

**VIVEKANANDA COLLEGE
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NAAC ACCREDITED 'A' GRADE



Topic: Company Creation in Tally

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Company Creation in Tally

[Source: <https://tallysolutions.com/tally/>]

The first and foremost thing to do when we start accounting with tally is to create a company in Tally ERP 9 or reopen an existing company (after first creation).

If an existing company is already open, then first shut down that company and subsequently create your own company.

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.

The Details to be filled in Company Creation Screen

1. 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.

2. Name

In this field, we are required to type the name of the company, for example. College Roll number.

3. 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 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.

4. 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.

5. 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 amount in millions that is 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.

6. 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.