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अन्तर्विषयी त्रैमासिक शोध पत्रिका

वर्ष-17, अंक-1, दिसम्बर 2023 जनवरी फरवरी 2024





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इतिहास, संस्कृति, साहित्य एवं दर्शन की त्रैमासिक शोध पत्रिका

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अंक - 1

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सृजन संस्थान,

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e-mail : rasojournal@gmail.com

☆ प्रकाशक :

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द्वारा आचमन पब्लिकेशन्स,

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केसरगंज, अजमेर

☆ कम्प्यूटराइज्ड सेटिंग :

श्रीनिवास प्रिन्टोग्राफिक्स

132, पंचवटी कॉलोनी,

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Fundamentals of Tally : A Comprehensive Study

Ritika Johari

Asstt. Professor (Department of Science & Technology)

Hukumchand Noble Institute of Science & Technology, Ajmer

Abstract

Tally has become one of the most trusted and widely used accounting applications for individuals, small businesses, service organizations, corporations, and educational institutions. Designed to simplify and automate accounting processes, Tally offers a structured yet flexible approach to handling financial information, maintaining inventory, processing payroll, preparing taxation records, generating analytical reports, and supporting managerial decision-making. This article provides a detailed explanation of the fundamentals of Tally in a descriptive manner, focusing on its origin, structure, interface, masters and vouchers, ledger operations, inventory mechanisms, financial statements, GST management, security controls, backup procedures, and its relevance in modern digital accounting. Each section is presented through sub-paragraphs to offer clarity and accessibility while maintaining academic depth and originality. The article concludes with an overview of the importance of Tally in contemporary business environments and how its continuous evolution supports the dynamic needs of users.

Keywords:

- * Tally,
- * Computerised Accounting,
- * Ledger,
- * Vouchers,
- * GST,
- * Inventory Management,
- * Tally Prime,
- * ERP.

Introduction

Tally is recognized as one of the most influential tools in the domain of

शोध-पत्र में उल्लिखित सन्दर्भ एवं विचारों के लिए लेखक स्वयं उत्तरदायी है, सम्पादक नहीं।

computerised accounting because of its simplicity, scalability, and practical approach to financial data management. Unlike traditional manual bookkeeping, which is prone to human error, slow processing, and limited reporting capabilities, Tally integrates accounting principles with robust automation. It allows users to record transactions instantly, generate statements in real time, and maintain accurate financial records with minimal effort. The software is commonly used by accountants, entrepreneurs, students, tax practitioners, and financial managers because it covers everything from basic bookkeeping to advanced ERP functionalities.

The growing digitalization of business operations has increased the value of Tally even further. Over time, Tally has evolved from Tally 4.5 and Tally 7.2 to Tally ERP 9 and, recently, TallyPrime. Each version has introduced improvements in usability, reporting capabilities, taxation modules, and data security. Tally is designed on the principle of real-time processing, meaning that the moment a transaction is recorded, its effect appears instantly in all related financial statements. This article explores these functions in depth while presenting the material in sub-paragraph sections for a structured understanding.

Evolution and Development of Tally

1.Origins and Early Adoption

The development of Tally began with the vision of Tally Solutions Pvt. Ltd., founded by Shyam Sunder Goenka and his son Bharat Goenka in the 1980s. Their primary goal was to create software that would eliminate repetitive manual work and simplify the process of maintaining financial statements. The early versions of Tally, particularly Tally 4.5, were basic but revolutionary because they handled double-entry bookkeeping automatically.

2.Major Versions and Enhancements

Over the years, Tally has introduced several versions such as Tally 5.4, 6.3, and 7.2. Each release expanded its capabilities with features like inventory control, VAT compliance, and multilingual support. Tally ERP 9 marked a significant milestone because it integrated advanced functionalities like payroll, job costing, order processing, and multi-location business management. Today, TallyPrime has become the standard version featuring an improved navigation system, enhanced reporting, and simplified operations suited for all types of users.

Understanding the Tally Interface

1.Gateway of Tally

The Gateway of Tally serves as the central navigation point from which all operations are performed. It contains menus such as Masters, Vouchers, Transactions, Reports, Display, Accounts Info, and Inventory Info. The role of

this interface is to present users with a clean, layered environment where every command is just a few keystrokes away.

2.Menu Structure and Shortcuts

Tally is known for its keyboard-driven interface, which makes data entry fast and efficient. Shortcuts like Alt+F3 for Company Info, F11 for Features, and F5-F9 for voucher types allow users to perform operations without complex menus. This design ensures that even non-technical users can learn the system quickly.

3.Company Creation Window

When Tally is opened for the first time, the Company Creation window appears, prompting users to enter basic details such as company name, financial year, currency symbol, and base configuration. Once a company is created, users can begin recording financial transactions immediately.

Company Features and Configurations

1.Enabling Modules and Functionalities

Tally provides several configurable options under F11: Features, which allow users to enable or disable functionalities based on business needs. These include accounting features, inventory features, statutory and taxation features, payroll management, cost centers, budgets, and security controls.

2.Accounting and Financial Settings

Tally allows users to customize their accounting environment through options such as maintaining bill-wise details, enabling interest calculations, activating multi-currency features, setting cost categories, and using debit/credit notes. These features ensure that the accounting system matches the organizational workflow.

Masters in Tally

Masters are the backbone of Tally because they define the structure of financial and inventory data.

Accounting Masters

1.Groups

Groups are pre-defined classifications used to categorize ledger accounts. Tally provides 28 default groups such as Capital Account, Loans, Sundry Creditors, and Direct Expenses. Groups ensure systematic classification and accurate reporting.

2.Ledgers

Ledgers are the actual accounts under which financial transactions are recorded. Examples include Cash, Bank, Sales, Purchase, Wages, Electricity

Charges, and GST Duties. Creating ledgers properly is essential because they directly influence all accounting statements.

3.Voucher Types

Voucher types such as Payment, Receipt, Contra, Journal, Sales, Purchase, Debit Note, and Credit Note act as templates that determine how transactions are recorded. Each voucher type corresponds to a category of business activity.

*** Inventory Masters**

1.Stock Groups

Stock groups classify inventory items under logical categories, such as Electronic Goods, Groceries, Raw Materials, or Finished Products. This makes stock analysis easier.

2.Stock Items

Stock items represent the individual goods or materials handled by the business. Each item can have units of measurement, tax details, and costing methods defined.

3.Stock Categories and Units

Stock categories allow parallel classification of goods, while units of measurement define how items are quantified-such as pieces, kilograms, meters, liters, or hours.

Voucher Entry System in Tally

Voucher entry is one of the most frequently used components of Tally.

*** Accounting Voucher Entries**

1.Payment and Receipt Vouchers

Payment vouchers record all outgoing payments made through cash or bank, while receipt vouchers record incoming payments. The system updates cash and bank ledgers instantly.

2.Journal Voucher

The journal voucher is used for adjusting entries, provisions, depreciation, and other non-cash transactions.

3.Sales and Purchase Vouchers

These vouchers record revenue and expenditure transactions. When GST is enabled, tax components such as CGST, SGST, and IGST are automatically calculated.

*** Inventory Voucher Entries**

1.Delivery Note and Receipt Note

These vouchers track the physical movement of goods, supporting

businesses that maintain both accounting and stock records.

2. Stock Journal

A stock journal records internal inventory movements, production activities, and material transfers.

Financial Statements in Tally

1. Trading and Profit & Loss Account

Tally generates the profit and loss account in real time, showing revenues, expenses, and gross/net profit. Users can drill down into individual ledger entries for detailed analysis.

2. Balance Sheet

The balance sheet updates instantly with every transaction. It reflects assets, liabilities, and capital positions. Users can view schedules, breakups, variance analysis, and scenario projections.

3. Cash Flow and Funds Flow

These reports help managers and accountants analyze liquidity and cash movement patterns across the financial year.

GST and Statutory Compliance in Tally

1. Activating GST in Tally

By enabling statutory features, users can configure GST rates, HSN codes, tax ledgers, and classifications. Tally provides automatic tax computation on both sales and purchase vouchers.

2. GST Returns and Reporting

Tally assists users in generating GST return summaries such as GSTR-1, GSTR-2A, and GSTR-3B. The built-in error detection mechanism highlights incomplete or mismatched entries.

Inventory Management in Tally

1. Stock Valuation Methods

Tally supports multiple valuation methods like FIFO, LIFO, Weighted Average, and Standard Cost. Businesses can select the appropriate method as per accounting standards.

2. Batch Management and Expiry Tracking

These features are useful for businesses dealing in perishable goods, medicines, FMCG products, and chemicals.

3. Order Processing and Reorder Levels

Tally can track purchase orders, sales orders, pending deliveries, and

reorder levels to ensure effective inventory planning.

Payroll Management in Tally

1.Employee Categories and Groups

Tally allows classification of employees into departments, cost centers, and designations. This makes payroll processing and reporting more systematic.

2.Salary Components

Users can create earnings, deductions, allowances, and reimbursements. Salary structures can be assigned to individuals or groups.

3.Payslips and Payroll Reports

Tally generates payslips, attendance registers, and PF/ESI reports. This automates HR processes and reduces paperwork.

Security Features and Data Protection

1.User Roles and Access Control

Tally provides the option to create multiple users with different permission levels. Administrators can restrict access to sensitive areas like payroll or financial statements.

2.Password Protection and Encryption

The security system ensures that unauthorized users cannot alter or view confidential financial data. Tally Vault encrypts the company data with high-level security algorithms.

Backup, Restore, and Data Management

1.Backup Utility

Tally offers an in-built backup tool that saves company data to external drives or cloud storage. Regular backups protect against data loss due to system failures.

2.Restore Function

The restore function helps users recover previous versions of data in case of corruption or accidental deletion.

Practical Applications of Tally

1.In Small and Medium Businesses

Tally simplifies accounting, taxation, and inventory workflows. SMEs rely heavily on Tally for invoice generation, stock management, and financial reporting.

2.In Educational Institutions

Tally is widely used in accounting courses because it bridges the gap

between theory and real-world application. Students develop practical skills that are essential in the job market.

3.In Corporate Sectors

Large organizations use Tally to manage multiple branches, analyze financial performance, and prepare consolidated financial statements.

Advantages of Using Tally

1.Real-Time Processing

Tally updates all related financial reports instantly after transaction entry, reducing delays.

2.Accuracy and Reliability

Automation minimizes human errors and ensures consistency in financial reporting.

3.User-Friendly Design

Even beginners can learn Tally quickly because of its simple interface and shortcut-driven navigation.

Limitations of Tally

1.Industry-Specific Customization

Tally may require add-ons or third-party modules for specialized industries.

2.Dependency on Trained Operators

Incorrect entries may lead to inconsistencies, so trained staff are essential.

Conclusion

Tally has become a fundamental component of modern accounting because it integrates financial, inventory, payroll, and taxation functions into a unified system. Its real-time processing, simplicity, accuracy, and cost-effectiveness make it a preferred choice for businesses of all sizes. This article has described the fundamental features of Tally in detailed sub-paragraphs, highlighting how the software supports accounting principles while offering practical tools for day-to-day operations. As digital transformation continues to shape business practices, Tally remains a reliable solution that adapts to new regulatory requirements, technological advancements, and user expectations. With continuous updates like TallyPrime, it is clear that the software will continue to play a significant role in the future of computerised accounting.



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