

# **SUMMER PROJECT REPORT**

## **“Study of Concurrent Audit of Commercial Banks”**

Submitted to:

**DMSR, G. S. College of Commerce and Economics Nagpur**

Submitted by:

**Mr. Akhil Sunilkumar Chourse**

Company Guide:

**CA Gaurav Saboo**

Faculty Guide:

**Dr. Sonali Gadekar**

**Department of Management Sciences and Research, G.S. College of  
Commerce & Economics, Nagpur**



**Academic Year 2021-22**



## CERTIFICATE

This is to certify that the investigation described in this report titled “**Study of Concurrent Audit of Commercial Banks**” has been carried out by **Mr. Akhil Sunilkumar Chourse** during the summer internship project. The study was done in the organization, **Makks & Co. Chartered Accountants**, in partial fulfillment of the requirement for the degree of Master of Business Administration of, **G. S. College of Commerce & Economics, Nagpur.**

This work is the own work of the candidate, complete in all respects and is of sufficiently high standard to warrant its submission to the said degree. The assistance and resources used for this work are duly acknowledged.

**DR. SONALI GADEKAR**

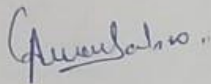
Date: 3<sup>rd</sup> January, 2022

**TO WHOMSOEVER IT MAY CONCERN**

This is to certify that **Mr. Akhil Sunilkumar Chourse**, student of Master of Business Administration [MBA] 2<sup>nd</sup> Year (Sem-III), Department of Management Sciences & Research, G.S. College of Commerce & Economics, Nagpur has successfully completed his 45 days Summer Internship Program in the field of Finance from "9/11/2021" to "28/12/2021" under guidance of **CA Gaurav Saboo**. During the period of his internship program with us he was found punctual, hardworking and inquisitive.

We wish him every success in life.

For, MAKKS & CO.  
Chartered Accountants  
FRN – 018666C



CA Gaurav Saboo  
Partner  
MRN – 149116



## ACKNOWLEDGEMENT

It is a matter of pride and privilege for me to have done a summer internship project in “**Makks & Co. Chartered Accountants**” and I am sincerely thankful to them for providing this opportunity to me.

I am thankful to “**CA Gaurav Saboo**” for guiding me through this project and continuously encouraging me. It would not have been possible to complete this project without his / her support.

I am also thankful to all the faculty members of Department of Management Sciences and Research, G S College of Commerce and Economics, Nagpur and particularly my mentor “**Dr. Sonali Gadekar**” for helping me during the project.

Finally, I am grateful to my family and friends for their unending support.

Akhil Sunilkumar Chourse

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## **INTRODUCTION**

### **Project Title: Study of Concurrent Audit of Commercial Banks**

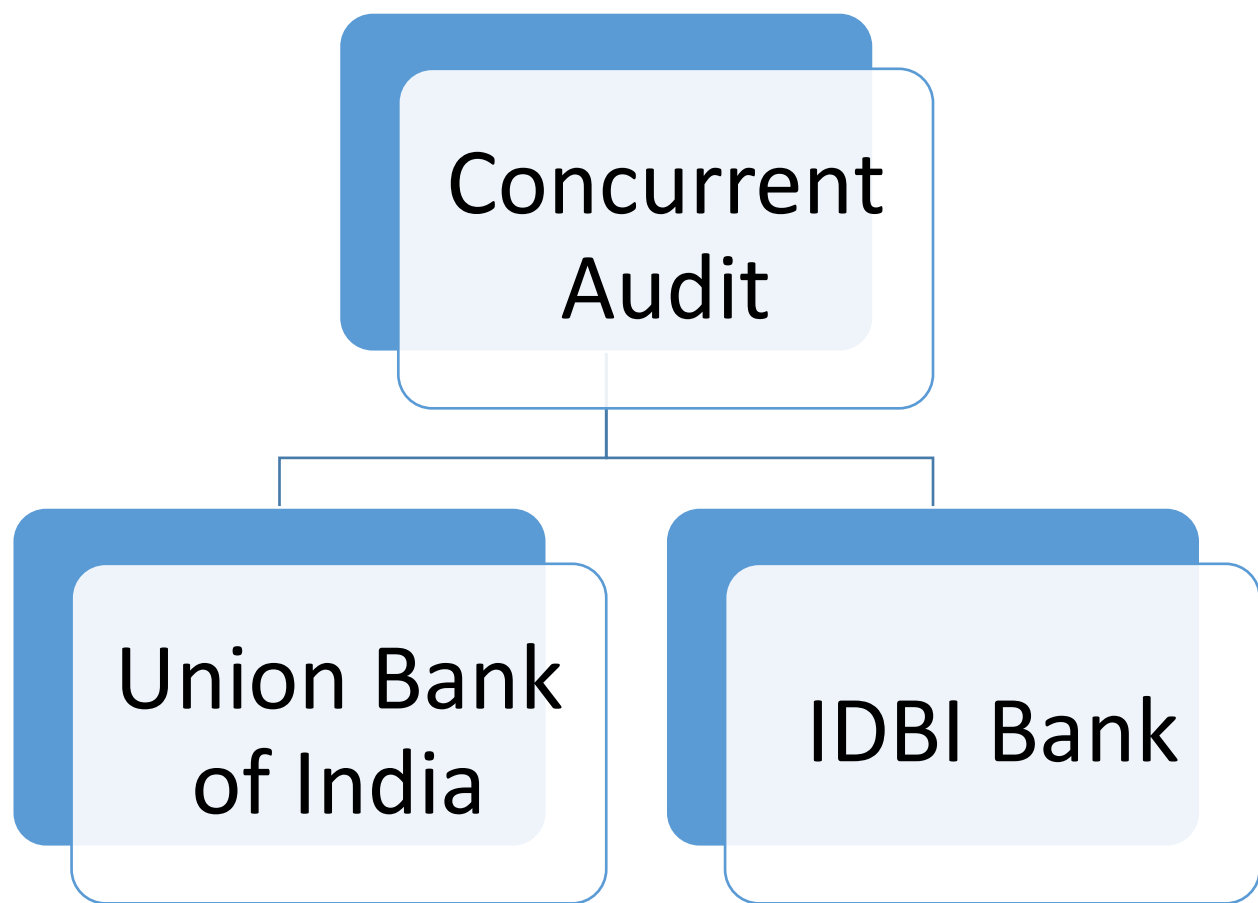
As a part of the curriculum, every student pursuing MBA to undertake a project on a particular subject assigned to them. Accordingly, I have been assigned the Project work on the Study of Concurrent Audit of Commercial Banks.

Duration: 45 days

The Study of Con-current Audit has been done under the following Commercial Banks, i.e.

I)      UNION BANK OF INDIA      (Public Sector Bank)

II)     IDBI BANK                              (Private Bank)



The above con-current audit has been done for the month of October and November of 2021.

## NOTE ON CONCURRENT AUDIT BY RBI

A High level Committee set up by the Reserve Bank of India at the instance of Government of India under the chairmanship of Shri A. Ghosh, the then Deputy Governor, to enquire into various aspects of frauds and malpractices in banks, had recommended in its report, submitted in June 1992 that a system of Concurrent Audit should be introduced at large and exceptionally large branches to serve as administrative support to branches, help in adherence to prescribed systems and procedures and timely detection of lapses/irregularities.

With a view to standardising the scope of the concurrent audit system, an informal group set up by the Reserve Bank of India comprising senior officers of some large commercial banks and the representatives from the **Institute of Chartered Accountants of India** examined the various aspects connected with the system.



As you are aware, concurrent audit aims at shortening the interval between a transaction and its independent examination. It is, therefore, integral to the establishment of sound internal accounting functions and effective controls and is regarded as part of a bank's early warning system to ensure timely detection of serious errors and irregularities, which also helps in averting fraudulent transactions and preventive vigilance in banks.

**RBI has in the past, been prescribing guidelines for scope, coverage of business/branches, minimum items of coverage, etc. for concurrent auditors of banks.** However, with the differing levels of centralization in banks, diverse nature of activities undertaken by various banks and commencement of operations by small finance banks and payments banks, a common programme of work for concurrent audit applicable to all banks may not be desirable. Further, the Expert Committee (headed by Shri Y H Malegam) appointed by the Bank has made certain recommendations in the area of Concurrent Audit.

## **A. Coverage**

- i. The scope of work to be entrusted to concurrent auditors, coverage of business/branches, etc. is left to the discretion of the head of internal audit of banks, with the due prior approval of the Audit Committee of the Board of Directors (ACB)/Local Management Committee ((LMC) in case of foreign banks) of the bank.
- ii. Banks may, however, ensure that risk sensitive areas identified by them as per their specific business models are covered under concurrent audit. The detailed scope of the concurrent audit may be determined and approved by the ACB/LMC. The broad areas of coverage under concurrent audit shall be based on the identified risk of the unit and must include random transaction testing of sufficiently large sample of such transactions wherever required. Minimum areas of coverage are given in Annex.
- iii. Care may be taken to ensure that all Centralized Processing Centres (business origination and monitoring) are covered under concurrent audit.

## **B. Appointment of Auditors**

- i. The option to consider whether concurrent audit should be done by bank's own staff or external auditors (which may include retired staff of its own bank) continues to be left to the discretion of individual banks.
- ii. The head of internal audit in the bank should participate in selection of concurrent auditors where such function is outsourced and should be responsible for the quality review (including skills of the staff employed) of the work of the concurrent auditors reporting to her/him. It may, however, be ensured that if any partner of a Chartered Accountant firm is a Director on the Board of a bank, no partner of the same firm should be appointed as concurrent auditor in the same bank.
- iii. In case the bank has engaged its own officials as concurrent auditors, they should be experienced, well trained and sufficiently senior. The staff engaged in concurrent audit must be independent of the branch/business unit, where concurrent audit is conducted.

### **C. Accountability**

- i. If external firms are appointed and any serious acts of omission or commission are noticed in their working, their appointments may be cancelled after giving them reasonable opportunity to be heard and the fact shall be reported to ACB/ LMC of the bank, RBI and ICAI.
- ii. The bank should frame a policy for fixing accountability in cases of serious acts of omission or commission noticed in the working of bank's own staff or retired staff, working as concurrent auditors.

### **D. Tenure**

- i. ACB/ LMC of the bank shall decide the maximum tenure of external concurrent auditors with the bank. Generally, tenure of external concurrent auditors with a bank shall not be more than five years on continuous basis. Further, the age limit for retired staff engaged as concurrent auditors may be capped at 70 years. However, no concurrent auditor shall be allowed to continue with a branch/business unit for a period of more than three years.

#### **E. Remuneration**

- i. The remuneration to be paid to external concurrent auditors shall be decided by the ACB/ LMC of the bank. The remuneration shall be commensurate with the scope and coverage of audit, skill sets required, number of staff required and the time to be devoted for the audit.

#### **F. Review of effectiveness of Concurrent Audit**

- i. ACB/ LMC of the bank should review the effectiveness of the Concurrent Audit system as well as the performance of the concurrent auditors on an annual basis and take necessary measures to suitably strengthen the system.

### **G. Reporting System**

- i. Banks' Internal Audit Department should develop a reporting system for concurrent auditors with the approval of ACB/LMC.
- ii. The findings of the concurrent auditors may be received in a structured format prescribed by the bank.
- iii. Minor irregularities pointed out by the concurrent auditors shall be rectified on the spot. The major deficiencies/aberrations noticed during audit should be immediately brought to the notice of Head Office/Controlling Office of the concerned branch/business unit of the bank.
- iv. A quarterly review containing important features brought out during concurrent audits should be placed before the ACB/LMC. The zone-wise findings of concurrent audit may be reported to ACB/LMC on a quarterly basis.
- v. Whenever fraudulent transactions are detected, they should immediately be reported to Internal Audit Department (Head Office) as also to the Chief Vigilance Officer as well as Branch Managers concerned (unless the branch manager is involved).
- vi. Follow-up action on the concurrent audit reports and rectification of the deficiencies should be accorded high priority by the Head Office/Controlling Office of the concerned branch/business unit of the bank.

***Minimum areas of coverage under Concurrent Audit***

1. Cash transactions including physical verification of cash, etc.
2. Loans & Advances including physical verification of securities, delegation of Powers for sanction, Security Charge Creation, end use verification of funds, monitoring of accounts with excess drawings, monitoring of projects, etc.
3. Adherence to KYC / AML guidelines including monitoring of transactions in accounts, compliance with Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS), monitoring of transactions in new accounts/staff accounts, reporting of CTR/STR, etc.
4. Remittances/ Bills for Collection including SWIFT transactions, monitoring of overdue statements (bills purchased / discounted / negotiated, etc.).
5. House Keeping including reconciliation of accounts, monitoring of General Ledger/Subsidiary General Ledger/Parking Accounts, opening of internal accounts, etc.
6. Treasury operations.
7. Non fund based business.
8. Foreign Exchange transactions.

9. Clearing transactions.

10. Verification of Merchant Banking Business.

11. Verification of Credit Card / Debit card business.

12. Conduct of employees, mis-selling of products, etc.

13. Compliance to RBI guidelines and internal Policy guidelines issued from time to time.



## **COMPANY PROFILE**

MAKKS & Co. is a pioneer Partnership Firm registered with Institute of Chartered Accountants of India.

Firm is empanelled with:

Comptroller and Auditor General of India (CAG),

Reserve Bank of India (RBI) and

Registrar of Societies of Maharashtra and Madhya Pradesh.

We provide services across multiple states, having registered offices in Maharashtra, Madhya Pradesh and Karnataka.

Partners are having experience of 5 – 35 years, making a perfect blend of young, enthusiastic and experienced leaders. We are a team of 35 people consisting of experts from different fields who are trained & technically competent.

## **Mission & Vision of Makks & Co. Chartered Accountants**

### **MISSION**

We are committed to provide customized services to our clients. Our priority is to ensure that life satisfaction for each team member is maintained and our team distinguishes itself in keeping trust, managing relations, offering efficient services and innovative solutions.

### **VISION**

We aim to be established as one of the 50 most respectful firms in our category by providing premium services in terms of quality, trust and relationship, ensuring optimum work life balance of the term members.

## Account & Advisory Services

- MAKKS Accounting Advisory Services can help you plan and complete acquisition or divestiture transactions and also our services provides you with accountability of a single rupee.

## Tax Compliance

- Our team of tax professionals draws on their diverse experiences and knowledge to provide seamless services through the entire spectrum of challenges pertaining to planning, financial accounting and tax compliance.

## Social Security Consulting

- At Present, various social security schemes are in operation for different categories of employees. All these schemes are formed after considering the benefits of employees and their future.

## Audit & Assurance

- MAKKS aims to be at the cutting edge of the evolution of best practices in the Audit domain. Our contemporary Audit Processes enable effectiveness and efficiency in our methodology.

## Company Law

- The Firm provides all the necessary services to its existing and prospective clients to facilitate Business formation in India.

## Business Advisory

- MAKKS takes care of all the Payroll processing requirements. We provide simple and convenient ways to pay salary to the employees and file tax return in time.

## VALUES STATEMENT

All of our people are proudly committed to the following values:

**Integrity** – Always dealing with our clients and our colleagues in a fair and ethical manner; gaining trust through our actions.

**Knowledge** – The value we place on our ability to develop leaders and the need to continually grow our collective technical expertise to meet the needs of ever more sophisticated clients.

**Services** – Encompasses the concept of quality in everything we do, having a service mindset when dealing with clients and demanding a lot of ourselves.

**Respect** – Respect for one another in the office will lead to greater productivity and staff satisfaction, which should result in lower turnover.

**Leadership** – Leadership both within the firm with respect to developing our next generation of leaders and within our market segment with respect to being recognized by current and prospective clients as a firm that is the leading expert in the field.

**Enthusiasm** – Employing and nurturing staff with a passion for providing the highest level quality service to our clients.

## **OBJECTIVE OF STUDY**

To have an overall idea about the Audit Procedures of Makks & Co. (Chartered Accountants).

To gain practical knowledge and experience on how the firm conducts an audit and how work is conducted in Bank and Companies.

To identify about how to accumulate and process supportive documents to make an audit report.

## **SCOPE OF STUDY**

I have been assigned in Makks & Co. (Chartered Accountants) that gave me tremendous scope to familiarize with the audit procedure of the organization.

Work performed during internship –

- Concurrent Audit of Union Bank of India, Telecom Nagar, Nagpur
- Concurrent Audit of IDBI Bank (Zonal Office), Dharampeth, Nagpur
- Stock Audit Drytech Processes Pvt. Ltd., Pandhurna, Madhya Pradesh  
{HERBALIFE NUTRITION}
- Stock Audit of Patwa Ayurvedic, CA Road, Nagpur {HAMDARD  
MEDICINE}

## **TERMINOLOGIES**

### **Bank Guarantee:**

A bank guarantee is a kind of guarantee from a lending organization. The bank guarantee signifies that the lending institution ensures that the liabilities of a debtor are going to be met. In other words, if the debtor fails to perform the obligation, the bank will cover it.

### **CERSAI:**

Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) is a central online security interest registry of India. It was primarily created to check frauds in lending against equitable mortgages, in which people would take multiple loans on the same asset from different banks.

### **EMI:**

An Equated Monthly Installment (EMI) is defined as a fixed payment amount made by a borrower to a lender at a specified date each calendar month. Equated monthly installments are used to pay off both interest and principal each month, so that over a specified number of years, the loan is fully paid off along with interest.

### Equitable Mortgage:

Equitable mortgage is also known as Mortgage by deposit of title of deeds. As the name suggest, equitable mortgage is created by the borrower in favour of the lender by deposit of title of deeds of immovable property as security to a lender until the loan is fully repaid.

### ITR:

Income Tax Return (ITR) is a form which a person is supposed to submit to the Income Tax Department of India. It contains information about the person's income and the taxes to be paid on it during the year.

### Valuation Report:

A Valuation Report is a basic inspection of a property that will determine its value. A property surveyor will look at the property's location and condition. It's important to note that a valuation report is not a house survey.



### Search (Advocate) Report:

A search report traces the the history of a company or the property held by the company – i.e. who is the original owner of the property and how it has mortgaged with various banks over a period of time before reaching the present Bank who has demanded the Search Report.

### MUDRA Loan:

Micro Units Development and Refinance Agency (MUDRA) Loan scheme under Pradhan Mantri Mudra Yojana (PMMY) is an initiative by the Government of India that offers loans to individuals and MSMEs with the help of banks and NBFCs. Collateral-free business loans offered under MUDRA Yojana come in three loan categories, named Shishu, Kishor and Tarun.

### DSA:

A Direct Selling Agent or DSA is a person who works as a referral agent for a bank or NBFC. The job of a DSA is to find potential customers for the bank they represent. To do this, DSAs will look for people who are in the market for a loan.

DST:

DST stands for Direct Sales Team. DST is a team working within the company or a bank to promote or sell the product.

Vehicle Loan:

Auto loans are secured loans where the vehicle itself is used as a collateral. It is offered by lenders for new cars, used cars, two wheelers (generally called a Two-wheeler Loan) and commercial vehicles (generally called a Commercial Vehicle Loan).

Concurrent Audit:

Concurrent Audit is a systematic examination of all financial transactions at a branch of continuous basis to ensure accuracy and due compliance with the internal systems, procedures and guidelines of the bank Reserve Bank of India and Banks have put a great responsibility on Chartered Accountants by appointing them as Concurrent Auditor of branches. Banks feel that concurrent auditors are their eyes and ears.

### Stock Audit:

Stock Audit is a process of physical verification of the physical stock maintained in the storehouse of the company and matches the results with the stock registers maintained by the company. It is also called as Inventory Audit.

### Currency Chest:

Currency Chest is a place where the Reserve Bank of India (RBI) stocks the money meant for banks and ATMs. These chests are usually situated on the premises of different banks but administered by the RBI.

### CIBIL:

The CIBIL full form can be expanded into the Credit Information Bureau (India) Limited which is the authorized credit agency by the Reserve Bank of India (RBI) that can calculate the credit score for an individual. The CIBIL meaning is basically a measurement of your creditworthiness by assigning you with a CIBIL score which is a numeric summary used by financial institutions, be it for a loan, advance or credit card application.

## CONCURRENT AUDIT SOP FOR ANY BANK (MAKKS & CO.)

### STANDARD OPERATING PROCEDURE

1. Extraction of all necessary report required for the audit such as Loan Balance File, Deposit Balance File, GL Report, Balance Sheet, Profit and Loss, Trail Balance, etc. from bank software.
2. Analysis of all reports that are extracted Deposits Verification. It includes –
3. Verification of all Account Opening forms (Saving/FD/RD etc.), KYC and FATCA.
4. Checking the nature of transactions of newly opened accounts (last 6 months).
5. Checking the debit balance in saving & current account. Advance verification –
6. Verification of All New Sanction and Renewal Account Files.
7. Extraction of Pending for Renewal Account Files.
8. Extraction of Pending for Renewal Accounts for reporting purpose.
9. Check whether processing charges, Renewal charges, CIBIL charges, inspection and any other charges where recovered as per sanction letter or not ( manual or automatic by system, where manual charges- 100%

verification & reporting required with recovery date, if recovered during the audit.

10. Stock Statement Verification.

11. New NPA Analysis and reporting.

12. Extraction and Analysis of Special Mention Account (SMA). (Probable NPA in next 0-90 days)

13. Verification of Locker Rent Register.

14. Check whether Locker Rent due are recovered, if no then report the same.

15. Verification of New Locker Account (Whether FD taken for new lockers).

16. Verification of daily Vouchers on sample basis.

17. Verification of Cash & Cash Registers.

18. ATM Verification.

19. Stationery Verification.

20. Checking of compliances done by branch of previous audits like Internal/Concurrent Audit etc.

21. Perform any additional audit procedure required as per audit report.

22. Discuss all observations with branch manager before reporting.

23. Prepare Draft Audit Report as per bank format (online & offline) and send to BM for his confirmation before final printing of reports.

24. Before submit create UDIN of the report. With Cash & bank Balance of month end, two important adverse remarks in the reports.
25. Other Business – Government Transactions, PF/Treasury collection by the branch- check for Reconciliation and Balance is not outstanding for more than reasonable time. Ask balance confirmation if required. If outstanding entries for than three months report for pendency.
26. Check for suspense entries – TDS/GST/TCS, whether cleared by 7<sup>th</sup> of the month.
27. Check for other suspense, if cleared or pending more than three months, to be reported with BM discussion.

**Note1:** Extract RBI & bank circulars on regular basis to check compliances are as per latest instructions. For e.g. change in TDS rate, TDS on cash withdrawals, change in KYC norms, Restriction of New current account opening by existing borrowers etc.

**Note2:** Keep as much documentation as possible with all your working in spreadsheet for easy access in case of future need. Excel template available, use it and modify it as per Audit needs.

## Important Areas Covered in Concurrent Audit

1. Verification of Loan and other related documents.
2. KYC Norms
3. Voucher Verification
4. Cash Management, Collection & clearing of cheques.
5. Unit inspection, verification of stock statement, audited & projected financials of borrowers.
6. Verification of daily reports generated (i.e. Balance sheet, Profit and Loss, Exceptional Report, Cash Report signed & stamp by branch manager)
7. Rate of Interest of all accounts.
8. Other security norms like camera is on running condition, burglary alarm is on working condition, locker area, cash locker, etc.
9. Verification of all the suspicious accounts (New Intermediary, Proxy Account, sundry debtors & creditors account, accounts including staff accounts are closely verify).

## **Contribution during SIP**

Day1-Day15:

On the first day, it was introductory day. I was given a task to read about Makks & Co. on its website and give some innovative ideas to make it more attractive by comparing with various CAs firms. Along with this, Sir told me to read Standard Operating Procedure of Stock Audit and Bank Audit as well. Also, go through the minutes of the meeting which was held during the Corona pandemic.

On next day, I was given some excel data entry work and in the second half I need to visit to Union Bank of India (UBI), Telecom Nagar, Nagpur with my Senior Articles, Miss Mansi Wadhwani and Mr. Abhishek Tiwari. On the first visit to the UBI bank, as an intern I just need to observe what my seniors doing and they gave me one of the loan file to read and understand what the loan file is all about and what are the necessary documents required for loan, also, to go through Sanctioned Letter as well.

The next three to four days was contributing towards the Concurrent Audit of UBI along with my seniors, in which I have given task to check all the newly opened deposits account for the month of November 2021 and fill the checklist in the finacle.



Almost one week was contributed towards the Concurrent Audit of UBI, after which I need go come back to the Office and their Sir told me to learn about mail merging.

At the end of the second week, one of the CA Premlata Ma'am was told me that we need to go tomorrow for Audit in Head Office of Sunflag Iron & Steel Company, Limited, Head Office in Sadar, Nagpur, in which we need to check the Bank Guarantees, Creditors and Debtors. As the data was huge, so as per instruction we need to go through with the big figures (amounts) on sample basis.

The next day, we have visited the SMS Company which is a Construction Company in IT Park, Nagpur and its head office in Mumbai. We have to go through the insurance covered under it, with its expiration, policy number, policy amount, etc.

The visit to Sunflag Ltd. (Head Office) and SMS Limited was one of the great experience for me. The perception of mine towards filed work gets totally changed, as this is the only place where you get many diversified opportunities to learn.

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**यूनियन बैंक Union Bank**

नगद शेषराशि बुक  
CASH BALANCE BOOK

12/11/2021 20

पिछले दिन की शेषराशि / Last day's Balance

आज प्राप्त राशि / Received Today

योग / Total

आज दी गयी राशि / Paid Today

अंतिम शेषराशि / Closing Balance

20	58	2032	00
27	20	628	00
47	66	831	00
34	15	850	00
13	52	181	00

नोटों के विवरण  
Particulars of Notes

संख्या No. of Pieces	मूल्यवर्ग Denomination	रकम Amount ₹. Rs.	₹. P.
81	X 2000	162	00
1627	X 500	813	50
483	X 100	48	00
3872	X 50	193	60
1267	X 20	25	34
4581	X 10	45	81
39	X 5	19	50
266	X 20	53	20
	X 1		
योग / TOTAL		13	40952

सिक्कों का विवरण  
Particulars of Coins

1 रु. Rs.	50 पैसे P.	25 पैसे P.	20 पैसे P.
500 X 10 केसे R.			5000
882 X 5 केसे R.			4410
900 X 2 केसे R.			1800
16 X 1 केसे R.			16
नगद शेषराशि ₹. Cash Bal. Rs.			
13 5281			

रुपये / Rupees 13 हजार 5281

बुक क्र. / Book No. 2111 Ketan 500 books-11/15

जांचकर्ता  
Checked by

प्रधान खजान्ची  
Head Cashier

विलंबित प्राप्तियां  
Late Receipts

विलंबित भुगतान  
Late Payments

Sample of Cash Verification

Day16-Day30

In the beginning of the third week, Sir told me that Faizaan and I need to go to the stock audit of Hamdard Medicine at Patwa Mehta Ayurvedic, Near CA Road Nagpur. The stock audit was continued for two days as it was the stock audit of expiry/damaged medicine from 2017-2020, and if any discrepancy is there then we need to report.

The stock audit of Hamdard Medicine was a crucial audit as it is a challenge with learning as the medicine are expiry and we need to be get ourself caution with the same as this was the time when the covid patients are still there in Nagpur.

This stock audit is a kind of third party stock audit, where the sales man of Hamdard Medicine came from Mumbai to support and see the fair checking is there or not.

During the stock audit we have been provided a Standard Operating Procedure from Hamdard Salesman (Mumbai). We have been provided a soft copy of excel

sheet in which all the details of expiry medicine was mentioned such as batch number, expiry date (between 2017 to 2020), quantity, MRP,etc.

After the stock audit completed, we need to take signatures of all the respective members who are present during the audit and send it to the Hamdard Medicine, Mumbai.

Next six to eight days, I was given a task to do Concurrent audit of IDBI Bank, Dharampeth, with my senior Miss Mansi Wadhwani. In this bank, only hoam loan files are need to check as it was a Zonal Office of IDBI Bank.

In the Concurrent Audit of IDBI Bank, I have contributed by checking loan files, whether the loan amount is given to the right (eligible) person or not. As per my senior's instruction I need to check various parameters such as processing fees, CERSAI fill form, ITR for last 3 years, CIBIL, Sale Deed, Stamp Duty, Inspection Charges, etc.

In the remaining days of the above tenure, I have given the responsibility of data entry work, in which I need to make salary sheet from pdf format to excel sheet. Also, some tally work in which I am not an expert, however some of the simple journal entries had recorded by me as per the instruction of Sir.

Day31-Day45:

The last fifteen days was very crucial and challenging as I have been allotted greater responsibility because I had completed one month in Makks & Co. as intern. In this tenure, I have contributed towards Concurrent Audit of Union Bank of India and IDBI Bank. One additional responsibility allotted by CA Aditi Maheshwari ma'am for the stock audit of Drytech Processes Pvt. Ltd., Pandurna, M.P.

First I have completed the Concurrent Audit of Union Bank of India for the month of November, 2021. At the time of wrapping up the audit report I was alone in the audit procedure without my senior. Hence it was a little bit challenging to handle all alone. But after all the needful work has been done by me then CA Anoop Tandon Sir came for the final report to verify all the work.

After completing the above audit, I need to make a format of DATA CHECKLIST which contains sixty three points under which huge number of sub-points/data. I need to take all the pictures from camera and make the same format in excel so that new employee/article/intern can make a data to have a record for MAKKS & CO.

After completing the Concurrent Audit of Union Bank of India, now its time to do Concurrent Audit of IDBI Bank for the month of November. This time the loan files are getting checked faster as I learn to know that what parameters need to check in Loan File.

At the time of wrapping up the Concurrent Audit of IDBI Bank, I was instructed to go to office and write an Article on “Why to file ITR” in question answer format. So I get one day time to complete this and I am proud to tell you that this work has been published on Makks & Co. website.

A new stock audit of Drytech Processes Pvt. Ltd was ready for me. There I have given a Standard Operating Procedure and at the time of visit I had meet with Sales team of HERBALIFE NUTRITION and Warehouse team of Drytech Processes Pvt. Ltd. They had given me hard copies of Tag Sheets which contains Raw Material, WIP Goods and Finished Goods. I had checked all the warehouses and there was no discrepancy found. The team was supportive and finally I had completed within 18 hours from Nagpur to Pandurna and return.

At last I had completed all the pending works which is related to Article and Excel work.



Telecom Nagar Branch  
32, Kaivalya, Telecom nagar, Main Road,  
Ramkrishna Nagar (Khamla ), Nagpur (Maharashtra) -440025  
Ph no. 0712-2282947, 2289234 email:telecomnagar@unionbankofindia.com

Ref: ADV/SHG/2021-22

Date: 17.09.2021

LETTER OF SANCTION

To:  
M/s SNEHAL MAHILA BACHAT GAT  
C/o Sangita Chandu Narwade  
Pratap Nagar Road, Near Nikalas Somalwar High School,  
Khamla Juni Vasti, Khamla Nagpur 440025

Dear Sir / Madam,

SUB: UNION MUDRA  
conveying of sanction Terms and conditions

With reference to your loan application dated 06/09/2021, we are pleased to inform you that we have Sanctioned Loan under Union Mudra scheme , on the following terms and conditions as under/overleaf

With special conditions, if any.

Purpose of Loan	Purchase of garment material
Loan Amount	Rs.0.50 lakhs
Repayment Period	36 Months and No moratorium period.
Rate of Interest	The rate of interest will be linked to Marginal cost of funds based lending rate (MCLR). 1 year MCLR present rate is 7.20%
Presently Applicable Rate of Interest	MCLR + 0.90 i.e. 8.10% per annum (Floating)
Equated Monthly Installments (EMIs)	36 Monthly instalments of Rs.1570/- from November 2021.
Broken Period Interest	-
Repayment Mode	NACH/ECS Mandate/Standing Instruction from your SB/Active account.
Security	Hypothecation charge on the stock/material financed by the Bank
Guarantee fee	For accounts covered under CGTMSE: No additional rate of interest over and above applicable rate of interest is to be charged to loan accounts. However, the total guarantee fee including ASF/AGF in all CGTMSE covered accounts has to be borne by the borrower fully.
Penal Interest	2% on instalment that are delayed. (This will affect your CIBIL score for future financial needs)
Moratorium	No moratorium

For &

For help and more information:  
Contact our 24 Hour Call Centre at 1800-209-5858, 1800-102-5858 (Toll Free)  
Email: [branch@unionbankofindia.com](mailto:branch@unionbankofindia.com)

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Prepayment charges	Nil, if paid from own sources.
Takeover charges	As per statutory norms.
Insurance	Mandatory. Premium to be borne by the applicant. Comprehensive insurance endorsing Bank's name (with Branch name) including Third party liability to be obtained with bank clause.
Borrower Insurance	Bank offers Life/Health/Accidental insurance at nominal premium. Strongly suggests and to protect loan liability. Union Rinn suraksha in the name of borrower conveyed
Documentation	Inter-SE agreement Articles of loan agreement AD-09(M) - Letter of Continuity. DP Note Linked to MCLR. AD 02(A) - Letter Of General Lien And Set Off. AD 12 Letter of Undertaking not to alienate hypothecated goods SD-19- Term loan agreement hypothecation of movables Interest Agreement Linked To MCLR ECS/NACH mandate/SI for recovery of loan EMI from applicant Undertaking to CIBIL By Borrower. All other documents as per Union SHG finance Scheme
Disbursement	Rs 0.50 lakhs along with margin money would be directly paid to the dealer supplying the machines by "A/C payee" PO/NEFT/RTGS.
Other charges	Processing Fee, ANNUAL FEES/CGTMSE Charges, INSPECTION Charges, Vetting & Noting Charges, CERSAI/CIBIL Charges, Stamp Duty/ Stamp paper Charges Etc To Be Borne By Borrower.
Renewal Charges	Nil.

**Special Terms and Conditions:**

- EMI is informed based on present MCLR rates, in case of changes in MCLR in future additional amount due to interest fluctuation will be recovered at the end of loan period or during the tenure of loan along with EMI.
- The Bank has every right to modify/ add/ delete any of the terms and conditions during the currency of loan at its discretion, without prior intimation.
- All other terms and conditions as applicable to the scheme from time to time.

We now request you to convey your acceptance (or) otherwise of the above terms and conditions and call on us any working day to enable us to disburse the loan after proper documentation.

Thanking you and assuring our best services at all times.

Yours Faithfully,  
Chief Manager

Accepted the above Terms and Condition:

Signature of Borrower[s]      Signature of guarantor

Date: 07/10/2021      Date:

*Signature of Borrower*  
अध्यक्ष सचिव कोषाध्यक्ष  
स्नेहल तहिला बघत भट  
खामला जुनी बस्ती, नागपुर

The above photos are the sample of Sanctioned Letter from UBI.

## **LIMITATIONS**

The study is conducted with an objective to make a thorough study of audit procedure. I have availed many facilities and faced some obstacles during my study. These obstacles may be termed as limitation of study.

Despite the study has achieved the sole purpose of doing the best work, there were certain limitations existed during the internship period.

These limitations are as follows:

Time frame to perform internship was short.

Banks and companies maintain some privacy while giving information, hence they do not disclose many thing.

As the internship was the first practical experience, it was not possible for me to know all and everything of audit procedure.

In spite of, all these limitations, I have tried to put my best efforts as far as possible.

# RESEARCH METHODOLOGY

## DATA COLLECTION:

Data collection is the systematic approach to gathering and measuring information from variety of sources to get a complete and accurate picture of an area of interest.

The present study has been made on the basis of both primary and secondary data.

Throughout the internship period I worked in Audit Department and earned experience. By working as a member of this department, I had opportunity to learn and gather knowledge, to some extent I had access to see company's voucher, ledger, audit report and so forth. I communicated with the employees and gathered information.

In order to prepare assigned project paper I have collected necessary information from two types of sources as follows:

Primary Sources Information

Secondary Sources Information

## PRIMARY DATA:

Data used in research originally obtained through the direct efforts of the researchers through surveys, interviews and direct observation.

I have collected primary information by working with two audit team and companies.

Discussing with senior, branch manager, articles, employees and Sir.

## SECONDARY DATA:

Secondary data refers to data that was collected by someone other than the user. It can be collected through references as website, journal, books, magazine etc.

I have also collected secondary information like previous month concurrent audit report, accounting system and audited working papers.

The information was obtained from various corresponding files of the bank and company.

## FINDINGS

- Internship at Makks & Co. Chartered Accountants was my first experience. I learnt lot of new things.
- Initially, I knew about types of loans, then deeply learn about their Product and Services, etc.
- Get to know about the accuracy, authenticity, compliance with procedures and guidelines in Concurrent Audit.
- Get the in-depth knowledge about the identification of the slow-moving stock, deadstock, obsolete stock, and scrap. Finding discrepancies between recorded stocks and physical stock. Update the physical stock that matches the recorded stock. Proper preservation and handling of stocks.
- I found that auditing is not an easy task. With auditing there comes a great sense of responsibility to the eligible Chartered Accountants. This is the department from where frauds can be caught and this department is a great source of opportunity for many to learn and get in depth experience about the banking system and its core functions.

## CONCLUSION

Makks & Co. (Chartered Accountants) internship program has offered me a great opportunity to grow and develop. It has propelled me to able to overcome challenges and develop my career. I learnt extensively about Audits, the importance of audit, learn MS-Excel, got aware about many concept such as Bank Guarantee, EMI, Loan against Property, etc.

The Program has enhanced my knowledge and skills as well as improved my professional ability to work in a multilateral environment. Working in MAKKS & CO. (Chartered Accountants) as an intern was not only honor & privilege but a lifelong experience that will forever shape my professional life. This was a great experience.

The partners of Makks & Co. have inspired me to serve rather than expect to be served by sub-ordinates. I am very appreciative of this opportunity and forever grateful MAKKS & CO. (Chartered Accountants) for giving the opportunity to not work as an intern but also enabled me to enhance my abilities, to take responsibility and accomplish it. This Internship has boost my confidence to work with responsibility and accomplish every assignment efficiently.

## **SUGGESTION**

The firm is doing already well and the firm do not required any other suggestion.

But if I want to suggest to the firm than I will suggest to the firm to get a own Office rather than rented so that every employee/article/intern/CAs can have good working environment.

The company should also focus on the weaker section and come up with new plans so that they can accomplish their Mission and Vision.

The policies and plans should be flexible in nature.

## **BIBLIOGRAPHY**

<https://makks.co.in>

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[www.bankbazaar.com](http://www.bankbazaar.com)

[www.citesales.com](http://www.citesales.com)

[www.cibil.com](http://www.cibil.com)

[www.rbi.org.in](http://www.rbi.org.in)

Talk with CA Anoop Tandon (Makks & Co.'s partner)

Talk with Branch Manager of Union Bank of India, Telecom Nagar, Nagpur

Taking notes from my personal diary during internship.