Financial Year. Close books in that other system on the previous day and start books on Tally.ERP 9 from this day. You are allowed to give opening balances of all Ledger accounts including Revenue accounts.

TallyVault Password

TallyVault is an enhanced security system, which allows for encryption of the company data. Encryption involves converting normally accessible Tally information into unrecognisable information, which can only be reconverted by authorised persons.

Give a password here and repeat the same in the Repeat field. This basically results in the creation of an encrypted company whose information is not accessible to users other than the password holder.

Password Strength

Password Strength indicator is available in Tally.ERP 9 from Release 4.5 onwards. Now, strength is displayed while creating / altering passwords under Security Control, Tally Vault, and Control

Centre. Also when Password Policy is enabled, Password Strength is indicated in the Change Password screen that appears for first time login.

Let us understand the logic used by Tally.ERP 9 to ascertain a password's strength. This logic consists of two sets of conditions to be applied.

A. Password Score

B. Password Length and Username match

Use Security Control?

Set this to **Yes**, if you want to initiate a password-protected system to control access to Tally.ERP 9 data. Else, set this to **No**.

If you opt for security control, Tally.ERP 9 offers a comprehensive password based access control to different features of Tally.ERP 9 based on authority lists created by the Administrator. For more information refer Data Management in Tally.ERP 9.

Security Control

Use Security Control **Yes**
(Enable Security to avail Tally.NET Features)

Name of Administrator : **Ajay**

Password : *****

Repeat Password : *****

(Password Strength is Strong)

Use Tally Audit Features **Yes**

Disallow opening in Educational mode **Yes**

Name of Administrator, Password, Repeat

Assuming the Tally Vault Password and Use Security Control is set to **Yes** enter the **Name of Administrator**, **Password** and **Repeat** in the respective fields.

Use Tally Audit Features

Tally Audit allows the administrator or an auditor profile user to track changes in accounting information. If you wish to use this facility, select Yes. Tally Audit will be available only to the administrator/auditor, through Display of Statements of Accounts. For more information refer Data Management in Tally.ERP 9.

Disallow opening in Educational mode ?

Set this option to **Yes**, if you don't want the company to be opened in **Educational mode** of Tally.ERP 9. Else, set this to **No**.

On accepting the company creation screen, if you have specified **Tally Vault** password, Tally.ERP 9 prompts you to enter the TallyVault password as appears:

Tally Vault Ctrl + M

Directory : C:\TallyData
Name : ABC Company

<u>Mailing & Contact Details</u>		<u>Company Details</u>	
Mailing Name	: ABC Company	Currency Symbol	: Rs.
Address	: 9/1, Mahalaxmi Chambers M.G. Road, Bangalore	Maintain	: Accounts with Inventory
		Financial Year from	: 1-4-2008
		Books beginning from	: 1-4-2008
<u>Statutory compliance for</u>		<u>Security Control</u>	
State	: India	Disallow opening in Educational mode ?	Yes
PIN Code	: Karnataka	TallyVault Password (if any)	****
Telephone No.	: 560001		****
E-Mail	: +91-889-2229905		password will render your data unusable!)
	: sales@abc.com		Yes
		Name of Administrator	: Admin
		Password	: *****
		Repeat Password	: *****
		Use Tally Audit Features	? Yes

TallyVault Password

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 Words	: 2
Is Symbol SUFFIXED to Amounts ?	: No		
Symbol for Decimal Portion	: paise		

Then Tally.ERP 9 prompts you to enter the **Name of User** and **Password** (if any).

Company Login Ctrl + M

Current Period

Select Company

Directory : C:\TallyData
Name : ABC Company

List of Selected Companies

Name of Company

Date of Last Entry

Company : ABC Company

Name of User : Admin
Password (if any) : ****

Company Info

Select Company

as Remote User

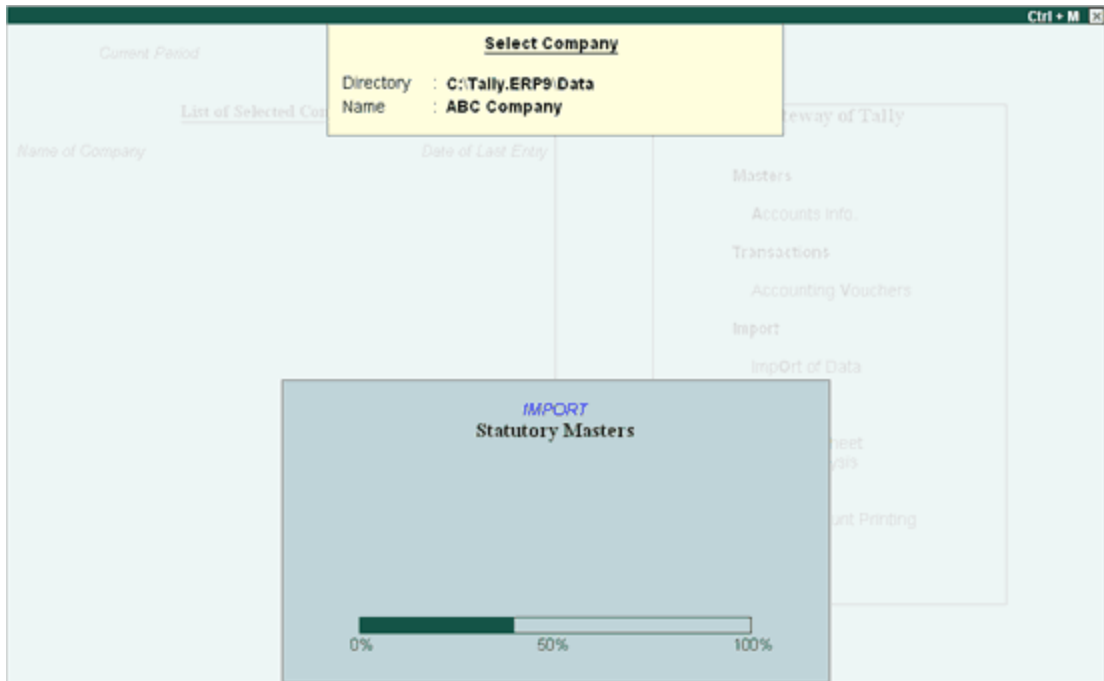
e Company

ip

re

Quit

After verification Tally.ERP 9 imports the latest statutory masters. Wait till the screen shows that 100% of import is complete.



This completes the Company Creation process in Tally.ERP 9.

An explanation on the fields on the bottom of the Company creation screen follows:

Base Currency Information

The **Base Currency** Information is found in the bottom frame of the Company creation Screen. Base Currency is the currency in which your accounts would be maintained. Financial statements are prepared in the base currency by default and these are normally required to be submitted to local statutory authorities. The Base Currency information in Tally.ERP 9 varies with the country selected for Statutory Compliance.

You can record transactions and raise invoices in foreign currency; and also maintain bank accounts or ledgers in foreign exchange, when required.

Base Currency Information		
Base Currency Symbol	: ₹	Show Amounts in Millions ? No
Formal Name	: INR	Put a SPACE between Amount and Symbol ? Yes
Number of Decimal Places	: 2	Decimal Places for Printing Amounts in Words : 2
Is Symbol SUFFIXED to Amounts ?	No	
Symbol for Decimal Portion	: paise	

Base Currency Symbol

The **currency symbol** given earlier in the Company Creation screen is displayed here automatically.

Tally.ERP 9 uses this **currency symbol** in reports, wherever necessary.

Click [here](#) to read about **Indian Rupee Symbol Conversion**.

Formal Name

Formal Name is the full name of the **currency** specified.

The Formal Name for the base currency is set to **Indian Rupees for Indian Companies**.

Number of decimal places

The number of **decimal places** for the base currency is set to **2**, by default. However, you have the option of specifying up to 4 decimal places. Indian currency has 2 decimal places whereas certain other countries require 3 decimal places and so on.

Is Symbol Suffixed to Amounts

For countries, which specify the **symbol after the amount** (value) – this facility is provided. For example, **Yen** is specified after the amount (5000 Yen) unlike in India where the symbol is specified before the amount (Rs.5000)

Symbol for Decimal Portion

Enter the **symbol for decimal portion**.

Show Amounts in Millions

This is useful for companies, which require reporting the financial statements in millions. This is possible only if **Allow Multi-Currency** is enabled in **F11: Accounting Features**.

Put a space between Amounts and Symbol

This facility is provided to users who require a **space** between the amount and the symbol. However, putting a space between the amount and symbol could give an opportunity for misuse in case of cheque printing. Hence, the flexibility to turn this option on and off as required is provided.

Decimal Places for Printing Amounts in Words

You can specify the **number** of decimal places for **printing the amount in words**. This number should be equal to or lesser than the number specified in Number of Decimal places field in company creation or currency master screen which will appear in Invoice and Cheque printing screen.

For example, if the currency is expressed upto 3 decimal places, the numeric to be printed in words can be restricted to 2 decimal places.

Note: The **Name of the Company**, cannot be translated or transliterated but will appear in the

Loading a Company

In order to load a company using the **Select Company** option, disable the default loading of a company in Tally.ini file. Set **Default Companies** to **No** OR place a semi-colon before Load = 00001 (company number - placing a semicolon means that the words following it in that line would not be executed. Each line is a separate command).

On **double-clicking** the **Tally icon**, the screen is displayed as shown:



You can use the **Select Company** option in two ways, from the **Company Info.** Menu OR by using the button **F1: Select Cmp** (available on the Gateway of Tally screen).

Select Company

Select Company option allows you to load another company from the list of companies listed which you may have created earlier.

Press **Enter** on **Select Company** or use the button **F1: Select Cmp**. Tally.ERP 9 displays the following screen:

Select Company

Directory : C:\Tally.ERP9\Data
 Name : ██████████

List of Companies

ABC Company	(10002)	1-Apr-2007 to 31-Mar-2009
ABC Company	(10003)	1-Apr-2008 to 31-Mar-2009
ABC Company	(10005)	1-Apr-2006 to 31-Mar-2007
ABC Company	(10006)	1-Apr-2005 to 31-Mar-2006

If your business uses **Tally.Server 9** to maintain data,

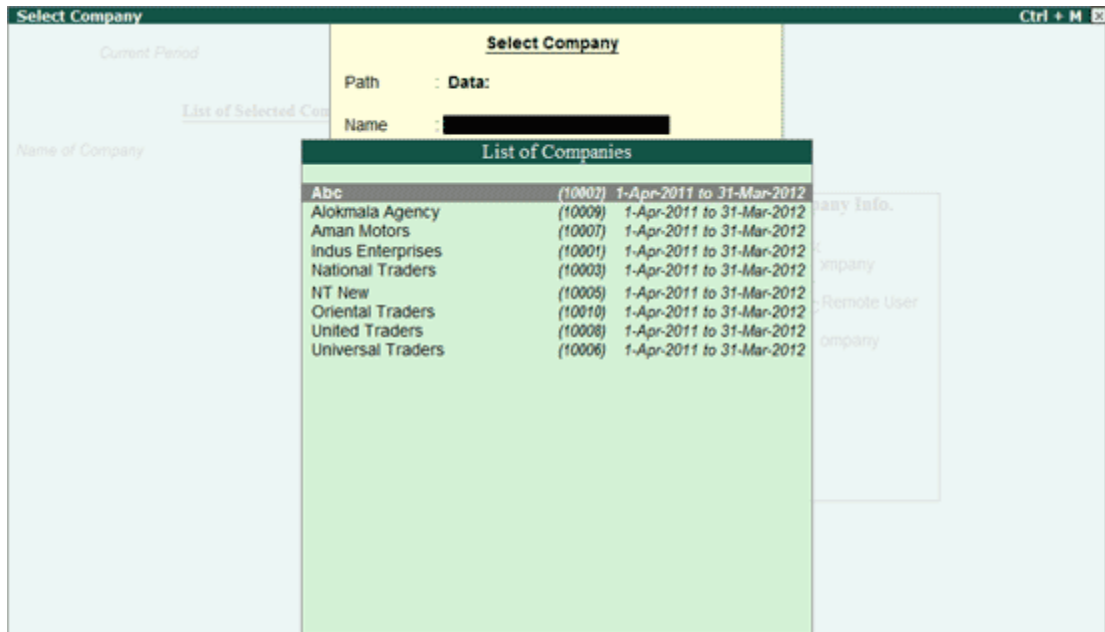
Click on **S: Server List** or press **Alt+S**

Note: If the administrator has enabled Security Access, users need to provide the authorised Tally.NET credentials in order to access the Server List.

The **List of Tally.Servers** is displayed. Select the required location

Location	License Mode	Server
Data:	(Licensed)	Server 1

The Companies available on the selected Tally.Server will be displayed:



Tally.ERP 9 displays

1. **Company Name** (All the companies created are displayed in an alphabetical order)
2. **System-generated code** for each company displayed
3. The **Financial Year** information relating to the number of years data present in the company

Note: The system-generated code for each company is displayed to assist you in identifying which company you wish to work on in case you have multiple companies with the same name (as displayed in the above screen).

Select the required company from the list given to go to the **Gateway of Tally** for that company.

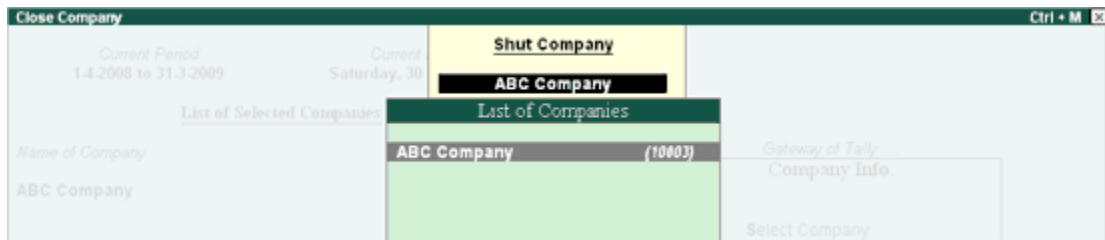
In case two or more companies are loaded , click on the company which you need to work on so that the selected company will be highlighted and will appear on top of the list.

Shut a Company

Shut a Company is to unload it. It does not mean that you have deleted it. Simply select it again to load and work on it again.

You can shut a company in two ways – either using the button **F1: Shut Cmp (Alt + F1)** or pressing Enter on **Shut Company** menu option on the **Company Info. Menu**.

The screen appears as shown below:



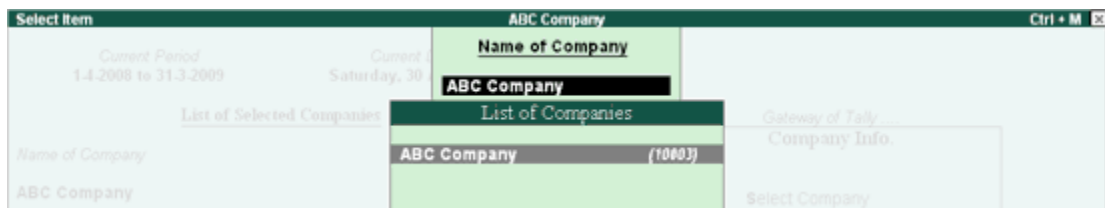
Select the company to be **shut** from the **List of Primary Companies**.

Alter a Company

This option allows you to alter information about the existing company, you can **modify** any information at any time that is set while creating a company.

Go to **Gateway of Tally**

1. Select **F3: Cmp Info. (ALT+F3)** from the button bar
2. Select **Alter** and press **Enter** and the screen appears as shown below:



3. Select the company from the List of Companies and press Enter to view the Company Alteration screen.
4. Make the necessary changes in the required fields and accept the screen.

To change the password if **Use Security Control** is set to **Yes**:

1. Enter the **Name of Administrator**.
2. Enter the new password.
3. Re-enter the password in the Repeat field to confirm.
4. Enter the Old Password and **Accept** the screen to alter the company.

Security Control	
Use Security Control	? Yes
<i>(Enable Security to avail Tally.NET Features)</i>	
Name of Administrator	: Ajay
Password	: *****
Repeat Password	: *****
Old Password	: *****
<i>(Password Strength is Strong)</i>	

Note: To understand the conditions that determine a Password's strength, click [Password Strength Indicator](#).

Delete a Company

This option allows you to delete an existing company.

To **delete** a company, you have to load the company first.

1. Select **F3: Cmp Info. (ALT+F3)** from the **Gateway of Tally** to proceed to the Company Information menu.
2. Select **Alter** and press Enter.
3. Select the company to be deleted. The **Company Alteration** screen is displayed.
4. Use **Alt + D** to delete. Tally.ERP 9 will prompt for a confirmation on deleting the company.

Company Alteration		Ctrl + M	
Name	: ABC Company		
<u>Mailing & Contact Details</u>		<u>Company Details</u>	
Mailing Name	: ABC Company	Currency Symbol	: Rs.
Address	: No. 225, 8th Cross, AMC Road Bangalore	Maintain	: Accounts with Inventory
		Financial Year from	: 1-4-2009
		Books beginning from	: 1-4-2009
Statutory compliance for	: India	<u>Security Control</u>	
State	: Karnataka		: ? Yes
PIN Code	: 560064	<i>(Enable Security to avail Tally.NET Features)</i>	
Telephone No.	: 08025547552		: *
Mobile No.	: 9741432204		: *
E-Mail	: sales@abc.com		: ? Yes
			: ? No
			: ? No
Delete ?			
Yes or No			
<u>Base Currency Information</u>			
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 Words	: 2
Is Symbol SUFFIXED to Amounts ?	: No		
Symbol for Decimal Portion	: paise		

5. Press **Enter** to delete the company.

Note: Deletion of a company is irreversible. The company is permanently deleted from the system.

Pre-defined Groups in Tally.ERP 9

By default, Tally.ERP 9 provides a list of Groups called **pre-defined groups**. The user can create any number of Primary Groups and Sub Groups which are again grouped under a Primary Group/Sub Group.

There are **28 pre-defined Groups** in Tally.ERP 9, out of which **15 are Primary Groups** and **13 are Sub-Groups**.

15 Primary Groups	13 Sub Groups
Branch / Divisions	Bank Accounts
Capital Account	Bank OD A/c
Current Assets	Cash-in-hand
Current Liabilities	Deposits (Asset)
Direct Expenses	Duties & Taxes
Direct Incomes	Loans & Advances (Asset)
Fixed Assets	Provisions
Indirect Expenses	Reserves & Surplus
Indirect Incomes	Secured Loans
Investments	Stock-in-hand
Loans (Liability)	Sundry Creditors
Misc. Expenses (ASSET)	Sundry Debtors
Purchase Accounts	Unsecured Loans
Sales Accounts	
Suspense A/c	

Out of the 15 Primary Groups, 9 Primary Groups appear in the Balance Sheet which are Capital in nature and 6 Primary Groups appear under Profit & Loss Account which are Revenue in nature.

13 Sub Groups are classified under the 15 Primary Groups and they appear in the Balance Sheet.

Pre defined Sub Groups	Under
Bank Accounts	Current Assets
Bank OD A/c	Loans (Liability)
Cash-in-hand	Current Assets
Deposits (Asset)	Current Assets
Duties & Taxes	Current Liabilities
Loans & Advances (Asset)	Current Assets
Provisions	Current Liabilities

Reserves & Surplus	Capital Account
Secured Loans	Loans (Liability)
Stock-in-hand	Current Assets
Sundry Creditors	Current Liabilities
Sundry Debtors	Current Assets
Unsecured Loans	Loans (Liability)

Note: The Primary Group cannot be deleted, however, it can be renamed which is not suggested.

Pre-defined Ledgers in Tally.ERP 9

There are two **pre-defined ledgers** available in Tally.ERP 9, they are:

Cash

This Ledger is created under the Group Cash-in-hand. You can enter the opening balance as on the date of books beginning from. You can also alter the name and even delete the Ledger.

Profit and Loss Account

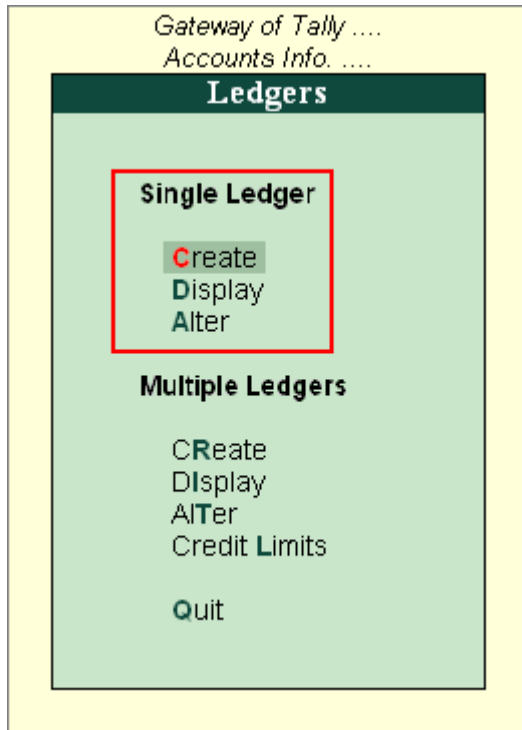
This Ledger is created under the Group Primary. Previous year's Profit or Loss is entered as the opening balance for this ledger. The balance entered here is treated as the opening profit/loss and shown in the Balance Sheet as opening balance of Profit and Loss account in the Liabilities side.

You cannot delete this ledger, but you can modify the same.

Creating a Single Ledger

By default, Tally.ERP 9 contains two Ledger accounts namely, Cash (Under Cash-in- Hand) and Profit and Loss Account (direct Primary Account). You need to create all other accounts heads. There are no restrictions in Ledger creation except that you cannot create another Profit & Loss A/c. Any number of Cash Accounts may be created in any other name for ex: Petty Cash.

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



Ledgers can be created in [Normal mode](#) or in [Advance mode](#).

Creating Ledger in Normal Mode

The creation of a Ledger depends on the features you have selected under **F11: Features** of your company and **F12: Configure**. You can create a single ledger account with the default options enabled.

Go to **Gateway of Tally > Accounts Info > Ledgers > Single Ledger > Create**

Ledger Creation		ABC Company
Name : A's Capital Account	(alias) :	<u>Total Op. Bal.</u>
		5,00,000.00 Cr
		<i>Difference</i>
		<u>5,00,000.00 Cr</u>
Under : Capital Account		
Opening Balance (on 1-Apr-2008) : 5,00,000.00 Cr		

Name

Enter the **Name** of the account. You can provide the full name of the account. Tally.ERP 9 fits it all in. Press Enter to move to the next field. Tally.ERP 9 does not allow the entry of duplicate names. The uniqueness check is made here itself.

Note that the punctuation and other non-relevant information are ignored by Tally.ERP 9 in its recognition of a name. Thus, CST, C.S.T. and C. S. T. are all considered as same.

Tally.ERP 9 converts the first letter of all relevant words to upper case, which helps you; speed up data entry.

Alias

Enter an **alias name** if required. You can access the Ledgers using the original name or the alias name.

Under

All accounts must be classified **under** their appropriate **Groups**. Select the **Group** under which the Ledger is created from the List of Groups. (To create a new Group from this field press [**ALT + C**]). A wrong classification would affect the treatment of the Ledger account in final statements and during voucher entry.

You can, alter a Ledger account to change its group classification at any time. Refer [Importance of Grouping and Accounting Classifications](#): for more details in Grouping

Opening Balance

If yours is an existing company whose books you are entering into Tally.ERP 9, Opening Balance would be applicable in circumstances where the Ledger is an asset or a liability and if it has a balance in the account as on the date of beginning of books in Tally.ERP 9.

Tally.ERP 9 recognizes normal accounting principles of debit balances for Assets and credit balances for Liabilities. It accepts the reverse for obverse balances. Revenue accounts normally do not have balances. Tally.ERP 9, however, permits you to give balances even for such accounts - You may be transferring your books on to Tally.ERP 9 in the middle of the year and may not have closed them in your earlier system. Hence, you may specify whether the balance is Debit or Credit. Simply **D** or **C** would suffice.

Creating a Purchase Invoice

To create purchase invoice for purchase of taxable goods,

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchases**

1. Select the **Party's A/c Name** from the List of Ledger Accounts.
2. Select the Purchase Ledger grouped under Purchase Accounts with VAT/Tax class - **Purchase From URDs - Taxable Goods (Composition)**.
3. The VAT/Tax class appears as **Purchase From URDs - Taxable Goods (Composition)**.
4. Select the stock items from the **List of Items**.
5. Enter the **Quantity** and **Rate**. The amount is automatically displayed in the Amount field.
6. Set the option - **Is e-Sugam Applicable** to **Yes/No** as per requirement.

Accounting Voucher Creation		ABC Company		Ctrl + M
Purchase	No. 3			12-May-2012
Supplier Invoice No. : P003	Date : 12-May-2012			Saturday
Party's A/c Name : Excel Traders				
Current Balance : 2,66,500.00 Cr				
Purchase Ledger : Purchase From URDs				
VAT/Tax Class : Purchase From URDs - Taxable Goods (Composition)				
Name of Item	Quantity	Rate per	Amount	
Books	50 Nos	250.00 Nos	12,500.00	
J End of List				
Is e-Sugam Applicable	? No			
Show Statutory Details	? No			
Narration:	50 Nos			Accept ? Yes or No

7. Accept the Purchase invoice.

Creating a Sales Invoice

To create sales invoice for sale of taxable goods,

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

1. Select the **Party's A/c Name** from the List of Ledger Accounts.
2. Select Sales Ledger grouped under Sales Accounts with VAT/Tax class - **Sales - Composition Tax @ 1%**.
3. The VAT/Tax class appears as **Sales - Composition Tax @ 1%**.
4. Select the stock items from the **List of Items**
5. Enter the **Quantity** and **Rate**. The amount is automatically displayed in the Amount field.
6. Set **Is e-Sugam Applicable** to **Yes/No** as per requirement.

The screenshot shows the 'Accounting Voucher Creation' window for 'ABC Company'. The window title is 'Accounting Voucher Creation ABC Company Ctrl + M'. The voucher type is 'Sales' (No. 1) and the reference is 'S001'. The date is '14-May-2012 Monday'. The party's account name is 'Supreme Traders'. The current balance is blank. The sales ledger is 'Sales Composition @ 1%' and the VAT/Tax class is 'Sales - Composition Tax @ 1%'. The item list contains one entry: 'Gold Coins' with a quantity of '3 Nos', a rate of '10,000.00 Nos', and an amount of '30,000.00'. Below the item list, there is a section for 'Is e-Sugam Applicable' with a dropdown set to '? No'. At the bottom, there is a 'Show Statutory Details' dropdown set to '? No' and a 'Narration' field containing '3 Nos'. A dialog box is open in the bottom right corner with the text 'Accept?' and 'Yes or No'.

Name of Item	Quantity	Rate per	Amount
Gold Coins	3 Nos	10,000.00 Nos	30,000.00
^ End of List			

Is e-Sugam Applicable ? No

Show Statutory Details ? No

Narration: 3 Nos

Accept ?
Yes or No

7. Accept the Sales invoice.

reating a Debit Note

To create a Debit Note for Purchase Returns,

Go to **Gateway of Tally > Accounting Vouchers > Ctrl+F9: Debit Note**

1. Enter the reference number in the **Ref.** field.
2. Select the **Party's A/c Name** from the **List of Ledger Accounts**.
3. Select the **Purchase Ledger** and the appropriate **VAT /Tax Class** appears.
4. Select the stock item from the **List of Items** and enter the **Quantity** and **Rate**. The amount is automatically displayed in the **Amount** field.
5. Set **Is e-Sugam Applicable** to **Yes/No** as per requirement.

Accounting Voucher Creation ABC Company Ctrl + M

Debit Note No. 1 11-May-2012 Friday

Ref. : DN001

Party's A/c Name : Excel Traders
Current Balance : 2,79,000.00 Cr
Purchase Ledger : Purchase From URDs
VAT/Tax Class : Purchase From URDs - Taxable Goods (Composition)

Name of Item	Quantity	Rate per	Amount
Books	5 Nos	250.00 Nos	1,250.00
End of List			

Is e-Sugam Applicable ? No

Show Statutory Details ? No

Narration: 5 Nos

Accept ?
Yes or No

6. Accept the Debit Note.

Creating a Credit Note

To create a Credit Note for Sales Returns,

Go to **Gateway of Tally > Accounting Vouchers > Ctrl+F8: Credit Note**

1. Enter the reference number in the **Ref.** field.
2. Select the **Party's A/c Name** from the **List of Ledger Accounts**.
3. Select the **Sales Ledger** and the appropriate **VAT /Tax Class** appears.
4. Select the stock item from the **List of Items** and enter the **Quantity** and **Rate**. The amount is automatically displayed in the **Amount** field.
5. Set **Is e-Sugam Applicable** to **Yes/No** as applicable.

Accounting Voucher Creation ABC Company Ctrl + M

Credit Note No. 1 25-May-2012 Friday

Ref.: CN001 Used for: Goods Sold Returned

Party's A/c Name : Supreme Traders
Current Balance : 30,000.00 Dr
Sales Ledger : Sales Composition @ 1%
VAT/Tax Class : Sales - Composition Tax @ 1%

Name of Item	Quantity	Rate per	Amount
Gold Coins	1 Nos	10,000.00 Nos	10,000.00
End of List			

Is e-Sugam Applicable ? No

Show Statutory Details ? No

Narration: 1 Nos

Accept ?
Yes or No

6. Accept the credit note.

Creating a Payment Entry with Narration for each Entry

If you want the **narration details** for every ledger you debit or credit (Single narration), you can configure Tally.ERP's Narration details accordingly.

To activate the option **Narration for each entry**,

Go to **Gateway of Tally > Accounts Information > Voucher Types > Alter**

1. Select the required Voucher Type.
2. Enable the option **Narrations for each Entry** and accept the details.
3. Return to **Accounting Vouchers** in **Gateway of Tally** and select the voucher type and pass the entry.

Voucher Type Alteration		ABC Company	Ctrl + M
Name	: Payment		
(alias)	:		
General		Printing	Name of Class
Type of Voucher	: Payment	Print after saving Voucher	? No
Abbr.	: Pymt		
Method of Voucher Numbering	? Automatic		
Use Advance Configuration	? No		
Use EFFECTIVE Dates for Vouchers	? No		
Make 'Optional' as default	? No		
Use Common Narration	? Yes		
Narrations for each entry	? Yes		

Narration for each entry option is available for all Accounting Voucher Types. Given below is an example of a Payment transaction with narrations for each entry enabled:

Accounting Voucher Creation		ABC Company	Ctrl + M
Payment No. 1		1-Apr-2008 Tuesday	
Particulars	Debit	Credit	
By Conveyance Cur Bal: 500.00 Dr Narration : Conveyance Expenses paid to Employee A.	500.00		
By Postage Cur Bal: 500.00 Dr Narration : Courier charges for 1st April 2008	500.00		
To Cash - Location B Cur Bal: 24,000.00 Dr Narration : Cash paid from Location B Account		1,000.00	
Narration: Cash paid towards Conveyance and Postage Expenses.		1,000.00	1,000.00

Accept?
Yes or No

The above entry consists of both common narration and narrations for each entry. In case of multiple debit/credit entries, you can give single line narration separately for every ledger account selected.

Special Keys for Voucher Narration Field

- **ALT+R:** Recalls the Last narration saved for the first ledger in the voucher, irrespective of the voucher type.
- **CTRL+R:** Recalls the Last narration saved for a specific voucher type, irrespective of the ledger.

Creating a Journal Entry

Journal entries are usually used for finalization of accounts.

To pass a **Journal Voucher**,

Go to **Gateway of Tally > Accounting Vouchers**

- Click on **F7: Journal** on the Button Bar or press **F7**.

For example, there may be entries made for interest accrued or interest due. If you have to receive Interest from a party, the same can be entered using Journal Voucher.

1. Debit the **Party**
2. Credit the **Interest Receivable Account**

The Journal entry is displayed as shown:

Accounting Voucher Creation		ABC Company		Ctrl + M	
Journal No. 1				1-Apr-2008 Tuesday	
Particulars		Debit	Credit		
By Debtor A		1,000.00			
Cur Bal: 1,000.00 Dr					
New Ref 1		1,000.00 Dr			
To Interest Receivable			1,000.00		
Cur Bal: 1,000.00 Cr					
Narration:			1,000.00	1,000.00	
Interest receivable from Debtor A.					

Accept?
Yes or No

Special Keys for Voucher Narration Field:

- **ALT+R:** Recalls the Last narration saved for the first ledger in the voucher, irrespective of the voucher type.
- **CTRL+R:** Recalls the Last narration saved for a specific voucher type, irrespective of the ledger.

Allowing Cash Accounts in Journals



Journals are adjustment entries, which do not involve Cash account and Bank account. However in exceptional cases where the user would like to account Journal entries involving Cash/Bank Account, Tally.ERP 9 has the flexibility of passing such entries by enabling the option under F12 configuration.

To enable Cash Accounts in Journal voucher,

- Set **Allow Cash Accounts in Journals** to **Yes** in **F12: Configure (Voucher Entry Configuration)**.

<u>Voucher Entry Configuration</u>			
<u>Accounts</u>		<u>Inventory</u>	
Skip Date field in Create Mode (faster entry)	? Yes	Use Ref. Number in Stock Journal	? No
Use Single Entry mode for Pymt/Rcpt/Contra	? Yes	Warn on Negative Stock Balance	? Yes
Use Payment/Receipt as Contra	? No	Honor Expiry Dates usage for Batches	? Yes
Use Cr/Dr instead of To/By during entry	? Yes	Show Balances as on Voucher Date	? No
Warn on Negative Cash Balance	? Yes	Show Godown-wise Details	? Yes
Pre-Allocate Bills for Payment/Receipt	? No	Show Batch-wise Details	? Yes
Allow Cash Accounts in Journals	? Yes		
Allow Expenses/Fixed Assets in Purchase Vouchers	? No		
Allow Income Accounts in Sales Vouchers	? No		
Show Inventory Details	? Yes		
Show Cost Centre Details	? Yes		
Show Table of Bill Details for Selection	? Yes		
Show Bill-wise Details	? Yes		
Expand into multiple lines	? Yes		
Show Ledger Current Balances	? Yes		
Show Balances as on Voucher Date	? No		
Show Forex Gain/Loss as on Voucher Date	? No		

To pass a Journal voucher with Cash/Bank Ledger,

1. Go to **Gateway of Tally > Accounting Vouchers > Select F7: Journal**
2. Press the **spacebar** at the **Debit** or **Credit** field.

The **Journal Voucher Screen** with Cash/Bank Ledger selection will appear as shown :

Accounting Voucher Creation		ABC Company	Ctrl + M
Journal No. 1		List of Ledger Accounts	
Particulars		Advertising	
By Local Bank		Cash - Location A	
Cur Bal: 50,000.00 Dr		Cash - Location B	
Narration:		Computer	
		Conveyance	
		Courier Charges	
		Customer A	
		Debtor A	
		Debtor B	
		Debtor C	
		Interest Receivable	
		Labour Charges	
		LMN & Company	
		Local Bank	
		Local Duty	
		Local Purchase	
		Local Sales	
		Postage	
		PQR Debtors	
		Professional Income	
		Professional Services	
		Profit & Loss A/c	
		Purchase	
		Sales	
		Staff Welfare	
		Stationery	
		Supplier A	
		XYZ Couriers	

Note: All **Cash accounts** and **Bank accounts** are displayed in the List of Ledger Accounts. Accordingly the journal entry has to be made.

Special Keys for Voucher Narration Field

- **ALT+R:** Recalls the Last narration saved for the first ledger in the voucher, irrespective of the voucher type.
- **CTRL+R:** Recalls the Last narration saved for a specific voucher type, irrespective of the ledger.

Debit Note Entry

Debit Note is a document issued to a party stating that you are debiting their Account in your Books of Accounts for the stated reason or vice versa. It is commonly used in case of Purchase Returns, Escalation/De-escalation in price, any other expenses incurred by you on behalf of the party etc.

Debit Note can be entered in voucher or Invoice mode.

You need to enable the feature in **F11: Accounting or Inventory features**.

- To use it in **Voucher mode** you need to enable the feature in **F11 :Accounting Features - Use Debit / Credit Notes**.
- To make the entry in **Invoice mode** enable the option **F11: Accounting Features - Use invoice mode for Debit Notes**.

To go to **Debit Note Entry** Screen,

Go to **Gateway of Tally > Accounting Vouchers**

- Click on **Ctrl+F9: Debit Note** on the Button Bar or press **Ctrl+F9**.

You can toggle between voucher and Invoice mode by clicking **Ctrl+V**.

Pass an entry for the goods purchased returned to Supplier A:

Accounting Voucher Creation ABC Company Ctrl + M

Debit Note No. 1 5-Apr-2008
Ref: Saturday

Party's A/c Name : Supplier A
Current Balance :

Name of Item	Quantity	Rate per	Amount
Item A	50 nos	10.00 nos	500.00
J End of List			

Narration:
Good Purchased returned to Supplier A

50 nos

Accept?
Yes or No

Special Keys for Voucher Narration Field:

- **ALT+R:** Recalls the Last narration saved for the first ledger in the voucher, irrespective of the voucher type.
- **CTRL+R:** Recalls the Last narration saved for a specific voucher type, irrespective of the ledger.

Credit Note Entry



Credit Note is a document issued to a party stating that you are crediting their Account in your Books of Accounts for the stated reason or vice versa. It is commonly used in case of Sales Returns, Escalation/De-escalation in price etc.

A Credit Note can be entered in voucher or Invoice mode.

You need to enable the feature in **F11: Accounting or Inventory features**.

- To use it in **Voucher mode** you need to enable the feature in **F11 :Accounting Features - Use Debit / Credit Notes**.
- To make the entry in **Invoice mode** enable the option **F11: Accounting Features - Use invoice mode for Debit Notes**.

To go to **Credit Note Entry** Screen:

Go to **Gateway of Tally > Accounting Vouchers**

1. Click on **Ctrl+F8: Credit Note** on the Button Bar or press **Ctrl+F8**.

You can toggle between voucher and Invoice mode by clicking **Ctrl+V**.

Pass an entry for goods sold returned from Customer A:

Accounting Voucher Creation		ABC Company		Ctrl + M
Credit Note	No. 1			10-Apr-2008 Thursday
Ref:				
Party's A/c Name :	Customer A			
Current Balance :	9,800.00 Dr			
Name of Item	Quantity	Rate per	Amount	
Item A	25 nos	25.00 nos	625.00	
↓ End of List				
Narration: Goods sold to Customer A returned.				25 nos
				Accept ? Yes or No

Special Keys for Voucher Narration Field:

- **ALT+R:** Recalls the Last narration saved for the first ledger in the voucher, irrespective of the voucher type.
- **CTRL+R:** Recalls the Last narration saved for a specific voucher type, irrespective of the ledger.