Moving to New Financial Year
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Objectives

This document intends to provide a brief information on different procedures and options available, for starting a new financial year for a company data in Tally.ERP 9.

There are Three options available for starting new financial year in Tally.ERP 9:

2. ‘Split Company Data’ after finalization of accounts.
   - For Tally.ERP 9 Release 2.1 and Lower Releases (including Tally 9)
   - For Tally.ERP 9 Release 3.0 and above
3. Export Closing Balances and Import as Opening Balances in the newly created Company
   - For Tally.ERP 9 Release 3.0 and above
### Information about Starting New Financial Year

<table>
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<th>Procedures for starting new financial year</th>
<th>When should it be done?</th>
<th>Why should it be followed?</th>
<th>Who should follow it?</th>
</tr>
</thead>
</table>
| Changing Current Period in Gateway of Tally | Beginning of the new financial year  
Eg:  
If financial year is April to March, change the period from 1st April | *To start new financial year and continue voucher entry in same company data  
*To carry forward all ledger balances without creating a new company  
*To see reports of different financial years together | * Customers who wants to carry forward all ledger balances without creating a new company  
* Customers who have started books of accounts in Tally recently (i.e., in last financial year)  
* Customers who want to see reports for different financial years together |
| Splitting Company Data after finalisation of accounts | *When last financial year accounts are finalized/audited  
*When data is accumulated for multiple financial years and data size has increased | *To reduce data size and to improve performance/speed of Tally  
*To secure old financial years data and work with current financial year in a separate folder  
*To have separate company folders for different financial years | * Customer who would like to reduce data size and improve performance/speed of Tally.  
* Customers who would like to secure previous financial year’s data and work with current financial year in a separate folder.  
* Customers who like to have separate company folders for each financial years. |
| Export Closing Balances and Import as Opening Balances in the newly created Company | *When a new company is created.  
*To import the audited opening balance to current financial year data | *To carry forward all ledger/stock item balances to new company created  
*To start new financial year and continue voucher entry in newly created company | * Customers who intends to create a new company for each financial year to carry forward all ledger balances to new company created. |
Walk through in Tally

Changing Current Period in Gateway of Tally

The Current Financial Year is 1-4-2013 to 31-3-2014. The Current Period is displayed in the Gateway of Tally as shown:

Now if you want to create a voucher on 1-4-2014, the error message Date above current period (31-Mar-14) is displayed.
Change the **Current Period** in the **Gateway of Tally** by pressing **Alt + F2 Change Period** 01-04-2014 to 31-3-2015, and then record the vouchers for the new financial year.

It will change the current period information and you will be able to save vouchers for the financial year 1-4-2014 to 31-3-2015.

Balances of the previous financial period will be carried forward without passing any closing transactions.

*When the Current Period is changed in Gateway of Tally you need not change the Financial Year From: and Books Beginning from: dates in Company Alteration Screen.*
Split Company Data

Splitting Company Data after finalisation of accounts.

Introduction
Tally's flexible period-less accounting permits the entry of data for any number of years. This feature has tremendous benefits. However, the presence of voluminous old data creates unnecessary load on the system. Splitting a financial year enables you to retain most of the benefits while overcoming this system overhead.

When you split the data,
1. New companies are created for the respective split periods.
2. The entire data is retained in the original company.

How to Split Company Data

I. For Tally.ERP 9 Release 2.1 and Lower Releases (including Tally 9)

Pre-split activities
Before you split the data, ensure the following:

- All Unadjusted Forex Gains/Losses has to be adjusted using Journal entries. Verify that the item Unadjusted Forex Gain/Loss does not appear in the balance sheet.
- There are no pending purchase bills/sales bills. Check the profit and loss account and inventory statements for pending purchase/sales bills. You may account them to the respective party accounts or to the respective bills pending accounts.
- Ensure that all the bank vouchers are reconciled from Bank Reconciliation statement.
- All the Statutory Transactions are properly closed.

On splitting the Company Data the Tax References will not be carried forward to the split (new) company (current financial Year company). Hence, the customers using Statutory Modules - TDS, Service Tax, Excise for Dealer and Excise for Manufacturer ensure that all the statutory transactions are properly accounted.

i. TDS - Account the Fourth Quarter TDS Payment transaction and then split the data

ii. Service Tax & Excise for Manufacturer: The Opening Balances of Tax & Input Credit has to be accounted in the split Company (Current Financial Year Company)

iii. Excise for Dealer & Excise for Manufacturer: The Excise Opening Stock (Finished Goods in case of Excise for Manufacturer) has to be accounted in the Split Company (Current Financial Year Company).

For more information on entering Opening Balance for a Statutory master, refer to the links given below:

1. Service Tax Opening Balance
2. How to record Dealer Excise Opening Stock in Tally.ERP 9? (Release 2.1)
3. Changing Date in Dealer Excise Opening Stock (Release 2.1)
4. Is it possible to import the Excise opening stock after splitting the data in Tally.ERP 9 (Release 2.1)
5. After Splitting the Company Data not able to generate TDS Statutory Reports
6. Accounting Personal Ledger Account Opening Balance (Release 3.3)
7. Accounting Excise Duty Opening Balance (Release 3.0)
8. Accounting CENVAT Credit Opening Balance (Release 3.0)

Ensure that a Backup of the data has been taken

The customers using Tally.ERP 9 Release 2.0 and above releases, who have enabled the option Enable Auto Backup for the company can continue to split the data without taking the manual backup.

Procedure to Split the Financial Years
1. Go to Gateway of Tally, Select Alt+F3: Cmp Info.
2. Select Split Company Data.
3. Select the required Company to split the data.

Tally recommends the split from date based on the existing data. It is recommended that the Split Point is set as the beginning of the latest financial year, though Tally permits any date as the split point.

Splits occur in sets of two periods. Hence, start with the latest. For example, you need to split a company's six years data (1-4-2008 to 31-3-2014) into six separate companies, each with a particular financial year, select the beginning of the latest financial year first (1-04-2013).

![Split Company Data Screen](image)

On confirming the periods, two new companies will be created - one with data from 1-4-2008 to 31-3-2013, i.e., for five years, and the other for the period 1-4-2013 to 31-3-2014.

The historical data, for one or more financial years, will be preserved as a single company, and the current financial year, will be preserved as another company. Normally there is no reason or benefit to
split the earlier years again into separate companies. If you wish to do so, repeat the steps mentioned above for the earlier period (1-4-2008 to 31-3-2009, 1-4-2009 to 31-3-2010, 1-4-2010 to 31-3-2011, 1-4-2011 to 31-3-2012, 1-4-2012 to 31-3-2013).

All the companies are full companies in their own right. Data can be entered, displayed and altered. Please print the key financial reports (Trial Balance, Balance Sheet, Profit & Loss, and Stock Summary etc.) for each company for the relevant periods and compare them for accuracy.

Once the data is successfully split, it is advisable to take a backup of the original company and permanently delete its data from the hard-disk. This will prevent any accidental entry of fresh data into the old database.

To delete a company, press Alt+F3 at the Gateway of Tally, select a company to Alter, and at the point where you can modify the Company Information, press Alt+D.

You will also need to alter the names of the two freshly created companies as per your requirement.

<table>
<thead>
<tr>
<th>Data Splitting Errors and their possible solutions</th>
</tr>
</thead>
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<tr>
<td><strong>Error Messages</strong></td>
</tr>
<tr>
<td>Incorrect due date for bill No/ledger</td>
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<td></td>
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<tr>
<td></td>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cannot understand the formula RRs does not exist</th>
<th><strong>Solution:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>□ Create a new Company</td>
</tr>
<tr>
<td></td>
<td>□ Export the masters and vouchers into the company created newly</td>
</tr>
<tr>
<td></td>
<td>□ Proceed with splitting the data in new company</td>
</tr>
</tbody>
</table>
| No accounting information Or No accounting details | **Reason:** While splitting the data, Tally consolidates all the entries made. This error occurs only if the system finds some subsequent alterations to a particular master, i.e., if you have changed the name of the master or if the entry is incomplete or if you have made some alterations to that particular entry.

**Solution:** Open `Tally.spl` file available in Tally Directory in notepad and check the message. This file provides you with information of the voucher number and date that has problem. Make a note of the same, re-accept or delete that particular voucher through day book and then try splitting the data. |
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cannot change Parent of group</td>
</tr>
</tbody>
</table>
| No entries in voucher | **Reason:** This error may occur due to the following reasons:

1. The **Security Control** and **Tally Audit** features have been enabled in the **company creation** screen and one or more vouchers have been deleted after auditing them.

2. If voucher entries were passed enabling **Allow '0' Valued entries in vouchers** feature and was later disabled.

**Solution:**

1. **Accept the un-audited vouchers / ledgers** (Gateway of Tally > Display > Statement of Accounts > Tally Audit > Vouchers/Ledgers F7: Accept all or F7 to accept one by one > Save)

2. Enable **Allow '0' Valued entries in Vouchers** in **F11: Features**. |
| Parent belongs to different category | **Reason:** This error may occur if you have altered the cost category of a cost centre after entering few vouchers for the same.

**Solution:** Check the `Tally.spl` file available in the Tally folder, for the details of the error reported. Rectify the same and try splitting the data. |
FAQ's

Question 1:
I have been using Tally and wish to split the company data. Will there be a problem in synchronization?

Answer:
No, after splitting the data the old synchronization rules will be carried forward in Server and Client. However, after splitting the data the company name would have changed i.e. company name will be displayed with the period (Demo Company - (From 1-4-2013) which will get updated in the Client Rule automatically, whereas the Connect Name will be the Old Name.

In this case you have to either change the Company Name on the Server in Client Rule or change the Connect Name in F11: Features (Tally.NET Features) of the server (if you are using Tally.NET for Synchronization).

The carryforward of Synch Rules after splitting of data is available from Tally.ERP 9 Release 2.0 onwards.
II. For Tally.ERP 9 Release 3.0 and Above

Pre-split activities
Before you split the data, ensure the following:

- **Verify Company Data Utility**: Verify Company Data is a built-in utility which detects the possible errors that occur during data verification and provides the respective reason for the errors detected. Further, it prompts the user to rectify the listed error with possible solution so that the same errors do not reoccur in future. The user has a choice to resolve these errors manually or by using the helper available.

- All Unadjusted Forex Gains/Losses has to be adjusted using Journal entries. Verify that the item "Unadjusted Forex Gains/Loss" does not appear in the balance sheet

- There are no pending purchase bills/sales bills. Check the profit and loss account and inventory statements for pending purchase/sales bills. You may account them to the respective party accounts or to the respective "bills pending" accounts.

- All the **Statutory Transactions** are properly closed.

On splitting the Company Data the Tax References will not be carried forward to the split company (current financial Year company). Hence, the customers using Statutory Modules - TDS, Service Tax, Excise for Dealer and Excise for Manufacturer ensure that all the statutory transactions are properly accounted.

- **TDS** - Account the Fourth Quarter TDS Payment transaction and then split the Data.

- **Service Tax & Excise for Manufacturer**: The Opening Balances of Tax & Input Credit has to be accounted in the Split Company (Current Financial Year Company).

- **Excise for Dealer & Excise for Manufacturer**: The Excise Opening Stock (Finished Goods in case of Excise for Manufacturer) has to be accounted in the Split Company (Current Financial Year Company).

- Ensure that a Backup of the data has been taken.

The customers using **Tally.ERP 9 Release 2.0 and above releases**, who have enabled the option **Enable Auto Backup** for the company can continue to split the data without taking the manual backup.
Verify Company Data

To start the data verification process before splitting the data:

- Go to Gateway of Tally > F3: Cmp Info. > Split Company Data > Verify Company Data
- Select the required company

![Verify Company Data Screen](image)

- Press enter to view the Possible Errors screen.

The Possible Errors screen is displayed as shown

![Possible Errors Screen](image)

Possible Error screen display the Errors, Reason for the Error and the number of vouchers in which stock item has incorrect Unit of Measurement.
<table>
<thead>
<tr>
<th>Error Messages</th>
<th>Suggestions/Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units of Measure Incorrect for the Item</td>
<td><strong>Reason:</strong> This error occurs if there is any difference between item unit of measurement in voucher and item master</td>
</tr>
<tr>
<td><strong>Solution:</strong> Select the error from the List and press <strong>Enter</strong> to view Units of Measure Incorrect screen</td>
<td></td>
</tr>
</tbody>
</table>

![Figure 8: Unit of Measurement Incorrect Screen](image)

**Select the required voucher and press Enter to view Accounting Voucher Alteration screen**

![Figure 9: Accounting Alteration Screen](image)
<table>
<thead>
<tr>
<th>Cost Centre does not belong to the Category</th>
<th>Reason: This error occurs if Cost Centre Category has been changed after passing the voucher</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Solution: Select the error from the List and press Enter to view Cost Category Mismatch screen</td>
</tr>
</tbody>
</table>

- Select End of List in Name of Item field
- Re-select the item shown earlier in Name of Item
- Enter the correct amount in the Amount column
- Accept the voucher to resolve this issue

Cost Category Mismatch Screen

![Cost Category Mismatch Screen](image1)

Figure 10: Cost Category Mismatch Screen

- Click L: Helper or press Ctrl+L
  The Cost Category Mismatch Helper appears

![Cost Category Mismatch Helper](image2)

Figure 11: Cost Category Mismatch Helper
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- Click **A**: Auto Fill or press **Alt+A** to automatically fill in the cost centres.
- Accept to save.

### No Accounting Allocations

**Reason:** This error occurs if the option **Inventory values are affected** has been set to No in ledger Master, for that ledger inventories are already allocated in voucher.

**Solution:** Select the error from the List and press **Enter** to view **No Accounting Allocation** screen

![Figure 12: No Accounting Allocation Screen](image)

- Select the required ledger master
- In the **Ledger Alteration** screen set the option **Inventory Values are affected** to **Yes**

![Figure 13: Ledger Alteration Screen](image)

- Accept the changes made.
Voucher Total Mismatch

**Reason:** This error occurs if there is any difference between the total credits and debits in a transaction.

**Solution:** Select the error from the List and press **Enter** to view Voucher total Mismatch screen.

![Figure 14: Voucher Total Mismatch Screen](image)

- Select the required voucher
- In the **Accounting Voucher Alteration** screen, re-accept the entries and save the voucher.

Cost Break-up total does not match

**Reason:** This error occurs if Cost Centre Allocation Total does not match with the ledger amount Total.

**Solution:**
1. Select the error from the List and press **Enter** to view Cost break-up to total does not match screen.

![Figure 15: Cost break-up to total does not match screen](image)
2. Select the required voucher

3. In the selected **voucher alteration** screen
   - For the Existing Cost Centre enter the correct amount in the **Amount** column in **Cost Allocations** screen or **Create** a new **Cost Centre** and enter the difference amount in **Amount** column.

![Cost Centre Allocation Screen]

Figure 16: Cost Centre Allocation Screen

- **Accept** the voucher to resolve the issue.
Procedure to Split the Financial Years
1. Go to **Gateway of Tally**, Select **Alt+F3: Cmp Info**.
2. Select **Split Company Data**.
3. Select the **Company** whose data is to be split.
4. Tally recommends the **Split from** date based on the existing data. It is recommended that the Split Point is set as the beginning of the latest financial year, though Tally permits any date as the split point.
5. Splits occur in sets of two periods. Hence, start with the latest. For example, you need to split a company’s six years data (1-4-2008 to 31-3-2014) into six separate "companies", each with a particular financial year. Select the beginning of the latest financial year first (1-4-2013).

The **Split Company Data** screen displays as shown:

![Split Company Data](image)

6. On confirming the periods, two new companies will be created - one with data from 1-4-2008 to 31-3-2013, i.e., for five years, and the other for the period 1-4-2013 to 31-3-2014.

The historical data, for one or more financial years, will be preserved as a single company, and the current financial year, will be preserved as another company. Normally there is no reason or benefit to split the earlier years again into separate companies. If you wish to do so, repeat the steps mentioned above for the earlier period (1-4-2009 to 31-3-2010, 1-4-2010 to 31-3-2011, 1-4-2011 to 31-3-2012 & 1-4-2012 to 31-3-2013).

All the companies are full companies in their own right. Data can be entered, displayed and altered. Please print the key financial reports (Trial Balance, Balance Sheet, Profit & Loss, and Stock Summary etc.) for each company for the relevant periods and compare them for accuracy.

Once the data is successfully split, it is advisable to take a backup of the original company and permanently delete its data from the hard-disk. This will prevent any accidental entry of fresh data into the old database.

To delete a company, press **Alt+F3** at the **Gateway of Tally**, select a company to **Alter**, and at the point where you can modify the Company Information, press **Alt+D**.

You will also need to alter the names of the two freshly created companies as per your requirement.
FAQ’s

Question:
I have been using Tally and wish to split the company data. Will there be a problem in synchronization?

Answer:
No, after splitting the data the old synchronization rules will be carried forward in Server and Client. However, post splitting of the data the company name would have changed i.e. company name will be displayed with the period (Demo Company - (From 1-4-2013) which will get updated in the Client Rule automatically, whereas the Connect Name will be the Old Name.

In this case you have to either changed the Company Name on the Server in Client Rule or change the Connect Name in F11: Features (Tally.NET Features) of the server (if you are using Tally.NET for Synchronisation).

The carryforward of Synch Rules after splitting of data is available from Tally.ERP 9 Release 2.0 onwards.

Export Closing Balances and Import as Opening Balance (Tally.ERP 9 Release 3.0 and Above)

You can export the closing balances of the ledgers or stock items or both on any given date and import the same as opening balances to newly created companies.

I. Export of Closing Balances

To export the closing balances follow the steps shown:

- Go to Gateway of Tally > Display > List of Accounts
- Click E: Export

In Exporting List of Ledgers screen

- In Language field select Default (All Languages)
- Select the Format as XML (Data Interchange) or SDF

The customers who want to export the data in SDF format can download the SDF Export Import free feature extension from Tally web site.
In **Export Location** field enter the path where the file to be exported.

- In **Output File Name** field enter the required output file name or accept the default file name.
- Set the option **Open Exported Folder** to **Yes**.
- In **Type of Masters** field select the required masters from the **Type of Masters** displayed or select All Masters to export all the masters available in the respective company.
- Set the option **Export Closing Balances as Opening** to **Yes** to export the closing balances.
- In **To Date** field specify the date up to which the closing balances are to be considered for exporting.

**Example**: Demo Company wants to export the closing balance as on 31-3-2014 as opening balance for the current financial year (1-4-2013 to 31-3-2014). Hence, in **To date** field 31-3-2014 is mentioned.

The completed **Exporting List of Ledgers** screen appears as shown

![Exporting List of Ledgers](image)

- Press **Enter** to Export the file.

**II. Import as Opening Balance in New Company**

Open the new company to import the exported closing balances as opening balance.

To import data

Go to **Gateway of Tally > Import of Data**

- Select the option **Masters**
- In **Import of Masters** screen
  - In **Import File Name (XML)** specify the **Path** and **Name** of the file from which the data to be imported.
- **Treatment of entries already existing**: in this field select the option Modify with New Data.

![Import of Masters Screen](image)

Figure 19: Import of Masters Screen

On successfully importing the data you can view the balances for ledgers and stock items.