

In **Tally Prime**, the **Opening Balance** refers to the balances of ledger accounts at the **beginning of an accounting period**. These balances are usually brought forward from the closing balances of the previous financial year. It's essential for accurate financial reporting and continuity.

⌚ Key Concepts of Opening Balance in Tally Prime

1. When to Enter Opening Balances

- When you're **starting fresh** in Tally Prime for a new financial year.
 - When you're **migrating** from another software/system to Tally.
 - During the initial setup of company accounts.
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▣ Types of Opening Balances

Ledger Type	Example	Opening Balance Type
Assets	Cash, Bank, Debtors	Debit Balance
Liabilities	Creditors, Loans	Credit Balance
Income	Sales, Commission Received	Usually Zero
Expenses	Rent, Electricity	Usually Zero
Capital	Owner's Capital	Credit Balance

❖ How to Enter Opening Balance in Tally Prime

Method 1: While Creating the Ledger

1. Go to **Gateway of Tally > Create > Ledger**.
2. Enter ledger name (e.g., "Cash").
3. Select the correct group (e.g., **Cash-in-Hand**).
4. In the **Opening Balance** field, enter the amount and Dr/Cr.
5. Accept to save.

Method 2: Altering an Existing Ledger

1. Go to **Gateway of Tally > Alter > Ledger**.
 2. Choose the desired ledger.
 3. Enter or update the **Opening Balance**.
 4. Save it.
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□ Opening Balance Trial (Optional but Useful)

To ensure your books are accurate, the total **Debit and Credit balances** in the opening trial balance should match.

Check it here:

- **Gateway of Tally > Display More Reports > Trial Balance**
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⚠ Tips to Remember

- Only **Balance Sheet items** typically have opening balances.
 - Make sure the **Opening Balance is accurate** for Cash and Bank ledgers.
 - Avoid giving opening balances to P&L accounts like Sales or Purchases unless adjusting for legacy data.
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✓ Example: Cash Ledger Opening Balance

Field	Value
Ledger Name	Cash
Under Group	Cash-in-Hand
Opening Balance	₹25,000 Dr