



## International Shipping Company achieves zero revenue leakage and a fully secured invoicing system with Tally Integration

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*Mr. N. Gopalakrishnan, Director - Finance*

### CUSTOMER OVERVIEW

Hanjin Shipping A Global Shipping & Logistics Company is Korea's largest carrier that operates some 60 liner and tramper services around the globe transporting over 100 million tons of cargo annually. Its fleet consists of some 200 containerships, bulk and LNG carriers. The company is worth KRW 6 trillion and earning KRW 9 trillion annually.

Hanjin Shipping has a comprehensive global business network with 4 regional headquarters, 200 overseas branch offices, and 30 local corporations, earning about 90% of its total revenue overseas.

Hanjin Shipping India Pvt. Ltd. is a 100% subsidiary of Hanjin Shipping Co. Ltd, Korea and has its headquarters in Mumbai and offices in Delhi & Chennai.

### BUSINESS CHALLENGE

Hanjin Shipping India uses a number of dedicated applications to manage various operations:

1. In house global ERP system used by its branches and agencies all over the world
2. Local software for the management of processes in respect of export consignments and
3. Tally dedicated software for generating a variety of invoices, service tax compliance and financial management

HSI generated various sales invoices from Tally but the process of capturing a plethora of information from the

(Bill of Lading) was done manually and hence was extremely strenuous, time-consuming and prone to errors. Since inception Hanjin Shipping India had been using Tally and the staffs were very comfortable using the software.

However the top management was always concerned and desired various improvements in the manner the various processes were carried out. Some vital areas of concern are enumerated below:

1. Plug revenue leakages by ensuring that invoices are raised for all the B/L's generated by their ERP system
2. Ensuring standard rates as per the rate card are charged for the various services rendered based on the information of the number and size of containers per B/L
3. Ensuring all the applicable service charges for a B/L are raised in the invoice and service tax compliance
4. Tracking of B/L's remaining to be billed
5. Capturing correct information from the B/L such as B/L No., Port of Loading, Port of Discharge, Country, Vessel Name, Voyage No. Etc
6. Automation of the Bank reconciliation process

According to Mr. N. Gopalakrishnan, Director Finance, HSI, "With the business growing, new lines of products and services were on offer to an expanding market. The usual complexities of statutory compliances and shortage of trained man power brought in a pressing need for better intelligence that was fast, reliable or secure enough to meet these challenges. What we needed was an all-in-one integrated application that tied with the business and performed day-to-day backend processes".

## THE SOLUTION

Mr.Kamlesh Jain, Director, Aimtech Business Solutions Pvt. Ltd., Mumbai, Tally Partner who provided the solution, informs "It was a great challenge to block leakage and provide a fully secured invoicing system. With the help of Tally, we could achieve the results."

"It was after a series of brain storming sessions that we decided to build our complete business solution on the Tally platform duly integrated with our ERP system," adds N. Gopalakrishnan. The main objective of the implementation was to automate the billing and collections processes at Mumbai headquarters and branch levels throughout India and customize Tally to generate MIS reports on real time basis.

Tally was integrated with the in house ERP system to capture in bound cargo data for every B/L and automatically generate and post Import Invoice, Stamp Duty Invoice and Maintenance & Repair (M&R) Invoice to Tally.

These auto generated invoices in Tally contained:

- The various compulsory charges,
- The standard rates chargeable on the basis of the number and size of the containers,
- Supplementary info such as B/L No., Port of Loading, Port of Discharge, Country, Vessel Name, Voyage No. etc. accurately picked up for each corresponding B/L from the NIS ERP system.
- Auto computation of the Service Tax, E Cess and HS Cess along with the tag for the type of Category of Service

There were also a host of security features built in the system:

1. The billing clerk was barred from making any alterations in the auto generated invoice but was allowed to add fresh charge(s) as may be applicable in a given case and the service tax was automatically recomputed.
2. In respect of the various charges carrying standard rates a facility was provided to incorporate the same in the ledger master. In view of the same the billing clerk had no control over the rates to be charged thereby ensuring accuracy of rates charged.

MIS reports developed for the smooth and efficient conduct of business:

- Report of Optional Invoices not regularised and therefore pending to be released to customers
- Auto Deletion of Optional Stamp Duty Invoices and / or M&R invoices for every corresponding Import Invoice regularised per B/L
- E-BRS functionality developed for integrating the bank statement data with the bank data in Tally for facilitating auto posting and saving of realisation date.

## BENEFITS

In the words of Mr. N. Gopalakrishnan, "We have experienced a manifold increase in efficiency using the advanced integration capability of Tally. Invoicing and receipts generation is instantaneous, MIS reports are available on the fly, and require minimal labour." The integration and customisations delivered to Hanjin have immensely facilitated simplification of job processes and functions, plugged possible revenue leakages and eliminated repetitive tasks.