

## **Internship Report on**

**“Accounting Practices in Tally. ERP 9at AR JEANS PRODUCERLTD.”**

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**LETTER of TRANSMITTAL**

Date: March 25, 2019

To,  
**Dr. Md. AbdurRouf**  
Associate Professor of Accounting  
Department of Business Administration  
Faculty of Business & Entrepreneurship  
Daffodil International University

Subject: Submission of Internship Report on “**Accounting Practices in Tally. ERP 9 at AR JEANS PRODUCER LTD.**”

Dear Sir,

It’s my pleasure to submit the report that contains; “**Accounting Practices in Tally. ERP 9 at AR JEANS PRODUCER LTD.**” The report has been prepared in accordance with the practical knowledge where I am a permanent employee in the company. I am trying my best to prepare the report.

It will be my pleasure to clarify any matter regarding this report and thank you for allowing me the opportunity to undertake the task and for your cooperation.

Sincerely yours

.....  
**Md. Omar Faruq**  
Program: MBA (E)  
Batch: 48<sup>th</sup>  
ID:173-12-101  
Major: Finance  
Department of Business Administration  
Faculty of Business & Entrepreneurship  
Daffodil International University

## STUDENT DECLARATION

I am declaring this report entitled “**Accounting Practices in Tally. ERP 9 at AR JEANS PRODUCER LTD.**” submitted by me to Daffodil International University for the degree of Master of Business Administration (MBA) is a unique work.

I also pronounce that the report has not been submitted previously either partly or wholly to any other university or institution for any Degree, Diploma, Associateship, Fellowship and other title or prizes.

.....  
**Md. Omar Faruq**

Program: MBA (E)

Batch: 48<sup>th</sup>

ID:173-12-101

Major: Finance

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

## SUPERVISORS CERTIFICATION

This is to certify that Md. Omar Faruq bearing ID No: 173-12-101, a student of MBA Program and major in Finance has completed the Internship Report on “**Accounting Practices in Tally. ERP 9 at AR JEANS PRODUCER LTD.**” under my supervision. He has worked with AR Jeans Producer Limited (ARJPL) as a permanent employee. As a partial requirement for obtaining MBA degree. He has completed the report by himself. He has been permitted to submit the report.

I wish his every success in life.

.....

**Dr. Md. AbdurRouf**

Associate Professor of Accounting

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

## ACKNOWLEDGEMENT

All Praise to almighty Allah, our creator, our sustainer to whom we have to return. I bear the witness that there is none worthy of worship except Allah the merciful and the benevolent and I also bear the witness that Mohammad (Sallallahuallihawasallam) is Allah's slave & messenger.

I would like to pay my gratefulness & honor to some person who is given their valuable time & large cooperation for the prepared this internship report.

First of all, thanks to my honourable teacher Dr. **Md. AbdurRouf** Associate Professor of Accounting Department of Business Administration, Faculty of Business & Entrepreneurship for his continual guidance, supervision and feedbacks this enabled me to prepare a well-executed report.

And give special thanks to **Mr. Shamimul Islam, ACMA (CFO)** who helped me by providing valuable information & guidance to complete this report.

Last but not the least I owe to my parents for their continuous inspiration during my study.

## EXECUTIVE SUMMARY

AR Jeans Producer Ltd. (ARJPL), is one of the 100% export oriented ready-made denim garments industrial unit under the umbrella of FGS Group. The project commenced its commercial operation from September 2016. The overall management of the unit will be vested with a board of management. The board will formulate unit's policies and provides guidelines for its day-to-day operation. The company sourced the best branded machines which have the reputation for producing quality products in keeping with the expectations of different levels of customers. This unit is located in Ashulia, 20 kilometres North from Dhaka city centre. The unit is 1.85 acres, sensitively landscaped with a combination of award-winning designed buildings and 22,000 sft of tranquil gardens.

This report is prepared as part of completed the M.BA degree on the topics “**Accounting Practices in Tally. ERP 9 at AR JEANS PRODUCER LTD.**” To work with them as an intern. I came to know about their Accounting practices in Tally. ERP 9.

At least I have made a SWOT analysis to find out regarding the performance of ARJPL.I have included my suggestions & recommendation in order to my findings about ARJPL.

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## CHAPTER- ONE

### INTRODUCTION

#### 1.1 Introduction

Tally provided by **Tally Solutions Pvt. Ltd** which is an Indian MNC. Tally provides single user & multi user licenses depending on the size of business. Tally is an accounting software used for completing various accounting tasks quickly with perfection including reliable for inventory management & Payroll management.

#### 1.2 Objectives of the Report

The main objective is to know about the overall finance & Accounting practice maintain by ARJPL.

The specific objective is:

- To identify the accounting Practices in Tally at AR Jeans Producer Ltd.
- To be familiarized with the tally software and how it works.
- To acknowledge about the Vouchers in Tally software and the options of creating vouchers in Tally software.

I am trying my best to write down in this report as an existing employee in the company.

#### 1.3 The Methodology of Report

To make the report is presentable & meaningful I have trying to collect data by primary sources & secondary sources.

##### Primary Sources:

- Directly involve
- Face to face conversation with the staff.

##### Secondary Sources:

- Company Vouchers & Documents
- Internet
- Website of ARJPL ([www.fashionglobe-bd.com](http://www.fashionglobe-bd.com))

#### **1.4 Scope of the Report**

The report covers the organizational structure, background, functions and the performance of the ARJPL.

#### **1.5 Limitations of the Report**

There were some limitations of the report otherwise overall report is informative. Some information was not included, due to obligation as a part of management. Accounts & Finance department activities are so vast, so it's not possible to include all information within short time of internship period.

## CHAPTER 2

### Organizational Overview

#### 2.1A.R. JEANS PRODUCER Ltd.

AR Jeans producer commenced its commercial operation from September 2016. Its concern of Fashion Globe Group. This 100% export-oriented denim garments located in Ashulia, 20 kilometres North from Dhaka city centre, at Kathgora, Zirabo, Ashulia, Savar, Dhaka.

Its title slogan is..... WHERE DENIM SPEAKS.

It is one green factory of FGS Group" (with maximum eco-friendly facilities for workers), it is A.R. JEANS PRODUCER.

This green factory has less carbon emission, higher production, and save more gas, electricity and water compared to other factories.

It has total 18 Production lines in this factory and produce 700K pcs per month& No of employee above 1700.

#### 2.2 Board of Directors:

Name	Position
Ms. Umme Habiba Farzana Yeasmin	Chairman
Md. Nazmul Kabir	Managing Director
Md. Abdul Halim	Director

#### 2.3 Top Management:

Sl.	Name	Designation
1.	Mr. Abdul Matin	CEO
2.	Mr. Shamimul Islam ACMA	CFO
3.	Ravi Pramanik	Head of Operation
4.	Mr. Abdul Khalek	Group Advisor
5.	Mr. Shajan Kabir	GM-Audit
6.	Mr. Sayed Erfan	GM-Merchandising
7.	Mr. Nokib	GM-Commercial

#### **2.4 Mission & Vision:**

We strive to provide world class service and the best value to our customers. We thrive for excellence and work for ensuring a pleasant, clean and professional working condition for our employees and the people we do business with.

By leveraging the fact of life of natural grouping, A.R. Jeans visions to build an organization that would thrive on its tribal culture. After all, we all have a common story--. The story of A.R. its attitude and the way it conducts its business are part of this segment. It's all about what we are, not what we have.

#### **2.5 Goal:**

Regional expansion in the field of garment management and develop a strong base of key customers. Increase the assets and investments of the company to support the development of services. To build good reputation in the field of real estate and property management and become a key player in the industry.

#### **2.6 Design & Development**

A R Jeans Producer LTD. launched its product design & development division at the beginning of its establishment by remodelling its sampling division. This full-fledged section is delivering exactly the right samples as per client's requirement. Working with the clients closely, from an initial sketch or original sample to the development of a range of counter samples, it ensures value for clients. Its designers, all are trained in reputed institutions; blend their skills with inputs of ever-changing global fashion trend. And as a team, they develop its own collection of knitwear apparels, along with, turn over the client's sampling request

#### **2.7 Salient Features of Green Project**

Green projects are those projects that pay the highest attention to protect environment from any type of avoidable damage through use of latest green technology for sustainable development of the world. Salient features of green projects include but not limited to:

- A. Green projects are highly energy-efficient.
- B. The installed water fixtures will economies water consumption.
- C. Windows and louvers are designed in such a way that it can use maximum daylight.
- D. Solar panels of the project will provide renewable clean energy.

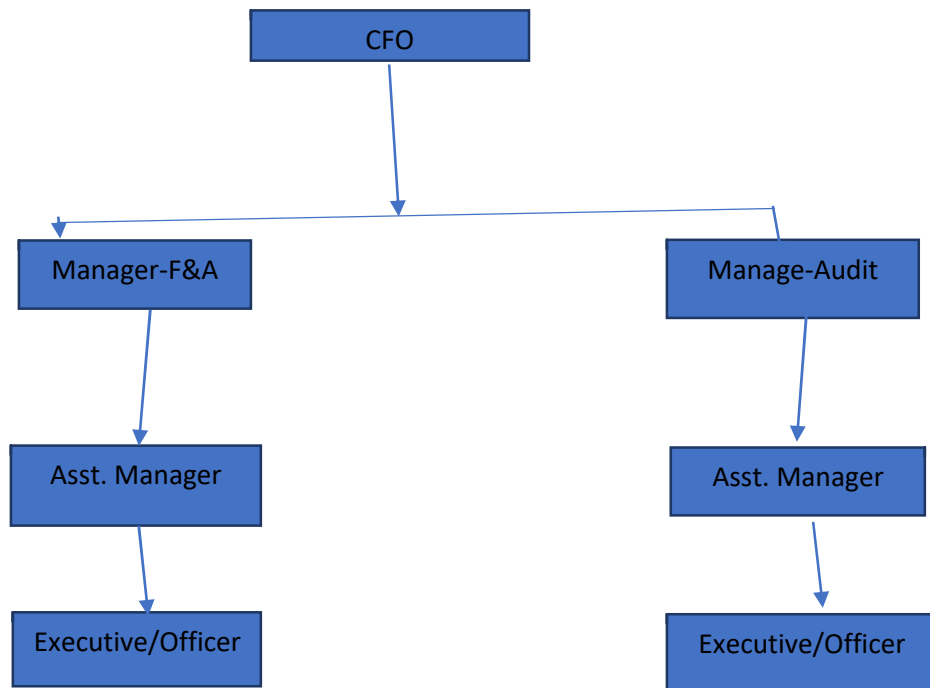
- E. LED bulbs are programmed to be switched on automatically under light deficiency or gloomy sky.
- F. Such projects have effluent treatment plant.
- G. Green projects are equipped with high quality firefighting system.
- H. Such projects feature rainwater harvesting system.
- I. Latest technology-based electricity-efficient machines produced in green factory are used in green projects.
- J. Materials used in such factories are collected sustainably managed factories/ forests/ other sources.
- K. Facilities and work environment in such projects will be highly workers friendly.

## **2.8 Valued Customers**

We are proud to have the reputed names of the apparel market in our products of many famous brands, as follows

- Pull & Bear
- Bershka
- Pepe Jeans
- London
- Spring Field
- Alcott
- LPP

## 2.9 Organ gram of Finance & Accounts department



## CHAPTER 3

### Accounting Practices in ARJPL

ARJPL is one of the 100% export-oriented garments manufacturing industries in Bangladesh, is specialized in Denim wear of reputed brands for international market. The company uses Tally. ERP9 to maintain store & manage all accounting information's. In this part of this report I have discussed about the Tally software & explain how ARJPL uses the software along the way.

#### 3.1 Accounting Software (Tally ERP9):

Tally is one of the integrated business management software. Tally ERP 9 is user friendly software. It is packed with all the features that required for regular business operations.

#### 3.2 Core Features of Tally Software:

- **Simplicity:** It is easy to setup and use. It requires general knowledge of Accounts and English to use of Tally.
- **Flexible Inventory Management:** The software allows integration of accounting and inventory information. For multiple product lines, unlimited groups, categories, batches can be defined. To monitor the inventory continuously, tally facilitates the same by providing you with analysis report. Stock movement can be tracked and item wise profit can be seen through tally.
- **Easy to Share:** No internet is needed to access accounts. Software has a build security levels data can be remotely accessed without any worry.
- **Bank Reconciliation:** Bank Reconciliation is another feature of Tally. ERP9.
- **Remote Access:** Tally. ERP 9 provides remote access from any place and anytime.
- **Technical support:** Timely support provide by Tally Service Partners.
- **Accounting while not Codes:** Tally. ERP 9 permits accounting with the regular names with none account codes.
- **Multi-lingual capability:** Tally. ERP 9 allows to user multi language such as Indian language, Arabic, English etc.
- **Scalability:** Its capable to any kind of business desires and eliminates the need for a business to alter its kind of operation, so as to adapt to the appliance.



### 3.3 How to use Tally Software

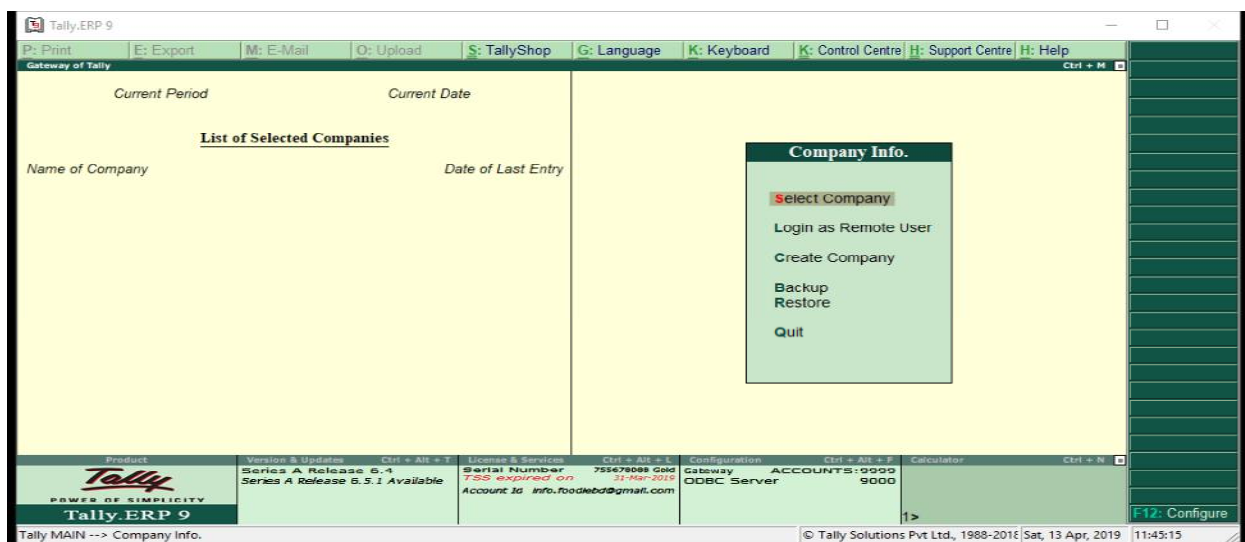
For the use of Tally, following steps must be followed:

1. Create a company
2. Enable GST features
3. Ledger creation

Below discuss the details:

#### 1. How to create a company?

- Go to Gateway of Tally > Alt + F3 > Create Company
- Enter the basic information, i.e., name, mailing name and address of the company, currency symbol etc.
- In the 'maintain field', select Accounts Only or Accounts with Inventory as per the company requirements.
- In the Financial Year from, the first day of the current financial year for e.g., 1-7-20178 will be displayed by default, which can be changed as per requirement.
- Enter the Tally Vault Password if required.
- Press Enter to accept and save.



## 2. Enabling GST features in Tally

1. Go to Gateway of Tally > F11: Features > F3: Statutory & Taxation
2. In the screen you will find following options:
3. Enable goods and service tax (GST): Yes, Set/alter GST Details: Yes.
  - This will display another screen where you can set GST details of the company such as the state in which company is registered, registration type, GSTIN number etc.
  - Press Y or Enter to accept and save.

### 1. Ledger Creation

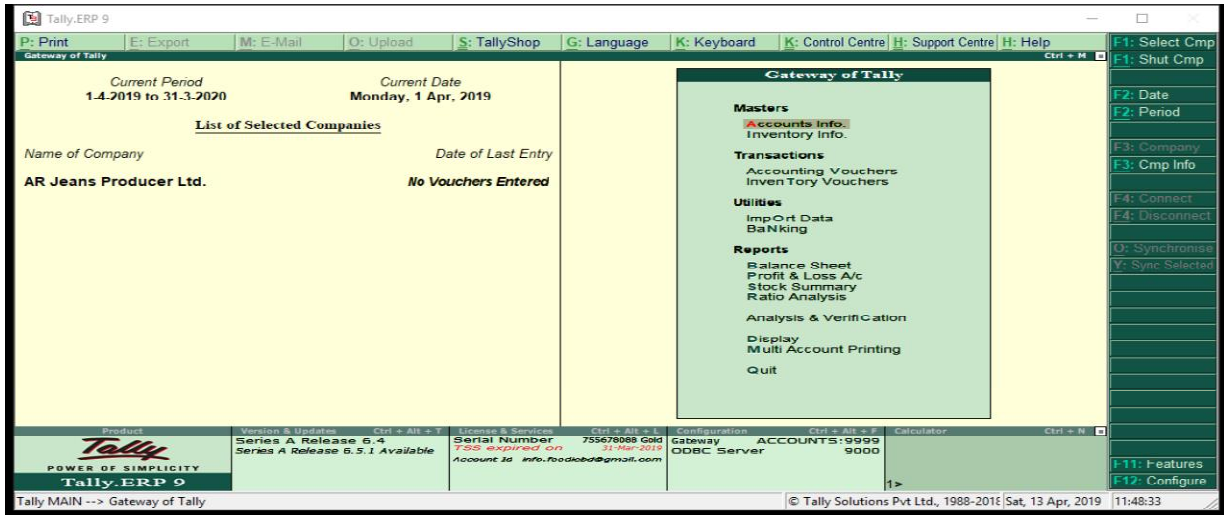
After creating a company and activating GST features, you need to create ledgers that will enable you to pass accounting entries in Tally.

Here are the following steps:

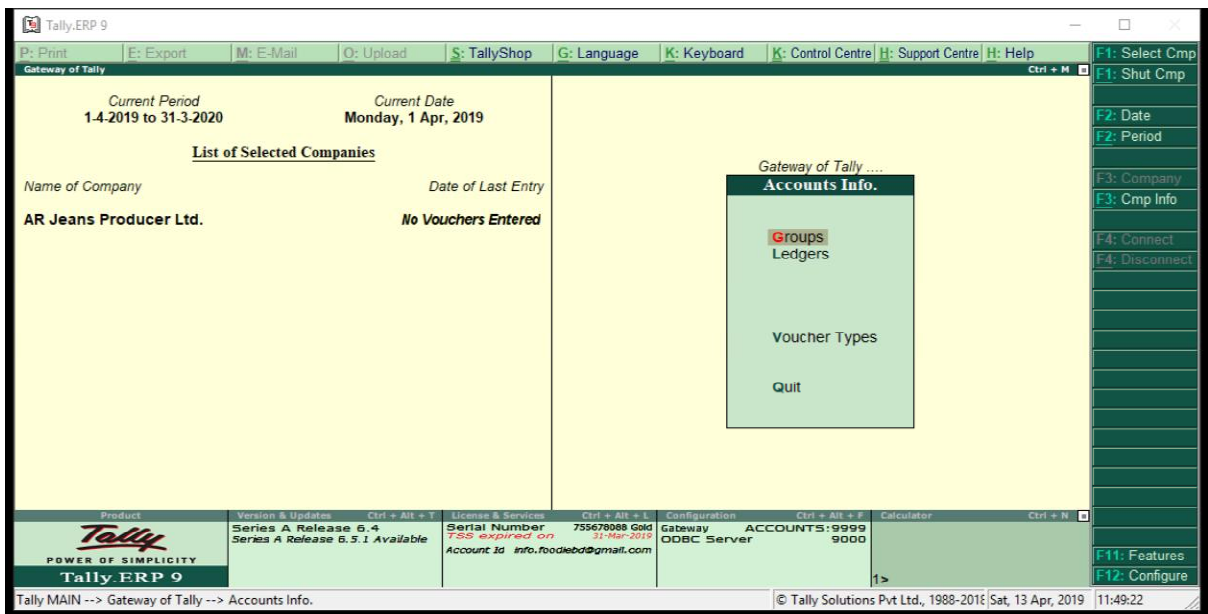
- Go to Gateway of Tally > Accounts Info > Ledgers > Create
- Enter the Name for the ledger want to create such as purchase, sales, receive etc.
- Select the appropriate group to which such ledger belongs for example state tax under duties and taxes group.
- Enter the other related information required and press Y or Enter to accept and save.

After having done the above 3 steps, you can start entering accounting entries in Tally. For this, Go to Gateway of Tally > Accounting Vouchers. There are many accountings Vouchers in Tally such as Payment, Receipt, Contra, Sales, Purchase, etc. Choose the relevant Voucher and start passing the accounting entries.

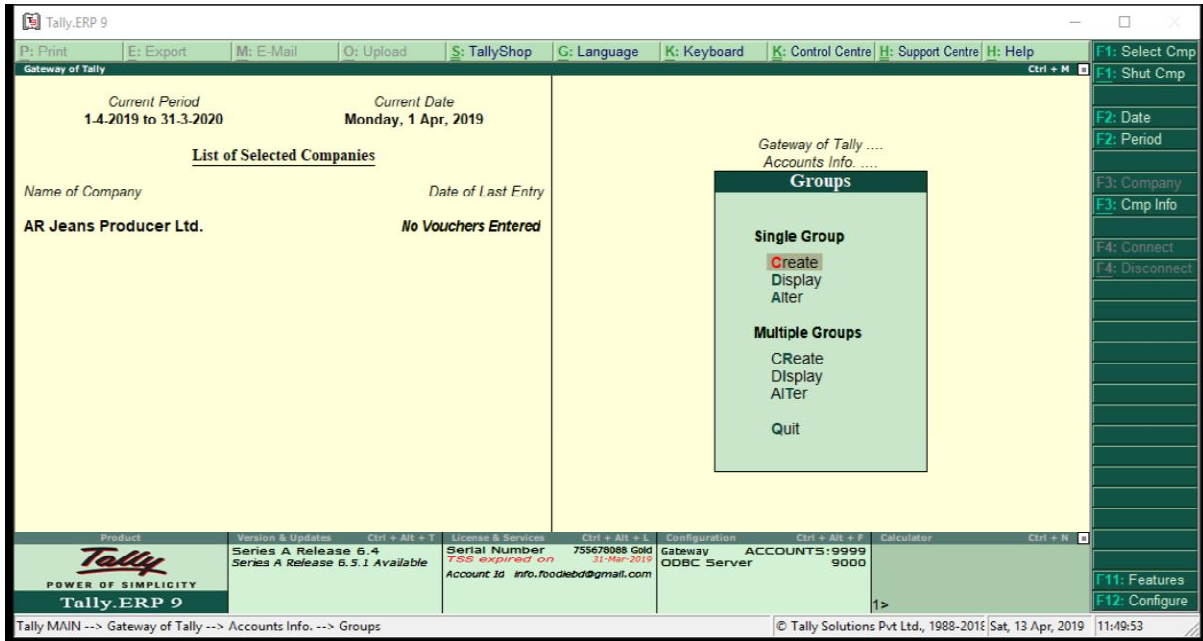
Step: 1 (Go to Account Info)



Step: 2 (Select Group/Ledgers)



Step: 3 Create Group/Ledger



### 3.4 Types of Voucher

Below is the voucher, books & register of Tally software:

**Receipt Voucher:** To Receipt voucher records all receipt in to Bank or Cash Accounts. Such as receipt from debtors, any income refund of loan or advance, sales of fixed assets etc.

Go to Gateway to Tally → Accounting Voucher → Click on F6: Receipt button presentation the button panel to have the Receipt Voucher Creation Screen.

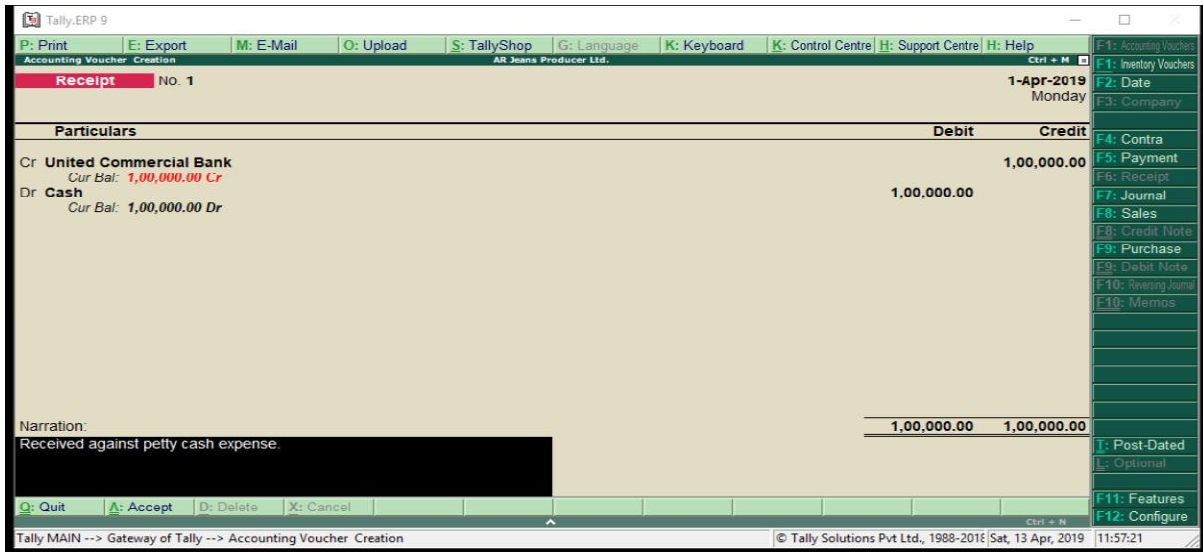
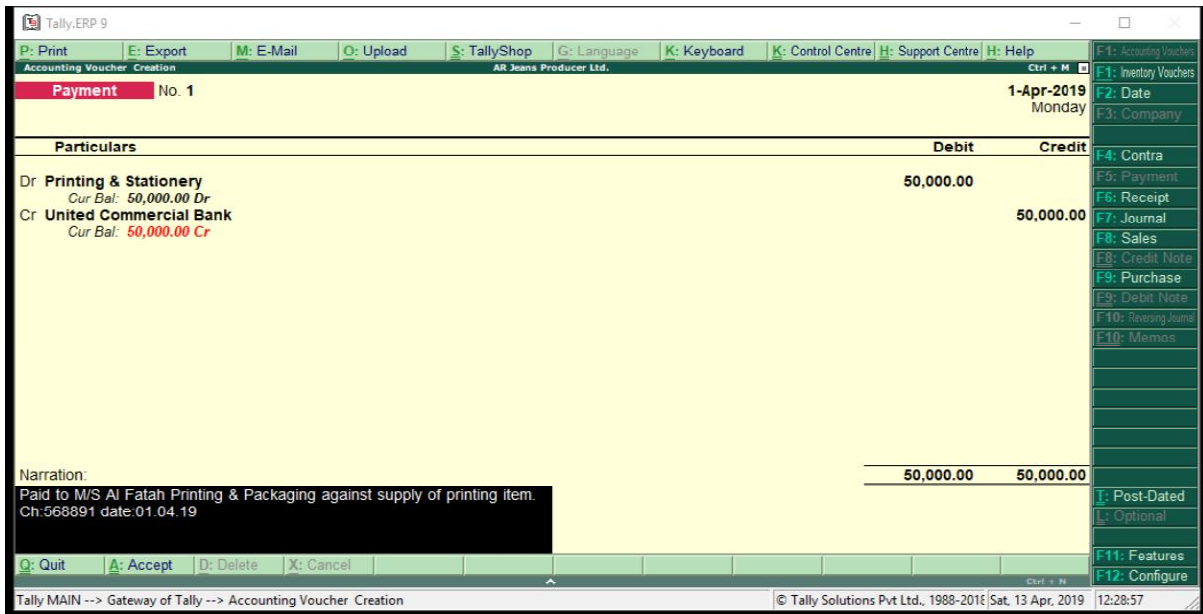


Figure: 1 Receipt Voucher

**Payment Voucher:**

Payment Vouchers records all the payments made through Bank & Cash. It is also used for payment of fixed assets, purchase, loan & advance etc.

Go to Gateway to Tally → Accounting Voucher → Click on F5: Payment button presentation the button panel to have the Payment Voucher Creation Screen.



**Figure:2 Payment Voucher**

### Journal Voucher:

Journal voucher is for adjustment between any two ledgers.

Go to Gateway to Tally  $\longrightarrow$  Accounting Voucher  $\longrightarrow$  Click on F7: Journal button presentation the button panel to have the Journal Voucher Creation Screen.

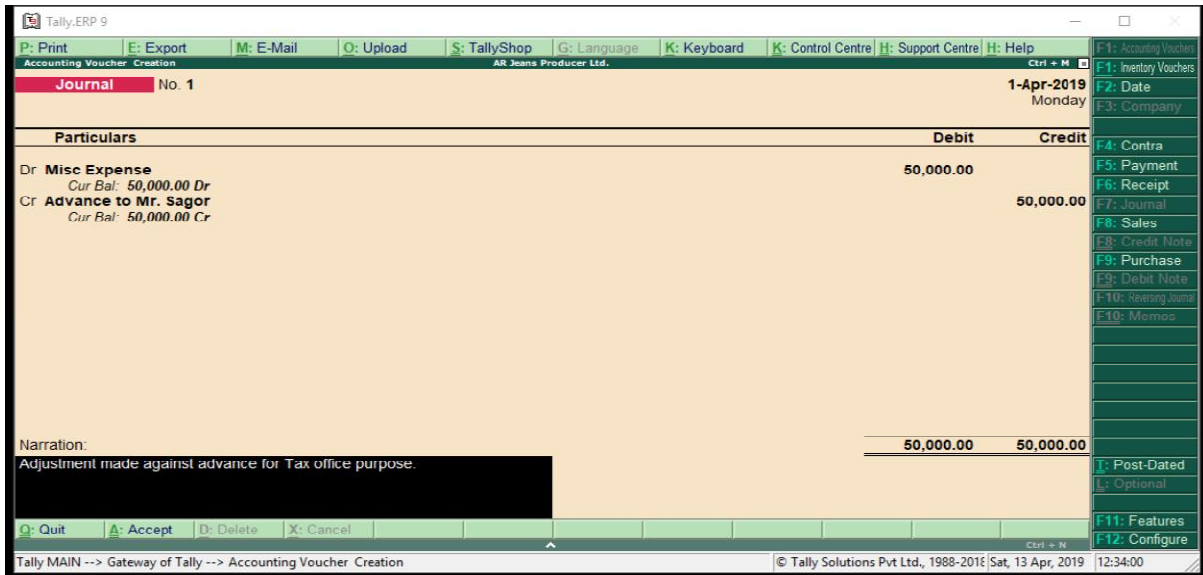


Figure:3 Journal Voucher

### Sales Invoice:

Go to Gateway to Tally  $\longrightarrow$  Accounting Voucher  $\longrightarrow$  Click on F8:  $\longrightarrow$  Click on V (As Invoice) SalesInvoice Creation Screen.

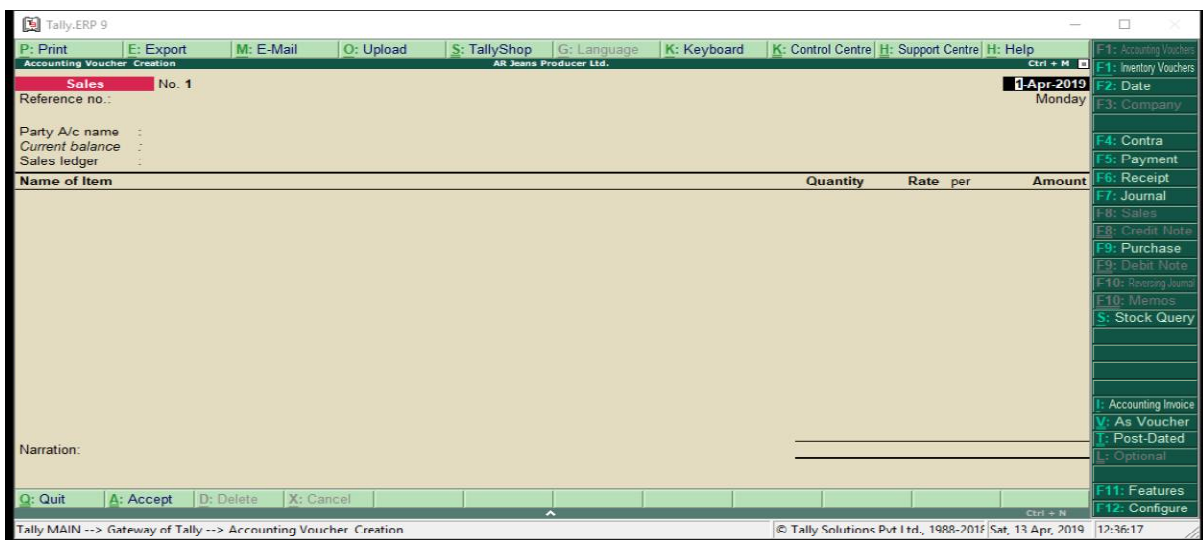
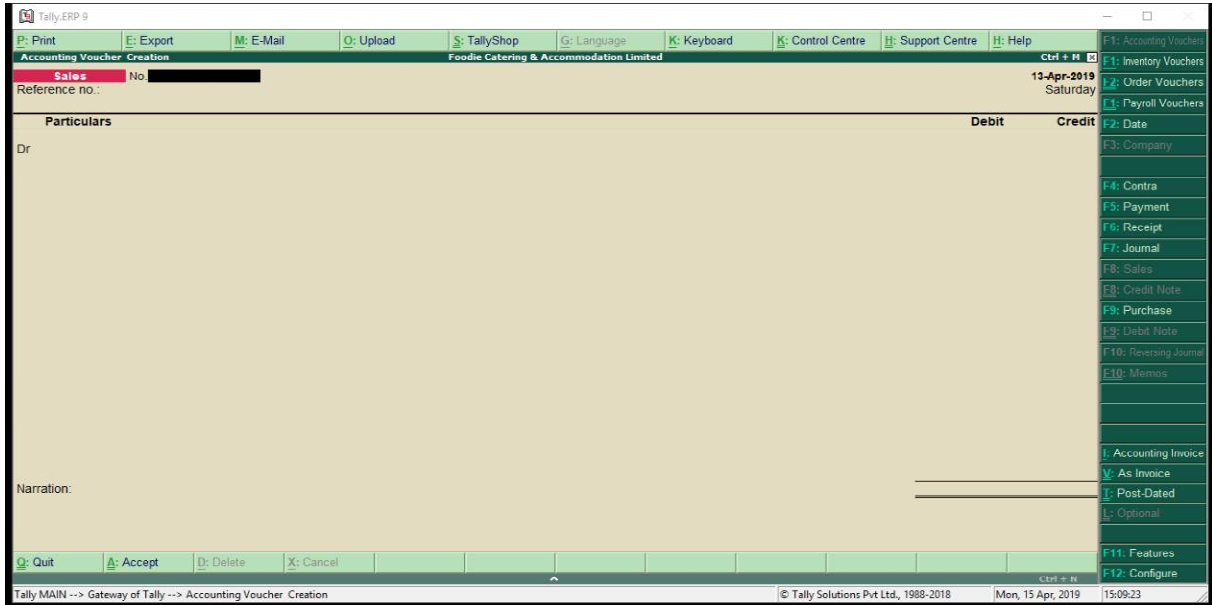


Figure: 4 Sales Invoice

**Sales Voucher:**

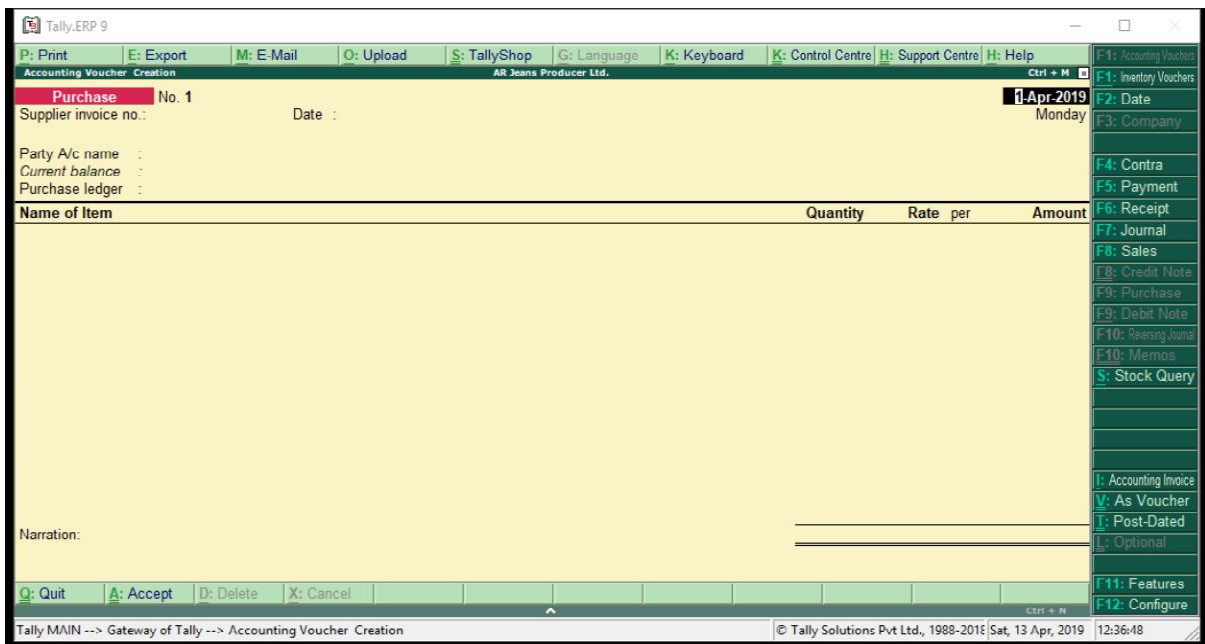
Go to Gateway to Tally → Accounting Voucher → Click on F8: → Click on V (As Voucher) Sales Voucher Creation Screen.



**Figure: 5 Sales Voucher**

**Purchase Invoice:**

Go to Gateway to Tally → Accounting Voucher → Click on F9: → Click on V (As Invoice) Purchase Invoice Creation Screen.

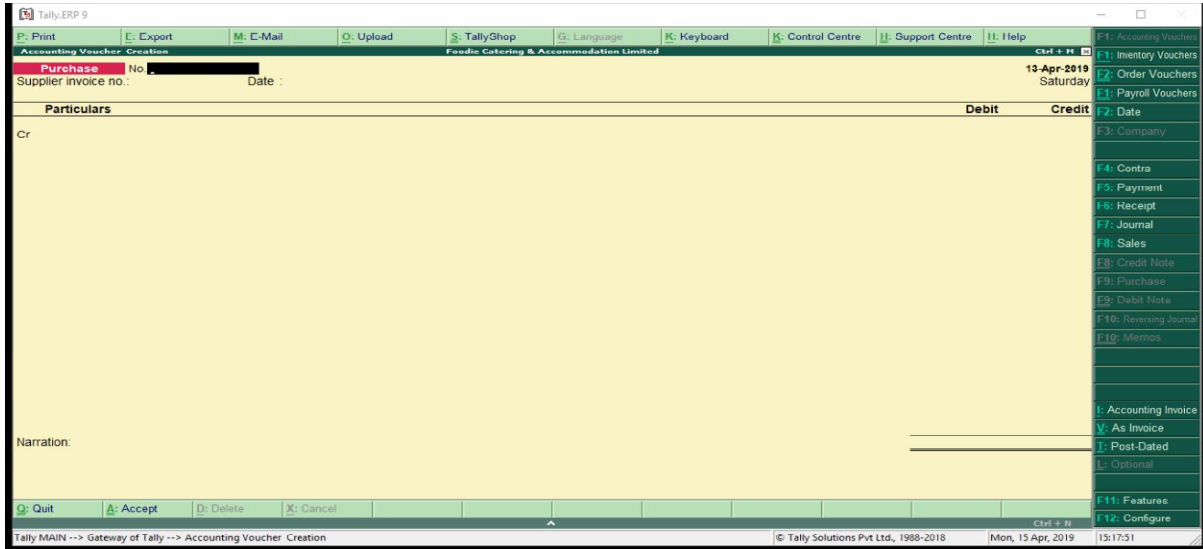


**Figure:6 Purchase Invoice**



**Purchase Voucher:**

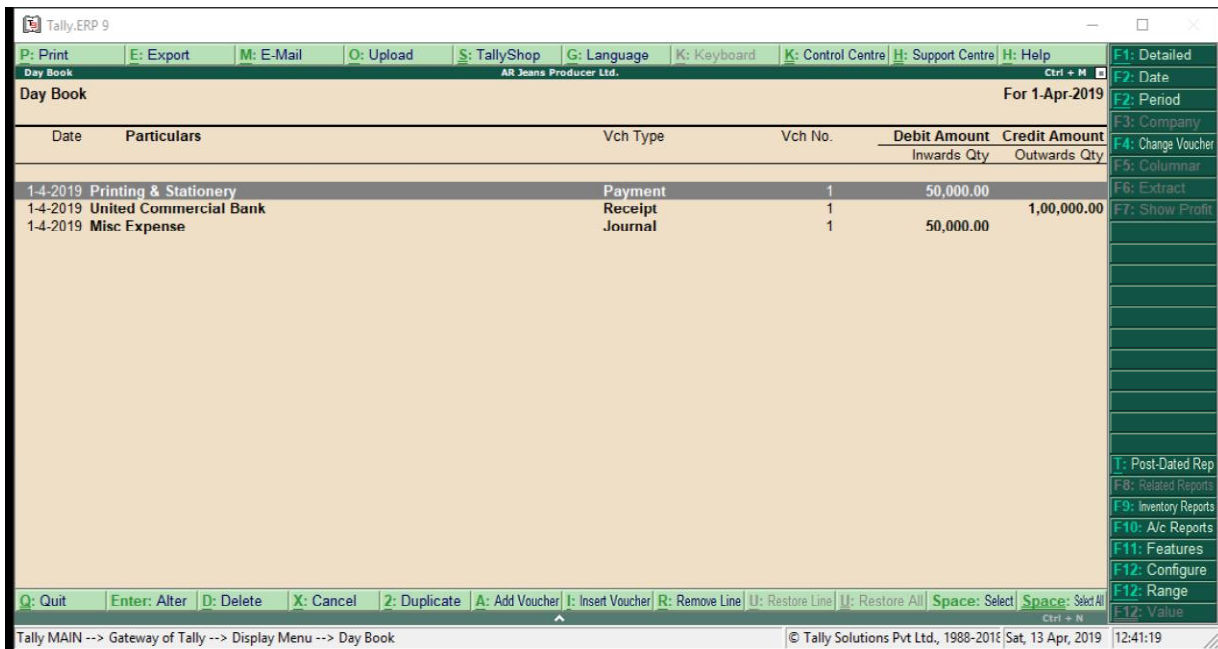
Go to Gateway to Tally → Accounting Voucher → Click on F9: → Click on V (As Voucher) Purchase Invoice Creation Screen.



**Figure: 7 Purchase Voucher**

**Day Book:** The day book list showing all transactions made in a particular day.

Go to Gateway of Tally>Display> Daybook



**Figure: 8 Day Book**

**Trial Balance:** Trial Balance is a list of closing balances of ledger accounts on a certain date and is the first step towards the preparation of financial statements. It is usually prepared at the end of an accounting period to assist in the drafting of financial statements. Asset and expense accounts on the debit side of the trial balance & liabilities, capital and income accounts on the credit side. Debit & Credit side should be equal balance.

Go to Gateway of Tally>Display> Trial Balance

Particulars	AR Jeans Producer Ltd. For 1-Apr-2019 Closing Balance	
	Debit	Credit
Current Assets	1,00,000.00	2,00,000.00
Indirect Expenses	1,00,000.00	
<b>Grand Total</b>	<b>2,00,000.00</b>	<b>2,00,000.00</b>

Figure: 9 Trial Balance

AR JEANS PRODUCER LTD.

**Balance Sheet:** A balance sheet is a statement of the financial position of a business. which included the assets, liabilities and owner's equity at a specific time.

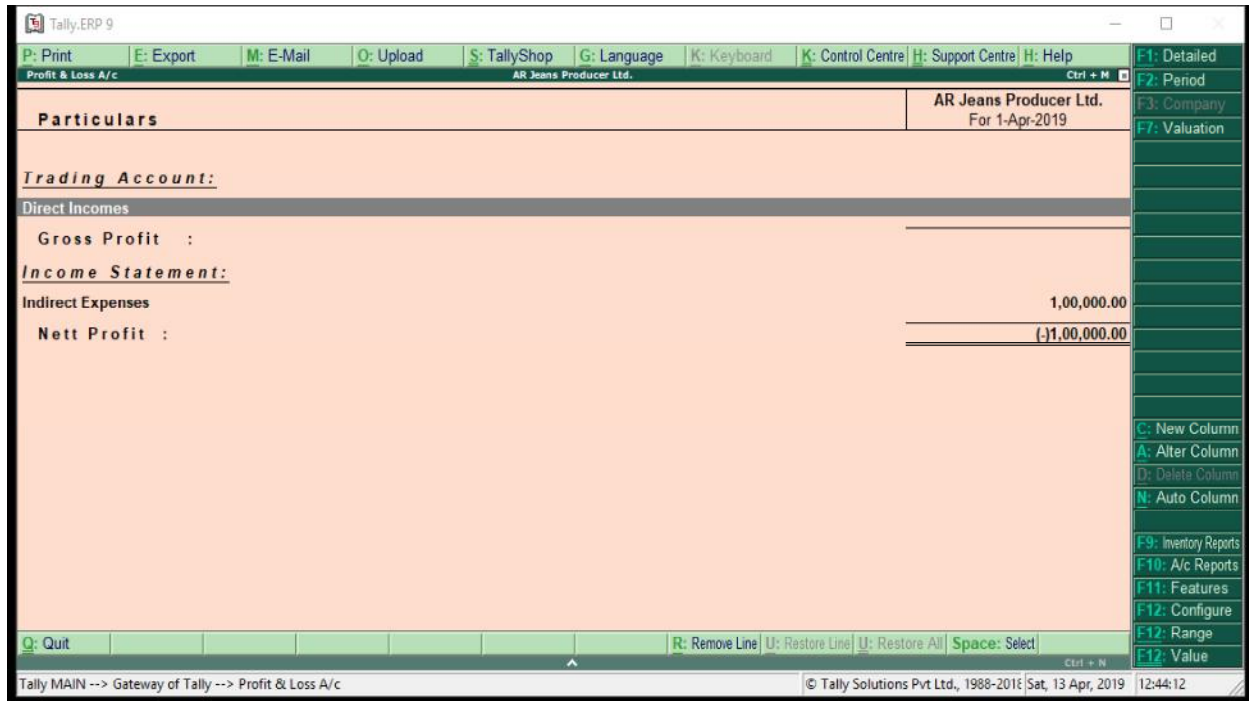
Go to Gateway of Tally>Balance sheet

AR Jeans Producer Ltd. as at 1-Apr-2019		AR Jeans Producer Ltd. as at 1-Apr-2019	
Liabilities		Assets	
Capital Account		Profit & Loss A/c	1,00,000.00
Loans (Liability)		Opening Balance	
Current Liabilities		Current Period	<u>1,00,000.00</u>
Current Assets	1,00,000.00		
<b>Total</b>	<b>1,00,000.00</b>	<b>Total</b>	<b>1,00,000.00</b>

**Figure: 10 Balance Sheets**

**Profit & Loss Account:** It's a financial statement that are showing the value of summarizes the revenues, costs and expenses that was incurred during a specified period.

Go to Gateway of Tally>Profit & Loss A/C



**Figure: 11** Profit & Loss Account

### 3.5 SWOT Analysis

<p><b>STRENGTH:</b></p> <ol style="list-style-type: none"> <li>1. Experienced professional management &amp; highly skilled worked force.</li> <li>2. Sound working environment.</li> <li>3. New Machineries &amp; latest technology</li> <li>4. Green project &amp; gold certified.</li> <li>5. Cheap Labour</li> </ol>	<p><b>WEEKNESS:</b></p> <ol style="list-style-type: none"> <li>1. Depending on foreign supplier for raw materials.</li> <li>2. Many substitutes available in their place.</li> </ol>
<p><b>OPPORTUNITY:</b></p> <ol style="list-style-type: none"> <li>1. Being a non-profit organization focuses on reducing poverty through employment.</li> </ol>	<p><b>THREAT:</b></p> <ol style="list-style-type: none"> <li>1. Local Competitors.</li> <li>2. Political instability with labour unrest.</li> <li>3. Continuously increasing VAT &amp; TAX on imported goods.</li> <li>4. Dollar fluctuations.</li> </ol>

## **Chapter 4: Findings and Recommendations**

### **Findings**

Through my internship at ARJPL I got to learn a lot about corporate environment & practical knowledge of work. This is my great opportunity to work with ARJPL accounts department, the accounts department is well set-up. The company uses Tally software is limited to accounts use only. But switching to customized software would give more flexibility and productivity. Customized software needs skilled and trained professional to operate.

### **Recommendation**

Keeping all in sight, my recommendations for ARJPL are as follows:

- The company should use customized software and which have much more control & feature.
- They should also hire professional operators or train the existing personnel. This would help save time, money, labour, and would increase in more efficiency.

### **Conclusion**

ARJPL is a leading export-oriented garment manufacturing industry, is specialized in Denim wear of reputed brands for international market. I have opportunity to work with accounts department of ARJPL. It is one of the great policies of “Daffodil International University” to let the students work in a corporate environment before the post-graduation. I have presented the internship report as a permanent employee of local RMG companies in Bangladesh named “AR Jeans Producer Ltd.” I got to know accounting practices carried out in garments company with accounting software Tally.ERP9.

Finally, I believe that my academic knowledge will be valuable to great extent for my career as I have been able to relate my knowledge with the real environment.

### References

- ❖ Website: [www.fashionglobe-bd.com](http://www.fashionglobe-bd.com)
- ❖ Internship Report on Accounting Practices in Grameen Knitwear Ltd.
- ❖ [www.talverp9uae.com](http://www.talverp9uae.com)