

What is Tally? Definition of Tally ERP 9 Software

What is Tally? understand about Tally.ERP 9, its features, versions and its advantages and disadvantages.

What is Tally

Tally is an **ERP** accounting software package used for recording day to day business data of a company. The latest version of Tally is Tally ERP 9.

Tally ERP 9 Software is one acclaimed financial accounting system and inventory management system with power computer.

Tally.ERP 9 is one best accounting software that can integrated with other business applications such as Sales, finance, Purchasing, Payroll, Inventory, etc.

Tally software stores all the business transactions of each account in detail. Tally ERP 9 follows **double entry accounting system** and hence eliminates and rectifies possible errors.

Features of Tally

1. Tally ERP 9 supports multi languages, so it is called as multi-lingual tally software. Accounts can be maintained in one language and reports can be viewed in another language.
2. You can create and maintain accounts up to 99,999 companies.
3. Using payroll feature, you can automate employee records management.
4. Tally has feature of synchronization, the transactions maintained in multiple locations offices can be automatically updated.
5. Generate consolidated financial statements as per requirements of company.
6. Managing single and multiple groups are very important features of tally.

Versions of Tally

1. The first version of Tally was **Tally 4.5** and it was released in 1990's. It is a MS-Dos based software.
2. The second version of Tally was **Tally 5.4** and it was released in 1996. It was a graphic interface version.
3. The next version of Tally was **Tally 6.3** and this Tally version was released in 2001. It is a window based version and supports in printing and implemented with VAT (Value Added Tax).
4. The next version of Tally was **Tally 7.2** and it was released in 2005. This version was added with a new features of Statutory complimentary version and VAT rules as per state wise.

5. The next version of Tally was **Tally 8.1** and it was developed with a new data structure. This version was added with new features of POS (Point Of Sale) and Payroll.
6. Due to bugs and errors, a new version of **Tally 9** was released in 2006. It has maximum features like Payroll, TDS, FBT, E-TDS filling, etc.
7. **Tally.ERP 9** is the latest version of Tally and released in 2009. This latest Tally ERP 9 package offering maximum features for small business industries to large business industries. It also updated with new features of GST (Goods & Services Tax).

Advantages of Tally ERP 9

1. Tally ERP 9 software is a low cost of ownership and it can be easily implement and customize.
2. Supports multi operating systems such as Windows & Linux and can be installed on multiple systems.
3. Tally software utilizes very low space for installation and the installation of tally is an easy method.
4. It is built in back up and restore, so the user can easily backup all companies data in a single directory, in a local system disk.
5. Supports all types of protocols such as HTTP, HTTPS, FTP, SMTP, ODBC, etc.
6. Supports multi languages including 9 Indian language. The data can be entered in one language and you can generate invoices, Po's, delivery notes, etc in other language.

Introduction to company creation

Tally.ERP 9 has outgrown from the concept of just accounting software to managing statutory compliance by updating statutory files available at Tally solution website. Today one can operate Tally remotely using Tally.net features, process payroll and many more features are updating regularly by Tally solutions. The most recent improvement is GST) with compatibility from version Tally.ERP 9 release 6.

How to create a company in Tally.ERP 9?

To create a company in Tally.ERP 9,

Steps	Actions	Instructions to be followed
Step 1	To open Tally Software	Double click on tally icon from your desktop.
Step 2	To go to Create Company Screen	To do this Select Create company from the Company

		Info. Menu using up and down arrow key and press Enter Key.
Step 3	To fill up the Details in Company Creation Screen	In this company creation screen, you should enter all the details of the company that you been asked for.

Details to be filled in company creation screen

Directory

It is nothing but the data storage location. The tally directory will store all data you entered in Tally ERP 9. Anyway, by default, the data storage will be inside the installation folder.

Name

In this field, we are required to type the name of the company, for example. XYZ INC.

Primary mailing details

- **Mailing name**

In this field, we are required to type the name of the company, for example. XYZ INC.

- **Address**

In this data field, we are required to enter the address of the company.

- **Country**

Here we are required to select the country from the list in which the business Operates.

- **State**

In this data field, we have to select the state in which we would comply with statutory laws

- **Pincode**

Pincode of the location where the office exists.

Contact details

- **Phone no**

Enter the Company contact number which we would like to display on Invoices

- **Mobile no**

Enter the Contact number of Managing Person to whom any queries related to Invoicing or Delivery of product, complaint in the product could be reached to

- **Fax No**

Enter the Fax number to which any confirmation statements, ledger copies etc., could be sent and received

- **E-mail**

Enter the company's email address to which any product inquiry and other communications could be made.

- **Website**

Enter the company's web address if any

Books and financial year details

- **Financial year begins from**

In this data field, you have to type the financial year in which you want to create a company. Suppose you may be starting company on December 01 2018, you should enter the financial year from as 01.04.2018.

- **Book beginning from**

In this data field, you have to type the financial year in which you want to create a company. Suppose you may be starting company on December 01 2018, you should enter the financial year from as 01.04.2018.

- Starting in the middle of the financial year.
- Companies which are migrating from Manual Accounting to Tally ERP 9 in the middle of the financial year.

Security control

- **Tally Vault password (if any)**

This data field is for security purpose. By enabling this field, Tally ERP 9 Convert tally data into an encrypted format. To encrypt means convert data from recognised format to unrecognised format.

By entering the Tally Vault password we can prevent unauthorized access of company data. Now in Latest Tally ERP 9, There is a password strength indicator, which will help you to set a strong password. Red colour indicates a weak password whereas peach-orange colour: fair, Yellow is good and Green colour indicates a strong password.

CAUTION: FORGETTING TALLY VAULT PASSWORD WILL RENDER THE DATA INACCESSIBLE

Use security control?

Enabling this data field, we will get complete control over the data, we can assign users for specific purposes, for example :

- We can assign data entry operators who can access only voucher entry screens.
- We can assign billing clerks who can access only Sales invoice voucher
- We can assign Financial managers who can access financial data's and reports as the administrator control his access.

In this data field, we will be asked the administrator name and password.

Base currency information

• Base currency symbol

In this data field, the currency symbol of the country is auto selected based on the country of origin fed by you in the previous data field. There is no need to change this data field if you are using the same currency for accounting.

• Formal name

This is the formal name of the currency selected in the previous field

• Suffix symbol to amount?

This data field will ask you whether currency symbol is required for example: prior to amount like \$ 4,500

• Add space between amount and symbol?

This data field is like \$ 4,500 space in between currency symbol and amount.

• Show amount in millions?

If we set this data field to Yes, Tally will display the amount in millions that are in the Balance sheet or other reports. Amount for example 100,00,000 will be shown as 10. [One million equals 10,00,000].

- **Number of decimal places**

It is a general practice to use 2 decimal places, for example :

- for using Paisa in Indian currency we use 2 decimal place.
- for using cents in American dollar currency we use 2 decimal places

- **Word representing amount after decimal**

This data field is used in printing, in Indian currency decimal portion is said to be Paisa. Set this field as per your formal name of decimal value in your currency. For USD it is cents. Hundred cents make one dollar.

- **Number of decimal places for amount in words**

If we set this data field to 1 decimal places in Indian currency, then while printing 75 Paisa. Will print as seventy Paisa, if we set this to 2 decimal places, then it will print second fraction like seventy-five Paisa.

To save the details entered in company creation screen

If you have entered all the details and after verifying it seems to be right, then you have to accept the screen by pressing Enter and again Enter to accept and save the details.

Note: If we have enabled the Tally Vault password, then in the next screen it will ask the Name of the user and Password details. After entering these details, Tally ERP 9 will create a company and direct you to the Menu Gateway of Tally Where you can create masters and enter transactions.

Accounting Vouchers in Tally.ERP 9

- **Sales Voucher in Tally**

The Sales Voucher is most widely used by the users of TallyErp-9, it is a type of accounting voucher. Depending on the nature of your business, it can be created in the Invoice mode or Voucher mode. In the Invoice mode, you can print and provide a copy of the invoice to your customers. The Voucher mode can be used when you want to basically record transactions for statutory purpose only, and when you don't necessarily have the need to print and share the information with your customer. Tally.ERP 9 gives you the flexibility to address different needs.

- **Purchase Voucher in Tally**

The Purchase Voucher too can be recorded either in the Voucher or Invoice mode based on the nature of business operations. It comes under accounting vouchers in Tally.ERP 9.

Suppose you change your mind and decide to change the mode when entering details of a purchase transaction? What if you have entered all the details and decide to change the mode in the last second? Tally ERP 9 helps you to convert a voucher into an invoice, or vice versa, without expecting you to re-enter the details. It auto adjusts to your preference. Just use the Toggle button.

You can add more details by enabling options. Press F12 to do so.

- **Payment Voucher in Tally**

The Payment Voucher in Tally.ERP 9 lets you provide all types of details when creating it. While making payment to a party you can provide details such as the instrument number, and even print the cheque. As soon as you pass a Payment Voucher, you can print the corresponding cheque. To see the list of cheques which need to be printed, go to Banking and click on Cheque Printing.

Tally.ERP 9 supports over 500 banks from both India and abroad. After making the payment, you can generate a Payment Advice in Tally.ERP 9 and share it with your supplier as it will update him with the details of all your payments.

- **Receipt Voucher in Tally**

When you create a Receipt Voucher, Tally.ERP 9 prompts you to take a look at all the pending invoices for which payments are yet to be received. As and when your customer makes a payment, you can record detail such as against which invoice the payment is made; whether you received the payment by cash, cheque or via NEFT/RTGS; and what the instrument numbers are. You can even email this information to your customer. This way, you will never lose track of the payments.

- **Contra Voucher**

Contra Vouchers are generally used by businesses to withdraw cash from banks or to deposit cash in banks. With

- **Journal Voucher**

The Journal Voucher is used by businesses for multiple purposes, based on their business types. Some accountants use them for purchases and sales as well. Both accounting and inventory Journal Vouchers are available in Tally.ERP 9. The Inventory Journal Vouchers can be used to adjust inventory or for movement of inventory from one go down to another.

- **Credit Note Voucher in Tally**

The Credit Note Voucher is used generally for a sales return. By default, the Credit Note is not enabled in Tally.ERP 9

- **Debit Note Voucher in Tally**

A Debit Note is used for purchase returns. With Tally.ERP 9, a user can either pass a Debit Note as a voucher or as an invoice where the inventory values also get affected. The Debit Note Voucher can be enabled by pressing F11 and configuring the Features. You can provide details of the original invoice numbers as well.

How to Create Group in Tally and How to Alter & Display

In this Tally Tutorial, we shall learn how to create group in Tally ERP 9 and how to alter and display created groups.

If you are creating groups in Tally for the first time, it is recommended to enable

- Provide advanced information in masters
- Allow advanced entries in masters

Path: Gate way of Tally → F12: Configure → Accts / Inventory Info → Accounts

How to create Group in Tally

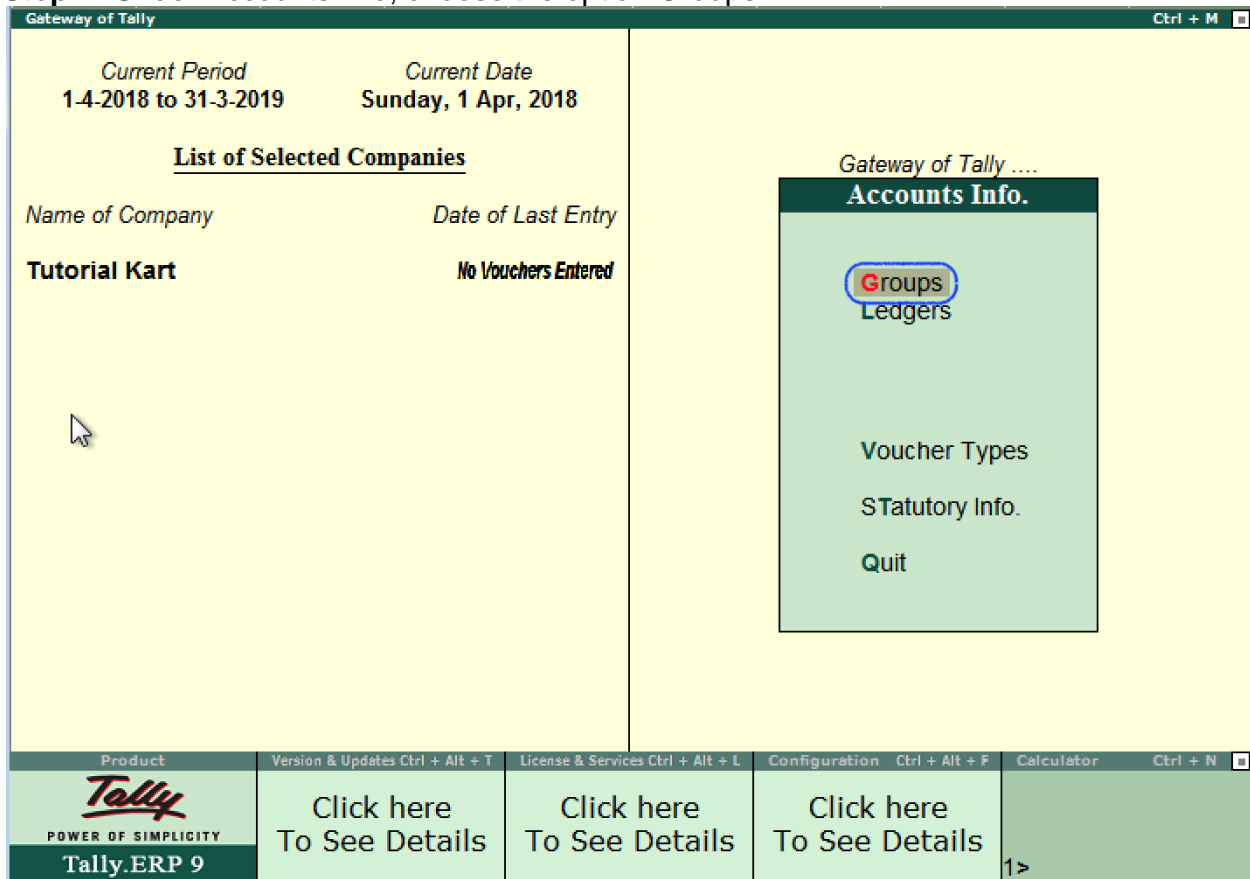
Maintain the following Sundry Debtors Ledgers Accounts in Tally.ERP 9

- **Main Groups:** South India Debtors Group and North India Debtors Group under Sundry Debtors
- **Sub-Groups:** Bangalore debtors, Vijayawada debtors and Hyderabad Debtors under South India Debtors
- ABC limited & Tech solutions grouped under North India Debtors.

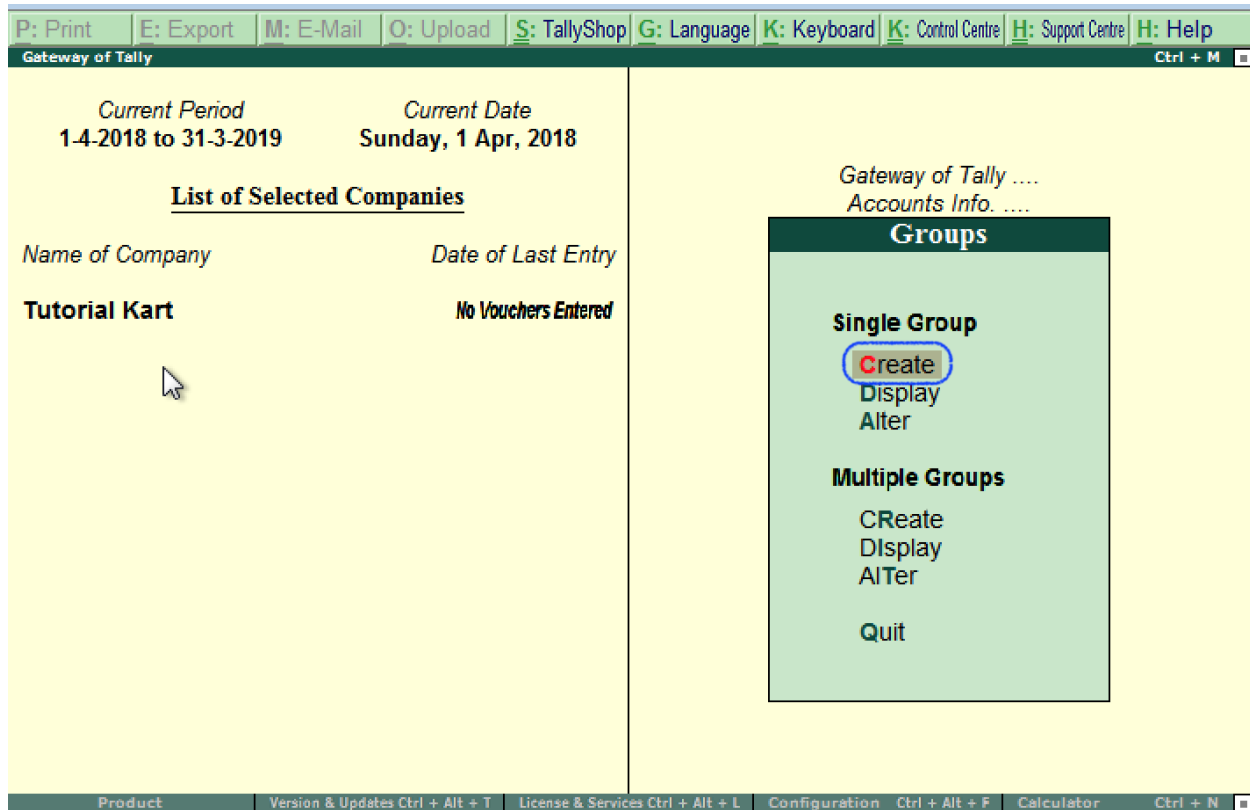
Step 1: Go to Gateway of Tally and click on accounts Info

The screenshot displays the Tally ERP 9 Gateway of Tally interface. The window title is "Tally.ERP 9:9000" and the URL is "www.tutorialkart.com". The top menu bar includes "P: Print", "E: Export", "M: E-Mail", "O: Upload", "S: TallyShop", "G: Language", "K: Keyboard", "K: Control Centre", "H: Support Centre", and "H: Help". The main area is divided into two panes. The left pane shows "Current Period: 1-4-2018 to 31-3-2019", "Current Date: Sunday, 1 Apr, 2018", and a "List of Selected Companies" table with one entry: "Tutorial Kart" with "No Vouchers Entered". The right pane is titled "Gateway of Tally" and contains a tree view with categories: "Masters" (Accounts Info., Inventory Info.), "Transactions" (Accounting Vouchers, Inventory Vouchers, Order Vouchers), "Utilities" (Import Data, Banking), "Reports" (Balance Sheet, Profit & Loss A/c, Stock Summary, Ratio Analysis), "Display", and "Quit". A vertical toolbar on the right side lists function keys: F1: Select Cmp, F1: Shut Cmp, F2: Date, F2: Period, F3: Company, F3: Cmp Info, F4: Connect, F4: Disconnect, O: Synchronise, Y: Sync Selected, F11: Features, and F12: Configure. The bottom status bar includes "Product: Tally ERP 9", "Version & Updates Ctrl + Alt + T", "License & Services Ctrl + Alt + L", "Configuration Ctrl + Alt + F", and "Calculator Ctrl + N". There are three "Click here To See Details" buttons and a right arrow icon.

Step 2: Under Accounts info, choose the option Groups.



Step 3: Under Single Group menu, choose the option create to create single group in Tally ERP 9



Step 4: On Group creation screen, update the following details.

- **Name:** Enter the name of group and press enter to continue
- **Under:** Choose the group name from list of groups as Sundry debtors (You can move to group name pressing upper or lower key).

After entering the required details, press enter or Ctrl+A / A:Accept to save the details.

Note: After creation of new group in Tally, created group displays under the list of groups.

Also create other groups using above procedure

- South-India-debtors under Sundry Debtors
- Bangalore debtors, Vijayawada debtors and Hyderabad Debtors under South India Debtors
- ABC limited and Tech Solutions under Bangalore Debtors.

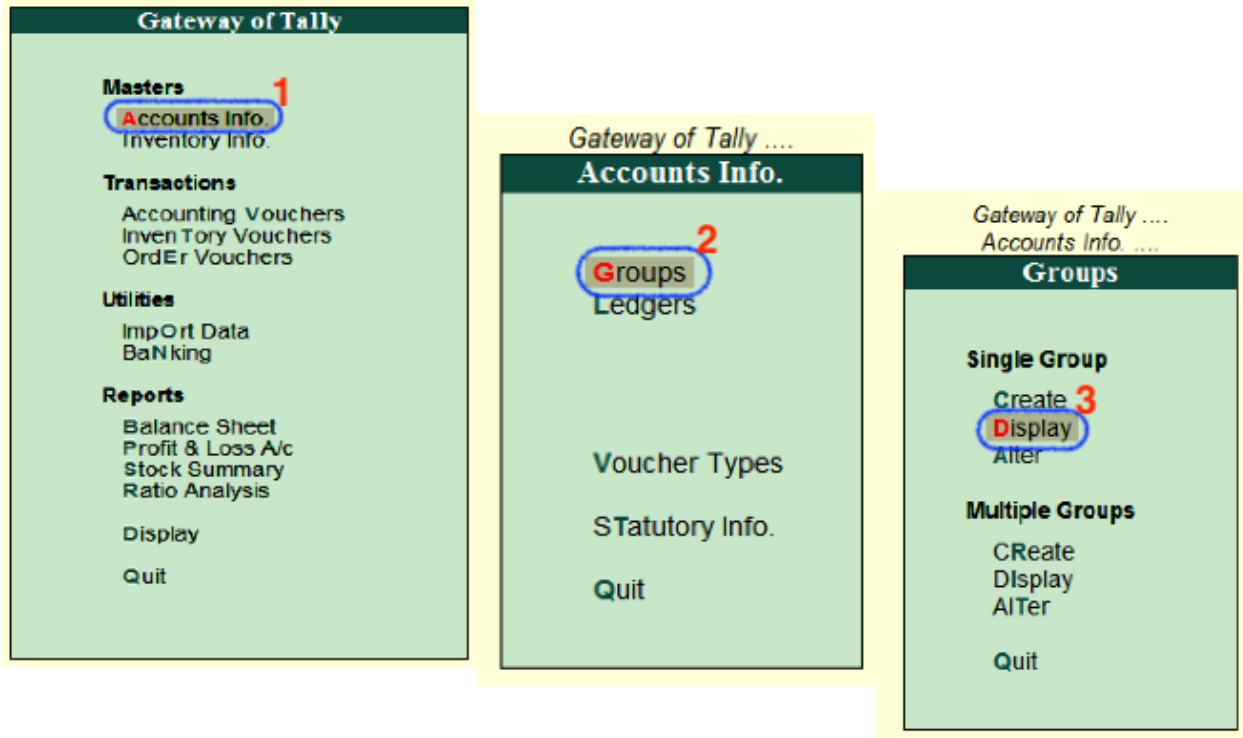
How to Display a Group in Tally

After groups are created in Tally ERP 9, you can display all the created groups with details. However in display mode, users are not allowed to edit/ alter the data.

Step 1: Path: Gateway of Tally > Accounts Info > Groups.

Step 2: Click on the option display under single group to displays groups in Tally.

▪



Step 3: Under list of groups names, choose the required group name and click on that particular group to display on the screen.



Now the ledger (Bangalore Debtors) display on the screen as

Name : **Bangalore Debtors**

Under : **South India Debtors**
(Sundry Debtors)

Group behaves like a sub-ledger	? No
Nett Debit/Credit Balances for Reporting	? No
Used for calculation (for example: taxes, discounts) (for sales invoice entries)	? No
Method to allocate when used in purchase invoice	? ^J Not Applicable

Q: Quit

A: Accept

D: Delete

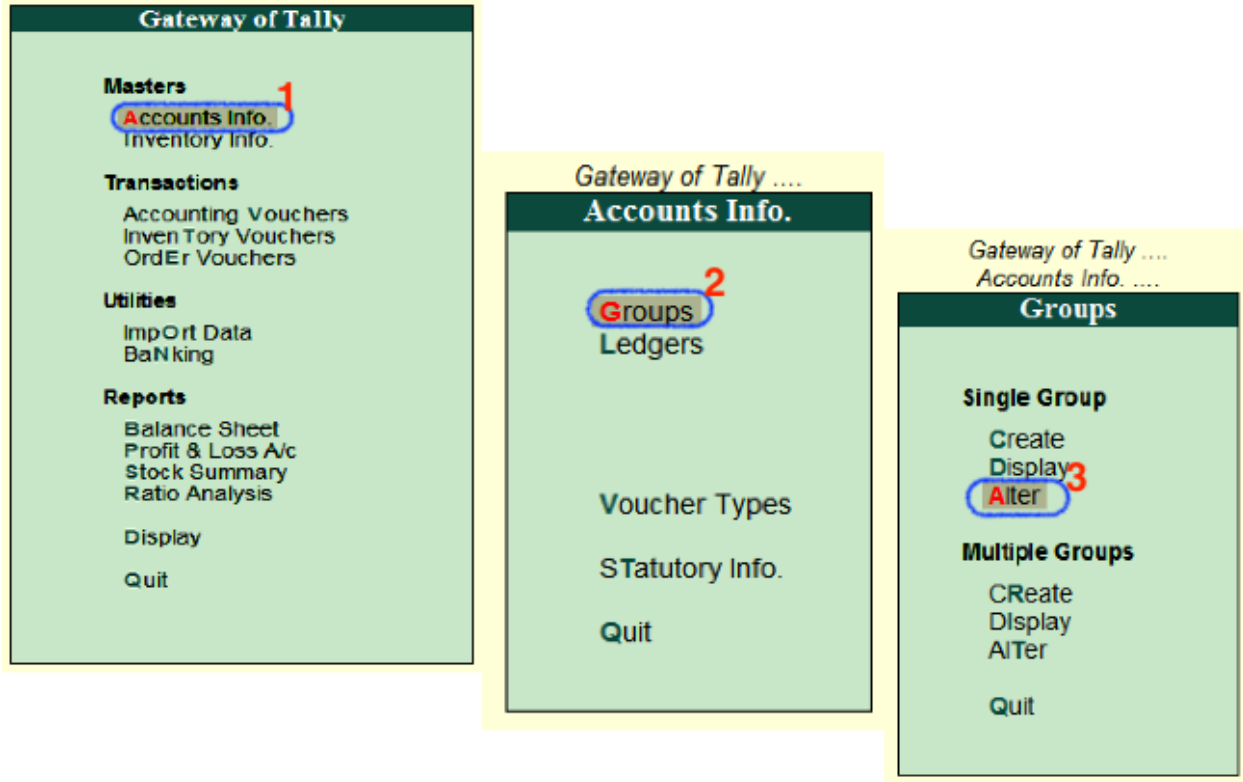
Click on Q: Quit to close the screen.

How to Alter Group in Tally ERP 9

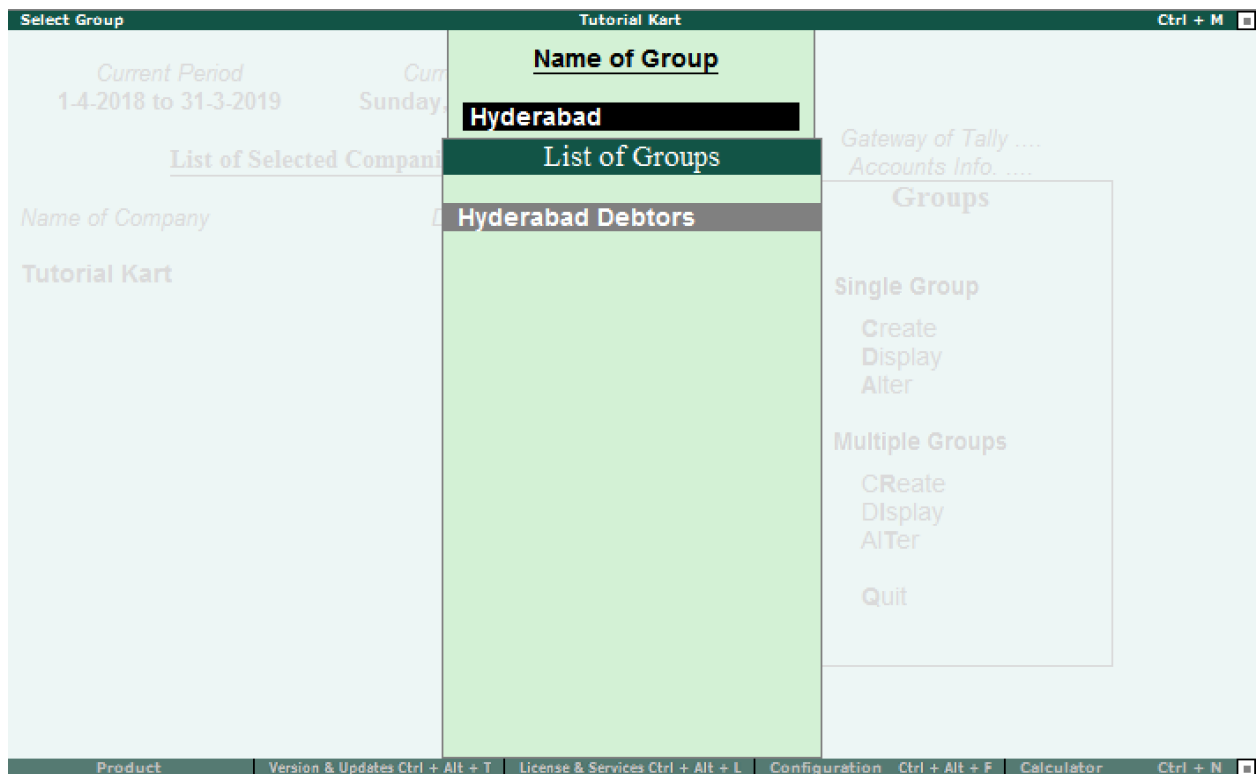
After groups are created in Tally.ERP 9 application, the details can be alter as per the requirements. To modify/ alter group in tally, refer below steps:

Step 1: Goto Gateway of Tally -> Accounts Info -> Groups.

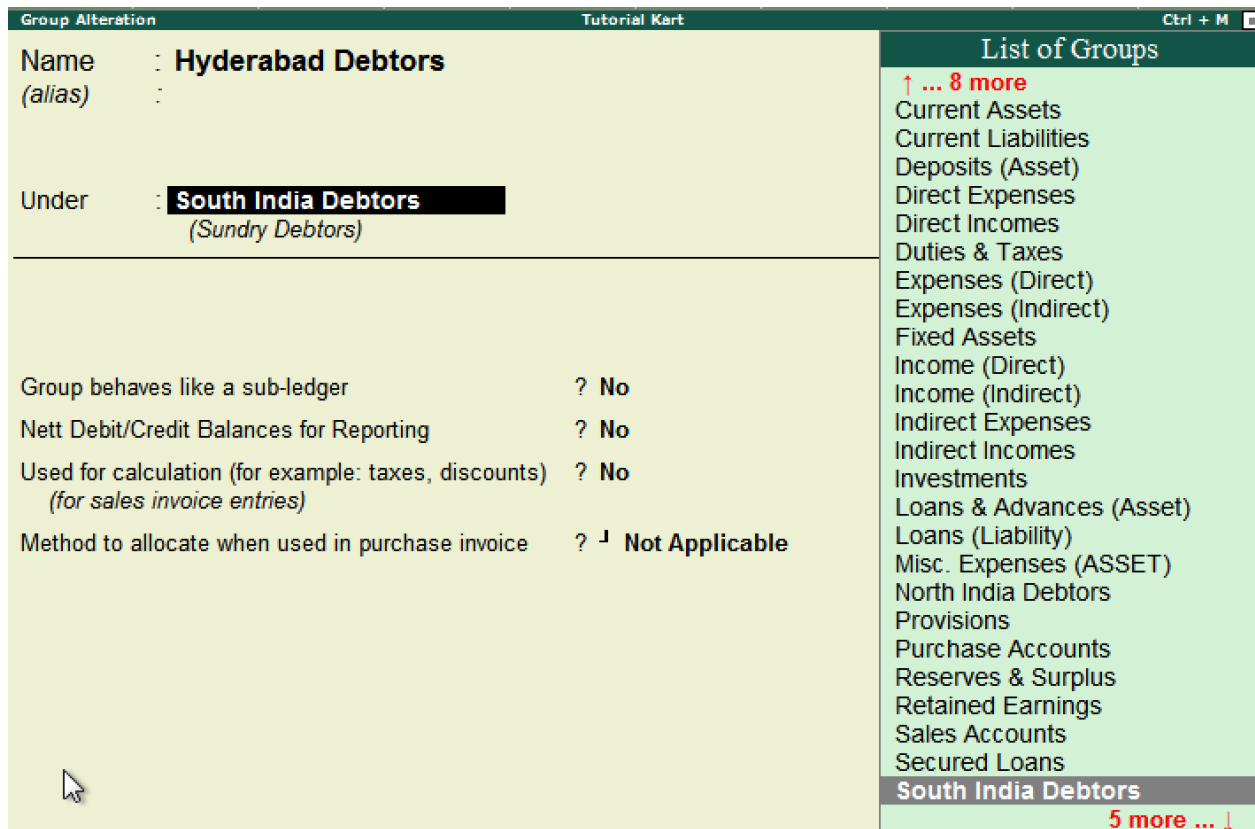
Step 2: Under single group, click on alter option.



Step 3: You can search the group from the given search field and click on that group name to modify the details.



Step 4: On Group Alteration screen, update the required details and click A: Accept to save the details.



Now learn how to create ledgers for ABC limited and Tech Solutions under Bangalore Debtors.

How to Create Single Ledger in Tally

Create Single Ledger in Tally.ERP 9

In this Tally tutorial, we shall learn how to create single ledger in [Tally](#) step by step.

Note: In this lesson, we are going to create ledger Axis Bank Account under Bank Account.

The date that required for ledger depends upon the features opted by us. If the settings of accounting features (F11) of company were “NO” for all options, than the ledger screen provides with minimal information.

Tally.ERP 9 automatically creates two ledger accounts i.e. Cash in Hand and Profit & Loss Account. We can create the ledger accounts as per requirements of an organization. We

can not create another profit & loss account in tally, and we can create any number of cash accounts with different names (Petty Cash).

How to create ledger account in Tally ERP 9

Path: Gateway of Tally → Accounts Info → Ledgers → Single Ledger → Choose Create

Step 1: From Gateway of Tally Screen, click on accounts info

Gateway of Tally

Masters

Accounts Info.

Inventory Info.

Transactions

Accounting Vouchers

Inventory Vouchers

Order Vouchers

Utilities

Import Data

Banking

Reports

Balance Sheet

Profit & Loss A/c

Stock Summary

Ratio Analysis

Display

Quit

step 2: In the next screen, choose "Ledger

Gateway of Tally

Accounts Info.

Groups

Ledgers

Voucher Types

STatutory Info.

Quit

Step 3: In the next ledger screen, choose the option **create** under single ledger

Gateway of Tally
Accounts Info.

Ledgers

Single Ledger

Create

Display

Alter

Multiple Ledgers

CReate

Display

AlTer

Quit

Step 4: On ledger creation screen, update the following details

- **Name:** Enter the name of ledger account, and the name should be unique.
- **Under:** Choose the group name from list of group, that pertains to ledger account.

P: Print		E: Export		M: E-Mail		O: Upload		S: TallyShop		G: Language		K: Keyboard		K: Control Centre		H: Support Centre		H: Help	
Ledger Creation										Tutorial Kart					Ctrl + M				
Name : Axis Bank Account (alias) : Axis															Total Opening Balance 2,00,000.00 Dr <hr/> Difference 2,00,000.00 Dr				
Under : Bank OD A/c (Loans (Liability)) Set OD limit : Bank Account Details A/c holder's name : Tutorial Kart A/c no. : 90110059798488 IFS code : UTIB0000069 Bank name : J Not Applicable Branch : Vijayawada BSR code :										Mailing Details Name Address : Axis Bank Account Country : India State : Andhra Pradesh Pincode : Contact person : Adarsh Kumar Phone no. Mobile no. Fax no. E-mail CC to (if any) Website GSTIN/UIN :									
Bank Configuration Set cheque books ? No Set cheque printing configuration? No										Tax Registration Details Set/alter service tax details ? No									
Opening Balance (on 1-Apr-2018) : 2,00,000.00 Dr															Accept ? Yes or No				
Quit																			
Q: Quit		A: Accept		D: Delete															
Ctrl + N																			

After maintaining all the required details, choose Yes option under Accept to save the configured details in Tally.ERP 9.

Ledger Alteration		Tutorial Kart		Ctrl + M	
Name : Axis Bank Account (alias) : Axis			Total Opening Balance 2,00,000.00 Dr <hr/> Difference 2,00,000.00 Dr		
Under : Bank OD A/c (Loans (Liability)) Set OD limit : Bank Account Details A/c holder's name : Tutorial Kart A/c no. : 90110055798488 IFS code : UTIB0000069 Bank name : Not Applicable Branch : Vijayawada BSR code : Bank Configuration Set cheque books ? Yes Set cheque printing configuration? No			Mailing Details Name : Axis Bank Account Address : Country : India State : Andhra Pradesh Pincode : Contact person : Adarsh Kumar Phone no. : Mobile no. : Fax no. : E-mail : CC to (if any) : Website : GSTIN/UIN : Tax Registration Details Set/alter service tax details ? No		
Opening Balance (on 1-Apr-2018) : 2,00,000.00 Dr			<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Accept ? Yes or No </div>		
<div style="border: 1px solid gray; padding: 10px; display: inline-block; margin: 10px auto;"> Quit </div>					
Q: Quit A: Accept D: Delete					
Ctrl + N					