A Practical Hands-on Self-Study Approach Tally.ERP 9 Book

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Forward

This book is self-supporting and are written in easy to follow language and have been blended with large number of examples. The material is provided in a pleasing-to-eye format so as to retain and enhance the interest of the learners. We are sure the learners would find these texts by useful.

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For

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Sanjay Satpathy
(Author)
Instruction:

All are requested to attempt all Practical Assignment given after every Chapter with the help of your own Tally.ERP9 Software, otherwise you will not able to display your Reports and Statements. After going through all the Chapters, you can maintain 100% independently of your Books of Accounts with Inventory with the help of your own Tally.ERP9 Software.

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Author:
Sanjay Satpathy
SWAYAM EDUCATION
Mandal Bagicha, Hemkapada, Sunhat, Balasore,Odisha-756003 (INDIA)
eMail ID : tallyerp9bookorder@gmail.com
Web : www.tallyerp9book.com
Mob - 9437264738

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# Tally.ERP 9

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CHAPTER-1

COMPANY CREATION

Swayam Sales is one Departmental Store in Balasore, Odisha, with GSTN No - 21AGHPB2764P1ZD deals with both Whole selling & Trading of different types of Products like ... Electronics, Electrical Home Appliance, Mobiles etc. etc. with the following information’s and will maintain his Books of Accounts with the help of Tally.ERP9 Accounting Software with effect from 01-04-2020.

Swayam Sales
Balasore, Odisha - 756001
GSTN - 21AGHPB2764P1ZD
Mob - 9437264738
Website : www.tallyerp9help.com

1.1. Company Creation:

You can create a Company profile by using the following procedure:

1. Gateway of Tally.ERP 9 → Create Company (from opening screen)
2. Gateway of Tally.ERP 9 → Alter (Alt+F3) → Create Company

It provides the following screen:

![Company Creation Screen]

Finally, confirm company creation by pressing the ENTER key/ “Y” key to accept all declaration for the Company. (Now you will be able to work with the Current Company)

Books and Financial Year Details:

![Books and Financial Year Details]

Financial year begins from : 1.4.2020
Books beginning from : 1.5.2020
• **Financial year begins from**: Tally.ERP 9 pre-fills this field based on the date settings of your computer and the **Country** selected in the **Company Creation** screen.

For example, if your computer date is set to 06-06-2020 and the region is set to India, the financial year is pre-filled as 01-04-2020.

• **Books beginning from**: By default, Tally.ERP 9 fills this field with the **Financial year begins from** date. You can update this, as needed.

For example, you started to maintain your Books of Accounts in Tally.ERP9 from 1-June-2020. You can update the **Books beginning from** date to 1-June-2020, while the financial year will be 1-Apr-2020.

• **Security Control**: This is optional. You can enable security features such as TallyVault and User controls for your company anytime later.

  ![Security Control](image)

  a) **TallyVault**: If you don’t want to display your company name in Tally.ERP 9 while selecting the company, you can specify a TallyVault password for your company. You can access this company only if you know this password.

  b) **User Access**: You can allow authorised user access to your company by setting up a username and password for the company. Which means, next time you select the company, you will need to provide this username and password to open the company data. For different users, you can set up different user credentials for controlled access of your company.

### 1.2. Opening (Loading) the Company in Tally.ERP9:

Once you have created a company, you can load/open the company in one of the following ways:

**Select the company**

- Open Tally.ERP 9 > **Select Company** > and select the company from the **List of Companies**.

**Configure Tally.ERP 9**:

If you wish Tally.ERP 9 to load the company whenever you open Tally.ERP 9

1. **Gateway of Tally** > F12 (Configure) > **Data Configuration**.
2. **Set Load companies on start-up** to **Yes**.
3. **Select companies to preload on start-up**: You can select one or more companies to get loaded based on your choice, when you open Tally.ERP 9 next time onwards.

The first Screen is called **Gateway of Tally.ERP 9**.

**Gateway of Tally** is the screen that appears on selecting a company. The Gateway of Tally menu differs based on the type of company selected. An **Accounts Only** Company has a different **Gateway of Tally** menu from that of an **Accounts-with-inventory** Company.
The **Gateway of Tally** menu of a company appears as shown below:

<table>
<thead>
<tr>
<th>Gateway of Tally (Accounts-Only)</th>
<th>Gateway of Tally (Accts with Inventory)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gateway of Tally</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Masters</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts Info</td>
<td></td>
</tr>
<tr>
<td><strong>Transactions</strong></td>
<td></td>
</tr>
<tr>
<td>Accounting Vouchers</td>
<td></td>
</tr>
<tr>
<td><strong>Utilities</strong></td>
<td></td>
</tr>
<tr>
<td>Import Data</td>
<td></td>
</tr>
<tr>
<td>Banking</td>
<td></td>
</tr>
<tr>
<td><strong>Reports</strong></td>
<td></td>
</tr>
<tr>
<td>Balance Sheet</td>
<td></td>
</tr>
<tr>
<td>Profit &amp; Loss A/c</td>
<td></td>
</tr>
<tr>
<td>Ratio Analysis</td>
<td></td>
</tr>
<tr>
<td>Display</td>
<td></td>
</tr>
<tr>
<td>Quit</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Main Area (Ctrl+M)**

The Main Area is separated into the following two areas:

- >> Left-hand side area
- >> Right-hand side area

The left-hand side area in the Main Area provides information of **Current Period**, **Current Date** and **List of Selected Companies** and **Date of Last Entry**.

In the right-hand side, you get more detail information on the Company. The Company information menu consists of the following:

1. List of activated Company (Company already created)
2. Masters (for defining Ledger, Group, Sub-group, Inventory)
3. Utilities like Import or Export of Data and Banking features
4. Transactions/Voucher Entry (Recording Transactions)
5. Reports (Viewing the Balance Sheet, P&L and other Reports)
1.3. Modification | Update | Alter Company Details | Delete Company

If your company address, phone number, or any other contact information was not provided earlier or has changed, you can update such details in Tally.ERP 9. Any changes made to these details will be reflected accordingly in your reports and printed invoices.

1. **Gateway of Tally** > press **Alt + F3 (Cmp Info)** > **Alter**.
2. In the **Company Alteration** screen, make the necessary changes.
3. Accept the changes. As always, press **Ctrl + A** to save.

If you do not need the company anymore, you can delete the company as well by pressing Alt+D in Company Alternation mode screen.
CHAPTER-2

GST SETUP USING TALLY.ERP9

2.1. Activate GST for Your Company

To use Tally.ERP 9 for GST compliance, you need to activate the GST feature. Once activated, GST-related features are available in ledgers, stock items, and transactions, and GST returns can be generated.

GST Registrations are of two types...

1. **GST Regular Scheme (for Regular Dealer)**

   The **GST regular scheme** is for the general taxpayers whose turnover is above the threshold limit.

   Under the GST regular scheme, all individuals with turnover above 40 lacs are required to take **GST Registration**. They are required to pay GST on goods & services as per the applicable rates and do regular GST return filing.

2. **GST Composition Scheme (for Composite Dealer)**

   The composition scheme is meant for small businesses whose **turnover of taxable goods** not more than ₹1.5 crores, where GST **has to be borne by the seller** @1% of such turnover by traders, @2% by manufacturers, 5% for Restaurants & 6% for Service Providers.

   A Composition Dealer has to issue **Bill of Supply**. They **cannot issue a Tax Invoice**. This is because the tax has to be **paid by the dealer out of pocket**. A Composition Dealer is not allowed to recover the GST from the customers.

2.1.1. Activate GST for Regular Dealers

To use Tally.ERP 9 for GST compliance, you need to activate the GST feature. Once activated, GST-related features are available in ledgers, stock items, and transactions, and GST returns can be generated.

1. Open the company for which you need to activate GST.
2. Press **F11: Features > F3: Statutory & Taxation**.

   ![Company: Swayam Sales](image)

<table>
<thead>
<tr>
<th>Statutory and Taxation</th>
<th>Company: Swayam Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enable Goods and Services Tax (GST)</td>
<td>? Yes</td>
</tr>
<tr>
<td>Set/alter GST details</td>
<td>? Yes</td>
</tr>
<tr>
<td>Enable Value Added Tax (VAT)</td>
<td>? No</td>
</tr>
<tr>
<td>Set/alter VAT details</td>
<td>? No</td>
</tr>
<tr>
<td>Enable excise</td>
<td>? No</td>
</tr>
<tr>
<td>Set/alter excise details</td>
<td>? No</td>
</tr>
<tr>
<td>Enable service tax</td>
<td>? No</td>
</tr>
<tr>
<td>Set/alter service tax details</td>
<td>? No</td>
</tr>
<tr>
<td>Enable Tax Deducted at Source (TDS)</td>
<td>? Yes</td>
</tr>
<tr>
<td>Set/alter TDS details</td>
<td>? No</td>
</tr>
<tr>
<td>Enable Tax Collected at Source (TCS)</td>
<td>? No</td>
</tr>
<tr>
<td>Set/alter TCS details</td>
<td>? No</td>
</tr>
</tbody>
</table>

3. **Enable Goods and Services Tax (GST) - Yes** .
4. **Set/alter GST details - Yes** . The **GST Details** screen appears.
5. **State** - shows the State name as selected in the Company Creation screen. This helps in identifying local and interstate transactions according to the party’s state.

6. Set the **Registration type** as **Regular**.

7. You can keep the rest default fields as same and don’t change (but you can change as per your requirements)

### 2.1.2. Activate GST for Composition Dealers

1. Open the company for which you need to activate GST.
3. **Enable Goods and Services Tax (GST)** - Yes.
4. **Set/alter GST details** - Yes.
5. The **State** field helps in identifying local and interstate transactions according to the party’s state. If you change the state here, the company details will get updated.
6. Set the **Registration type** as **Composition**.
7. Based on your business type, select the **Basis for tax calculation**.

[For outward supplies, the total of taxable, exempt and nil rated will be considered as the **Taxable Value**.]

---

**Note:**

- The screenshot shows the GST Details section of the Tally Software, with specific fields highlighted for reference.
- The typical layout includes fields such as State, Registration type, and various tax details, with options for enabling Goods and Services Tax (GST) and altering GST details.
- The interface elements like buttons (e.g., F11, F3) are marked to guide through the setup process.

---

<table>
<thead>
<tr>
<th>State</th>
<th>:Odisha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration type</td>
<td>:Regular</td>
</tr>
<tr>
<td>Assessee of Other Territory</td>
<td>? No</td>
</tr>
<tr>
<td>GST applicable from</td>
<td>:1 Apr 2020</td>
</tr>
<tr>
<td>GSTIN/UIN</td>
<td>:21AGHPB2766P1ZD</td>
</tr>
<tr>
<td>Periodicity of GSTR1</td>
<td>:Quarterly</td>
</tr>
<tr>
<td>e-Way Bill applicable</td>
<td>? Yes</td>
</tr>
<tr>
<td>Applicable from</td>
<td>:1 Apr 2020</td>
</tr>
<tr>
<td>Threshold limit includes</td>
<td>:Invoice value</td>
</tr>
<tr>
<td>Threshold limit</td>
<td>:50,000</td>
</tr>
<tr>
<td>Applicable for intrastate</td>
<td>? Yes</td>
</tr>
<tr>
<td>Threshold limit</td>
<td>:50,000</td>
</tr>
<tr>
<td>Enable tax liability on advance receipts</td>
<td>? Yes</td>
</tr>
<tr>
<td>Enable tax liability on reverse charge (Purchase from unregistered dealer)</td>
<td>? Yes</td>
</tr>
<tr>
<td>Set/alter GST rate details</td>
<td>? No</td>
</tr>
<tr>
<td>Enable GST Classifications</td>
<td>? No</td>
</tr>
<tr>
<td>Provide LUT/Bond details</td>
<td>? No</td>
</tr>
</tbody>
</table>

---

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For inward supplies, the total value of purchases made under reverse charge will be considered as the Taxable Value.

You can record transactions using the ledgers with GST details, and print invoices with GSTIN.

**CHAPTER-3**

**SET-UP OF ACCOUNTS**

The next process is setting up/classification of Accounts. The entire Accounts group is classified into four entities:

**Contents of ‘Accounts Info’ Menu**

The ‘Accounts Info’ menu consists of the following options:

- Groups
- Ledgers
- Voucher Types
- Quit

After Configuration of the Features from F11 key the Accounts Info menu will look like as shown here...
3.1. Account Groups in Tally.ERP9

Groups are collection of ledgers of the same nature. Account groups are maintained to determine the hierarchy of Ledger Accounts, which is helpful in determining and presenting meaningful and compliant reports. Using this you can generate reports, which are meaningful as well as compliant with laws.

At the highest level, accounts are classified into **Capital** or **Revenue** – and more specifically into **Assets, Liabilities, Income and Expenditure**.

Tally.ERP9 provides you with **28 Pre-defined Groups**, of these **15 are Primary Groups** and **13 are Sub-Groups**. You can also create your own groups, either as **Sub-groups** or **Primary Groups**.

The lowest level would be the Ledger Account. All Voucher entries are passed using ledgers.

Tally.ERP 9 has Pre-Defined Ledgers for **Cash (under Cash-in-hand group)** and for the **Profit & Loss A/c (under primary group)**.

<table>
<thead>
<tr>
<th>15 Primary Groups</th>
<th>13 Sub Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branch / Divisions</td>
<td>Bank Accounts</td>
</tr>
<tr>
<td>Capital Account</td>
<td>Bank OD A/c</td>
</tr>
<tr>
<td>Current Assets</td>
<td>Cash-in-hand</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>Deposits (Asset)</td>
</tr>
<tr>
<td>Direct Expenses</td>
<td>Duties &amp; Taxes</td>
</tr>
<tr>
<td>Direct Incomes</td>
<td>Loans &amp; Advances (Asset)</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>Provisions</td>
</tr>
<tr>
<td>Indirect Expenses</td>
<td>Reserves &amp; Surplus</td>
</tr>
</tbody>
</table>
### 3.1.1. Create Account Groups (under Single Group) one-by-one:

1. Go to **Gateway of Tally > Accounts Info. > Groups > Create** (under Single Group)
2. After giving Name to the Group, in the field **Under**, from the List of Groups displayed, select the parent group under which the group has to be classified.

For example, **Indirect Expenses**.

<table>
<thead>
<tr>
<th>Name</th>
<th>Administrative Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>(alias)</td>
<td>Office Expenses</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Under</th>
<th>Accept?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect Expenses</td>
<td>Yes or No</td>
</tr>
</tbody>
</table>

A new group created under primary will not be reflected in reports until you pass masters/transactions for that group.

**You can also View any Groups...** [Note: In the display mode, group details can’t be modified.]

Go to **Gateway of Tally > Accounts Info. > Groups > Display** (under Single Group).

**You can also Alter / Modify any Groups...**

Go to **Gateway of Tally > Accounts Info. > Groups > Alter** (under Single Group).

### 3.1.2. Create Multiple Groups in one-go (Multiple Groups)

You can create, edit or delete multiple groups in Tally.ERP 9.

1. Go to **Gateway of Tally > Accounts Info. > Groups > Create (Multiple Groups)**.

<table>
<thead>
<tr>
<th>Indirect Incomes</th>
<th>Secured Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>Stock-in-hand</td>
</tr>
<tr>
<td>Loans (Liability)</td>
<td>Sundry Creditors</td>
</tr>
<tr>
<td>Misc. Expenses (ASSET)</td>
<td>Sundry Debtors</td>
</tr>
<tr>
<td>Purchase Accounts</td>
<td>Unsecured Loans</td>
</tr>
<tr>
<td>Sales Accounts</td>
<td></td>
</tr>
<tr>
<td>Suspense A/c</td>
<td></td>
</tr>
</tbody>
</table>

Out of the 15 Primary Groups, **9 Primary Groups appear in the Balance Sheets** that 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.**
2. Select the group category in the field **Under**.

3. Enter the **Name** of the group. The screen appears as shown below:

   ![Image of group creation screen](image1)

4. Select **All Items** in the field **Under** to create multiple groups of different categories.

   A new group created under primary will not be reflected in reports until you pass masters / transactions for that group.

### 3.1.3. Delete a Created Group (No Default Group)

Groups can be deleted from the alteration screen. You cannot delete groups from the Multiple group Alteration mode.

1. Go to **Gateway of Tally > Accounts Info. > Groups > Alter** (under **Single Group**).
2. Select the group from the **List of Groups**.
3. Click **D**: Delete.
4. Click **Yes** to confirm deletion.

### 3.1.4. Advanced Configurations for Account Groups

1. Go to **Gateway of Tally > Accounts Info > Groups > Create (Single Group)**.
2. Select **F12: Configure** (Group Configuration) and enable **Allow advanced entries in masters**.

   ![Image of advanced configurations](image2)

   The group creation screen with advanced options is displayed as shown below:
In the Group Creation screen
1. Enter a name for the group.
2. Enter a group category. If a group is created under Primary you must select from asset, expenses, income or liability.
4. Select Yes for the option Group behaves like sub-ledger? to allow groups to act as a ledger.
   - When the option Group behaves like sub-ledger? is set to No, all the ledgers that are grouped is displayed in detailed mode.
   - When the option Group behaves like sub-ledger? is set to Yes, the ledgers grouped under the same is not displayed in detailed mode.
5. Set Nett Debit/Credit Balances for Reporting? to Yes to display net debit or credit balance in the report (whichever is higher).
6. Set Used for Calculation (e.g. taxes, discounts)? to Yes if ledgers under this group have percentages for discounts or taxes to be used in invoice entry. This is displayed while passing voucher in invoice mode and for automatic calculations.
7. Select Method to Allocate when used in Purchase Invoice from the Allocation Methods list to allocate the expense of the item in the ratio of the quantity or value.

---

**Practical Assignment-1**

Create the Following Groups under various Pre-defined Groups (already given):

<table>
<thead>
<tr>
<th>Sundry Debtor (pre-defined) :</th>
<th>Sundry Creditor (pre-defined) :</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Customer</td>
<td>Local Creditor</td>
</tr>
<tr>
<td>Local Customers</td>
<td>Outside Creditor (IGST)</td>
</tr>
<tr>
<td>Outside Customers</td>
<td>Other Creditor</td>
</tr>
<tr>
<td>Wholesale Customer</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indirect Expenses (pre-defined):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Staff Expenses</td>
</tr>
<tr>
<td>Administrative Expenses</td>
</tr>
<tr>
<td>Selling &amp; Distribution Expenses</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indirect Income (pre-defined):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Income</td>
</tr>
<tr>
<td>Interest Earning</td>
</tr>
</tbody>
</table>

---

End of this Sample of Tally.ERP9 Book (Advanced Usage)

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