



**POWER OF SIMPLICITY**

# **Knowledge Map**

**Tally.ERP 9**

## Preface

### What is a Knowledge Map?

A Knowledge Map is a representation of a concept using levels of information. Each level provides deeper understanding than the previous one. The emphasis is on gaining the maximum understanding in the shortest possible time.

### Why Knowledge Map for Tally.ERP 9?

Tally.ERP 9 is one of the most widely used financial software that has extended capabilities and great potential to transform a business. Many areas of Tally, when implemented, actually translate to increased efficiency, reduced costs, and organised business operations.

This Knowledge Map has been created to help readers gain an immediate understanding of the key areas of expertise; such an understanding can bring about positive impact on your business.

This Knowledge Map on Tally.ERP 9 aims to

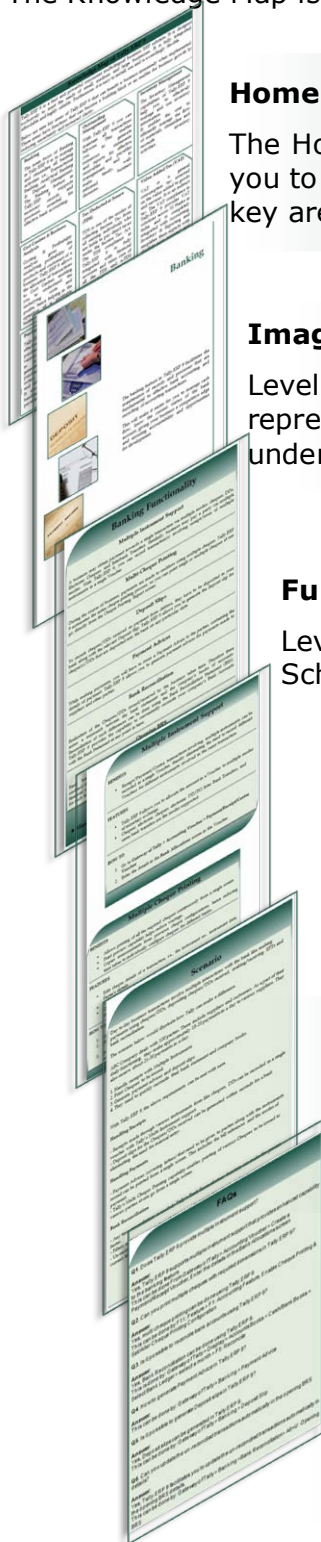
1. Get you closer to understanding the key areas in a short time.
2. Illustrate how these key areas can benefit a business.
3. Encourage the efficient use of the most appropriate solutions.
4. Have the most beneficial information handy, enhancing usability of Tally.ERP 9.
5. Helps users find critical information quickly.
6. Enhance decision-making and problem-solving by providing access to applicable information.

### Benefits of using the Knowledge Map for Tally.ERP 9

- Grasp the necessary know-how quickly without having to refer to any secondary material.
- Arrive at information faster! This is a non-continuous, easily understandable guide on how to obtain a positive impact with Tally.ERP 9.
- Information on any page is complete and relevant to the functionality of the key area; you don't have to refer to another page to understand it.
- Immediate awareness of where you are in the Knowledge Map. All pages have been marked for easy navigation.

## Structure of the Knowledge Map for Tally.ERP 9

The Knowledge Map is layered as shown below, with each layer zooming in on each key area.



### Homepage (Level 1)

The Homepage consists of the key areas. Clicking on any of these topics will take you to the page containing pictorial representation of the key functionalities of that key area.

### Image Trigger (Level 2)

Level 2 provides a pictorial overview of the key areas. The purpose of pictorial representation is to act as triggers, to help you remember the basics of the topic under discussion. The images will lead you to Level 3 when clicked.

### Functionality (Level 3)

Level 3 contains a brief explanation of the main functionality of Revised Schedule VI and key areas like:

- Mapping of Chart of Accounts
- Classification of Assets & Liabilities as Current and Non-current
- Disclosure of any item of Expense and Income
- Inserting and Renaming of Heads
- Comparative Information
- Removal of the disclosures through schedules

A brief introduction on Revised Schedule VI functionalities in Tally.ERP 9 will be given here. Zoom in to Level 4 for more details by clicking on the name of the functionality.

### Functional Details (Level 4)

Navigating to Level 4, will lead you to further information on the functionality of the key area i.e., the benefits and features of the functionality, and how to use it.

### Scenario and FAQs

A typical business situation that can be simplified with Tally.ERP 9 is presented as a Scenario.

The FAQs section, as the name suggests, contains a set of Frequently Asked Questions pertaining to each of the key areas discussed.

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# Revised Schedule VI Reports

The Revised Schedule VI reports are a recent requirement for all registered companies to comply as per the latest amendment to the Companies Act, 1956. The main objective is to move towards the adoption of IFRS (International Financial Reporting Standards) by Indian Corporates in view of the increased globalisation.

The standard calls for more transparency in reporting and the minimum disclosure required. The Company however is free to give additional information if required. The requirements also talk of the supremacy of the Accounting Standards over the Schedule VI requirements should there be any conflict.

Developing the technology to comply with the requirements of the Revised Schedule VI was a challenging task for us. We have developed a technology that helps easy mapping of ledgers /groups to the respective Schedule VI Heads.

# Revised Schedule VI Functionality

## Mapping of Chart of Accounts

The first-cut mapping of Chart of Accounts in Tally with the Revised Schedule VI Heads is made simpler for the Chartered Accountant. Based on enablement and use of statutory modules, the mapping is automatic in **Statement of Profit & Loss**. However, if the modules are not enabled and used, the Ledgers/Groups are shown under '**Ungrouped**' and have to be manually mapped to Revised Schedule VI Head(s) after review. In the case of the **Balance Sheet** the primary mapping is based on the default Tally accounting groups and subsequently they are grouped under '**Ungrouped**'. After a review, the Ledgers/Groups have to be mapped to the appropriate Revised Schedule VI Head(s).

To meet the final requirements of the Revised Schedule VI, the use of classification types are important to complete the mapping of Ledgers/Groups to the appropriate Revised Schedule VI Head(s) for better presentation.

## Classification of Assets & Liabilities as Current and Non-Current

The main requirement in the **Balance Sheet** presentation is classification of **Assets** and **Liabilities** as **Current** and **Non-current** in nature. Classification of **Current** and **Non-current** amounts is made automatically or manually. The use of '**Bill-wise**' option assists the Auditor to generate the classification automatically based on due date. The facility for manual classification is provided.

## Disclosure of any item of Income or Expenditure

The requirements call for disclosing major line items whose values are the maximum of **1% of the Revenue from Operations** or **Rs.100000**, in the **Statement of Profit and Loss**.

## Inserting and Renaming of Heads on Financial Statements

The requirements talk of minimum disclosure at the line levels in the **Balance Sheet** and **Statement of Profit & Loss**. But to cater to the industry/sector specific disclosure, the user can disclose additional items or substitute information in the reports. This calls for more information which is more relevant and understandable. The solution provides the options to insert additional heads and rename an existing head.

## Revised Schedule VI Functionality

### Comparative information (Comparison of mapped financial statements of the current year with the previous year)

A comparison of the current year Schedule VI statements with the immediately preceding accounting year has to be disclosed in the **Balance Sheet and Statement of Profit & Loss**. The mapping configuration applied to the current year can be applied to the previous year to enable comparison.

### Disclosures of Additional Information through Notes

Based on IFRS principles, the Revised Schedule VI requires the presentation of additional information in the **Notes to Accounts**. The feature provides for options to enter additional information to the Revised Schedule VI heads and also number the **Notes** and enter details.

### Rounding off rule

The Revised Schedule VI has set out rules for presenting turnover figures of a Company.

- If the turnover is less than **Rs.100 crores**, the rounding off can be nearest **Hundreds, Thousands, Lakhs, Millions** or **decimal** thereof.
- If it is more than **Rs.100 crores**, the rounding off can be nearest **Lakhs, Millions** or **decimal** thereof.

### Other Helpful Options

The feature offers other exciting options:

- Restoration of wrong mapping
- Multi classification of ledgers/groups
- Master Configuration

## Mapping of Chart of Accounts

### BENEFITS

- Easier mapping of chart of accounts
- Saves time

### FEATURES

- Automatic/Manual Mapping
- Use of classification types to do mapping

### HOW TO

1. Enable Statutory Modules and pass the vouchers
2. **Gateway of Tally > Audit & Compliance > Statutory Audit > Financial Statements > Profit & Loss A/c / Balance Sheet**
3. Press Alt+F1: Detailed > Press Enter on the Revised Schedule VI Head to view the Tally Ledgers
4. **Ctrl + Enter: Classify** (for single ledger mapping)
5. Press Spacebar to select multiple ledgers > **Alt + C: Multi Classify:** (for more than one ledger/group)

## Classification of Assets & Liabilities as Current and Non-Current

### BENEFITS

- Quick generation of information relating to **Current** and **Non-current** in the **Balance Sheet**
- Saves time

### FEATURES

- Automatic generation of report

### HOW TO

1. **Gateway of Tally > Audit & Compliance > Statutory Audit > Financial Statements > Balance Sheet > Ctrl + C: Classify Helper**



## Disclosure of any item of Income or Expenditure

### BENEFITS

- Quick generation of information relating to Income and Expenditure maximum of **1% of Revenue from Operations or Rs.100000**
- Saves time

### FEATURES

- Automatic generation of report

### HOW TO

1. **Gateway of Tally > Audit & Compliance > Statutory Audit > Financial Statements > Profit & Loss A/c > Sale of Products/Other Incomes/Expenses > Ctrl + C:Classify Helper**

## Inserting and Renaming of Heads on Financial Statements

### BENEFITS

- Easier presentation of additional information/substitution of existing information
- Saves time

### FEATURES

- Rename Head / Insert a new Head

### HOW TO

1. **Gateway of Tally > Audit & Compliance > Statutory Audit > Financial Statements > Profit & Loss A/c / Balance Sheet > Alt + F1: Detailed > Insert Head/Rename Head**

## Comparative information

### BENEFITS

- Easier comparison of current year's information with the previous year
- Saves time

### FEATURES

- Copying the current year's configuration to the subsequent year
- Copying the configuration from one company to another

### HOW TO

1. **Gateway of Tally > Audit & Compliance > Statutory Audit > Financial Statements > Balance Sheet / Profit & Loss A/c > Ctrl + O: Copy Classify**

## Disclosure of Additional Information through Notes

### BENEFITS

- Better disclosure as per the requirements of Revised Schedule VI

### FEATURES

- Presentation of information relating to Heads in Notes and compared with previous year data

### HOW TO

1. **Gateway of Tally > Audit & Compliance > Statutory Audit > Financial Statements > Balance Sheet / Profit & Loss A/c > F8: Note N: > Alt + N: Notes**
2. The **Additional information** details of the heads are entered by clicking **Alt +A: Additional Info**

## Rounding off rule

### BENEFITS

- Better presentation of turnover figures for comparison

### FEATURES

- Show turnover figures for comparison in Hundreds, Thousands, Lakhs, Millions and decimal thereof

### HOW TO

1. **Gateway of Tally > Audit & Compliance > Statutory Audit > Financial Statements > Balance Sheet / Profit & Loss A/c > F12: Configure > Scale Factor for Values**

## Other Helpful Options

### BENEFITS

- Correction of wrong mapping (**Restoration**)
- Quick classification of ledgers/groups (**Multi-classify & Master Configuration**)

### FEATURES

- Methods to quicken and improve mapping to Revised Schedule VI heads

### HOW TO

1. **Restoration of wrong mapping**  
**Gateway of Tally > Audit & Compliance > Statutory Audit > Financial Statements > Balance Sheet / Profit & Loss A/c > Ctrl + F10: Restore Def.** The restoration option is available at the ledger level mapping.
2. **Multi- Classify-Ledger level**  
**Gateway of Tally > Audit & Compliance > Statutory Audit > Financial Statements > Balance Sheet / Profit & Loss A/c > Alt + C: Multi Classify**
3. **Master Configuration**  
**Gateway of Tally > Audit & Compliance > Statutory Audit > Financial Statements > Balance Sheet / Profit & Loss A/c > Alt + F9: Master Config**

## Scenarios

1. The Auditor has a client which is a registered company under the Companies Act, 1956. The Company has to file the annual financial statements, **Balance Sheet** and **Statement of Profit & Loss** as per the Revised Schedule VI formats notified recently by the Ministry of Corporate Affairs.

### Solution:

The Auditor by executing the following steps is able to generate instantly the first draft of Revised Schedule VI Financial Statements.

- **Load the client's current year data**
- **Gateway of Tally > Audit & Compliance > Financial Statement > Profit & Loss A/c**
- **Gateway of Tally > Audit & Compliance > Financial Statement > Balance Sheet**

2. As per the requirements of the Revised Schedule VI, the **Assets** and **Liabilities** in the **Balance Sheet** statement have to be classified as **Current** and **Non-current** respectively. Some examples are, **Trade Receivable / Payables, Borrowings, Term Loans** etc.

### Solution:

The following are the steps to classify **Assets** and **Liabilities** as **Current** and **Non-current**.

- **Gateway of Tally > Audit & Compliance > Financial Statement > Balance Sheet > Ctrl+ C: Classify Helper**

Tally by default displays the statement of **Current** and **Non-current** for **Trade Receivables (Sundry Debtors)** and **Trade Payables (Sundry Creditors)** based on '**Due Dates**' provided the '**Bill-wise**' option is enabled and used.

- Alternatively the Auditor can utilize the **Set Parameter- (Alt+ S)** button to generate the **Current** and **Non-current** information based on user defined percentage values or the operating cycle values.

3. To simplify the disclosure requirements, it is necessary that any item of Income or Expenditure if it exceeds **Rs. 1 Lakh** or **1%** of **Revenue from Operations** shall be disclosed separately on the **Statement of Profit and Loss A/c**. The following are the steps to be executed:

- **Gateway of Tally > Audit & Compliance > Financial Statement > Profit and Loss A/c > Identify the appropriate Income / Expenditure head and drill-down to the next level > Ctrl + C: Classify Helper**

Tally by default displays the list of ledgers falling under this criterion

- Select appropriate Ledger by pressing the **Spacebar** and click **Alt + S: Show Separate** button

## Scenarios

4. To ensure the data is properly presented, the Revised Schedule VI requires a proper mapping of ledgers/groups to the Heads. The ledger/group values can be mapped based on the following criteria:
- **Entire Balance** – Map the entire Closing Balance of Ledger(s)/Group(s) to the appropriate Revised Schedule VI head
  - **Dr/Cr Closing Balance** – Map the Ledger(s)/Group(s) based on the Debit/Credit Closing Balances to the appropriate Revised Schedule VI head
  - **Dr/Cr Transaction Total** – Map the total of the Transactions of the Ledger/Group Debit or Credit to the appropriate Revised Schedule VI heads
  - **Dr/Cr Pending Amount** – Represent Ledger Debit or Credit pending amount to appropriate Revised Schedule VI Head
  - **Group Nett Balance** – Map Group(s) based on Debit or Credit Closing Balance to appropriate Revised Schedule VI Head
  - **Bifurcate Balance** - - Bifurcation/splitting of the closing balance and mapping to the respective Rev Sch VI head(s)

## FAQs

### 1. How do I map the ledgers/groups in the Balance Sheet and Statement of Profit and Loss?

You can map the ledgers/groups based on the following scenarios:

**Profit & Loss A/c:** If statutory modules are enabled, ledgers configured and transactions are accounted, then the draft of P&L A/c is generated. Identified ledgers are mapped to Revised Schedule VI Heads automatically.

Other ledgers/groups that can't be identified are grouped under the head '**Ungrouped**' for further mapping.

**Balance Sheet:** By default the ledgers/groups are mapped to the heads based on the Tally groups at the first level. Those unidentified ledgers/groups are grouped under '**Ungrouped**' for further mapping.

### 2. What are the methods of mapping the chart of accounts to the Revised Schedule VI Heads?

If you want to map a single ledger/group, select it by pressing the **Spacebar** and click the keys **Ctrl + Enter** together.

For a multi mapping you can click **Alt + F9: Master Config.** button. We have provided 4 different classification types to assist you in mapping and an option to bifurcate.

### 3. I want to correct a wrong mapping. How do I correct?

There is a button **Ctrl + F10: Restore Def.** for restoration of the earlier mapping. Select the ledger(s) by clicking the Spacebar and click **Ctrl + F10: Restore Def.** button to restore the earlier wrong mapping.

**Caution:** You must be careful while selection of the ledger(s)/groups(s) while restoration. If you click without selection, the entire mapping will be reset.

### 4. I want to classify the trade receivables (Sundry Debtors) and trade payables (Sundry Creditors) as Current and Non-current. Is it possible?

Yes, we have provided an option to classify the trade receivables and payables as **Current** and **Non-current**. There is a button **Ctrl + C: Classify Helper** for this type of classification.

Also you can classify the data based on:

- Due Date
- Percentage

## FAQs

### 5. I have finished mapping of the current year's data. I want to map the previous year. How do I do that?

The mapping of the previous year's data is very simple in the product. You can click **Ctrl + O: Copy Classify** buttons in the status bar in the **Statement of Profit & Loss A/c** and **Balance Sheet** reports.

**Gateway of Tally > Audit & Compliance > Statutory Audit > Financial Statements > Balance Sheet/Profit & Loss A/c > Ctrl + O: Copy Classify**

### 6. The Schedule VI requirements call for entry of additional information to Balance Sheet as well as the Statement of Profit and Loss A/c. How do I do that?

#### **Balance Sheet**

You can enter the additional details in two ways. One, you can drill down to the group level in the **Balance Sheet report** and click **Alt + A: Additional Info**. Now you can enter the details as required for the group.

The other way is click **Additional Details** feature under **Financial Statements**.

Path: **Gateway of Tally > Audit & Compliance > Statutory Audit > Financial Statements > Additional Details**

#### **Statement of Profit and Loss A/c**

You can enter the additional details in two ways. One, select a desired group, **Revenue from Operations**, drill down to the **Note Summary** level. Click **Ctrl + E: Excise Duty** button to enter the details.

The other way is click **Additional Details** feature under **Financial Statements**.

Path: **Gateway of Tally > Audit & Compliance > Statutory Audit > Financial Statements > Additional Details**. Select **Excise Duty** or any other item(s) under **Statement of Profit and Loss A/c** to enter details.

### 7. The Rev Sch VI mentions that Notes will be replacing Schedules for providing additional information. How do I enter the note details?

Both the reports, **Balance Sheet** and the **Statement of Profit and Loss A/c** have the button, **F8: Note No.** to number and enter details (**Alt + N: Notes**). Click the button and enter the details.

### 8. I want to pass entries to record the Exceptional and Extraordinary items in Profit and Loss A/c. How do I account the entries?

Click **Accounting Vouchers** in **Gateway of Tally** screen. In the **Accounting Voucher Creation screen**, click **F7: Journal** to pass the journal entries for the Exceptional/Extraordinary items.

Path: **Gateway of Tally > Accounting Vouchers > F7: Journal**

The amount accounted as expense or revenue will appear under the **Ungrouped** head in the **Statement of Profit and Loss**. This amount then has to be mapped to the exceptional/extraordinary heads as per the method(s) mentioned above.

## FAQs

### 9. I want to insert a new head or rename an existing one. Are these possible in the feature?

You can rename the existing head in the following manner.

#### **Renaming of existing head**

Select the particular head in either **Balance Sheet/Statement of Profit and Loss A/c** for renaming. Click **Alt+ R: Rename Head** button found in the status bar. Type the required name and accept.

#### **Inserting a new head**

Select either **Balance Sheet/Statement of Profit and Loss A/c** and expand it. Select the required head under which the new head is to be inserted. Click **Alt+ I: Insert Head** button.